

Senate Committee: Education and Employment

QUESTION ON NOTICE Additional Estimates 2016 - 2017

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000340

Senator Cameron, Doug provided in writing

VET FEE-HELP - loans issued inappropriately

Question

The ANAO report into the administration of the VET FEE-HELP scheme identifies in paragraph 2.16 that an amount of loans were 'issued inappropriately'. How was this amount determined? Will students who have the \$1.2 billion of inappropriately issued debt recorded against their names be required to repay it if the Department doesn't succeed in getting it back from providers? Did the actuary report on who these students are?

Answer

- The figure reported in the ANAO report was determined by the Australian Government Actuary. See answer to SQ17-000344.
- The Department of Education and Training is actively pursuing all avenues to seek recovery of inappropriately claimed VET FEE-HELP payments from providers (and cancel the associated student debts) that engaged in widely publicised abuses of the program. The department is working closely with the Australian Skills Quality Authority (ASQA) and the Australian Competition and Consumer Commission (ACCC) as well as undertaking its own investigations and action to deal with non-compliance in the VET FEE-HELP scheme.
- The ACCC and the department have instituted joint action against four VET FEE-HELP providers that are alleged to have breached the Australian Consumer Law by engaging in misleading and unconscionable conduct when enrolling students into eligible VET FEE-HELP courses. The ACCC and the department are seeking to cancel the VET FEE-HELP debts of students who were misled by these providers, and recover the amounts from the providers.
- The ACCC has accepted court enforceable undertakings from a further two VET FEE-HELP providers found to have engaged in misleading and unconscionable conduct. These providers have undertaken to cancel the VET FEE-HELP debts of students affected by certain marketing practices that breached the Australian Consumer Law, and to repay the Government any amounts received as a result of these enrolments.
- The department has established a dedicated Complaints Handling Unit to negotiate directly with providers on behalf of students that allege they have incurred VET FEE-HELP debts as a result of misconduct by providers or their brokers. From May 2016 to March 2017, the Complaints Handling Unit has successfully negotiated a commitment from providers to remit over 2100 VET FEE-HELP debts worth \$19.5 million.
- The department is continuing its investigations and audits of VET providers.