



## **Senate Inquiry into Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015**

The TAFE Community Alliance welcomes the opportunity to provide a submission to the inquiry into the Higher Education Support Amendment (VET FEE-HELP Reform) Bill 2015.

The TAFE Community Alliance is an advocacy and strategy group that recognises the central role of the strong comprehensive public VET provider in the building of social, cultural and economic capacity of communities across NSW. Our website [www.tafecommunityalliance.org](http://www.tafecommunityalliance.org) tells the TAFE story and provides extensive information about our advocacy work, events and has links to relevant research papers. Politicians, well-known citizens and students speak of the value of TAFE. Students detail how useful a TAFE education has been for them, often times life-changing.

### **1.0 Introduction**

The TAFE Community Alliance wants to put on record the damage that the wider application of VET FEE-HELP has made to the VET system, its providers and students. Governments were warned of the consequences of this move, and the opening up of VET to fees commensurate with the Higher Education sector, or even worse. Without the quality safeguards in place that the University sector has overall, and the constraints on any organisation operating as a university, the VET sector is basically out-of-control. The Alliance believes that the ramifications of this 'unfettered' market approach will be felt for years in Australia, even if such amendments as the ones referred to for this inquiry, are adopted. Even such changes as these, are just band-aids on a system seriously broken, and one could ask how many band-aids does it take before the patient collapses?

The Alliance does however support these changes, including tightening up the eligibility of providers to use the VET FEE-HELP scheme, and the provision of greater and more immediate sanctions. If RTOs are misusing or abusing the use of VET FEE-HELP, they are committing a legal offence, and with other legal offences, should be dealt with immediately, even if this includes suspension from continuing their business while a full investigation is taking place. The system will in this case need to make other provisions for students. However, this is a necessary part of dealing with a system of the government's own making (several governments we acknowledge and recognise).

The burgeoning debt of many unknowing individuals, and the impact on their lives, should not be accepted, nor should the effects of the increasing debt on Australian taxpayers and our economy. Little is said about where that money has gone, but if the education being provided is not worth the fee and consequent debt, then some unscrupulous providers are

making a lot of money out of the system. We again assert, as we have in other inquiries, that education is not a business, and should not be run as one

## **2.0 Further issues:**

### **2.1 Protection for TAFE**

There appears to be a reluctance on the part of government to consider any effects of the failure of the VET market and VET FEE-HELP, on any but the students. The Alliance also believes that the effects, including increasing loss of market share and educational quality, on TAFE, must be recognised and addressed with specific funding to ensure that TAFE Institutes across Australia, can continue to offer the wide range of quality courses that they have done for many years.

Current changes to VET FEE-HELP, are likely to have the consequence of reducing funding to TAFE, and having impact on TAFE's other offerings. TAFE should not be punished for the poor market design and the unscrupulous actions of some private providers. Reputational damage to the VET sector overall, effects even the best providers.

### **2.2 Consumer protection**

It is critical that students and members of the public are protected from dishonest marketers and RTOs. However, current arrangements are not doing that. There is just as much marketing going on as ever, and students signing up for courses for which they are not suitable. It is impossible to just address the issue of the marketers, if at the same time there are not standards and safeguards to ensure that there is educational quality. If a student can still do a Diploma in a month or so, then the Government has not addressed the real problem in VET, which is ensuring that there are quality educational programs provided all the time.

A short term actions, the protection of young students, a cooling down period and the use of an Ombudsman, are all appropriate, but when there is that much money around, the Alliance believes that these are not enough. We have taken complaints over a couple of years now to both ASQA and the Department of Fair Trading in NSW, and have found both reluctant to act. Some of these complaints have been in relation to RTOs now under investigation, but if these agencies had acted sooner, then many more unknowing students would have been protected.

The USI is often touted as one method of protecting consumers, but the USI does not provide staff who are responsible for the enrolment of students, the information that they should have about other enrolments. The following is an example:

*'A teacher had a distressed call on Monday about a young woman very earnestly trying to get through her course work for 4 diplomas. The woman is homeless and seemed to have an intellectual and mental illness. Although she is homeless and does not have a street address, she does have an email address. This it seems makes her the perfect target for the unscrupulous private RTOs still working our patch. These outrageous practices are still happening to vulnerable and susceptible people in our disadvantaged communities.'*

This is a very recent example, yet apparently the student's USI would not have provided this information to any 'ethical' enroller. Apparently this person is undertaking these four very different Diplomas through three different RTOs and needless to say, the woman is not coping. So she has a debt, possibly three RTOs are rubbing their hands at the money coming their way, and the life of this young woman is affected forever. The system is not improving despite the band-aids.

