Labor's VET FEE-HELP cap will reduce rip-offs but TAFEs need guaranteed funding

SSTUWA
State School Teachers' Union of WA



Labor's decision to cap VET FEE-HELP debts at $8,000 per year is a good start but major reforms are needed to support TAFEs and end the drain of taxpayer funds to dodgy private providers, the AEU said today.

AEU Federal TAFE Secretary Pat Forward said the VET FEE-HELP scheme needed to be suspended while a full independent inquiry was held, and all governments needed to guarantee that at least 70 per cent of VET funding was reserved for TAFEs.

"Labor's announcement will go some way towards controlling the growth of low-quality private operators by cutting the profits they can make at taxpayer expense," Ms Forward said.

"But with VET FEE-HELP debts hitting $4 billion for 2016 alone, this action doesn't go far enough. VET FEE-HELP must be suspended while a full inquiry is held.

"Labor has recognised the disastrous consequences of VET FEE-HELP which has failed to increase the choice or quality of training, but has simply delivered profits to private providers at the expense of taxpayers and students.

"All political parties need to recognise the damage privatisation policies have done to TAFEs, which have been forced to compete with low-quality private operators who have often used unscrupulous and misleading methods to recruit students.

"TAFEs have been damaged by being required to compete for funding with these operators while trying to maintain quality. Private providers are poorly-regulated and not required to offer minimum hours for their courses.

"It is a national shame that governments have allowed the proliferation of private for-profit colleges which prey on some of the most disadvantaged people in our community, many of whom will now be in a position where they will carry a lifetime of debt for a worthless qualification, or no qualification at.

"Nationally, more than $2.4 billion (around 46 per cent) of government funding is now allocated contestably, not including VET FEE-HELP. More than $1.5b of this funding goes directly to private for-profit providers; an increase of 222 per cent since 2005.

“We need to ensure that at least 70 per cent of government funding is reserved for TAFEs so that they can continue their role at the heart of the vocational education system.

“Without guaranteed support we run the risk of losing the quality, capacity and experience of TAFE and the standards of vocational training in Australia will fall.

Authorised by Sally Dennis, General Secretary, The State School Teachers' Union of W.A.
ABN 54 478 094 635 © 2026