

Senate Committee: Education and Employment

QUESTION ON NOTICE Budget Estimates 2015 - 2016

Outcome: Skills and Training

Department of Education and Training Question No. SQ15-000479

Senator Carr, Kim provided in writing.

VET FEE-HELP (refer SQ15-000102)

Question

In answer to QON SQ15-000102 (asked by Senator Rhiannon), you provide details of VET FEE-HELP recipient numbers for 2009-2013. These show a rapid growth in most jurisdictions – in some cases dramatic growth.

What factors led to this growth?

However, in Victoria, following a period of rapid growth, numbers of recipients fell suddenly in 2013 – from 48,000 to 41,000. What is the cause of this drop?

Answer

As a demand-driven programme, the VET FEE-HELP scheme has experienced significant positive growth since its inception. Growth has been attributed to:

- an increase in the volume of eligible students for VET FEE-HELP due to:
 - the expansion of VET FEE-HELP to subsidised students
 - more registered training organisations (RTOs) being approved to offer VET FEE-HELP and associated increase in number of courses offered
- an increase in assisted students due to the increase in eligible students and increase in awareness of the loan programme as a payment option.

Some growth is also attributable to unscrupulous activity by a small number of providers/brokers. The Government is addressing this through a series of measures announced on 12 March 2015 to crack down on unscrupulous activity and protect students, tax payers and the reputation of the vast majority of providers. On 1 July 2015 an amendment to the VET FEE-HELP Guidelines came into effect, which includes new measures that will commence in two tranches on 1 July 2015 and on 1 January 2016.

Note the definitions are:

- an eligible student for VET FEE-HELP must be enrolled with an approved VET FEE-HELP provider and meet other criteria such as citizenship requirements, course requirements and not exceeding the FEE-HELP limit;
- an assisted student is an eligible student who has accessed a loan under the VET FEE-HELP scheme.

VET FEE-HELP data shows that between 2012 and 2013, eligible VET FEE-HELP enrolments in Victorian campuses decreased from 48,134 to 41,539 (Attachment A refers).

The data reported to the department by approved VET FEE-HELP providers indicates the number of eligible state subsidised enrolments in Victoria decreased from 37,233 in 2012 to 31,003 in 2013. The drop in enrolments in Victoria may reflect changes in eligibility for subsidy schemes by the Victorian Government.