

## Senate Committee: Education and Employment

### QUESTION ON NOTICE Budget Estimates 2015 - 2016

#### Outcome: Skills and Training

#### Department of Education and Training Question No. SQ15-000370

Senator Carr, Kim provided in writing.

#### **VET FEE-HELP**

#### Question

In regards to VET FEE-HELP:

- (a) Can you give us details of the processes currently under way to clean up the sorting of VET FEE-HELP?
- (b) Can you tell the Committee which are the ten providers who have been the most prolific users of VET FEE-HELP loans?
- (c) Can you provide details of what has taken place, or will take place?
- (d) What measures have you, or will you, put in place to fix this sorting?

#### Answer

- a) The Government is introducing reforms to the VET FEE-HELP scheme including \$18.2 million budgeted to support an enhanced VET FEE-HELP provider compliance regime and other improvements to the operation of the scheme. New national standards for RTOs are also being implemented. Current guidelines, incorporating the recent significant reforms, are available at <https://www.comlaw.gov.au/Details/F2015L00999>
- b) The following table shows the top 10 providers, whose students have accessed VET FEE-HELP.

Ranked by Course Enrolments	Provider	VET FEE-HELP assisted course enrolments
1	NSW TAFE Commission	16,114
2	ACTE Pty Ltd	14,491
3	Careers Australia Education Institute Pty Ltd	11,193
4	Study Group Australia Pty Limited	7,249
5	Think Colleges Pty Ltd	6,877
6	Royal Melbourne Institute of Technology (TAFE Division)	4,267
7	Navitas Professional Institute Pty Ltd	3,755
8	Holmesglen Institute of TAFE	2,415
9	Swinburne University of Technology (TAFE Division)	2,206
10	TAFE SA	2,101

*Source: 2013 VET FEE-HELP providers by VFH assisted course enrolments, Department of Education and Training*

- c) On 12 March 2015 the Government announced a package of eight measures that are designed to reform the VET FEE-HELP loan scheme. One of these measures (banning inducements) commenced on 1 April 2015 with others coming into operation on 1 July 2015 and 1 January 2016.
- d) The eight measures that the Government will put in place are designed to address concerns about the quality of training being provided by some RTOs and the unscrupulous marketing practices in targeting vulnerable people (elderly, unemployed, low SES, and non-English speaking background), or using third parties/brokers acting on their behalf. The measures will be implemented over 2015 and 2016 and include:
- **Banning prohibited inducements** that are designed to entice students to enrol in courses under the VET FEE-HELP scheme.
  - **Tightening VET marketing and recruitment practices**, including what is communicated about the loan scheme to prospective students and provide more detailed information about the role of the communicator.
  - **Improving the understanding of how VET FEE-HELP operates** to ensure students' rights are protected and obligations are clarified.
  - **Streamlining debt waiver and revocation processes** for students under VET FEE-HELP.
  - **Strengthening the assessment criteria** for, and ongoing scrutiny of, all VET FEE-HELP providers.
  - **Ensuring student debt is incurred in line with course delivery** and continued student participation.
  - **Establishing minimum pre-requisites** and prior education qualifications, including demonstrated literacy and numeracy requirements.
  - **Enhancing training and outcomes** information, allowing students to make more informed choices about training providers and courses.

The Government has also announced a ban on withdrawal fees, whereby some providers were charging more than \$1000 for students who wanted to withdraw before the census date, and subject to the passage of legislation, the introduction of a two day "cooling off period" for new loans.

A key part of this process is consultation with the VET sector through the recently established VET FEE-HELP Reform Working Group, which are advising on the implementation of the reforms. The Group includes representatives from both large and small VET providers, students, consumer law advocates, regulators, and peak bodies representing public, community and private education providers and industry.