

Ned Grubisic

FYI Training

5/769 High St Epping,  
Victoria 3076

**Re: Government's "Better Alignment of Student Payments" policy**

To Whom It May Concern

My name is Ned Grubisic. I am the General Manager and Director at FYI Training (TOID 21976) - an RTO in Epping, Victoria.

This is our 13th year of continuous operation and we have always maintained a presence in Epping and the Northern Suburbs of Melbourne throughout this period. Over the last 18 months we have also begun training in Kilmore. FYI Training is a relatively small RTO with 6 Qualifications on its scope of registration – only 1 being a Diploma Qualification.

Due to the predominantly low-socio economic background of students who enrol and study with FYI Training, there has always been a strong focus on keeping Tuition Fees as low as possible so as students could afford to undertake studies in their chosen course.

As a result FYI Training has never applied for, nor found it necessary to offer, VET Student Loans to its Students. For students who are eligible for Funding towards their Diploma (this would be at least 90%-95% of all students), the maximum cost incurred is \$600 – this includes both Tuition and Materials Fees.

In 2018 the Department of Social Services amended the criteria with regards the Alignment of Student payments, in-particular linking Diploma qualifications and student payments to only those Organisations that are approved for VET Student Loans.

*"Student payments (including Youth Allowance (Student), Austudy, ABSTUDY, and the Pensioner Education Supplement) are restricted to those VET courses (at diploma level and above) and education providers that are approved for VET Student Loans (VSL)."*

As a result FYI Training (and other similar RTOs) find ourselves in the situation whereby students who enrol and undertake the Full-Time Diploma of Early Childhood qualification are now not entitled to Youth Allowance etc. payments while undertaking this course.

For students who are eligible and need such payments, this clearly has huge implications on whether they can proceed with studying the Diploma of Early Childhood with FYI Training (and other similar RTOs).

The cost associated with becoming a VET Student Loans Provider for small RTOs such as FYI Training is prohibitive. Especially when you consider that, in all likelihood, the option of a VET Fee loan would never be accessed anyway. Therefore it is neither practical nor feasible for FYI Training to become approved for VET Student Loans. Furthermore, this clearly contradicts one of FYI Training's main objectives: **To offer high quality education at an affordable cost to its students.**

Therefore FYI Training believes that a review needs to be undertaken of the Government's "Better Alignment of Student Payments" policy and the criteria on which aligning a students' payments needs to be removed or changed. Currently Diploma qualifications are not approved for student payments as FYI Training is not VSL approved.

In-particular FYI Training would like to put forward the following as to some of the reasons why this submission should be considered with regards the VET Loans criteria/Better Alignment of Student Payments policy:

- i. Due to the low socioeconomic background of the majority of students, FYI Training's Fees are maintained at a consistently low level where it is not feasible to implement or offer VET Student Loans, i.e. 90-95% of FYI's students are eligible for Government subsidised training and therefore the MAXIMUM cost they would incur for the course is \$600.
- ii. It is important to note that, upon completion of their courses, students will not end up with a significant debt that they will then need to pay-off during their careers.
- iii. Following on from this, the Government is not outlaying additional funds to cover higher costs associated with VET Student Loans and course fees.
- iv. The cost associated with becoming a VET Student Loans Provider is prohibitive. Especially when you consider that, in all likelihood, the option of a VET Fee loan would never be accessed anyway. It is neither practical nor feasible for FYI Training to become approved for VET Student Loans. Furthermore, this clearly contradicts one of FYI Training's main objectives: To offer high quality education at an affordable cost to its students.
- v. FYI Training has a very high success rate with students who complete their Qualifications subsequently finding Employment in this field. We have a great network of Childcare Centres happy to take our students on for Practical Placement due to the high level of training they receive. Many also find employment at the Centres where they undertake Placement.

\* Point 5 is supported by the following attachment:

FYI Training's 2019 RTO Performance Summary Report as issued by the Department of Education.

In-particular for the criteria: **Proportion of VET students with an improved employment status after training**, FYI Training had a rate of 65.0% compared to the State average of 45.2%

If you would like any clarification re the above, or further details re the request, please feel free to call me on 1300 884 133 or email at Nedg@fyitraining.com.au

Thank you for your time, and I look forward to your feedback

Sincerely

Ned Grubisic

General Manager