

vision for the future



GOVERNMENT / REGULATOR

VET Student Loans – Past, present and future

Kathy Dennis



NATIONAL VET CONFERENCE
GOLD COAST 2021

#2021NVC



Australian Government

Department of Education,
Skills and Employment

Velg Training
2021 National VET Conference
Friday 10 September 2021
VET STUDENT LOANS –
PAST, PRESENT & FUTURE

Kathy Dennis

Assistant Secretary

VET Student Loans Branch



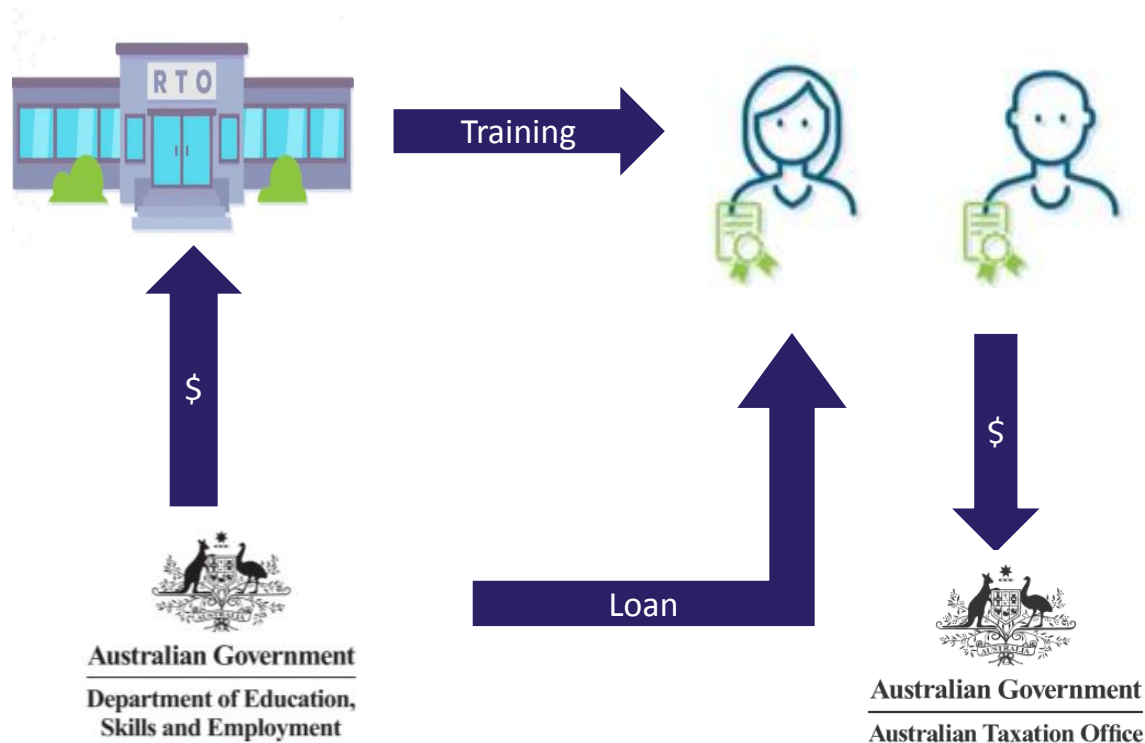
VSL was designed to address the issues arising from VET FEE-HELP

VET Student Loans Act 2016:

(4) The object of this Act is to provide for loans to students for vocational education and training, ensuring that loans are provided:

- (a) to genuine students;
- (b) for education and training that meets workplace needs and improves employment outcomes.