### **2.3 Proper educational counselling services and educational support for all students**

As already outlined, consumer protection appears to be reactive and not pro-active. If we are to ensure that students receive the proper assessment, advice and support so that they undertake study for the right course at the right level, which is of course significant in terms of completion issues, then students must have access to properly qualified counsellors and educational support. If this was mandated, then students would not be signed up to high level courses with high debt if not suitable. If this was expected, then there would be proper qualified educational support personnel to ensure that students with a disability are given proper assessment and advice about their options. RTOs must focus as well on the pathways for students, as TAFE can, rather than making a 'quick buck' out of a one-off that may lead students nowhere. Government funding should ensure that proper counselling, assessment and advice occurs, or that it is a condition of registration for an RTO. The following are recent examples of the problems being faced by students who have not received this sort of support:

**Case Study:** A young woman with a mild intellectual disability had been enrolled in a double Diploma in Counselling and Children's Services through a private RTO. She had failed twice. When referred for proper advice it was obvious that she was not up to this level of study. She now has a substantial debt, including that of repeating subjects. She had been recruited by phone.

**Case Study:** A young man with autism was recruited for a Counselling Diploma via a phone recruitment. His details had been provided by a recruitment agency as he had been looking for work. He'd been pressured into doing the course, and was concerned. This person was vocationally not suited for this area of work and was already studying a lower level qualification.

The shift to marketing and sales people in 'recruiting' students means that there cannot be adequate screening or sufficient duty of care in advising on course levels and direction. There is clearly a problem with having multiple providers who are not in a system which provides universal training. All the band-aid adjustments will not create a VET system which is a national system where providers work in such a way, where rather than focusing on quality programs and supporting students, are only concerned with making money by undermining the other RTO.

A well funded TAFE system means people are not pushed to fill courses but rather to find the training and pathways that meet their learning needs. Under the current market design, we have private providers selling their courses to fill them as it is a their business. They will only sell what they offer regardless of the suitability for the individual.

### **2.4 Study for those not eligible for VET FEE-HELP**

Current and proposed changes to VET FEE-HELP do not assist migrants who are not citizens and there are many. These are skilled and educated people who experience barriers and closed doors in Australia. They are prepared to do further study in Australia at the VET level but simply cannot afford it. In a proper review around fees and charges, and how a HECS style scheme can be sensibly and appropriately applied across the tertiary system, consideration should be given to these migrants who are locked out of further study because of exorbitant fees.

### **3.0 Recommendations:**

In returning to the beginning of our submission, and the concerns expressed throughout the submission, the TAFE Community Alliance calls on the Federal Government to:

- Recognise that the VET system is not working the way an education system should, and that the application of a market-based design with the ability of providers to charge high fees and encourage students to take on high debts for possibly the rest of their lives, is simply wrong;
- Immediately undertake a full and comprehensive review of the tertiary sector, as was suggested in the Bradley review and more recently by others, and to ascertain through that review how the sector should be structured, the relative roles and responsibilities of the VET and university sectors, the fees that should be charged and how these should be funded without creating a further debt crisis in this country, and the number of providers that should operate across the sector. Such a review should also give weight to further funding and supporting TAFE as the public provider in VET;
- Immediately put a stop to any additional private providers operating in the market, and to any further extension of the offering of VET FEE-HELP, whilst this review is occurring. Whilst one may not undo the damage that has already occurred, one can stop it being exacerbated, whilst a more extensive process is underway.
- Accept that this VET system as currently constructed has placed enormous lifelong debt on some very disadvantaged students. The review and/or the Ombudsman, should consider how this debt could be addressed and how those students who have not completed courses and/or are unlikely or unable to make use of their whole or part qualifications, can have their debts excused.
- Use the findings of previous Senate and Upper House inquiries to inform this further review.

Linda Simon on behalf of TAFE Community Alliance

[Contact TAFE Community Alliance](#)

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