

**Senate Committee: Education and Employment**

**QUESTION ON NOTICE  
Budget Estimates 2015 - 2016**

**Outcome: Skills and Training**

**Department of Education and Training Question No. SQ15-000366**

Senator Carr, Kim provided in writing.

***VET FEE-HELP***

**Question**

In regards to VET FEE-HELP:

- (a) Can you explain why the number of VET FEE-HELP loans are, subsequent to a halving as noted at the recent hearing, expected to rise so quickly – back to current numbers by 2018-19?
- (b) Why is there such a sudden rise expected between 2015-16 and the following year?
- (c) Over the full length of the forward estimates, where will that growth occur?
- (d) Where is the expected growth in demand to come from?

**Answer**

- (a) The number of VET FEE-HELP assisted equivalent full time student load (EFTSL) is estimated to increase from 128,000 in 2015-16 to 225,000 in 2018-19. The growth in the modelling assumes a range of factors including:
- increase in awareness of the loan programme as a payment option;
  - more registered training organisations (RTOs) being approved to offer VET FEE-HELP, subject to new, more stringent approval processes, and associated increase in number of courses offered; and
  - increase in the number of students being eligible to access a VET FEE-HELP loan.
- (b) The growth in VET FEE-HELP assisted EFTSL from 2015-16 to 2016-17 is expected to result from the following factors including:
- continued growth in the number of RTOs approved to offer VET FEE-HELP and consequently an increase in the number of eligible full fee-paying EFTSL; and
  - maturing of the subsidised market in the jurisdictions, including NSW, WA and QLD, that have recently commenced offering VET FEE-HELP to their subsidised places throughout 2014.
- (c) Over the forward estimates to 2018-19, it is expected that the biggest driver in growth will occur in the full fee paying EFTSL cohort. This is a result of an increase in the number of RTOs approved to offer VET FEE-HELP and associated increases in the number of courses offered. This will increase student choice and eligibility to access a VET FEE-HELP loan.
- (d) See above responses.