

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Education and Employment

Education Legislation Amendment (Tuition Protection and Other Measures) Bill 2019 [Provisions]; VET Student Loans (VSL Tuition Protection Levy) Bill 2019 [Provisions]; and Higher Education Support (HELP Tuition Protection Levy) Bill 2019 [Provisions]

Outcome 2 - Skills and Training

Department of Employment, Skills, Small and Family Business No. SQ19-001509

Senator Louise Pratt asked on 13 November 2019 on proof Hansard page 18.

Question

PCI - Tuition Protection Bills Inquiry: Ways providers currently meet requirements

Senator PRATT: Could you take on notice, please, an outline of the ways that providers currently meet those requirements.

Mr Thiveos: Certainly.

Ms Williams: Absolutely.

Senator PRATT: And the number of students in each cohort.

Ms Williams: Sure, absolutely.

Mr Thiveos: Yes.

Answer

Under clause 7.3 of the *Standards for Registered Training Organisations (RTOs) 2015*, non-government RTOs collecting upfront fees in excess of \$1,500 from VET students are required to have protections in place to meet tuition assurance requirements. Compliance is monitored by the Australian Skills Quality Authority (ASQA) and is required to maintain RTO registration.

There are a range of options available to non-government providers to meet their obligations under clause 7.3 including:

- Holding an unconditional financial guarantee from a bank operating in Australia covering the amount of pre-paid fees collected from students, or
- Applying to ASQA for approval of an alternative fee protection measure that must demonstrate an equivalent level of fee protection to that of an unconditional financial guarantee.
- Holding a current membership of an ASQA approved Tuition Assurance Scheme.
 - There are currently no approved Tuition Assurance schemes for domestic students.

Alternatively, RTOs can structure their fee payment schedules in such a way students are not required to pre-pay fees in excess of \$1,500. Under these payment schedules, without an upfront payment of more than \$1,500, providers are not required to provide the fee protections outlined in clause 7.3.

ASQA does not collect data on the number of students in each cohort.

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Outcome 2 - Skills and Training

Department of Employment, Skills, Small and Family Business No. SQ19-001510

Senator Louise Pratt asked on 13 November 2019 on proof Hansard page 18.

Question

PCI - Tuition Protection bills inquiry: TAFE Students Loan Liability

Senator PRATT: Have you ever seen any evidence of students from TAFE being left with a loan liability after a course has closed or changed, at a state level, coming from TAFE?

Mr Thiveos: I'd have to take that question on notice.

Senator PRATT: So, not to your knowledge at this point.

Mr Thiveos: Not to my knowledge.

Answer

The Department has managed interim Tuition Assurance arrangements from 1 January 2018. During this period no TAFE students have sought course assurance or been eligible for a re-credit of any part of their loan.

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Outcome 2 - Skills and Training

Department of Employment, Skills, Small and Family Business No. SQ19-001511

Senator Louise Pratt asked on 13 November 2019 on proof Hansard page 21.

Question

PCI - Tuition Protection Bills Inquiry: Insurance

Senator PRATT: Could you take this on notice for me? ITECA said that they can't find insurance at an appropriate premium and that essentially it all drills back down to the one insurer anyway, which is very common. You're rejecting that claim and are saying that there is no threat to the viability of insurance in this space.

Ms Williams: I'm not saying that; I'm saying that there are a range of options available to providers.

Senator PRATT: Alternative arrangements other than the insurance product.

Ms Williams: That's correct. Providers are accessing them and those protections are in place for students. We will take that point on notice.

Senator PRATT: Thank you.

Answer

Refer to SQ19-001509.

