



HELP Newsletter

2015 December Edition

Welcome

Welcome to the 2015 December edition of the HELP Newsletter. The Student Information and Learning Branch would like to wish all of our HELP providers a Merry Christmas and a Happy New Year. We hope you have a safe holiday break and look forward to working with you in 2016.

If you have questions about the information contained in this newsletter, please email HEenquiries@education.gov.au.

It is important to note that people who receive this newsletter are listed as contacts in the HELP IT System (HITS). If an employee in your organisation would like to receive this newsletter please have their details added as a contact in HITS. For instructions on how to add a contact in HITS, please refer to the [HITS](#) user guide.

Changes to HELP legislation

Overseas HELP and TSL debt recovery

On 9 November 2015 the Senate passed the Education Legislation Amendment (Overseas Debt Recovery) Bill 2015 and the Student Loans (Overseas Debtors Repayment Levy) Bill 2015. These Bills introduce a repayment obligation for Australians living overseas with a HELP or Trade Support Loan (TSL) debt. This means that Australians living overseas and earning above the minimum repayment threshold will be required to make the same repayments as if they were living in Australia.

From 1 January 2016, people with HELP and TSL debts who move overseas for six months or more will be required to notify the Australian Taxation Office (ATO). HELP and TSL debtors who are already overseas will have until 1 July 2017 to notify the ATO.

From 1 July 2017, people with HELP or TSL debts who are non-residents for tax purposes will be required to assess their total Australian and foreign-sourced income each year (starting with income earned in the 2016-17 financial year) in order to make income contingent repayments if they earn above the repayment income. For the 2015-16 financial year, this threshold is \$AUD 54,126.

Further information on these changes may be found on the *Study Assist* website at www.studyassist.gov.au.

For specific enquiries, please email HEenquiries@education.gov.au.

Higher Education Legislation Amendment (Miscellaneous Measures) Bill 2015

The Higher Education Legislation Amendment (Miscellaneous Measures) Bill 2015 was passed by the Parliament on 24 November 2015. The Bill extends access to student loans to eligible New Zealand citizens who have been long-term residents of Australia since childhood. This will commence from 1 January 2016.

The New Zealand measure will extend eligibility for all loans under the HELP scheme (HECS-HELP, FEE-HELP, VET FEE-HELP, OS-HELP and SA-HELP) to Special Category Visa holders who:

- first entered Australia as a dependent minor aged under 18 years at least 10 years before applying for HELP;
- have been physically present in Australia for at least eight of the previous 10 years at the time of application for HELP;
- have been physically present in Australia for at least 18 months out of the last two years at the time of application for HELP; and
- are otherwise eligible for the loan.

The department is in the process of updating the *Administrative Information for Providers* to reflect the changes made by the Bill. Providers will be advised when this document is available.

Labor 2013-14 Budget Savings (Measures No.2) Bill 2015

The Labor 2013-14 Budget Savings (Measures No. 2) Bill 2015 was passed by the Senate on 3 December 2015. The Bill removed the 10 per cent HECS-HELP up-front payment discount for all units of study with a census date on or after 1 January 2017 and the five per cent HELP voluntary repayment bonus for all voluntary repayments made from 1 January 2017.

The Bill will also replace the current Student Start-up Scholarships with income-contingent loans. Any questions regarding this measure should be directed to the Department of Social Services at dssfeedback@dss.gov.au.

New VET FEE-HELP reforms commencing 1 January 2016

On 3 December 2015, the Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015 (the Bill) passed the Parliament and will shortly take effect. The passage of the Bill sees the completion of a series of reforms to strengthen the governance of the VET FEE-HELP assistance scheme protection for students and the taxpayer.

By now, all VET FEE-HELP approved providers would have received a letter containing advice to assist in the implementation of the new arrangements from 1 January 2016. If you have not received this letter please contact TSenquiries@education.gov.au (with 'VFH Reforms' in the subject line).

The new measures which come into effect on 1 January 2016 include:

- broadening the circumstances for the re-crediting of students' debts;
- strengthening the assessment criteria for, and ongoing scrutiny of, all training providers;
- ensuring student debt is incurred in line with course delivery through the introduction of sequential fee periods for charging purposes, with a minimum of three census dates per course;
- establishing minimum pre-requisite and prior education qualifications, including demonstrated literacy and numeracy requirements;
- protection for students under the age of 18 (for students under the age of 18, a parent or guardian must endorse the request for a VET FEE-HELP loan by co-signing the request form), or students must provide Centrelink evidence of receiving, or having received, youth allowance (within the meaning of the *Social Security Act 1991*) on the basis that the student has been assessed as independent (within the meaning of Part 2.11 of that Act);
- ensuring students are fully aware of any debts they may incur after the census date by issuing a student with a VET FEE-HELP Invoice Notice at least 14 days prior to each census date for a VET unit study;
- provisions to prohibit the acceptance of a VET FEE-HELP loan request from a student until a two-day 'cooling off' period has elapsed after enrolment; and
- enhancements to the government's powers to deal with unacceptable behaviour through the introduction of an infringement notice scheme attached to civil penalty provisions.

