

AUSTRALIAN GREENS' ADDITIONAL COMMENTS

1.1 The Australian Greens support all of the reforms contained in this Bill. Many of these reforms, especially the increased penalties for VET providers who engage in inappropriate behaviour and the broadening of the ability for students to seek re-credits, are long overdue.

1.2 However the Australian Greens also believe that there are serious limitations to the current reform agenda. Of the recommendations that came out of the Education and Employment Senate References Committee inquiry into the for-profit VET sector,¹ the Government has taken the absolutely lightest touch. The Government is proceeding with only a few, including:

- minimum entry standards in terms of both previous academic achievements and literacy and numeracy; and
- a moderate increase in the civil penalties for providers engaging in inappropriate behaviour

1.3 But the majority report from the Senate inquiry also recommended the investigation of a variety of other substantial changes in the legislation, including:

- a lower loan limit or cap on VET FEE-HELP loan amounts;
- the introduction of a student ombudsman; and
- increased powers for ASQA to regulate brokers and the introduction of a brokerage fee cap.

1.4 The decision to not proceed with some of the above recommendations has been criticised in many of the submissions, including those by the Consumer Action Law Centre² and the National Tertiary Education Union³. Even submissions by the industry itself, including those by the Australian Council for Private Education and Training⁴ and Evocca College⁵, have supported calls for an industry ombudsman.

1.5 However the Greens ultimately believe that a regulatory solution to the rorting of VET FEE-HELP by for-profit providers is impossible. As Senator Rhiannon identified in the Senate Inquiry into for-profit VET providers, the incentives of the

1 Senate Education and Employment Legislation Committee, *Getting our money's worth: the operation, regulation and funding of the private vocational education and training (VET) providers in Australia*, October 2015, Canberra.

2 Consumer Action Law Centre, *Submission 24*, p. 3.

3 National Tertiary Education Union, *Submission 1*, p. 6.

4 Australian Council for Private Education and Training, *Submission 9*, pp 4-5.

5 Evocca College, *Submission 3*, p. 3.

VET-FEE HELP scheme do not align with the principles of quality education and training and meeting the skill needs of their students. The negative outcomes in the sector are not the result purely of a few bad apples, but a deeply flawed structure where a demand-driven entitlement is combined with a profit incentive.

1.6 Although the changes in this bill would marginally improve the sector, and the inclusion of the measures from the majority report of the VET inquiry would improve it further, the ultimate way to close the loop is to remove the ability of for-profit RTOs to access VET FEE-HELP entitlements. Only then will the integrity of the system be returned.

Recommendation 1

1.7 That the government remove the ability of for-profit providers to access VET FEE-HELP funding and return any extra funding to the public TAFE sector.

Senator Robert Simms

Australian Greens