



Women's Electoral Lobby | 8-10 Victoria Street, Newtown, NSW 2042

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## **Response to Redesigning VET FEE HELP. Discussion Paper. Australian Government, 2016**

### **1. BACKGROUND**

WEL is a feminist, independent, not for profit, political lobby group. It works to protect and advance women's rights. It is dedicated to creating a society where women's participation and potential is acknowledged and respected and barriers to achieving equality are removed so that women and men share equally in society's responsibilities and rewards.

Over the years, WEL has supported **targeted funding for vocational education and TAFE programs for women** and **appropriate income support, fee exemptions or allowances** for women students of all ages and backgrounds. Our aim is to ensure such programs are affordable and accessible.

WEL has advocated for the development of **women's education and training plans** specifically through the publicly funded, quality guaranteed and trusted TAFE systems in all States and territories. It has supported programs which aim to increase the numbers of women and girls enrolling in apprenticeships and traineeships in trades and technician level courses.

### **2. WOMEN STUDENTS IN THE VET SECTOR**

We note that there are nearly four million VET students of which 43% or so are female. (NCVER, 2015a, Tables 3 and 5) Most VET students are now enrolled with private providers. WEL also notes that the majority of VET FEE HELP loans, on the latest publicly available figures, were women. (2013 VET FEE HELP Statistical Report Summary) Of 101,000 students, 67,100 were female.

The Government's discussion paper does not disaggregate figures by gender, but WEL is assuming that women access the Scheme in much greater numbers than men, and among all of these, some of the most disadvantaged students in our communities, for example those with disabilities, in remote areas or Indigenous. Many of these women will enter low paid and increasingly insecure feminized industries, and, as a result of broken careers and caring responsibilities are likely to carry VET FEE HELP debt throughout their lives. WEL sees this as an indefensible outcome and one which no government should support into the future. This will condemn more women and their dependents into cycles of poverty.

WEL welcomes the Government's amendments to the Higher Education Support Act which have tightened provisions for payments under the Scheme. We noted that the VET Guideline, 2015 establishes regulations to assist in reforming the Scheme's operation.

WEL does not believe all of these measures go far enough. The monitoring of compliance by private training providers needs to be well resourced and implemented consistently and robustly in all States and territories. We see no evidence that this monitoring has improved

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and that the public accountability of private providers for what they deliver to students is now at a level which will act as an adequate incentive to improve course quality, student outcomes and financial integrity.

**WEL will not be addressing all questions raised in the Discussion Paper, but we are concerned about protection of students, quality control, public accountability and measures for debt forgiveness. We also have some questions of government?**

WEL believes that the VET system, as a part of the tertiary education system needs a comprehensive and independent review aimed at defining the respective roles of all public and private institutions which contribute to the vocational and technical education in Australia. The findings of such a review should frame any new national agreements or partnerships. The government constructed and taxpayer underwritten private VET market needs to be assessed for its costs as well as its economic and individual benefits. This artificial training market has seen billions transferred to the private sector without sufficient assurance to the public that benefits have warranted these massive taxpayer outlays.

The private college scandals, court cases, bankruptcies, sudden closures reported across the nation; the exploitation of the most vulnerable in our communities has alarmed our members and many in the educational and broader community. Though we hear the defence that these are a small number of unscrupulous operators profiteering from flaws in the Scheme, WEL is not convinced that the unethical and, even criminal, behavior does not extend beyond some of the 264 VET FEE HELP providers to many more of the approximately 4700 Registered Training Organisations.

What agencies of governments are responsible for assuring the public of course quality, financial integrity and relevance of course provision? Many of these burgeoning number of providers rely exclusively on government subsidy in combination with student fees. In what sense are they actually private? To what extent is their business model built on enrolling students in government subsidized or priority programs? How are these providers monitored and accountable for the outcome of their operations? How is the public protected from profiteering?

The flaws in the VET FEE HELP Scheme have exposed greater problems with the contestable training market. The predatory behavior of private training providers under the guise of offering or responding to consumer choice has highlighted the inherent problems with the current VET business model.

### **3. PRIVATE TRAINING**

Vocational education and training should not be regarded as a business capitalizing on government fees and subsidies or income contingent loans.

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WEL believes that there need to be a return of funding to **the trusted public TAFE system.**

The problems with the Scheme are not TAFE problems. They are largely of the private sector in the VET market. TAFE loan amounts, based on the Discussion Paper's figures, represented only 14% of total loans in 2015. WEL considers that there should be a major reconsideration of the proportion of loans allocated to private registered training organisations. **A cap on loans is essential.**

Beyond such immediate corrective action, TAFE should be restored as the major VET provider for all levels of courses with a restoration of requirements for credit transfer arrangements with higher education providers except where courses were demonstrably in niche markets of high priority for certain industries.

WEL supports a publicly funded TAFE system. TAFE has a core mission to serve the community and industry. It has a history in all States and territories and a tradition of providing appropriate learning environments with clear learning pathways; accessible to the community across the country; responsive and relevant to its needs and that of industry and trusted by students and employers. There has been continuity, capability and quality in its course offerings and in its student services and support, It saw its duty to the community. Until recent years, when the drive to privatize training and create artificial markets, has seen it in decline, and, in a perpetual state of reform and restructuring as it is forced into increasing competition rather than collaboration on meeting its core community service obligations.

#### **4. OMBUDSMAN**

In relation to the many thousands of students who have been exploited as a result of faults in the Scheme and its regulatory failures, WEL supports the appointment of an Ombudsman to provide practical assistance to former and current students who were or are victims of the unethical, sometimes criminal and dishonest conduct of private providers. Their debt should be forgiven and opportunities provided to them to enroll in relevant and appropriate courses to completion as one way of redressing the disadvantages suffered by them as a result of the failures of the Scheme. Any dishonest or criminal conduct of providers uncovered in this process needs to be referred to relevant authorities.

#### **5. QUALITY CONTROL**

There should be a higher standard applied to all VET providers seeking to offer VET FEE HELP eligible courses. These standards need to focus on organizational capacity and capability, governance, management and educational training and assessment experience and knowledge, qualifications of management and teacher and trainer supervisors, financial viability, rationale for course offerings, business and educational plans.

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The risks associated with establishing a private training organization should be borne by the owners and management of the RTO not the students and the taxpayer through government loan schemes and subsidies.

## **6. PROVIDER REAPPLICATION**

WEL supports raising the standards for eligibility as well as a comprehensive reapplication process for all providers. This needs to entail the implementation of independent reviews of all applications for VET FEE HELP eligibility. This review needs to include individual course accreditation whether the course whether the course is part of a training package or not.

WEL trusts that the Discussion Paper process will result in a redesign of the VET FEE HELP Scheme which will restore respect and integrity to the VET sector. Any new Scheme must be set in the context of the outcomes of the independent review we recommend. TAFE needs to be restored to a central role as the publicly funded VET provider accountable not to shareholders or private owners, but to the community through Government for the quality, relevance and effectiveness of its teaching and learning from a qualified teaching service in publicly owned and operated training facilities.

Jozefa Sobski  
Convenor, WEL NSW  
26<sup>th</sup> June, 2016

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