

# Explanatory Statement

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## *VET Student Loans (Courses and Loan Caps) Amendment Determination (No. 1) 2020*

### Summary

The *VET Student Loans (Courses and Loan Caps) Amendment Determination (No. 1) 2020* (Amendment Determination) amends Schedule 1 – Approved courses – general (Schedule 1) and Schedule 3 – Approved courses for specific providers (Schedule 3) of the *VET Student Loans (Courses and Loan Caps) Determination 2016* (Courses and Loan Caps Determination). More specifically, the Amendment Determination:

- adds 2 courses to Schedule 1, Part 1 – Courses in loan cap band 1
- adds 8 courses to Schedule 1, Part 2 – Courses in loan cap band 2
- adds 12 courses to Schedule 1, Part 3 – Courses in loan cap band 3
- removes 4 courses from Schedule 1, Part 1 – Courses in loan cap band 1
- removes 12 courses from Schedule 1, Part 2 – Courses in loan cap band 2
- removes 39 courses from Schedule 1, Part 3 – Courses in loan cap band 3
- moves 30 courses from Schedule 1, Part 1 to Schedule 1, Part 2, with the effect of increasing the loan cap for those courses
- moves 62 courses from Schedule 1, Part 2 to Schedule 1, Part 3, with the effect of increasing the loan cap for those courses
- adds 5 new courses for specific providers to Schedule 3
- removes 5 courses for specific providers from Schedule 3
- increases the loan cap for 23 courses for specific providers in Schedule 3

### Background

The Courses and Loan Caps Determination specifies the courses for which VET student loans may be approved under the *VET Student Loans Act 2016* (VET Student Loans Act); sets the maximum loan amounts for those courses; and provides for the annual indexation of the maximum loan amounts. The full policy context and background for the Courses and Loan Caps Determination is set out in the publicly available [Explanatory Statement to the Courses and Loan Caps Determination](#), accessible on the Federal Register of Legislation.

The methodology used to determine course eligibility is that: courses are on at least two state and territory subsidy/skills lists, or are science, technology, engineering, agriculture or mathematics (STEM) related, or are tied to licensing requirements for a particular occupation.

The Amendment Determination adds 22 courses to Schedule 1 of the Courses and Loan Caps Determination. This includes fifteen courses that replace non-current courses or courses superseded more than 12 months ago on the Courses and Loans Cap Determination. Adding these courses will benefit students because a VET Student Loan will be able to be approved for their study.

The Amendment Determination removes 55 courses from Schedule 1 of the Courses and Loans Cap Determination because (as indicated on the national register) they have become ‘non-current’, or were ‘deleted’ or ‘superseded’ more than 12 months ago. It is important to remove these courses as students are no longer able to enrol in these courses.

The Amendment Determination also moves 30 courses from Schedule 1, Part 1 to Schedule 1, Part 2 and an additional 62 courses from Schedule 1, Part 2 to Schedule 1, Part 3. The movement of these courses increases the loan cap for students undertaking those courses from \$5,000 to \$10,000 in the case of courses which have moved from Schedule 1, Part 1 to

Schedule 1, Part 2, and from \$10,000 to \$15,000 in the case of courses which have moved from Schedule 1, Part 2 to Schedule 1, Part 3.

The Amendment Determination adds five additional courses for specific providers to Schedule 3 and removes five courses for specific providers from Schedule 3. The five courses removed from Schedule 3 have become eligible for inclusion in Schedule 1 of the Courses and Loans Cap Determination. The Amendment Determination also increases the loan cap for 23 courses for specific providers in Schedule 3.

## Consultation

The Skills Senior Officials Network (SSON), represented by a nominated skills senior official from each jurisdiction, provides an informal, flexible and adaptable mechanism for senior skills officials to:

- engage with each other on areas of shared responsibility in the national training system;
- discuss policy development and the application of best practice;
- facilitate jurisdictional input into issues under consideration by the Council of Australian Governments Industry and Skills Council; and
- progress other functions as necessary for the operation of the national training system.

