



# Media release



**The Hon Peter Hall MLC**

Minister for Higher Education and Skills  
Minister responsible for the Teaching Profession

**The Hon Robert Clark MP**

Attorney-General  
Minister for Finance

Wednesday 4 May 2011

## **Victorians to have their say about Vocational Education and Training Fees**

Minister for Higher Education and Skills Peter Hall and Minister for Finance Robert Clark today announced Victorians would have a unique opportunity to have their say about vocational education fees and funding in a new public review.

“The Victorian Coalition Government is committed to removing barriers to vocational education to help Victorians get jobs and gain the skills they need to contribute to the state economy,” Mr Hall said.

“At the 2010 election we committed to a review of all fee and funding structures across the training system to ensure there is continued support for those who need to broaden their skills to gain or maintain employment. This review fulfils that election commitment.”

Mr Clark emphasised the government’s commitment to conduct the review in a transparent and consultative manner.

“The Essential Services Commission will conduct a research and consultation process that will lead to the publication of a discussion paper. This will be used as the basis for a following state-wide public consultation process,” Mr Clark said.

“As Victoria’s independent economic regulator of essential services, the commission is well placed with the expertise and experience to conduct a transparent and objective process and provide recommendations to the Coalition Government.”

Mr Hall said vocational education and training fees could in some cases present significant barriers in getting the skills that Victorians and Victorian businesses need.

“We want to give Victorians the opportunity to have their say, which is why interested parties can make written submissions to the review when it opens in coming weeks, and participate in public forums right across the state in August,” Mr Hall said.

“This is another important step the Coalition Government is taking toward making education and training more accessible.

Earlier in the year the government announced the reinstatement of concession fee places for youth Health Care Card holders studying diploma and advanced diploma courses at Victorian TAFEs.

.../2

Full details on the review's Terms of Reference, including details of the process are attached. Further details will be made available shortly at [www.esc.vic.gov.au](http://www.esc.vic.gov.au) and [www.skills.vic.gov.au](http://www.skills.vic.gov.au).

**Media Contact: James Martin 0400 744 913**

## **Essential Services Commission**

### **Terms of Reference**

#### **Inquiry into Vocational Education and Training fees and funding arrangements**

Pursuant to section 41 of the *Essential Services Commission Act 2001* (the ESC Act), as Minister responsible for administering the ESC Act, I refer to the Essential Services Commission (the Commission) for inquiry the fees and funding model arrangements in the Victorian Education and Training (VET) sector.

#### **Scope of the inquiry**

1. The Commission should examine the extent to which the design of the Government's funding mechanism and fee structures contribute to advancing the core objectives of the Victorian Training System, including a system that:
  - (a) produces the skills needed by the Victorian economy;
  - (b) is competitive, efficient and student centred;
  - (c) assists the unqualified gain qualifications;
  - (d) helps the already qualified access qualifications that support their advancement in the labour market;
  - (e) encourages key cohorts to complete their qualification; and
  - (f) caters for higher-need learners, such as equity groups, Victorians with low socio-economic status and students with poor prior records of education achievement.
  
2. The Commission is to examine the efficiency and effectiveness of Government funding mechanisms and fee structures, including:

- (a) rationing mechanisms (eligibility), concessions and income-contingent loan arrangements;
- (b) relative funding levels for TAFE institutions and registered training organisations;
- (c) prescribed minimum and maximum tuition fee levels;
- (d) the weighted training hour approach based on estimated costs of delivery;
- (e) the balance between government, student and employer contributions; and
- (f) funding structures for higher-need learners.

The inquiry should present options for any changes to the design of funding mechanisms or fee structures, including timing and phasing for each option. Options should be affordable and prudent in the context of the State's budget position.

The inquiry is to encompass the fee and funding arrangements for VET courses delivered by TAFEs, private registered training organisations and Adult and Community Education providers, but is not to include the fee or funding arrangements for VET in Schools.

In undertaking the inquiry, the Commission should focus on fee and funding models at a broad level and is not required to make recommendations about actual fee or funding levels, relativities or weightings. References to fees within these terms of reference related only to tuition fees of students in government subsidised training places rather than other types of fees such as administration or materials fees, or fees paid by full-fee paying students.

### **Inquiry process**

The Commission is to consult publicly and provide an opportunity for stakeholders to make written submissions. The Commission is also required to hold a public forum.

The Commission is to report to me by 10 August 2011.

**ROBERT CLARK MP**

Minister for Finance