On 1 December 2015, the Government also announced additional measures that will come into effect from 1 January 2016 to strengthen the VET FEE-HELP scheme ahead of the introduction of a new model to commence in 2017. These additional measures were outlined in the letter to VET FEE-HELP providers and are summarised as follows:

- freezing the total loan limit for existing providers at 2015 levels (as calculated at 1.5 x loans incurred from 1 January to 31 August 2015);
- introducing new entry requirements for training providers wishing to offer VET FEE-HELP loans;
- moving to payment in arrears for certain providers; and
- pausing payments to providers for new enrolments where there are concerns about performance.

The department will be writing to all providers to confirm loan limit and payment arrangements for 2016 shortly.

The department is in the process of updating the *VET Guidelines* and the *Addendum to the Administrative Information for Providers* to reflect the changes made by the Bill. Providers will be advised when these documents are available.

Summary of VET FEE-HELP reforms to date

There were **three key dates** for implementation of the VET FEE-HELP reforms: **1 April 2015**, **1 July 2015** and **1 January 2016**. The VET FEE-HELP reforms which were implemented prior to 1 January 2016 are outlined in the table below:

1 April 2015 – ban on prohibited inducements.

1 July 2015 – From this date VET FEE-HELP approved providers must:

- not charge a student a fee to withdraw, or impede a student's withdrawal, from a unit of study;
- ensure all marketing of VET courses and VFH is not misleading;
- require written agreements with any agent they use to market VET courses supported by VET FEE-HELP;
- be responsible for their agents' actions;
- require their agents to identify the VET provider that a prospective student will be referred to, and the name of the course, and disclose that the agent will receive a commission if the person enrolls in the course;
- disclose the names of all agents in an easily-accessible location on their websites;
- provide information about their courses and a student's rights and obligations to each student prior to enrolment; and
- provide easily accessible tuition fee and census date information on their websites.

Any queries about the reforms and their implementation should be directed to TSenquiries@education.gov.au (with 'VFH Reforms' in the subject line).

Clarification of the VET FEE-HELP Invoice Notice Requirement

The Department of Education and Training has received queries regarding the new requirements to provide students with a VET FEE-HELP Invoice Notice. The department has provided the following information as clarification.

Undertaking a higher level VET qualification requires serious commitment. It is apparent that in the past some students have found themselves signing up to VET FEE-HELP assistance on or shortly before the census date, without time to consider the debt they were about to incur and without an adequate opportunity to withdraw from the course if they had changed their mind. The purpose of the VET FEE-HELP Invoice Notice is to ensure that students are well informed about any VET FEE-HELP debt they may incur at least 14 days before the date they incur the debt (that is, the census date).

What about students who have not decided how they will pay for their course/units of study 14 days before the census date?

To comply with the invoice notice requirement, providers will need to ensure their administrative processes allow students to receive a VET FEE-HELP invoice notice at least 14 days prior to the census date for a unit of study. To streamline the process, some providers may decide to outline the required information on invoices to all students, regardless of whether the student is seeking VET FEE-HELP loan assistance. Should a provider choose this action, it must be clear that VET FEE-HELP is a choice, with the appropriate and relevant information provided as required by the guidelines, and advice that other payment options are available if applicable.

Do providers need to use specific wording in the VET FEE-HELP Invoice Notices?

No. The *VET Guidelines* specifies the information that is required to be included in the Invoice Notice. While the wording does not have to be copied exactly from the guidelines, all listed information must be included in the Invoice Notice. The department has not developed a template for the Notice.

For clarification of the reforms following updating of the *VET Guidelines*, please refer to the *Addendum to the VET Administrative Information for Providers* incorporating the VET FEE-HELP Reforms 2015/2016. The latest version (12 October 2015) is currently available at www.education.gov.au/help-resources-providers and will be updated shortly.

