

# THE TURNBULL COALITION TEAM

# CCHQ 2016



24 June 2016

Ms Linda Simon  
TAFE Community Alliance  
Via email: [lindasimon2@bigpond.com](mailto:lindasimon2@bigpond.com)

Dear Ms Simon

Thank you for the opportunity to provide the views of the Coalition on important issues facing your members. On behalf of the Coalition Members of Parliament and candidates I am pleased to respond to your survey.

Australia's future depends on how well we can continue to grow and shape our economy.

Only the Liberal and National Parties have an **economic plan** to do that and ensure Australia's future.

We have a clear plan to transition the economy from the mining and investment boom to a stronger and more diverse economy.

The key elements of our national economic plan for jobs and growth are:

- An Innovation and Science programme bringing Australian ideas to market. This means greater investment and more jobs and opportunities for our young people;
- A New Defence Industry plan that will secure an advanced defence manufacturing industry in Australia. This will create thousands of new hi-tech, higher paying jobs;
- Export Trade Deals that will generate more than 19,000 new export opportunities. These will create many more jobs for our urban and regional families;
- New Tax Incentives, which will include tax cuts for more small businesses. More than two million businesses can benefit, to deliver more growth and jobs; and
- A Strong New Economy with more than 200,000 jobs expected to be created.

Our national economic plan and management is already paying dividends. Last year our economy continued to grow creating almost 300,000 new jobs, many of them in small business.

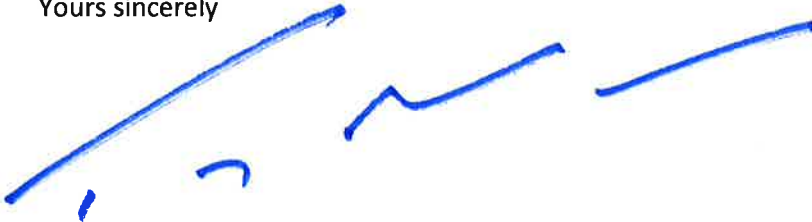
We cannot put economic growth and the jobs that come with it at risk with a return to Labor and their debt and deficits, high taxing, big spending ideas.

Only a Liberal and National Party Government can protect Australia's future.

Once announced, our policies will be available at [www.liberal.org.au](http://www.liberal.org.au) and [www.nationals.org.au](http://www.nationals.org.au).

Thank you for communicating the Coalition's commitments to your members.

Yours sincerely

A handwritten signature in blue ink, consisting of several connected strokes that form the name 'Tony Nutt'.

Tony Nutt  
National Campaign Director

## COALITION RESPONSE TO TAFE COMMUNITY ALLIANCE

The Turnbull Coalition team recognises that funding for vocational education and training (VET) plays a critical role in ensuring Australia has the skilled workforce it needs to drive innovation and future economic growth. The Turnbull Government is investing around \$7 billion in the VET sector in 2016 alone through funding and student loans, including \$1.8 billion to States and Territories to support the operation of their training systems.

The Coalition supports the important role played by TAFE in contributing to the training of Australians. This is why our funding agreement with State and Territory Governments explicitly recognises the unique function of TAFEs.

States and Territories directly fund and manage TAFE, which is appropriate to ensure TAFEs can respond to the skills needs at a local level. The Coalition does not support the Federal Government taking over responsibility for TAFEs.

VET FEE-HELP is one of the few mechanisms the Federal Government can use to directly assist TAFE students. VET FEE-HELP provides students with access to diploma-level and above training that would otherwise be unavailable to them. Over the life of the VET-FEE HELP scheme, TAFEs have been the recipients of more than \$1 billion, paid via Commonwealth-assisted student loans. Between 2013 and 2015, VET FEE-HELP loans for students studying at TAFE more than doubled.

A re-elected Turnbull Coalition Government will commence discussions with States and Territories on future funding arrangements for VET.

The previous Labor government was a disaster for the VET sector. Labor ripped \$1.2 billion from employer incentives for apprentices and their employers, triggering a 25 per cent drop in commencement rates. This drop is the biggest ever on record and Australia is still feeling the impact of Labor's unprecedented cuts.

Labor also expanded the VET FEE-HELP scheme in 2012. Labor's scheme was demand-driven, uncapped and had insufficient student protections in place. Labor's scheme opened the floodgates to dodgy training providers and predatory brokers who predictably took advantage of the system.

Labor is repeating its actions of the past and continuing their assault on Australian VET students, threatening to charge upfront fees for students at both private and public providers.

Labor frontbenchers have admitted their plan to cap VET FEE-HELP loans at \$8,000 per student per year will leave some TAFE students paying upfront fees. Labor's latest plan was announced with no industry consultation and no modelling to gauge the effects this policy would have on students. It has drawn criticism from both TAFE Directors Australia and representatives of private training providers.

The Coalition is working hard to reverse Labor's disastrous impact on the VET sector and we are providing practical support to Australians who choose a vocational education and training pathway through a number of targeted initiatives.

The Australian Apprenticeship Support Network (AASN) helps employers to recruit, train and retain apprentices. The network provides targeted pre-commencement services to ensure that people are the right fit for an apprenticeship, are well matched to their employer and occupation and have any needs assessed early. Services are available in around 400 locations and so far they have supported more than 270,000 apprentices and employers.

