

## Senate Committee: Education and Employment

### QUESTION ON NOTICE Budget Estimates 2017 - 2018

#### Outcome: Skills and Training

#### Department of Education and Training Question No. SQ17-000999

Senator Cameron, Doug provided in writing.

#### *Careers Australia - ACCC undertaking*

##### Question

- In 2016, the ACCC got an undertaking from Careers Australia to offer refunds of student debts and cancellation of enrolment where students had been misled
- Did Careers Australia fail the financial viability test for VET Student Loans? On what grounds was the provider not approved?
- When Careers Australia was not granted VET Student Loans approval, was its collapse identified as a risk? If so, why wasn't it better handled for the sake of students?

##### Answer

On 10 April 2017, Careers Australia was advised that it was not approved to offer courses under the VET Student Loans program from 1 July 2017 as it did not meet the *VET Student Loans Act 2016* provider suitability requirements which include financial performance, management and governance and student outcomes. Careers Australia sought a reconsideration of the decision.

On 24 May 2017, the department advised Careers Australia that the original decision was affirmed. Careers Australia entered voluntary administration on 25 May 2017.

The VET tuition assurance scheme was established in 2009, to provide support to students whose provider ceases to offer a course (for example, by going into administration) to move to another provider to continue their training or receive a refund of tuition fees paid for units not yet completed. TAFE Directors Australia (TDA) administers the tuition assurance scheme for Careers Australia's VET FEE-HELP and VET Student Loans students.

Tuition assurance was activated immediately when Careers Australia ceased teaching. TDA is supporting students to exercise their rights under tuition assurance. TDA, in collaboration with the Tuition Protection Service which supports international students, promptly conducted information meetings for students:

- Melbourne: Thursday 1 June
- Sydney: Friday 2 June
- Perth: Tuesday 6 June / Wednesday 7 June
- Brisbane: Friday 9 June.

The department assisted TDA to advise students and other relevant agencies of the meetings and participated in these meetings, along with representatives from other agencies, including the Australian Skills Quality Authority.

TDA continues to support students under tuition assurance.