



VET Student Loans

Proposed future approach to Academic Suitability

The Department of Employment and Workplace Relations has been looking at the operation of the VET Student Loans (VSL) academic suitability requirements as part of its program improvement work. We have considered feedback provided in review processes over the last several years, as well as the responses to the academic suitability questions in our recent [VSL improvements consultation paper](#).

Language, Literacy and Numeracy (LLN) testing is an important part of assessing whether a student is suitable for undertaking a particular course of study, with LLN testing being used broadly across the VET sector outside of the requirements imposed under the VSL program. However, some VSL providers argue that formal LLN testing is not always necessary or appropriate for Diploma level courses, and it can sometimes result in students who might otherwise be suitable for a particular course not studying because they fail to pass the required test.

Furthermore, an assessment of the operation of the broader academic suitability requirements in the VET Student Loans Rules 2016 (Rules) indicates those requirements may be operating inequitably in certain circumstances.

Proposal

We are proposing a new approach to academic suitability requirements in the VSL program. Rather than prescribing specific criteria as is currently the approach under s80 of the Rules, we are looking at adopting a general requirement that providers must undertake a pre-enrolment assessment of student suitability but allow providers to determine the most appropriate way to assess students. This would align with the approach in the Standards for Registered Training Organisations (RTOs) 2015.

We expect most approved VSL providers will retain their existing established arrangements, including keeping LLN testing in their suite of tools for assessing students. However, under the proposed approach, passing an approved LLN test will not necessarily be determinative of some student's ability to access VSL.

The following elements are proposed to form part of the new approach:

- The Rules would contain a general requirement that the provider's student entry procedure must specify requirements for determining a student is academically suitable to undertake a particular course, which includes assessment of the student's skills and competencies, including their language, literacy, numeracy and digital proficiency. However, the Rules would not prescribe specific evidence requirements (for example, Year 12) or the use of approved LLN tests.

- The Rules would require providers to document, and make available on request, the results of the assessment of the student and the reasons why the student was or was not considered suitable for the course.
- The Department will monitor a range of indicators relating to student engagement and performance and will undertake investigation activities where there is evidence of a potential problem relating to student engagement or performance. This could prompt a broader audit of the provider's adherence to program requirements and the possible taking of compliance actions, including the imposition of additional conditions of approval.

Feedback

Your feedback on this proposal is welcomed. Please email your feedback to VSLredesign@dewr.gov.au by **close of business on 23 December 2022**.

Next Steps

This proposal is subject to further consideration and will be informed by submissions and feedback from stakeholders, including providers and other government agencies.

Any change will require approval, including from the Minister for Skills and Training who is the decision maker for the purposes of amending the VET Student Loans Rules 2016.