

MEDIA RELEASE

24 October 2016

VET sector needs to work together

Australia's private education and training providers have called on the Federal Government to address elements of the new VET Student Loan scheme that could result in unintended, but completely foreseeable, negative consequences.

Australian Council for Private Education and Training (ACPET) CEO Rod Camm said ACPET and many of its members had made submissions to the Senate Inquiry about the program intended to replace the VET FEE HELP scheme, VET Student Loans.

"There are significant issues with the VET Student Loan Scheme, as well as the program it is replacing," he said.

"Private providers support reform to ensure only quality providers can deliver quality courses to students but we believe the VET Student Loans scheme, in its current form, will fail to deliver upon its intent," he said.

Mr Camm said private providers had invaluable experience in course delivery and had provided practical insight and feedback into the shortcomings and implementation issues of the new scheme.

"We want to work with the Government to ensure that the reforms produce a healthy, fit-for-purpose and accessible VET sector for Australia," he said.

However, he said the Minister's commentary this morning was very disappointing for the vast majority of quality private providers who had done the right thing.

"We know the previous system was deeply flawed, we know a small number of providers indulged in highly unethical conduct and we know that poor Government administration of the VET FEE HELP scheme facilitated price gouging by some," he said.

"However, we have known all this for a long time now and private providers were among the loudest voices calling for reform and, had the Government not taken so long to respond, we wouldn't be faced with such huge issues.

"It is a stunning admission that the Government has approved payments of this magnitude without scrutiny. It would be unprecedented that Government would approve payments with no attention to outcomes. Yet, an entire industry is being damaged by this media commentary."

Mr Camm said ACPET would never stand up for, or support, poor providers.

"The media coverage this morning highlighting the difference in course charges between private and public providers was an obfuscation to further demonise private providers," he said.

Mr Camm said the data cited by the Minister cited in media reports this morning related to 2015 and these figures will have been distorted by the actions of unethical providers.

"Even so, cost comparisons between public and private providers is like comparing apples and pears. The Minister fails to acknowledge that public providers have most of their costs paid direct by the taxpayer, where private providers don't," he said.

“Put simply, how can the prices be the same?”

Mr Camm said that, as a result of the Government’s overcorrection, ACPET and its members were concerned about a number of elements of the new scheme, particularly that students can only access loan support for less than half the courses available previously and precludes almost entire disciplines.

“Many real courses that will result in real jobs have been left off the list,” he said.

Private providers are also concerned about the loan caps.

“We understand that the three tier cap system is an attempt to reign in the potential for price gouging, however, we challenge the methodology used to assign courses to cap bands as most bear little correlation to the actual cost of course delivery,” Mr Camm said.

“The gap will have to be met by up-front fees, reducing access for many students. Alternatively, good quality providers will be forced to reduce costs, compromising quality and outcomes, to meet these artificial constraints.”

Mr Camm said ACPET was calling on the Department of Education and Training to undertake market testing of all VSL courses, in consultation with the industry and State and Territory Governments, to ensure all course loan settings are appropriate to support quality training outcomes.

Ends.

Rod Camm is available for interview - 0409 484 051.