

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 3 - Tertiary, Skills, International and Indigenous Strategy

DEEWR Question No. EW0671_12

Senator Rhiannon provided in writing.

Question : What initiatives are you currently pursuing to make VET FEE-HELP more equitable? What are the main complaints you have received about inequities in the VET FEE-HELP scheme?

Making VET FEE-HELP more equitable

In the 2010-11 and 2011-12 Federal Budgets, the Australian Government offered to expand the availability of the VET FEE HELP Assistance Scheme to students undertaking subsidised VET Diploma and Advanced Diploma courses in states and territories. This expansion will provide students with greater access to courses with lower tuition fees and will remove the 20 per cent loan fee that applies to VET FEE HELP loans for these students. To date Victoria is the only jurisdiction to offer subsidised VET FEE HELP to eligible students. The Australian Government continues to discuss the expansion of the Scheme with the other states and territories.

The Department commissioned a post implementation review of the VET FEE-HELP Assistance Scheme with the assistance of a consulting agency, Grosvenor Management Consulting, to ensure objectivity throughout the review. The review included a quantitative and qualitative analysis of the Scheme's performance as a whole against what it set out to achieve at its introduction in 2008, with a focus on the expansion of the Scheme in Victoria in 2009.

A critical component of the review included wide-ranging stakeholder consultations with registered training organisations, state and territory governments and peak sector bodies to capture stakeholder perceptions of, and experiences with the Scheme. A key finding from the review was the strong support for the Scheme in terms of improving access and equity for VET students. Other key findings of the review included concern about the perceived inequity between the Scheme in Victoria due to the expansion of the Scheme compared to other jurisdictions on account that the credit transfer requirements for registered training organisations applying to the Scheme and the loan fee for subsidised students in that state had been removed. Another key finding of the review was that further expansion of the Scheme is contingent on improving the Scheme's design to better meet the needs of a responsive VET sector.

The Department's response and action plan against the recommendations contained in the final report are currently under consideration. The results of the review will be used to inform negotiations with states and territories in relation to ongoing reform of the national training system. The report is not available publicly at this stage.

Given the infancy of the Scheme, the Department is closely monitoring identified demographics (i.e. indigenous Australians, students from non-English speaking backgrounds, from regional and remote areas, students with a disability and students in the lowest socio-economic quintile) and their uptake of the Scheme to establish whether the Scheme is improving accessibility and equity to study in these groups. Students from the identified demographics participating in the Scheme increased overall nationally by 450 per cent between 2009 and 2010. During 2010, Victoria had over 5 000 students within the identified demographics that accessed the Scheme, compared to only 4 850 for the remaining states and territories combined. Victorian government subsidised students that access the Scheme represent 50 per cent of all students in the identified demographics nationally. Departmental statistics for 2011 are yet to be verified, but initial indicators reveal that the overall number of students who are in at least one of the identified demographics will rise by approximately 45 per cent relative to 2010.