

Senate Committee: Education and Employment

QUESTION ON NOTICE Additional Estimates 2015 - 2016

Outcome: Skills and Training

Department of Education and Training Question No. SQ16-000524

Senator Carr, Kim provided in writing

VET FEE-HELP: Keystone College and Turkish students

Question

Are you aware of the report in The Age of 27 January about a Victorian provider, Keystone College? This is a provider that enrolled 61 non-English speaking students of Turkish background in a diploma of community development course. The students were promised a Turkish-speaking teacher, but the teacher only lasted two months. Subsequently the students failed literacy and numeracy tests conducted in English. Now the course is closing and the students owe almost \$19,000 each through VET FEE-HELP but have no qualifications. This occurred while the provider was being “monitored” by ASQA.

- Is the department satisfied that ASQA is effectively monitoring the new, tightened regime on access to VET FEE-HELP?
- Does ASQA need additional powers to address these situations? If so, what additional powers does it need?
- Is ASQA or the Department reviewing Keystone College’s access to VET FEE-HELP?
- How much taxpayer money went to Keystone College by way of VET FEE-HELP loans for these 61 students who won’t be getting a qualification?
- Can you confirm that this course was a one-year Diploma course? Does this mean that the requirements introduced by the Government – meaning that fees would flow through VET FEE-HELP to providers only in annual stages – would have no effect for this course?

Answer

Yes, the Department of Education and Training is aware of the media report in the question.

The department is working closely with the Australian Skills Quality Authority (ASQA) in undertaking its mandated regulatory role. ASQA, as the National VET Regulator, regulates registered training organisations (RTOs) against the *National Vocational Education and Training Regulator Act 2011* and the VET Quality Framework (which includes the Standards for Registered Training Organisations 2015). ASQA is not responsible for the regulation of the VET FEE-HELP scheme. It is important to note that while ASQA is not the program administrator of the VET FEE-HELP scheme, in many instances failure by an RTO to meet some of the VET Guidelines also constitutes a breach of the Standards for Registered Training Organisations 2015.

ASQA has sufficient powers to operate effectively as the National VET Regulator. As mentioned above, ASQA is not responsible for the regulation of the VET FEE-HELP scheme.

The College of Creative Design and Arts (Keystone) is currently in administration with no students being taught and the department is pursuing further action under the *Higher Education Support Act*.

In respect to Keystone, there were 23 students involved (not 61 as reported), of which 19 students have a combined total of \$114,000 in VET FEE-HELP loans as at 30 January 2016,

i.e. individual debt liabilities of \$6000 per student; these figures are from 2015 data which is provisional and has not been verified by the provider (refer SQ16-000041).

The course was a Diploma of Community Services. The College of Creative Design and Arts (Keystone) quotes a duration of 56 weeks for this course.

The College of Creative Design and Arts (Keystone), which is currently in administration, has not received any payment for 2016. The administrator will undertake a reconciliation to ascertain any outstanding payments that may be due.