Through the SSON, States and Territories were consulted on their subsidised training courses, course price, subsidy amount and courses with licensing requirements.

Subsidised training courses and courses with licensing requirements provided by States and Territories were used to determine the VET Student Loans course eligibility as the methodology is that: courses are on at least two state and territory subsidy/skills lists, or are STEM related, or are tied to licensing requirements for a particular occupation.

Course price and subsidy amount information received from States and Territories has been used to inform the VET Student Loans course loan caps, as set out in this Amendment.

## Regulatory Impact Statement

No Regulatory Impact Statement needed: OBPR ID 25851

## Authority

The Courses and Loan Caps Determination is made under section 16 of the VET Student Loans Act.

## Explanation of Provisions

**Sections 1, 2 and 3** of the Amendment Determination are formal provisions setting out the name, date of commencement, and authority for making of the Determination.

**Section 4** of the Amendment Determination provides that the Courses and Loan Caps Determination is amended as set out in Schedule 1 to the Amendment Determination.

**Section 5** of the Amendment Determination clarifies the transitional arrangements for the courses which are removed.

Once a VET student loan for an approved course has been approved by the Secretary, the loan remains approved even if the course is later removed from the approved course list in the Courses and Loan Caps Determination (for example, because the course is no longer current). This means that, if the full loan amount has not been paid by the Secretary to the approved course provider at the time a course is removed from the Determination, the Secretary can continue to make loan payments to the provider for the course which has been removed.

Section 5 of the Amendment Determination makes it clear that this can occur for the courses that are listed in items 2, 5 and 8 of Schedule 1 to the Amendment Determination (courses that are non-current or deleted and are being removed from the Courses and Loan Caps Determination from the day the instrument commences).

**Schedule 1** sets out the amendments to the Courses and Loan Caps Determination.

**Item 1 of Schedule 1** provides that the table in Schedule 1, Part 2 is amended through adding rows setting out the details of two approved courses. The rows are to be added to the table in ascending numerical order, ordered by course code.

**Item 2 of Schedule 1** provides that the table in Schedule 1, Part 1 is amended through omitting 34 rows setting out the details of 34 courses to be removed.

**Item 3 of Schedule 1** provides that all items in the table in Schedule 1, Part 1 are to be renumbered starting at 1.

**Item 4 of Schedule 1** provides that the table in Schedule 1, Part 2 is amended through adding 38 additional rows setting out the details for 38 additional approved courses. The rows are to be added to the table in ascending numerical order, ordered by course code.

**Item 5 of Schedule 1** provides that the table in Schedule 1, Part 2 is amended through omitting rows setting out the details of 74 courses to be removed.

**Item 6 of Schedule 1** provides that all items in the table in Schedule 1, Part 2 are to be renumbered starting at 1.

**Item 7 of Schedule 1** provides that the table in Schedule 1, Part 3 is amended through adding 74 additional rows setting out the details for 74 additional approved courses. The rows are to be added to the table in ascending numerical order, ordered by course code.

**Item 8 of Schedule 1** provides that the table in Schedule 1, Part 3 is amended through omitting rows setting out the details of 38 courses to be removed.

**Item 9 of Schedule 1** provides that all items in the table in Schedule 1, Part 3 are to be renumbered starting at 1.

**Item 10 of Schedule 1** provides that the table in Schedule 3 is amended through adding five additional rows setting out the details of an additional 4 courses at 4 specific approved course providers. The rows are to be added to the table in alphabetical order by approved course provider.

**Item 11 of Schedule 1** provides that the table in Schedule 3 is amended through omitting five rows setting out the details of 3 courses at 4 specified approved course providers.

**Item 12 of Schedule 1** provides the table in Schedule 3 is amended by omitting “\$10 000” from 11 specified items, and “\$10, 000” from 10 specified items, and substituting “\$15 000”.

The table is also amended by omitting “\$5 000” from two specified items in the table in Schedule 3 and substituting “\$10 000”.

