



**Senator the Hon Simon Birmingham**  
Assistant Minister for Education and Training  
Liberal Senator for South Australia

## **MEDIA RELEASE**

1 April 2015

### **Time is up for shonky VET spruikers**

The next major step in a series of rolling reforms to vocational education and training (VET) commences today, stamping out unethical behaviour by training providers and their agents.

Assistant Minister for Education and Training, Senator Simon Birmingham, said that changes to the VET FEE-HELP scheme guidelines mean unethical inducements to prospective students to sign up for a training course and take out a substantial loan are now banned.

“Tough new national standards now apply to VET marketing practices, the information provided to prospective students and how individual learners are supported to meet the requirements of the training product,” said Senator Birmingham.

“The time is up for dodgy marketing agents offering inducements like laptops, meals, vouchers and prizes so that people sign up for VET courses they don’t need and incur a debt they cannot repay.

“I have made it very clear that all dodgy agents are on notice. Inappropriate inducements to sign up to courses are banned and further action will be taken if unethical practices continue.

“It’s disappointing that a few bad apples have undermined the reputations of the many training providers who provide high-quality VET education for around three million Australians every year,” he said.

In addition to the ban on inducements, reforms empower the Australian Skills Quality Authority (ASQA) to take legal action against a Registered Training Organisation (RTO) where the RTO or its marketing agent fails to provide clear information to a prospective student about:

- the qualification they are signing up for
- where the training will be undertaken
- how long the course will take
- support services available
- costs associated with the course
- any debt that may be incurred including when repayment is required and under what conditions

For less serious breaches, ASQA will be able to issue fines and infringement notices as an alternative to prosecution or civil penalty proceedings.

“Prohibiting the offering of inducements is the first step in a process to strengthen the administration of the VET FEE-HELP Scheme after Labor created a system that had no dedicated compliance strategy, and failed to act when it became obvious there were quality and growth issues.

“When it comes to VET FEE-HELP Labor is like the arsonist calling for the fire brigade after they lit the fire.”

Other VET FEE-HELP reforms include:

- Make it impossible for providers to levy all fees in a single transaction up front, giving students more opportunity to consider their options before VET FEE-HELP debts can be incurred.
- Ban miraculously short diploma or advanced diploma courses, instead requiring a minimum number of units of study.
- Protect vulnerable students by requiring providers to properly assess students for minimum prerequisite educational capabilities before enrolment.
- Eliminate insidious practices like 'nursing home' enrolments.
- Stop marketing agents and brokers 'freelancing' to sign up as many students as possible, without the training provider being held responsible for their actions.
- Give students clear information that helps them understand that VET FEE-HELP loans are real debts that impact their credit rating and are expected to be repaid.
- Ensure students sign off on high visual impact statements making it explicit the total debt they will incur should they proceed with a particular course.
- Strengthen the duty of care requirements for training providers offering VET FEE-HELP loans, including requiring more stringent capital backing for providers and a positive history in the training market.
- Make it easier for the government to cancel student debts that have been generated by training providers/brokers who breach the new guidelines, and require the training provider to reimburse taxpayers for the cost.

“Our Government is undertaking significant reforms across the VET sector, including significant improvements to the VET FEE-HELP scheme, a national VET complaints hotline (13 38 37), improved data reporting, \$68 million to strengthen ASQA, new trade support loans and tough new standards.

“Over the course of 2015 the government will implement a range of reforms to the VET FEE-HELP scheme. This will be informed by a working group led by John Hart, whom also chairs my Ministerial VET Advisory Taskforce.

“The VET FEE-HELP working group will be made up of peak education bodies, consumer protection agencies (including Gerard Brody from the Consumer Action Law Centre), student representatives and employers,” Senator Birmingham said.

**Media Contact: Caitlin Keage 0427 729 987**