In addition to support provided by AASN, the Coalition has introduced Trade Support Loans of up to \$20,000 to help apprentices with the costs of living, learning and tools. Apprentices who complete their apprenticeship are eligible for a 20 per cent discount (up to \$4,000) when paying back the loan.

To ensure taxpayers' money is being spent efficiently and effectively, the Coalition has put measures in place to crack down on the unscrupulous providers who have exploited students and wasted taxpayer funds under Labor's expanded VET FEE-HELP scheme. These measures include a ban on inducements, such as free laptops or iPads (see Attachment A).

Additional funding and regulatory powers have been provided to the Australian Skills Quality Authority to maintain the integrity of the system. In 2014, the Coalition government provided \$68 million over four years to enable the Australian Skills Quality Authority to focus on providers doing the wrong thing, rather than on cost recovery.

In 2015 the Coalition Government introduced new Standards for registered training organisations (RTOs) that set out tougher requirements that an organisation must meet in order to be a RTO, including:

- ensuring training products delivered by RTOs meet the requirements of training packages or VET accredited courses, and have integrity for employment and further study;
- ensuring RTOs operate ethically with due consideration of students' and enterprises' needs;
- requiring training providers to provide more detail about assessment strategies and practices;
- requiring RTOs to implement a plan for ongoing systemic validation of assessment practices;
- requiring validation of training products at least once every five years;
- imposing greater obligations on RTOs around third-party arrangements including brokers and VET FEE-HELP;
- requiring greater disclosure to prospective students to enable informed choices;
- requiring clearer and more detailed requirements around marketing; and
- strengthening requirements for trainers and assessors.

Further to these changes, the Coalition has undertaken national VET FEE-HELP consultations with providers, peak bodies, students, and stakeholders across Australia to hear views, concerns, and ideas to redesign the scheme. As a result of the consultation process, the Coalition released the Redesigning VET FEE-HELP Discussion Paper and is seeking submissions from stakeholders to inform a complete redesign of the VET FEE-HELP scheme for 2017.

Labor's ill-thought through plan for VET and their upfront fees stand in stark contrast to the Turnbull Government's plan, which will put students' interests at the heart of VET FEE-HELP reform and ensure taxpayers receive value for money. The Coalition's plan for VET will ensure students are skilled for work in Australia's growing economy.

During the course of 2015, the Australian Government announced a number of changes to the way the scheme is administered including the banning of inducements, stricter requirements relating to education agents, and removing barriers to withdrawals. *The Higher Education Support Amendment (VET FEE-HELP Reform) Act 2015* enacts other measures to further strengthen the scheme from 1 January 2016.

The reforms are detailed below:

Date of commencement	Reform requirement
<b>1 April 2015</b>	The banning of inducements to entice students to enrol under the VET FEE-HELP scheme.
<b>1 July 2015</b>	Tighter rules regarding VET marketing and recruitment practices, such as not marketing courses as 'free' when students are required to repay their VET FEE-HELP loan to the Commonwealth
	Stronger disclosure requirements regarding student rights and obligations
	Banning of withdrawal fees and any administrative impediment that prevents a student withdrawing from a unit of study.
	Stronger requirements around the use of agents. Providers must have a written agreement with any agent they use to market VET courses where VET FEE-HELP is available.
	Providers must require their agents to identify the VET provider that a prospective student will be referred to, and the name of the course, and disclose that the agent will receive a commission if the person enrolls in the course
<b>1 January 2016</b>	Providers must apply a student entry procedure with pre-requisite requirements to ensure a prospective student is academically suited to the higher level course.
	Providers must issue a student with a VET FEE-HELP Invoice Notice at least 14 days prior to each census date for a VET unit study. (The census date is the date when the student fee becomes payable.)
	A provider must determine at least three fee-periods for charging purposes for each course to ensure the debt is incurred in line with progress.
	A provider must not accept a Request for a VET FEE-HELP loan form from a person who is under the age of 18 unless a parent or guardian has co-signed the form.
	A provider must not accept a Request for a VET FEE-HELP loan from a student until a two business day gap has elapsed after enrolment.
	A person may apply to the department for a remission of their VET FEE-HELP debt where the person was subject to inappropriate behaviour by a provider or its agent or associate that occurs from 1 January 2016.
	The total loan limit for existing providers will be frozen at 2015 levels.
	Certain providers will be paid in arrears.
	Where there are concerns about a provider's performance, payments will be paused for new enrolments.
	Infringements or civil penalties will apply where a provider breaches certain requirements.
	More stringent financial assessment criteria will apply for providers and applicants for VET provider approval.

	Registered Training Organisations seeking approval to offer VET FEE-HELP will require a minimum 5 year trading history and must have delivered the relevant courses for 5 years or more.
	Trustees of a trust cannot be approved as a VET FEE-HELP provider.
	Providers must generate a minimum of 20 per cent of total revenue through non-HELP sources.
	Applicants and providers may be required to provide evidence of access to cash or cash equivalent assets equalling a certain proportion of their annual expenses.
	Unsuccessful applicants will not be able to re-apply for six months.

These changes aim to control growth and lift the performance of training providers ahead of a more fundamental redesign of the scheme to a new model from 2017 that better reflects the unique nature and practice of the VET sector.