

MEDIA RELEASE

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Tax on private providers adds insult to injury

Private training providers will have to pay for a system they overwhelmingly believe will damage the sector, drive them out of business and ultimately erode the quality of training delivered to Australian students.

Australian Council for Private Education and Training (ACPET) CEO Rod Camm said the Turnbull Government again failed to consult the businesses it is supposed to represent with news this morning that the Federal Government will impose a tax on providers to fund the VET student loan program, including the costs incurred by the Commonwealth to administer the scheme, data collection and analysis as well as compliance and enforcement activities.

“This tax, and the new application fee for providers wanting to participate in the VET Student Loan scheme, are further burdens on the overwhelming majority of private providers who have delivered training to millions of Australia’s VET students and employed thousands of people in a well-functioning contestable market for 20 years,” he said.

“The previous VET FEE HELP system failed due to a complete lack of management by Government and an inability to exit poor providers, and yet it is the whole sector that has to carry the burden.

“Good private providers continue to be punished for successive government failures.”

Mr Camm said the industry had been left stunned by the Government’s anti-business and poor consultative approach to reforming the system.

“Each day provides us with new and incomplete information that private providers must cobble together to try and make decisions about their future,” he said.

“The uncertainty of these reforms being proposed at the eleventh hour before the start of the next academic year is unfair and unworkable.”

Federal Education Minister, Senator Simon Birmingham, said on ABC Radio this morning that he was confident that quality providers who have done the right thing in the past would survive the reforms.

“Unfortunately, we do not share his confidence as the VET Student Loan scheme, as proposed in the Bills introduced to Parliament this morning, will force many high quality providers out of the market and many are already considering their viability,” Mr Camm said.

“Cutting eligible course lists and implementing arbitrary caps on course costs without any actual market testing or analysis will have a profound effect on the quality of courses delivered and the ability of students to access them.

“The Government incorrectly claims there was a comprehensive consultation process but the Minister’s comments today suggest they do not fully comprehend the implications of the reforms.”

Ends.

Rod Camm is available for interview - 0409 484 051.