Federal Government must crackdown on dodgy private training providers to save students

Private training providers must be better regulated to protect students and limits placed on the amount of government funding they can receive, the AEU will tell a Senate Inquiry in Melbourne today.

AEU Federal TAFE Secretary Pat Forward, who will give evidence to a Senate Committee Inquiry into private Vocational Education and Training (VET), said that the rapid privatisation of VET had led to students racking up big debts for substandard courses.

"We need to ban unregistered providers from getting government funding, cap the skyrocketing fees private providers can charge, ensure students are getting the hours they pay for and ban the brokers who target vulnerable students," Ms Forward said.

"We also need to maintain TAFEs at the heart of the training system by limiting the proportion of government funding tendered to the private sector to 30 per cent. If we lose the capacity and experience of TAFE, we will not be able to get it back.

"Government policies which allow for-profit private providers to access taxpayer funds to provide VET have been a disaster and must be wound back," Ms Forward said.

"This privatisation agenda has cut TAFE budgets, driven down the quality of training and left students with huge debts through VET FEE-HELP student loans, often for substandard courses that don't help them find work.

"New figures on FEE-HELP debts show that students have accrued VET FEE HELP debts of $1.7 billion from January to the end May 2015, up from $1.6 billion in the whole of 2014.

"Student debt is increasing rapidly as unscrupulous private providers take advantage of the fact there are no limits on what they can charge to the FEE HELP scheme."

"We have seen a decline in government funding per hour of VET, along with a massive growth in student debt, most of which is going to private providers.

"The Australian Standards and Quality Authority's 2013/14 annual report found that 75 per cent of courses failed to meet standards on a first inspection, an incredibly high figure which shows that regulation cannot keep up with the huge growth of private providers.

Earlier this week Queensland's Training and Skills Minister Yvette D'Ath warned potential students to protect themselves from "unethical practices" because the training industry "receives government subsidies, and that makes it particularly attractive to shonks looking to make a quick buck".

"This is a clear admission from a state government of the damage that has been done to the sector by unregulated privatisation," Ms Forward said.

"Students should be able to enrol for courses knowing that they will not be ripped off and that they will be getting quality training that will improve their chances of getting a job.

An affiliate of the Australian Council of Trade Unions (ACTU) and Education International (EI) "In Victoria we have seen over 10,000 qualifications cancelled in fields like Aged Care and Child Care due to poor quality instruction, and students left to pick up the pieces."

Ms Forward said there needed to be immediate action to ban unregistered providers and brokers of VET courses.

"Standards must be changed to ensure that students receive, as a bare minimum, the hours that they have paid for, rather than allowing private providers to generate profits by under- training students."

"We need to regulate the amount that individual courses can charge through FEE-HELP rather than the current system which can see students charged $40,000 for a diploma.

"There should also be a cap on the total amount of VET FEE HELP debt, to limit taxpayers' exposure to the scheme.

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