**Item 13 of Schedule 1** provides that all items in the table in Schedule 3 are to be renumbered starting at 1.

# Statement of Compatibility with Human Rights

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*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

## ***VET Student Loans (Courses and Loan Caps) Amendment Determination (No. 1) (2020)***

This legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

### **Overview of the Legislative Instrument**

The *VET Student Loans (Courses and Loan Caps) Amendment Determination (No. 1) (2020)* (Amendment Determination) amends Schedule 1 – Approved courses – general (Schedule 1) and Schedule 3 – Approved courses for specific providers (Schedule 3) of the *VET Student Loans (Courses and Loan Caps) Determination 2016* (Courses and Loan Caps Determination). The Courses and Loan Caps Determination sets out the courses of study for which VET student loans can be approved and the maximum loan amounts for those courses, which is subject to annual indexation. Schedule 1 sets out general Approved Courses and Schedule 3 sets out Approved Courses for specified providers. The courses at Parts 1, 2 and 3 of Schedule 1 are subject to different maximum loan amounts. Specifically, the Amendment Determination adds 22 courses to Schedule 1, removes 55 courses from Schedule 1, moves 30 courses from Schedule 1, Part 1 to Schedule 1, Part 2 and an additional 62 courses are moved from Schedule 1, Part 2 to Schedule 1, Part 3. The Amendment Determination also adds five courses for specified providers to Schedule 3, removes five courses for specified providers from Schedule 3 and increases the loans cap for 23 courses for specific providers in Schedule 3.

The Courses and Loans Cap Determination forms part of the Australian Government's reform of the student loan arrangements for vocational education and training (VET) courses, the full policy context and background for which is set out in the Explanatory Memorandum to the VET Student Loans Bill 2016.

### **Human Rights Implications**

This instrument engages the following human rights:

- *Right to Education* – Article 13, International Covenant on Economic, Social and Cultural Rights (ICESR)
- *Right to Work* – Article 6(1) and 7 of the ICESCR.

#### *Right to Education*

The Amendment Determination engages the right to education, set out in Article 13 of the ICESR. The right to education recognises the important personal, societal, economic and intellectual benefits of education and provides that higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education.

The right to education is positively engaged by the measures contained in the Amendment Determination because these amendments will ensure that students have access to educational opportunities in courses that prepare students to meet industry needs within the VET sector,

thereby providing students with educational opportunities in relevant fields that lead to genuine employment opportunities.

To the extent that the Amendment Determination is seen in any way to limit students' access to particular courses and confine course choice, this is justifiable to ensure fiscal accountability and quality output from providers. The limit on which courses are eligible for loan access ensures that students are undertaking courses that are more likely to result in an employment outcome. This limitation is necessary and proportionate to the policy objective, as the measures are designed to protect students by enhancing educational and employment outcomes, ensuring they are receiving value for money, and that there is a high level of quality assurance and transparency in the training courses.

The Amendment Determination is compatible with the right to education.

### *Right to Work*

The Amendment Determination engages the right to work, set out in Article 6 and 7 of the ICESCR. The right to work recognises the right of everyone to the opportunity to gain their living by work, which they freely choose or accept and under conditions where their fundamental political and economic freedoms are safeguarded.

VET equips students with workplace specific skills, designed by industry, for a wide range of occupations. It also represents an important economic and social opportunity for those seeking new employment opportunities, or those seeking to retrain.

Courses, which are eligible for a VET student loan, must be current and on at least two state or territory skills needs lists; or science, technology, engineering, agriculture or mathematics related; or tied to licensing requirements for a particular occupation. The Amendment Determination is intended to keep the focus of the VET student loans program on providing support for students in respect to courses that have a high national priority, align with industry needs, contribute to addressing skills shortages and lead to employment outcomes.

This instrument allows the Courses and Loan Caps Determination to be updated with approved courses to ensure that Commonwealth income contingent loans are available to support students in VET training courses where genuine employment opportunities exist.

The instrument is compatible with the right to work.

## **Conclusion**

This Amendment Determination is compatible with human rights.

**Michaelia Cash**  
**Minister for Employment, Skills, Small and Family Business**