



In recent years the Victorian vocational education and training (VET) system has changed significantly through the introduction of an individual entitlement to a subsidised training place, and the opening of the market to competition between providers. The government is retaining and strengthening these market fundamentals, to ensure that businesses and students continue to have choice over what and where they study. At the same time, the government is implementing new arrangements to improve quality; improve system responsiveness to the needs of industry; focus investment in areas of greatest public benefit; and ensure sustainability of the system into the future.

To ensure access to government-subsidised VET is affordable and sustainable for taxpayers, individuals and businesses will need to contribute more to the cost of training. To allow this to happen, the government is removing the maximum hourly cap on student fees while at the same time increasing consumer protection and ensuring that Victorians' core entitlement to training continues. In some instances it will be expanded.

What's staying the same?

- Maximum fee caps for students who commenced before 1 July 2012 will remain unchanged until 1 January 2013.
- Healthcare and Pension card holders and their dependants and Veteran Gold Card holders will continue to have access to concession places in Certificate IV courses and below.
- Training providers will continue to have a level of autonomy with regard to the fee levels they set—but this will be increased through removal of the maximum hourly fee caps.
- VET FEE HELP will continue to be available to eligible students undertaking Diploma and Advanced Diploma courses to allow them to defer student tuition fees until they earn above the loan repayment threshold. There will continue to be no loan fee under VET FEE HELP for students undertaking government-subsidised Diploma and Advanced Diplomas.

What's changing?

Removal of the maximum fee cap

For all new commencements from 1 July 2012, the maximum hourly cap on student fees will be removed.

Currently, and until 30 June 2012, providers are able to charge fees up to a maximum fee per hour for government-subsidised training. This limits their ability to set fees that accurately reflect their cost of delivery or, in some instances, the reputation of the training they provide. It potentially stifles more innovative and creative training offerings that may be more expensive to deliver. Providers will now be able to set fees at a level that they believe reflects the quality, cost and reputation of their training.

For all new commencements by students eligible for a concession at Cert IV and below from 1 July 2012, the flat maximum concession fee will be replaced by a fee equivalent to 20 per cent of the course fee they would have been charged if they were not eligible for a concession (see information on concessions in Refocusing Vocational Training – Government Subsidies Fact Sheet).

Increased disclosure of fees to help students make informed choices

To help make students and/or employers aware of the variation in fees that providers charge, the government is requiring that all training providers publish indicative fees for all subsidised courses on their websites.

The government will also provide information to consumers on course fees through a new one-stop-shop website for Victorian VET students.

A new market monitoring unit

The government will establish a market monitoring unit to monitor prices and quality in the VET system.

The unit will be supported by a panel of VET and market experts. Its role will include identifying courses and regions where tuition fees and subsidies appear excessive or inadequate. It will make recommendations to the government to inform future subsidy levels.

In addition to ongoing price monitoring by the unit, a comprehensive review of subsidy levels will be undertaken within two years.

What does this mean for training providers?

From 1 July 2012 for new commencements and from 1 January 2013 for all enrolments, providers will no longer need to manage fees within the capped hourly rate. This means providers will be able to set the fees they believe are required to ensure quality provision while remaining competitive within the government-subsidised training market.

In line with an increased focus on product disclosure to students, providers will continue to be required to publish indicative fees (rate per hour). In addition, from 1 January 2013 providers will be required to report the hourly fee rate charged to an

individual student in an enrolment as part of changed Skills Victoria Training System (SVTS) data reporting requirements. For concession students, the reported hourly fee rate must not be more than 20 per cent of the fee they would have been charged if they were not eligible for a concession. This will require providers to update their Student Management Systems.

What does this mean for students and/or employers?

Some providers will choose to take the opportunity to charge students higher fees—others may not.

Current students who complete their studies by 31 December 2012 will not be affected by these changes. However, current students who continue their course into 2013, or enrol in new courses from 1 July 2012, may face higher fees.

New students who commence training after 1 July 2012 may face higher fees than those currently charged, particularly for courses where the government subsidy has been significantly reduced.

Where can I go for more information?

For further information on how the government is refocusing Victorian VET, including what it means for students and training providers, go to www.education.vic.gov.au/refocusingvet

