

Chapter 3

Australian Democrats' Additional Comments

3.1 The Australian Democrats welcome the committee's inquiry into the *Higher Education Support Amendment (Extending FEE-HELP for VET Diploma and VET Advanced Diploma Courses) Bill 2007*. It is broadly acknowledged that Australia is facing a chronic skills shortage. Currently, 50 per cent of the workforce does not hold post-school qualifications and yet only 13 per cent of the available jobs are suitable for these workers. By 2016 it is estimated there will be a shortfall of 240,000 people with vocational education and training (VET) qualifications. This means that one in seven jobs requiring vocational education and training qualifications will be either unfilled or filled with an inappropriately skilled person.

3.2 Within a context of reduced Commonwealth funding and support for the vocational education and training sector, in combination with increasing demands for greater curriculum hours and the delivery of higher level qualifications, it is timely that the future of the VET sector is considered.

3.3 The Democrats believe in a strong education sector that allows equitable access for students and that does not burden them with massive debts. Education at any level is an investment, not a cost. Public support for education should be a priority and funding models need to ensure that fees and charges are not a barrier to student participation.

3.4 The Democrats are disappointed that the government has failed to develop a consistent national policy framework for the vocational education and training sector in order to make sure that current and future training and skills needs are adequately met. The government's focus on directing funding to private providers and the use of individually oriented funding initiatives have been piecemeal approaches that have undermined existing systems and done nothing to meet the needs of the VET sector.

3.5 Given the lack of public funding directed towards VET it is unsurprising that fees and charges have increased, along with full-fee paying courses. The Democrats have opposed full-fee paying courses in the higher education sector and are opposed to them in the VET sector. Full fee courses are fundamentally inequitable. Access to courses should be on the basis of merit, not ability to pay.

3.6 While acknowledging that this bill introduces parity between students in higher education institutions undertaking full-fee paying diploma and advanced diploma courses and those undertaking them in VET institutions, the Democrats favour an approach that reduces fees and charges across the board, rather than one that extends loans schemes so that more students are saddled with debts to cover full fees.

3.7 The argument for parity is also undermined by the bill's discriminatory treatment of students in the Queensland TAFE system who, as pointed out by the

Queensland Government, will not have access to the loans scheme under the bill's current provisions.

3.8 Currently full-fee paying students represent a very small proportion of students within the VET sector, however, the Democrats are concerned that this bill represents the thin edge of the wedge and signals a shift in funding priorities that will see an increasing proportion of the costs of VET passed onto all students as has been the case in the higher education sector. The Democrats do not want to see a HECS style system introduced into the VET sector. Increasing the cost of education and the financial stress on students is not in the national interest.

3.9 The Australian Democrats have consistently called for increased public investment in education at all levels, a major reduction in fees and charges and more income support for students struggling to balance work and study.

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Australian Democrats