2009
Career Advisers’ Seminar

www.rmit.edu.au
TAFE fee changes

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Skills Reform

What is Skills Reform?

• Victorian Government initiative to address shifting demand for training.

• Consistent with Federal Government focus with the introduction of “Skills Australia”, to advise on current and future skill demands.
Skills Reform: the intent

• Increase the number of people undertaking training in the areas and at the levels where skills are needed for Victoria’s economic and social development;

• Develop a training system that engages more effectively with individuals and businesses and is easier to navigate;

• Ensures our skills system is responsive to the changing needs of Victoria’s industry and workforce; and

• Creates a culture of lifelong skills development.

What changes will students see?

• Additional training places will be funded: TAFE providers can expand the number of places offered in programs.
• New eligibility requirements for govt subsided places.
• Higher costs for some levels of programs.
New terminology

- **Foundation**: literacy, numeracy & language skills
- **Skills Creation**: Certs I & II – to develop initial vocational skills
- **Skills Building**: Certs III & IV – when more advanced skills are needed
- **Skills Deepening**: Diplomas & Advanced Diplomas – leading to higher qualifications needed for innovation-driven economic growth.
- **Victorian Training Guarantee**: entitlement to a government subsidised place in recognised training that can be accessed at any time, and will be available for training at successively higher levels.
Eligibility Criteria

For people aged up to 20 (as at 1 Jan in year of commencing training):

• Victorian Training Guarantee – government subsidised places will be available for training at any qualification level.
Eligibility Criteria

For people aged 20 and over (as at 1 Jan in year of commencing training):

• Victorian Training Guarantee – government subsidised places will be available for:
  – training at the Foundations skills level and for any qualification higher than the qualification already held;
  – if an initial qualification has already been completed, govt subsidised places will only be available for accredited training at higher levels.
Eligibility Criteria

Exemptions:

• A limited No. of govt subsidised places will be available in targeted programs of high skills demand.
## Fees from 2010 (indexed annually)

<table>
<thead>
<tr>
<th>Award</th>
<th>Tuition Fee structure</th>
<th>Costs in 2010 (min / max)</th>
<th>Concession available?</th>
<th>New eligibility criteria – applies from:</th>
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</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>Foundation &amp; pre-accredited courses</td>
<td>$50 / $500</td>
<td>Yes</td>
<td>Sem 1, ‘11</td>
</tr>
<tr>
<td>Certs I &amp; II</td>
<td>Skills Creation</td>
<td>$105 / $875</td>
<td>Yes</td>
<td>Sem 1, ‘11</td>
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<tr>
<td>Various</td>
<td>Apprentices &amp; Trainees</td>
<td>$57 / $903</td>
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<td>Sem 1, ‘11</td>
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<tr>
<td>Certs III &amp; IV</td>
<td>Skills Building</td>
<td>$120 / $1,000</td>
<td>Yes</td>
<td>Sem 1, ‘11</td>
</tr>
<tr>
<td>Diplomas &amp; Advanced Diplomas</td>
<td>Skills Deepening</td>
<td>$225 / $2,000</td>
<td>No</td>
<td>Sem 2, ‘09</td>
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</tbody>
</table>
VET FEE-HELP – student loans

• Higher Education Support Act 2003 (HESA) legislation currently being extended to provide “VET FEE-HELP” to govt subsidised students.

• If approved, “VET FEE-HELP” will be available via approved providers to support:
  – Govt subsidised students in Diploma and Advanced Diploma programs; and
  – Australian Full Fee paying students in Diploma and Advanced Diploma programs.

• RMIT has applied for approval to offer VET FEE-HELP.
VET FEE-HELP Eligibility Requirements

To be eligible for VET FEE-HELP assistance, the student must:

- be an Australian citizen or permanent humanitarian visa holder;
- provide a valid Tax File Number;
- have completed, signed and submitted a valid request for VET FEE-HELP Assistance form, on or before the Census Date; and
- have not exceeded the FEE-HELP limit*

*2009 FEE-HELP limit is $83,313 CPI
What does VET FEE-HELP cover?

VET FEE-HELP:

• Is only available to approved TAFE institutions;

• Is likely to be expanded to cover tuition fees for all Diplomas and Advanced Diplomas (pending legislation).

