

Senate Committee: Education and Employment

QUESTION ON NOTICE Supplementary Budget Estimates 2016 - 2017

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-001114

Senator Cameron, Doug provided in writing.

VET FEE-HELP – transition arrangements

Question

In relation to the transition arrangements proposed under the VET Student Loans Bill:

- a) Were any assumptions about the transition included in the costings of the changes? What were the assumptions? In terms of student transition numbers etc?
- b) What will happen for a student who is studying a course that is not on the approved course list? When will they stop being eligible for a government loan? How will they be transitioned?
- c) How many students will drop out of study because they can't afford to complete their course as a result of the transition provisions?
- d) How many students are likely to end up with a debt and no qualification because of the transition arrangements
- e) Is it possible that providers will compromise standards in teaching and assessment so student can finish courses before the end of 2017? Has the Department done any assessment of this risk? Do you admit an incentive will exist?
- f) What if a student needs to defer their study, or progress more slowly through their course because they got sick? Or had a baby? Or had to care for a family member? Will there be any special arrangements for students in those circumstances?
- g) Has the Government or the Department consulted with any student representatives or consumer representatives about the proposed transitional arrangements?
- h) Who was consulted and when?

Answer

- a) Under the VET Student Loans transitional arrangements, existing VET FEE-HELP students who 'opt-in' will be able to maintain their VET FEE-HELP arrangements until the end of 2017 i.e. would be 'grandfathered.' The grandfathering period will be extended for students in exceptional circumstances beyond 1 January 2018 to a specified date on a case by case basis. Exceptional circumstances may be outlined in the Higher Education Support (VET) Guideline (a legislative instrument under the *Higher Education Support Act 2003*) and may include students experiencing illness or caring responsibilities

The VET Student Loan costings assumed approximately 17 per cent of Equivalent Full-Time Student Load (EFTSL) enrolled in 2016 would continue into 2017, totalling 34,000 EFTSL. This assumption was based on the actual retention rate for EFTSL enrolled between 2014 and 2015.

- b) The VET Student Loan costings assumed 34,000 Equivalent Full-Time Student Load (EFTSL) would continue to access VET FEE-HELP in 2017.

- e) A VET FEE-HELP student who has commenced study in 2016 in a course that is not on the VET Student Loans eligible course list will be able to continue accessing VET FEE-HELP until 31 December 2017, if they choose to do so.
- d) and (f) The grandfathering arrangements ensure that any VET FEE-HELP student who has commenced study in 2016 will be able to continue accessing VET FEE-HELP until 31 December 2017, if they choose to do so. This will ensure that these students can complete their course during 2017 under their current loan arrangements. Students that wish to continue their study after 31 December 2017 can apply for an extension based on exceptional circumstances on a case by case basis.

As noted above, students can seek to extend the grandfathering period to finish their course.

All providers are required to maintain high quality standards at all times under VET FEE-HELP, VET Student Loans and the national Standards for Registered Training Organisations.

- e) The Department of Education and Training and the Australian Skills Quality Authority will continue to closely monitor the quality of providers closely under VET FEE-HELP and VET Student Loans.
- g) A range of consultations were undertaken in the lead up to the announcement of the new program and consumer and student representatives made contributions to this and the Senate Inquiry. Bodies such as the Consumer Action Law Centre and Unions publicly welcomed the Government's reforms.
- h) The then Minister for Vocational Education and Skills, Senator the Hon Scott Ryan, hosted consultations with providers on the VET FEE-HELP scheme redesign from 4 to 14 April 2016 in Perth, Adelaide, Melbourne, Sydney, Brisbane and Cairns. The Consumer Action Law Centre attended the Melbourne consultation. On 29 April 2016, the Government released the Redesigning VET FEE-HELP discussion paper, and accepted submissions from the public in response to this paper, including consumer advocates and students. Submissions closed on 30 June 2016. 121 submissions were received.