VET FEE-HELP reforms

Dear Member

There has been a flurry of activity in the federal Parliament in recent weeks as the Government has sought to put in place the legislation necessary to support several of the VET FEE-HELP (VFH) reforms announced in March this year.

ACPET has supported the thrust of the Government’s legislation that was debated last month and made a submission to a rushed Senate inquiry. A copy of the submission can be found here.

While there are additional administrative costs associated with the Government’s reforms, the welfare of students and their outcomes, as well as supporting continued quality provider access to VFH, have been the overriding considerations in ACPET’s position on the reforms.

In its Senate inquiry submission, ACPET indicated additional measures were required including greater oversight of brokers and agents, the introduction of a national Training Ombudsman and a review of the VFH pricing and student contribution arrangements.

Yesterday the Government announced, with no forewarning or consultation with our sector, a number of further legislative amendments - no doubt in response to the continuing and growing concerns with its administration of VFH and the performance of several providers that have been subject to adverse regulatory findings. In announcing these amendments, the Government flagged that a new VFH program would be developed for 2017. These amendments can be summarised as:

- Freezing the total loan limit for existing VET FEE-HELP training providers to 2015 levels
- Introducing new entry requirements of five years’ provider experience
- Moving to payment in arrears for certain providers
- Pausing payments for new enrolments where there are concerns about performance until agreed actions to lift performance are completed
- Minor amendments to:
  - ensure providers have appropriate tuition assurance for the number of students they have estimated will take out loans
  - expand the appointment of investigators to external non-government bodies to better cope with expertise and resourcing requirements
  - allow fee charging associated with attesting to the veracity of a provider’s literacy and numeracy testing tool.

While once again supporting the intent of the amendments, ACPET immediately identified the freeze on loans would penalise quality providers that have adopted a sustainable, student outcomes focused approach to their delivery of training under VFH. Conversely it will ‘reward’ those providers that have adopted an aggressive growth strategy without sufficient focus on student outcomes.

While we generally agree with the principle of requiring five years’ experience before accessing such an important program, the Government has introduced a further obligation that the experience must be in delivering qualifying VFH eligible programs (Diploma and above). This also has the consequence of stopping good VET providers, perhaps with many years of delivering qualifications at lower AQF levels, accessing VFH to support their students and industry networks.
I travelled to Canberra this morning to speak to Ministers and Senators in an attempt to change the amendments and to convey ACPET’s concerns.

Unfortunately, as you may now know these amendments were today passed by the Senate. We are in urgent discussions with the Department of Education and Training to ensure that they fully comprehend the implications of these changes and will keep you informed.

ACPET will now turn its attention to understanding the full impact of these amendments for members and avenues to address the adverse consequences that have been identified.

We have put on record our concerns and will be eager to hear from you about the implications. I would be grateful if you could pass on this advice to your ACPET State or Territory Executive Officer.

Please be assured that ACPET will continue to advocate on behalf of members for a program that supports quality providers to deliver training that meets the skill needs and career aspirations of their students.

Rod Camm
Chief Executive Officer
ACPET