



Australian Government
Department of Education and Training

Our Ref MC16-000158

Ms Tricia Blombery
Australian Federation of Graduate Women Inc
11 Park Road
MARRICKVILLE NSW 2204

Dear Ms Blombery

Thank you for your letter of 16 December 2015 to the Hon. Luke Hartsuyker MP, former Minister for Vocational Education and Skills, concerning the reforms to the VET FEE-HELP Scheme. As the matter falls within the portfolio responsibilities of Senator the Hon Scott Ryan, Minister for Vocational Education and Skills, your correspondence was forwarded to him and I have been asked to reply on his behalf. I apologise for the delay in responding.

I appreciate you recognising the Government's need to act quickly to stem the outflow of public monies to unscrupulous providers targeting vulnerable people or to students who may not have the skills to complete their courses.

One of the reform measures includes a freeze on overall VET FEE-HELP loans. The *Higher Education Support Act 2003*, as amended by the *Higher Education Support Amendment (VET FEE-HELP Reform) Act 2015* (the Act) enacted new measures from 1 January 2016. This will strengthen the VET FEE-HELP scheme and control the growth ahead of a fundamental redesign of the scheme that is sustainable and better reflects the unique nature and practice of the VET sector. These measures were applied equally to all providers.

The Australian Government has also implemented a number of key changes, including introducing rigorous new registered training organisation (RTO) quality standards to address poor quality training. All nationally regulated RTOs are required to ensure the provisions of VET services meet the *Standards for Registered Training Organisations (RTOs) 2015* against which the national regulator – the Australian Skills Quality Authority (ASQA) – regulates.

To support ASQA to address quality issues, the Government has committed an additional \$68 million over four years to bolster ASQA's capacity to implement the new standards and transition towards a risk-based regulatory approach. This will enhance ASQA's ability to crack down on serious breaches while ensuring that high quality training providers have the autonomy to spend more time skilling the workers of the future.

The Government has also committed \$18.2 million over four years to implement an enhanced compliance regime for VET FEE-HELP, including strengthened programme administration and provider audit and monitoring activities.

Your letter provides helpful insight into a number of areas that could be improved by adjustments to the VET FEE-HELP scheme. These have been referred to the team working on the redesign of the VET FEE-HELP scheme. The redesign will likely require legislative changes, and will be informed by consultation. Further information on the redesign will be made available on the department's website (www.education.gov.au) over the coming months.

Thank you for bringing these matters to the Government's attention.

Yours sincerely

A handwritten signature in black ink, appearing to read "S. Owen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Shelley Owen
A/g Branch Manager
VET-FEE HELP Branch

7 March 2016