Student Payment Updates

Changes to means testing arrangements for youth payments (Youth Allowance and ABSTUDY)

On 12 November 2015, Parliament passed the following changes to student payments, as announced in the 2015–16 Budget:

- from 1 January 2016, the Family Assets Test (FAT) and the Family Actual Means Test (FAMT) will be removed from Youth Allowance and ABSTUDY Living Allowance parental means testing arrangements. This will align these payments with Family Tax Benefit Part A (FTB Part A), which does not include a FAT or FAMT. Current exemptions from the Youth Allowance and ABSTUDY Living Allowance parental income test will also be aligned with the existing arrangements for FTB Part A. There will be no Low Income Health Care Card and New Enterprise Incentive Scheme exemptions from parental income testing for Youth Allowance and ABSTUDY Living Allowance;
- from 1 January 2016, the treatment of maintenance income will align with arrangements applying to FTB Part A, by removing child support amounts from the Youth Allowance and ABSTUDY Living Allowance parental income test assessment;
- from 1 July 2016, all dependent children will be included in the family pool calculations for the Youth Allowance and ABSTUDY Living Allowance parental income test (currently only those aged 16-21 years are included); and
- from 1 January 2017, the treatment of child support will be further reformed by applying a separate maintenance income test as currently applying to FTB Part A.

Masters by coursework 2015

Assessments have been completed for the current Masters by coursework assessment process and recommendations for new course approval for student payment purposes will be submitted to the Minister for Social Services in December. Higher Education Providers can expect to be notified of the outcome of their submissions in early 2016. Queries regarding the Masters by coursework process can be directed to MastersApps@dss.gov.au.

Student Start-up Loan

From 1 January 2016, the Student Start-up Loan will replace the Student Start-up Scholarship and will be available to new student payment recipients (Youth Allowance (student), Austudy or ABSTUDY Living Allowance) undertaking higher education. It will be a voluntary income contingent loan which students will be able to apply for to help with the costs of study. The Loan will be paid a maximum of twice per year, generally at the beginning of each semester. Each Loan payment will be valued at \$1,025 (to be indexed from 1 January 2017).

Students will be required to repay the Loan once their income exceeds the minimum repayment threshold, currently at \$54,126 for 2015-16. Payment arrangements will be managed by the Australian Taxation Office in the same manner as the Higher Education Loan Programme (HELP) debts. Repayment of the Loan will be delayed until after any HELP debt is completely repaid.

Students, who have previously received a Student Start-up Scholarship or Commonwealth Education Costs Scholarship and remained continuously in receipt of student payments, will continue to receive the Student Start-up Scholarship as a grant until coming off student payments.

New Distance Education and Updated Study Loads DHS Webpages

A New Distance education webpage and an updated Study Loads webpage are now available on the Department of Human Services website.

Students and providers can view these webpages to gain useful information about full-time study load requirements for traditional face to face and distance or online study.

This will allow the students to make better informed decisions about possible study payment entitlements and changes to study load and their potential impacts.

Providers and students can create their own customised brochure from the Department of Human Services website containing relevant information by accessing either humanservices.gov.au/austudy, humanservices.gov.au/youthallowance or humanservices.gov.au/Abstudy. To access this option, they can click on the icon below if it appears on the webpage.



HELP forms for eligible New Zealanders

The Department is developing specific Commonwealth Assistance Forms (CAFs) to be used for eligible New Zealanders and these CAFs will be made available to providers in small numbers. The CAFs can be ordered via email to HEenquiries@education.gov.au, they will not be available to order through HITS.

More information for providers on a range of issues, including clarification on who is an SCV holder, collecting evidence from students and reporting data, please see this [FAQ document](#) or email HEenquiries@education.gov.au.

An FAQ page has also been created for students on *Study Assist* [here](#).

Government electronic Commonwealth Assistance form (eCAF) project – update

The development of the Government eCAF is progressing well. Over the last few months the project team has conducted user experience testing (UET), in two separate sessions, one session with students and the other with a number of HELP providers. The feedback received at these sessions was very constructive and the department has taken on many of the suggestions. We believe this will result in a more efficient and streamlined eCAF system for all users.

We are currently implementing changes from the UET and anticipate that we will be able to provide participants with a demonstration of the system, via a webinar, in February 2016. This demonstration will give participants an understanding of how the system will work and an opportunity to provide feedback. In March 2016, the department plans to conduct user acceptance testing (UAT) of the system, again with groups of students and HELP providers and lockdown the first phase of the systems developments. More information about UAT will be made available in the coming year.

If you wish to participate in the development of the Government eCAF, or have any questions about the Government eCAF project, please email HEenquiries@education.gov.au.

HITS/I:AM

Please be advised that the HITS user guide has recently been updated. The new version (version 5 – December 2015) can be found at <http://education.gov.au/help-it-system-hits-user-guide>.

In conjunction with the HITS user guide available to you are the online training videos. These videos provide step by step instructions on how to perform specific tasks in HITS and the I:AM system. Please view our short training videos that are also available on the department's website at <http://education.gov.au/help-it-system-hits-user-guide>.