New VET loans scheme won't protect students and TAFEs

The Federal Government's new VET Student Loans scheme will do little to stop dodgy private operators and won't give TAFEs the investment they need, the AEU said today.

AEU Federal TAFE Secretary Pat Forward said that while scrapping the disastrous VET FEE-HELP scheme was a good move, the new loans scheme did little to fix its key flaws.

"The bill passed by Parliament today won't protect students, and won't give TAFEs the guaranteed funding they need," Ms Forward said.

"The new scheme entrenches a user-pays system which sees VET students, including those at TAFEs, responsible for funding their own education," Ms Forward said.

"All governments now need to admit that privatisation of vocational education and training has failed and make properly funding TAFEs a priority.

"The flawed VET FEE-HELP scheme went hand in hand with cuts to government funding for TAFEs, because it allowed governments to shift costs onto students.

"The end of VET FEE-HELP must see an increase in investment in TAFEs to ensure all Australians have access to quality vocational training.

"Vocational education remains the worst funded sector of our post-school education system, and funding per hour has been on a steady decline for over a decade.

Ms Forward said the new system would not protect students from dodgy private operators, who had used VET FEE-HELP to make huge profits from substandard courses.

"The bill has been further weakened by Senators accepting a compromise that would allow the Federal Education Minister to approve private providers who would otherwise have failed to qualify for the new loans system.

“This adds yet another loophole to a system which does not require private providers to meet minimum standards of course delivery to qualify for government subsidies.

“Caps on loans are no substitute for a properly-regulated system, and will simply lead to dodgy providers cutting even more corners to deliver themselves taxpayer-funded profits,” Ms Forward said.

“There is still no requirement for private providers to deliver a minimum number of hours to qualify for the scheme.

“Minister Birmingham’s decision to allow TAFEs automatic access to the new system is a recognition that public VET is providing high quality courses for students, while the private sector has failed to do so.

“We need to take that a step further and ensure that at least 70 per cent of all government funding is reserved for TAFEs – rather than have them continue to compete with low-quality private providers.

“TAFEs’ share of government funding has fallen by 24 per cent in the last eight years, doing long-term damage to TAFEs capacity to train Australians for the jobs of the future.”

Authorised by Sally Dennis, General Secretary, The State School Teachers' Union of W.A.
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