Request for Amendments to be moved on behalf of the Government

(Circulated by authority of the Minister for Employment, Skills, Small and Family Business, Senator the Hon Michaelia Cash)
AMENDMENTS TO THE
VET STUDENT LOANS (VSL TUITION PROTECTION LEVY) BILL 2019

OUTLINE

These Government amendments to the VET Student Loans (VSL Tuition Protection Levy) Bill 2019 (the Bill) give further recognition to the stability of the TAFE sector and their low risk of default. As originally drafted, clause 7 of the Bill required government owned registered training organisations and TAFE’s of each State and Territory to pay the administrative fee component of the VSL tuition protection levy (the levy) (but not the risk rated premium component, or the special tuition protection component). These amendments exclude these providers from the definition of ‘leviable provider’ meaning with the consequence that they will not be required to pay any part of the VSL tuition protection levy.

Specifically, the Government amendments will result in approved course providers not being required to pay the levy if they are:

- owned by the Commonwealth, a State or a Territory; or

- established under one of the following pieces of legislation:
  
  - Technical and Further Education Commission Act 1990 (NSW);
  - Education and Training Reform Act 2006 (Vic.);
  - TAFE Queensland Act 2013 (Qld);
  - Vocational Education and Training Act 1996 (WA);
  - TAFE SA Act 2012 (SA);
  - Training and Workforce Development Act 2013 (Tas.);
  - Canberra Institute of Technology Act 1987 (ACT).
FINANCIAL IMPACT

The measure to expand the international TPS to cover VSL students, FEE-HELP or HECS-HELP students studying at a *private education provider or TAFE was originally* expected to generate $3 million over the forward estimates as a result of the projected revenue collected through the levy system.

The proposed government amendments to the *VSL Student Loans (VSL Tuition Protection Levy) Bill 2019* and the *Higher Education Support (HELP Tuition Protection Levy) Bill 2019* remove TAFEs and government providers from the new tuition protection arrangements and will reduce levies (revenue) collected under the measure by $0.6 million per year (reflecting $0.55 million for VSL and $0.05 million for FEE-HELP/HECS-HELP).

The measure to introduce new tuition protection arrangements to cover VET Student Loans (VSL) students, FEE-HELP or HECS-HELP students studying at a private education provider will now generate expected revenue of $0.6 million over the forward estimates.

### Impact on underlying cash ($ millions)

#### Amendments to cover private providers only

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<td>New tuition protection measures – removal of TAFEs and government providers</td>
<td>-1.1</td>
<td>-0.4</td>
<td>+1.0</td>
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PROPOSED GOVERNMENT AMENDMENTS

The Government proposes the following amendments to the Bill.

**Amendment (1)** amends the definition of ‘leviable provider’ so that it does not include a provider covered by new subclause 5(1A).

**Amendment (2)** inserts a new subclause 1A into clause 5 of the Bill. This amendment sets out the approved course providers that are excluded from the amended definition of ‘leviable provider’, and as such, are not required to pay any part of the VSL tuition protection levy. These are registered training organisations that are owned by the Commonwealth, a State or a Territory, or established to provide vocational education or training under specified legislation. This legislation specified is the:

- Technical and Further Education Commission Act 1990 (NSW);
- Education and Training Reform Act 2006 (Vic.);
- TAFE Queensland Act 2013 (Qld);
- Vocational Education and Training Act 1996 (WA);
- TAFE SA Act 2012 (SA);
- Training and Workforce Development Act 2013 (Tas.); and
- Canberra Institute of Technology Act 1987 (ACT).

**Amendments (3) and (4)** are consequential amendments to clause 7 of the Bill to reflect that those providers excluded from the definition of ‘leviable provider’ are not required to pay the administrative fee component of the levy.