

Senate Employment, Workplace Relations and Education Committee

Inquiry into the *Higher Education support Amendment (Extending FEE-HELP for VET Diploma and VET Advanced Diploma Courses) Bill 2007*

Submission

From

The Hon. Rod Welford
Minister for Education, Training and the Arts

The Queensland Government welcomes the opportunity to make a submission to the Committee in relation to its inquiry into the *Higher Education Support Amendment (Extending FEE-HELP for VET Diploma and VET Advanced Diploma Courses) Bill 2007* (the Bill).

The Australian Government initiative to extend FEE-HELP to domestic full-fee-paying Diploma and Advanced Diploma students in the vocational education and training (VET) sector is supported as an initiative that may benefit students undertaking fee-for-service higher level VET courses in the public or private training sector.

I draw the Committee's attention to a serious anomaly in the current drafting of the Bill that will unfairly disadvantage otherwise eligible Queensland TAFE students who wish to access the Australian Government's loans assistance scheme.

In Section 4 of Division 3 of the Bill, the meaning of a VET provider is defined as "a body corporate" that is approved under the Division. Queensland TAFE Institutes are not constituted as corporate bodies. Therefore, unless it is the Australian Government's intention to exclude Queensland TAFE students from access to FEE-HELP loans assistance, the definition of a VET provider must be amended in the Bill.

The Minister for Vocational and Further Education, the Hon Andrew Robb AO MP, noted in the Second Reading of the Bill that the "current FEE-HELP legislation requires providers to be corporate bodies and this is also a requirement for VET providers". In my view, the definition has been extended to the VET sector without due consideration of the differences between the higher education and VET sectors and the impact the definition will have on students.

There are thirteen TAFE Institutes in Queensland delivering training in metropolitan and regional areas to 250,000 students. There is perhaps more variation in the circumstances of TAFE Institutes within Queensland, and indeed across Australia, than is the case in the university sector.

Significant reform of TAFE governance arrangements is a key strategy agreed by the Queensland Government in the *Queensland Skills Plan* which provides a framework for broad ranging reform of the VET system in the State. The implementation of these reforms is progressing well. The Queensland Government has approved a policy framework for legislation that will enable establishing of TAFE Institutes in Queensland as statutory authorities. It is expected that the legislation will be in place during 2008. Queensland TAFE Institutes should then progressively be established as statutory authorities.

However, it is possible that the autonomous model may not suit all Institutes and the Queensland government will retain flexibility to establish appropriate governance arrangements to meet particular circumstances.

The Minister for Vocational and Further Education has called for greater autonomy for TAFE Institutes. The Minister has also acknowledged the Queensland Government's reforms in this area. I would be deeply concerned if the definition of VET provider in the Bill is retained as currently drafted to support an ideological position on TAFE corporate structure, at the expense of the best interests of students.

There are more than 7,000 domestic fee-for-service VET Diploma and VET Advanced Diploma students in Queensland TAFE who could potentially benefit from the extension of the Australian Government's FEE-HELP scheme, and who will be excluded by definition if the Bill is not amended. Of course, the policy intention of the extension of FEE-HELP should be to increase demand for higher-level VET and to reduce market distortions created by the difference between the assistance available to students undertaking fee-for-service higher education and higher-level VET. The exclusion of Queensland TAFE students from access to FEE-HELP would instead create even further distortion and confusion in the community.

Queensland TAFE's full-fee-paying Diploma and Advanced Diploma students are widely spread across all Institutes. It would take some time before all higher-level students could potentially be covered by the new governance arrangements introduced as part of the *Queensland Skills Plan*. In the interests of Queensland students, the Bill must be amended to ensure a smooth introduction of the extension of FEE-HELP without the confusion that will arise if the Australian Government excludes Queensland TAFE students by definition.

I seek an amendment of the definition of VET provider in the Bill to include all public TAFE Institutes.

If this proposal is rejected, I seek an amendment to the Bill to allow a phasing in period of a minimum of three years of the requirement for public TAFE Institutes to be corporate bodies.