

**Senate Committee: Education and Employment**

**QUESTION ON NOTICE**

**Supplementary Budget Estimates 2015 - 2016**

**Outcome: Skills and Training**

**Department of Education and Training Question No. SQ15-000869**

Senator Carr, Kim provided in writing.

***Cooling off period for VET FEE-HELP***

**Question**

How was the two day cooling off period for VET FEE-HELP loan requests determined as the most suitable period?

What is to stop colleges printing out enrolment forms with one date and loan application fees with another date to quickly get around this?

Do you know what other cooling off periods apply for other products in Australia?

**Answer**

The two business day cooling off period was developed in consultation with the VET FEE-HELP Working Group, a high level working group that includes consumer representatives, established to advise the Government on the implementation of the VET FEE-HELP reforms.

In relation to the question about providers fraudulently printing out enrolment forms with different dates at the same time, the Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015 (the Bill) includes provisions to deter this type of behaviour, including penalties for not complying. The Australian Government is also introducing an electronic Commonwealth assistance form to ensure students opt in to the VET FEE-HELP loan. This form will have electronic controls to ensure that the two business day cooling off period is adhered to.

The two business day cooling off period does not replace other cooling off periods which already apply through Australian Consumer Law. It has a specific intent – it is about separating a student's enrolment decision from their payment decision. In effect, students accessing the VET FEE-HELP loan scheme have a much longer cooling off period. The two business day requirement works in tandem with both the existing census date requirement (which effectively provides a cooling off period of at least 20 per cent of each unit) and the new 14 day invoice requirement to ensure students are properly informed of the debt they are about to incur before they incur it.