VSL provides income contingent loans to students



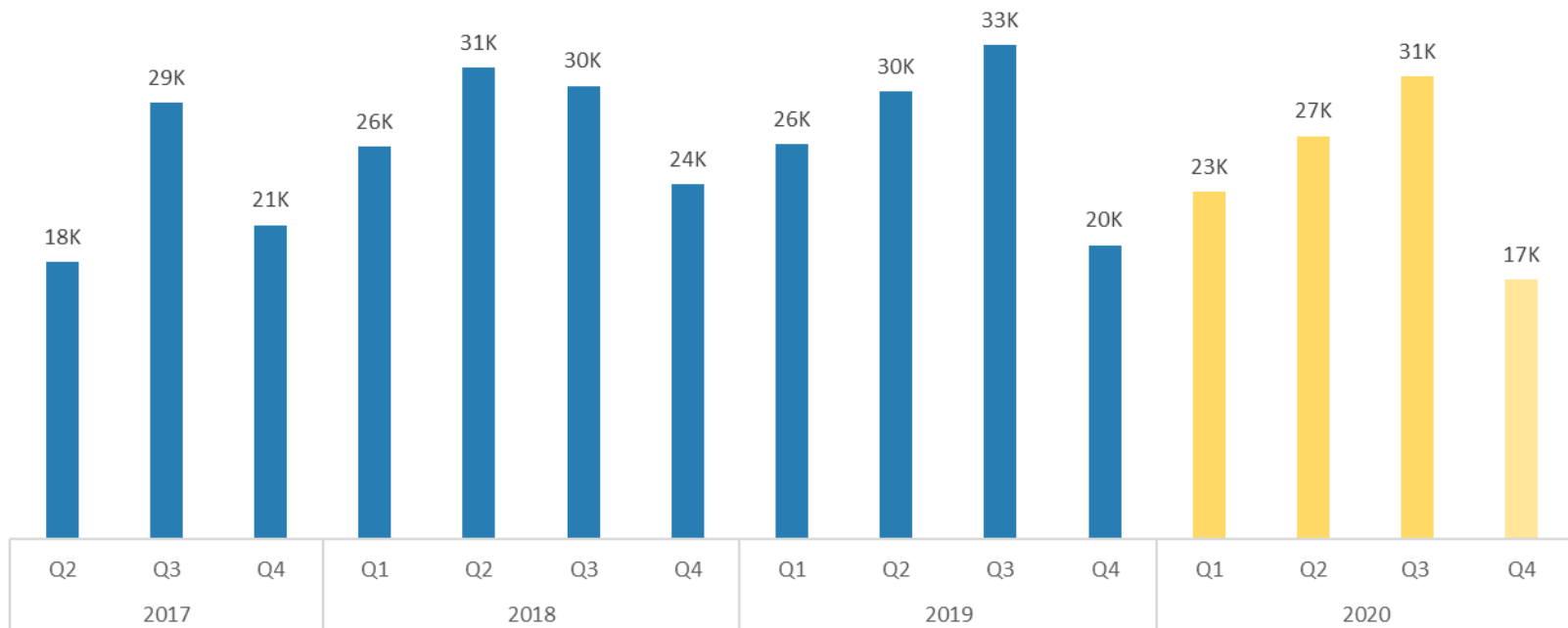
The data tells us some interesting things:

Most popular VSL courses (2019):

1. Diploma of Nursing
2. Diploma of Beauty Therapy
3. Diploma of Community Services
4. Diploma of Early Childhood Education and Care
5. Diploma of Screen and Media
6. Diploma of Remedial Massage
7. Diploma of Business
8. Diploma of Counselling
9. Diploma of Music Industry
10. Diploma of Mental Health

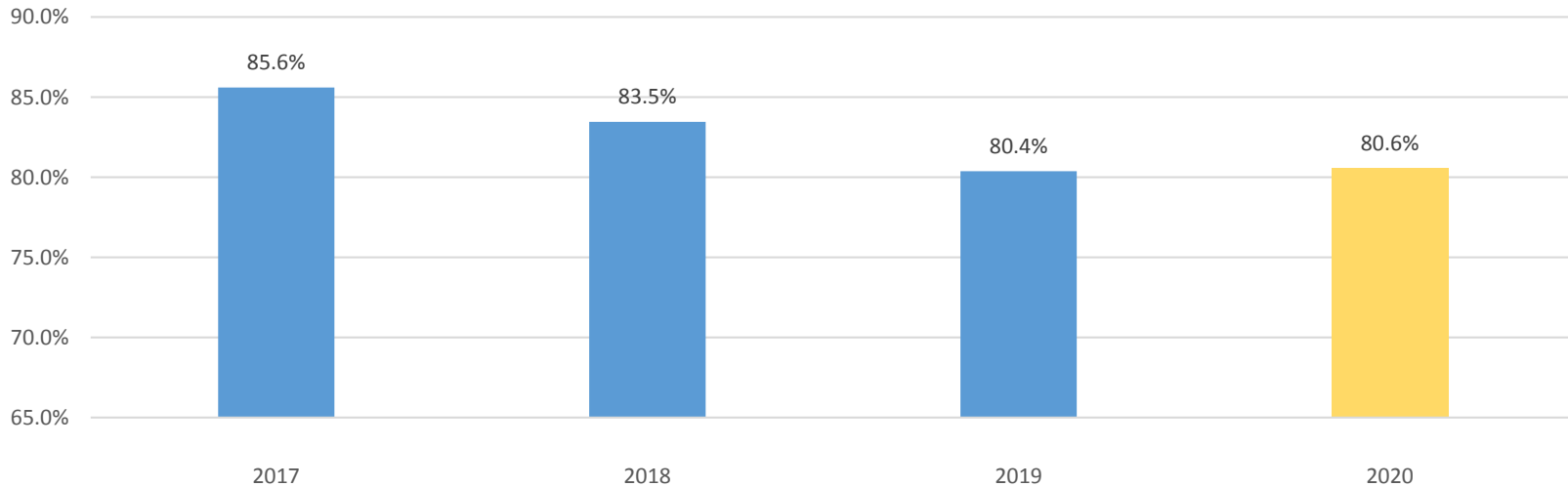
Jurisdiction	Average loan amount (2018)
NT	\$2,742
NSW	\$3,433
TAS	\$3,679
ACT	\$3,791
WA	\$5,234
SA	\$5,861
VIC	\$6,987
QLD	\$8,518
National Average	\$5,984