• Provides a loan for tuition fees only, i.e. does not cover:
  – Material fees;
  – Library fees;
  – Administration fees;
  – Accommodation costs; or
  – Living expenses.
How does a VET FEE-HELP loan assist to pay tuition fees?

• Eligible students who are approved to receive VET FEE-HELP assistance to help pay for all or part of their tuition fees will effectively have a loan with the Australian Government.

• Under VET FEE-HELP assistance, a student may:
  — pay some of the tuition fee up-front and request a loan for the remainder of their tuition fees; or
  — request a VET FEE-HELP loan for the full tuition amount.

• The Australian Government pays a VET provider on behalf of the student for outstanding tuition fees remaining at Census Date.
Is there a cost or charges in taking out a VET FEE-HELP loan?

• There is no application fee.
• No interest is charged on VET FEE-HELP debts.
• FEE-HELP debts are indexed annually by the Australian Taxation Office (ATO) to maintain its real value.
VET FEE-HELP Loan Limit

• Over a student’s lifetime, whether they receive a loan under VET FEE-HELP for VET studies or FEE-HELP for Higher Education studies, the same FEE-HELP loan limit applies.

• In 2009, the FEE-HELP loan limit is $83,313.

• The loan limit amount is indexed each year.

• Once the FEE-HELP limit has been met, students become ineligible to access or continue to receive VET FEE-HELP or FEE-HELP assistance.
Loan Repayments

• VET FEE-HELP debts are incurred immediately after the Census Date for the program that a student has applied to receive VET FEE-HELP assistance for.

• Students repay their VET FEE-HELP debt to the Australian Government through the tax system once they reach the minimum income threshold level for repayment, which for 2008-09 is $41,594.

• The Australian Taxation Office (ATO) will calculate compulsory repayments for each financial year which will be included on a students income tax notice of assessment.

• Voluntary repayments to the ATO can be made at any time and for any amount. Making voluntary repayments reduces the debt immediately and payments of $500 or more attract a 10% bonus on the payment made.
Applying for VET FEE-HELP Assistance

• Eligible students can apply for a assistance by completing a Request for VET FEE-HELP Assistance form at enrolment.

• When completing the form, students must:
  – Indicate the program for which they would like to obtain VET FEE-HELP;
  – Tick all relevant boxes;
  – Provide a valid Tax File Number (TFN);
  – Sign the form; and
  – Submit the form on before the relevant Census Date that VET FEE-HELP assistance is being sought.
Overview of VET FEE-HELP

- **Eligible student applies for VET FEE-HELP assistance**
  - Student pays part tuition fee up-front and applies for VET FEE-HELP assistance for remainder of tuition fee
  - Student submits Request for VET FEE-HELP assistance form on or before the census date

- **Australian Government pays VET provider on behalf of the student for outstanding tuition fees remaining at census date**
  - VET provider advises student of VET FEE-HELP debt

- **Student enrols as a govt subsidised / full fee-paying student**
  - Eligible student applies for VET FEE-HELP assistance for full tuition fee

- **Australian Taxation Office (ATO) notified by provider of the amount of student’s VET FEE-HELP**
  - Student is not eligible or does not want VET FEE-HELP assistance. Pays full tuition fee to VET provider

- **VET FEE-HELP debt recorded against student’s tax file number**
  - Income at or below the minimum repayment threshold for income year
    - Student is not required to commence repayment of their HELP debt
  - Income reaches the minimum repayment threshold for income year
    - Student commences compulsory repayment of their HELP debt
  - Student may choose at any time to make a voluntary repayment to the ATO and receive a 10% bonus on payments of $500 or more
Further Information

Skills Reform
Skills Victoria websites:
• Student FAQs: www.skills.vic.gov.au/tafe_students/student-faqs

VET FEE-HELP
The Department of Education, Employment and Workplace Relations (DEEWR) can provide general information on VET FEE-HELP:
• Visit the VET FEE-HELP website at: www.deewr.gov.au/vetfeehelp
• Call the DEEWR Helpline: 13 38 73
• DEEWR email enquiries: VETFEEHELP@deewr.gov.au
• DEEWR Going to Uni website: www.goingtouni.gov.au