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Media Release

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TUITION ASSURANCE SCHEME FOR TAFE INSTITUTES

AUTHORISATION REQUIREMENT FOR INSTITUTES OFFERING LOANS

TAFE Directors Australia has welcomed today's announcement by Minister for Employment Participation, the Hon. Brendan O'Connor MP, of a Government-approved Tuition Assurance Scheme (TAS) for TAFE Directors Australia, the peak body for Australia's 58 TAFE Institutes and universities of technology.

TAFE Institutes which register with the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR) can choose which courses may include FEE HELP, from 2009. (see attached background sheet)

The approval will be limited to TAFE Institutes enrolled in FEE HELP with DEEWR, and is designed to support those TAFE student enrolments in diploma courses and above, with articulation to higher education.

TAFE Institutes enroll 1.5 million students each year, with another estimated 500,000 enrolments taking place through direct fully-funded private and industry courses.

The Tuition Assurance Scheme by TAFE Directors Australia will ease costs to participating TAFE Institutes, given the current private provider assurance scheme has a different risk standard for private institutions.

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TAFE DIRECTORS AUSTRALIA BACKGROUND PAPER

TUITION ASSURANCE AND FEE HELP STUDENT LOAN SCHEME

In 2003, the then Federal Government legislated for the introduction of a loan scheme (Fee Help) for full fee paying students enrolled in higher education courses in universities and approved non-university higher education providers. Fee Help was a commitment in the 2003 Budget and a response to a concerted lobby campaign by the AVCC and, in the case of private providers, ACPET.

Eligibility for Fee Help student loans is confined to Australian citizens and permanent residents.

The enabling legislation contained consumer protection provisions for non-university providers (universities were exempted), which variously required bank guarantees, back to back institutional cover or membership of an approved tuition assurance scheme. Such schemes ("TAS" schemes) were subject to ministerial approval. Since the Fee Help scheme commenced operation (2004), only one scheme has been approved, the ACPET Australian Students Tuition Assurance Scheme (ASTAS).

The purpose and obligation of TAS schemes are to provide a relocation and placement mechanism for students enrolled in providers who are no longer able to continue delivery of courses for which students have paid fees in advance.

The Fee Help Student Loan Scheme has been highly sought after by enrolling students.

In 2007, there were more than 50 approved non-university higher education providers able to offer Fee Help student loans. All but a handful were members of the ACPET ASTAS, including six TAFE institutes.

The 2007 Commonwealth Budget announced the extension of the Fee Help Student Loan Scheme to approved VET providers wishing to deliver full fee paying VET courses.

Fee Help for VET was introduced by regulation pursuant to the amending legislation to *The Act*, passed by the Commonwealth Parliament prior to the Parliament being prorogued in November. The then ALP Opposition supported the legislation and, since assuming Government, indicated its intention to proceed with the introduction of Fee Help for VET, scheduled for the second half of 2008 (whether this date is realistic remains to be seen).

DEEWR is currently taking registrations from VET institutions, seeking FEE HELP loans for students from 2009.

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