Student take up of VSL has been steady, dropping slightly in 2020



Students are satisfied with both their provider and their study

Student satisfaction with provider and study

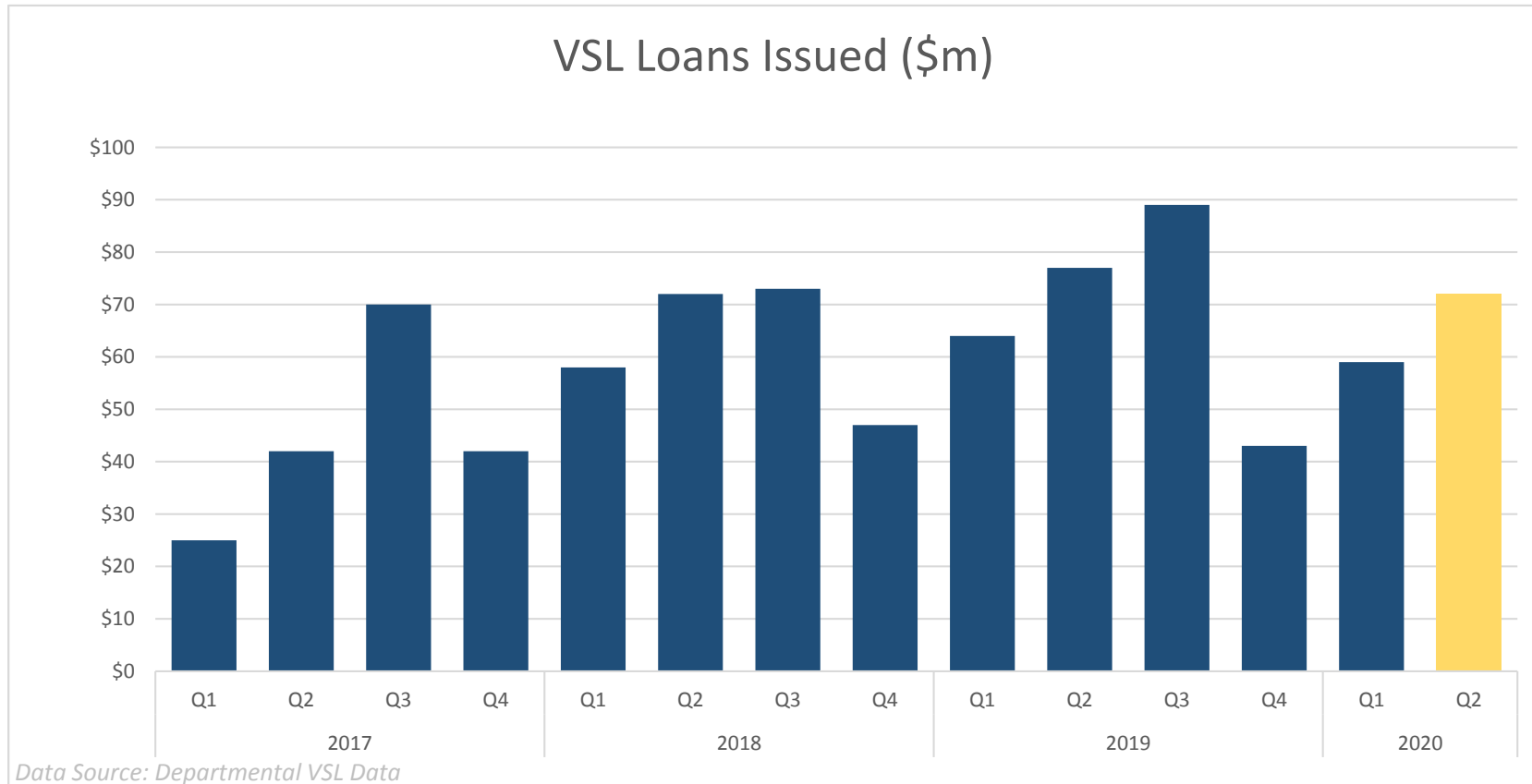


The number of approved providers has reduced over time

	2017	2018	2019	2020
Operating providers	211	182	194	180
Provider breakdown	23 TAFEs	23 TAFEs	23 TAFEs	24 TAFEs
	14 other public organisations	13 other public organisations	13 other public organisations	12 other public organisations
	174 private providers	146 private providers	158 private providers	144 private providers

Year	¹ Private Provider	% of Case Load	¹ TAFE	% of Case Load	¹ Other Institution	% of Case Load
2017	9,467	23.5%	26,466	60.6%	6,438	15.9%
2018	14,364	24.7%	35,153	60.5%	8,634	14.9%
2019	13,609	25.2%	32,884	60.7%	7,613	14.1%
2020²	13,858	27.4%	29,546	58.4%	7,363	14.6%

VSL loans paid were increasing slightly each year until 2020



The impacts of COVID-19 on VSL were minor

- The number of students accessing a loan dropped by 6.2% from 2019 to 2020
- Overall, the total VSL loans paid reduced slightly from 2019 (\$275.9m) to 2020 (\$273.3m)
 - TAFE sector dropped from \$134.4m in 2019 to \$115.9m in 2020
 - Private providers increased from \$105.3m in 2019 to \$121.5m in 2020
- The unit of study completion rate dropped by 4.9% from 2019 to 2020
- Student satisfaction stayed relatively the same from 2019 (80.4%) to 2020 (80.6%)

The Government undertook a range of measures to alleviate the impacts of COVID-19

- 20% loan fee exemption for students until 30 June 2021
- Waived the TPS levy for 2020
- Reduced the time taken to pay providers
- Extended timeframes for new applications and lodgement of financial statements
- Changed the requirements for statutory declarations
- Delayed debt collection

Since its inception the program has been the subject of a number of reviews

