

RedHill Education Limited

Update on impact of VSL legislation and new Higher Education qualification

In early December the Australian Government legislated changes to the way it provides tuition assistance to domestic students wishing to undertake tertiary Vocational Education and Training (VET) courses.

Passage of the Government's **VET Student Loans (VSL)** legislation will result in the phasing out of VET FEE-HELP tuition loans being made available to students, and replacing it with new VSL arrangements from 1 January 2017.

Advice from the Department of Education and Training

RedHill has received written advice from the Government's Department of Education and Training (DET) stating that its preliminary view is that RedHill is suitable to be an approved course provider during the initial VSL transition period between 1 January 2017 and 30 June 2017. DET noted that this preliminary view does not constitute a formal decision because that is not possible until relevant rules and regulations are published.

The written advice from DET said that, subject to a final decision on provider eligibility, the VSL tuition loan limit for courses in the transition period between 1 January 2017 and 30 June 2017 would be \$968,000. This represents an approximately 10% increase over the VET FEE-HELP tuition loans granted in the corresponding period of 2016.

RedHill does not expect to be subject to any exclusionary circumstances detailed in VSL rules and regulations, and is therefore currently finalising operational plans to ensure a smooth transition to VSL arrangements from 1 January 2017.

Coder Factory Academy to deliver a new Higher Education qualification

Whilst RedHill's directors expect revenue growth of its high quality VET courses to be constrained during the VSL transition period, they have considered various alternatives to manage this transition and to develop other strategies to grow RedHill's domestic student revenues.

One area affected by VSL legislation is RedHill's **Coder Factory Academy** VET Diploma 'boot camp' course which provides specialised computer coding training to support the fast-growing demand for skilled software developers. RedHill has received accreditation for a new Higher Education Diploma of Information Technology from the Tertiary Education Quality and Standards Agency (TEQSA), and will convert Coder Factory Academy's computer coding 'boot camp' to this Higher Education qualification in early 2017.

Domestic students undertaking Higher Education qualifications may access the Australian Government's FEE HELP tuition loans, which are not subject to any form of provider or course level 'capping'. This means domestic students enrolling in the new Coder Factory Academy Diploma will be able to access FEE HELP tuition loans for their course.

The future

RedHill's directors believe the increased regulatory scrutiny accompanying the implementation of VSL arrangements will result in greater student confidence in the Australian VET sector, and the emergence of new opportunities for RedHill and other quality private education organisations.

CONTACT

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ABOUT REDHILL EDUCATION

RedHill operates a portfolio of quality education businesses at the premium end of the private education market to service the demand for higher education, vocational training and English language programmes. For further information refer to our website www.redhilleducation.com.