Federal government's fourth 'crack down' in two years won't stop private VET rorts



AEU

The Turnbull Government's fourth 'crack down' on dodgy private VET providers in two years will do nothing to fix the huge rorts in the sector, the AEU said today.

AEU Federal TAFE Secretary, Pat Forward said the Federal Government must take real action – including a suspension of the VET FEE-HELP scheme – to stop private providers rorting the Vocational Education and Training system.

"Education Minister Simon Birmingham admits we have massive problems with VET FEE-HELP but isn't serious about fixing the flaws that are allowing private providers to rip off students and taxpayers," Ms Forward said.

"Tinkering at the edges has done nothing to stop the massive rorting that has gone on, and the drop in the quality of training being delivered to students.

"We need to immediately cut off the supply of funds to for-profit providers, because they are the ones who are driving the practices which are lowering the quality of training, ripping off taxpayers and damaging the reputation of VET as a whole.

"The VET FEE-HELP scheme should be suspended immediately while a full review is carried out.

"The Federal Government's policy of freezing VET FEE-HELP at 2015 levels has done nothing to stop the rip-offs.

"The problem is the deregulation of VET and the lack of accountability for providers, which has allowed private operators to make huge profits at taxpayer expense.

"The cost of VET FEE-HELP has ballooned to $2.9 billion a year. 84 per cent of VET FEE-HELP funds are going to the for-profit sector, which has a student completion rate of just 8 per cent. How is this giving the taxpayers value for money?

Ms Forward said there needed to be tougher regulation of private providers to ensure students could be sure they were getting a quality education.

"The Federal Government still hasn't even mandated a minimum number of hours that private providers need to deliver.

Many students are not getting the hours that they have paid for.

“TAFEs cannot compete on a level playing field with private providers that are allowed to offer sub-standard courses taught in a fraction of the time of a TAFE course.

“We have recently seen the Victorian Government ban 18 private providers from receiving any State Government subsidy, yet the majority of these are still able to get taxpayer funds through VET FEE-HELP.

“The Federal Government doesn’t even know how much it costs to deliver VET courses. We need a complete review of VET and TAFE - so the government can set funding levels which have some relationship with the cost of delivery, rather than allowing private providers to charge what they want.”

The reputation of the whole VET sector is being damaged by the lack of action on private providers.We have seen an 11% decline in enrolments which means that students and industry are missing out on training that is essential to the economy

“Meanwhile, TAFE funding continues to decline. Campuses are closing and insufficient funds are available to deliver courses.

“All Governments need to ensure a minimum of 70 per cent of government funding is reserved for TAFEs, to ensure they remain at the centre of our VET system, and keep the capacity to deliver quality courses to students.”

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