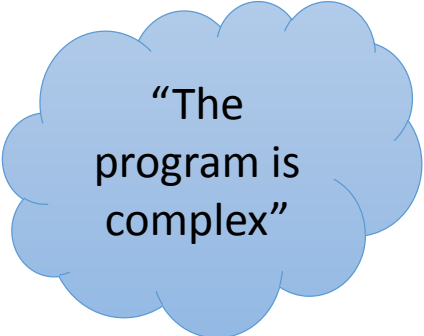
- KPMG Evaluation (completed December 2019)
 - Assist with future administration of the program
 - Provide evidence to inform future policy decisions
 - Consultations with students and providers
- KPMG Current State Assessment (completed January 2020)
 - Develop a current state view of the operations supporting the VET Student Loans program
 - Interviews with students and providers and providers survey

VSL Evaluation findings

- VSL has made a positive contribution to the Australian economy of \$335m by increasing employment prospects and the productivity capacity of industry
- VSL is fiscally sustainable
- Tuition fees are lower than under VFH
- Training quality has improved
- Completion rates are higher than VFH
- VSL has improved confidence in the VET sector
- The program places high administrative demands on compliant providers

The Current State Assessment identified key pain points for providers

- 75 pain points, 4 themes:
 - high administrative effort
 - low confidence
 - one size does not fit all
 - low empathy and timely support



“The program is complex”



“I am concerned about accidental non-compliance”



“I want to do the right thing”

The Current State Assessment identified key pain points for students

- 33 pain points, 4 themes:
 - the role of Government
 - low accountability
 - expectation management
 - brand awareness

“My focus
is on my
study not
VSL”

“I am confused
about the role
of Government
vs my
provider”

“I don’t
understand the
requirements for
accessing a VSL”

We are looking at how we can improve and streamline

COMMUNICATION AND COLLABORATION

Provider Reference Group and regular VSL forum
CRM system
Student focus groups on progressions

PROVIDER APPROVALS

Improved workbooks
Aligning state subsidy and VSL approvals
Streamlined reapprovals
VSL Monitoring Strategy

