Privatised vocational training has lowered quality, given huge profits to private sector

New research shows privatisation of vocational training and TAFEs has led to a drop in quality of courses and huge taxpayer-funded profits to private providers.

AEU Federal TAFE Secretary Pat Forward said the research showed restrictions needed to be placed on private providers to ensure that students and governments weren't ripped off, trust in the vocational training system was maintained, and that TAFEs were preserved. The research was conducted by the University of Sydney's Business School on behalf of the AEU and examined the shift towards privatisation of training in recent years.

"Privatisation of the training sector has been a failure which has enriched low-quality for-profit providers at the expense of students and taxpayers," Ms Forward said.

"The research found the average profit made by sharemarket-listed for-profit providers was around 30 per cent, with Australian Careers Network earning a massive 51 per cent annual profit on the back of taxpayer-funded training.

"The report found that these profits are coming at the expense of quality delivered to students.

There are no limits on what the providers can charge for courses through the FEE-HELP system, and students are being burdened with huge debts.

"Private companies are making huge profits from taxpayer subsidies and delivering substandard or useless courses to vulnerable students – all of which has undermined trust in the system.

"We need immediate action to lift standards: including minimum hours for courses, a ban on contracting out training to unregistered third parties and a crackdown on the way these companies market themselves.

"The only way to restore quality to the sector is to limit the proportion of government funding tendered to the private sector to 30 per cent, to ensure TAFEs retain their capacity to provide quality training to all Australians who need it.

"TAFEs cannot compete fairly with unscrupulous companies who claim to be able to teach a year-long course in eight weeks, or which mislead students about the debts they will incur from taking a course.

"Privatisation has not delivered the benefits it was supposed to. We have seen a drop in standards and huge damage to the capacity of TAFEs.

"The annual report of the Australian Skills Quality Authority last year found that 75 per cent of Registered Training Organisations (RTOs) failed to meet minimum standards on a first inspection.

"Privatisation has been a disaster, we have lowered the quality of the training system and damaged TAFEs and got nothing in return.

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