

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Supplementary Budget Estimates 2016 - 2017**

**Prime Minister and Cabinet Portfolio**

**Department/Agency:** Department of the Prime Minister and Cabinet  
**Outcome/Program:** Outcome 1: Prime Minister and Cabinet  
**Topic:** VET FEE HELP

**Senator:** Leyonhjelm, David

**Question reference number:** 1

**Type of question:** FPA Monday 17 October 2016, pages 32 & 33

**Date set by the committee for the return of answer:** 2 December 2016

**Number of pages:** 2

**Question:**

Senator LEYONHJELM: I want to get into a little bit more of the detail on this particular issue. Is any regulatory saving generated from the introduction of regulation determining which courses are eligible for concessional loans?

Mr Simovski: I am not across the details of the regulatory costs or savings. I will have to take that one on notice.

Senator LEYONHJELM: I would have thought there were no regulatory savings from introducing a new regulation. A similar thing would perhaps apply in this instance: is there any regulatory saving from the introduction of a regulation introducing various caps on loans based on the nature of the course?

Mr Simovski: Again, I will have to take that one on notice.

Dr Kennedy: Perhaps I might be of some help. As Tony is indicating, we can take it on notice and provide you with some information but the department is responsible for those calculations and should fully disclose them to you in the course of its estimates hearings.

When departments are changing or even introducing regulations, we are encouraging them to see that they undertake that regulatory practice in the most efficient way possible and it can be the case—I am not sure that it is the case in this circumstance—that they find a more efficient way of doing their current business. The net effect can see a reduction in regulatory costs but the department is the responsible entity for that calculation. They should, as I understand it, be in a position to detail for you exactly how they went about doing those costings in the estimates periods. We can take on notice what was submitted to us and we are happy to provide that on notice.

...

Senator LEYONHJELM: The regulatory costs, all right, but still it would appear that—and correct me if I am wrong—the analysis is based on a comparison with the status quo, but if you went back 12 months before the status quo changed you would come to an entirely different conclusion. I would hate to think that the OBPR is being led by the nose by DET to that extent. I think you guys are smarter than that. Perhaps you could take that one on notice too, unless you want to respond now.

Dr Kennedy: No, I do not feel that we are being led by the nose but I am happy to take your

issue about cumulative changes and whether we have the right baseline upon which to make that calculation.

**Answer:**

The VET FEE-HELP Redesign Regulation Impact Statement (RIS) contains a number of measures.

- In regard to the introduction of regulations determining which courses are eligible for concessional loans there were no regulatory savings estimated.
- In regard to the introduction of regulations imposing various caps on loans based on the nature of a course there were no regulatory savings estimated.
- Overall, the RIS estimated net regulatory savings of \$0.853 million per year for other measures. These savings are largely derived from a more streamlined application process for providers, a reduction in the number of audits of providers under the new scheme, and an exemption from language literacy and numeracy testing for some students.

The Government's best practice regulation guidelines require a status quo option to be presented in all RISs. This requirement was followed in the above RIS, with the status quo reflecting Government policy and decisions made prior to the current reforms, including policies previously agreed by the Government in 2015 and 2016.