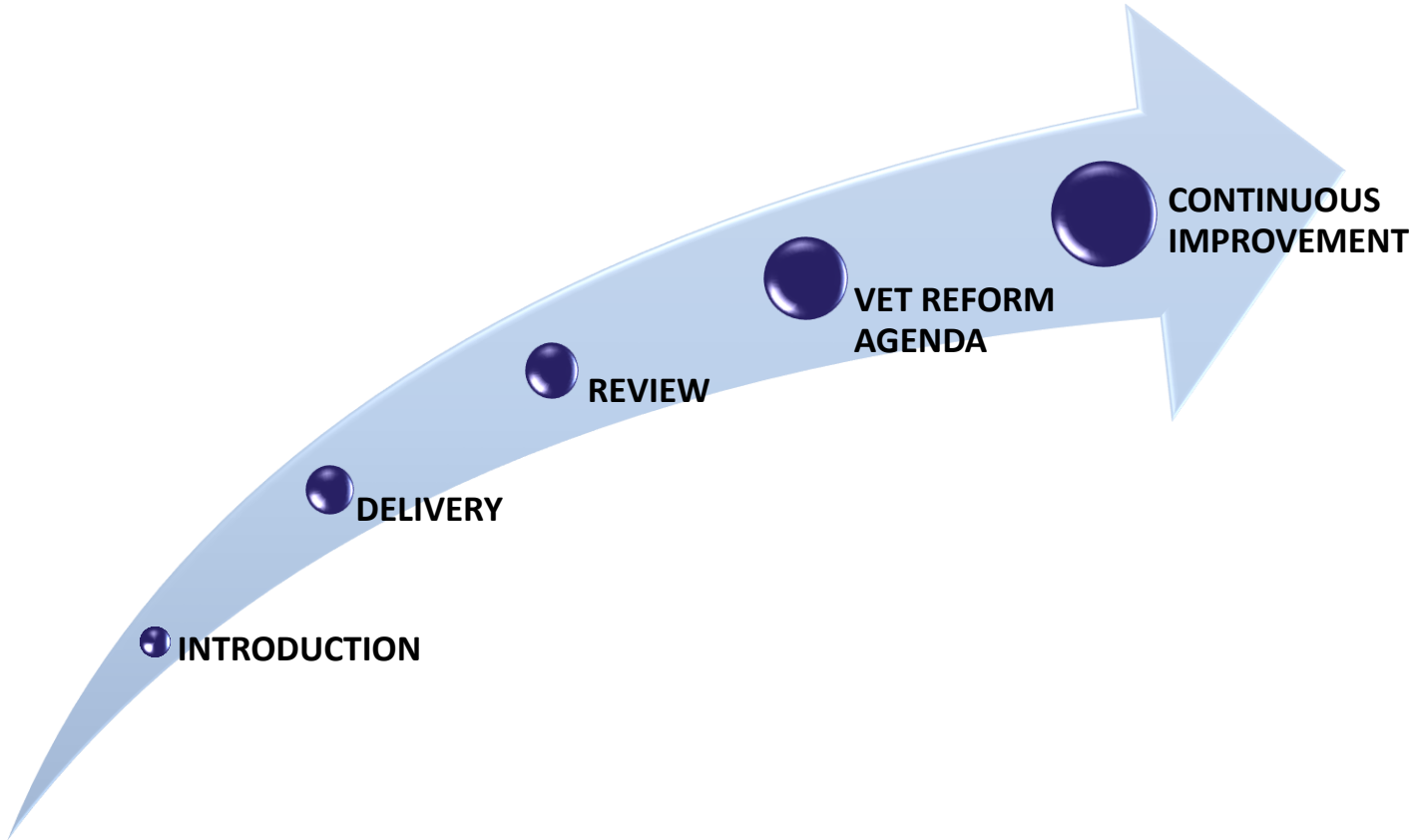
POLICY CHANGES

Earned autonomy
Review of VSL Rules

VSL is part of the Government's Skills Reform agenda

- National Skills Agreement
- National Skills Commission – Priority Course List, Efficient Price
- Productivity Commission review of the NASWD
 - Blacklist courses
 - Refine loan caps
 - Reform loan fees
 - Extend to Certificate IV

The VSL Program is continually evolving



COMING UP **NEXT:**

1.50 - 2.40PM



vision for the future

RTO ADMINISTRATION

Retention of Evidence

David Garner

TRAINING & STUDENT ENGAGEMENT

WVAR: A paradigm for design

Geoff Cake

COMPLIANCE

I See You! Ensuring your Website Ticks the Boxes

Maria Langwell

ASSESSMENT

Self-Assuring Your Assessment

Melanie Alexandra

VET IN SCHOOLS

VET for Secondary School Students: Trends and destinations

Simon Walker