

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2016 - 2017**

Outcome: Skills and Training

Department of Education and Training Question No. SQ17-000548

Senator Paterson, James provided in writing

Compliance action being taken against unscrupulous providers

Question

Can the Department update the Committee on compliance action being taken against unscrupulous providers to cancel student debts and recoup costs for taxpayers?

Answer

The Department of Education and Training is working closely with the national VET regulator, 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 unscrupulous providers, and cancel VET FEE-HELP debts that were inappropriately incurred by students.

The ACCC and the department are currently taking action in the Federal Court against four 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.

In 2016, the department audited 28 VET providers to determine the veracity of their reported enrolments and to investigate potential breaches of the *Higher Education Support Act 2003* and the Higher Education Support (VET) Guideline 2015. Based on the audit findings, the department is withholding VET FEE-HELP payments from a number of providers and conducting further investigations. In 2017, the department has commissioned two additional audits into providers not audited previously.

The department revoked the VET FEE-HELP approval of seven providers in 2016 for non-compliance with the *Higher Education Support Act 2003* and suspended the approval of a further seven VET providers on the basis of poor performance. So far this year, the department has revoked four VET providers.

In addition, the department has issued 67 infringement notices to five VET providers since January 2017 for alleged contraventions of civil penalty provisions within the *Higher Education Support Act 2003*. Three providers have paid infringement notices amounting to a total of \$280,800.

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.