

## **MEDIA RELEASE**

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### **Student choice restricted by VET loan changes**

The VET Student Loans program announced yesterday could reduce student choice of quality vocational education and training options.

Australian Council for Private Education and Training CEO Rod Camm said that while the replacement of the VET FEE HELP program was welcomed, some of the proposed changes had potential to undermine the quality of courses delivered, limit the range of courses students can choose to study with assistance and reduce the ability of the training market to respond to changing workforce needs.

“ACPET supports all efforts to ensure that only quality providers, public or private, are eligible to provide government-funded training,” he said.

“However, we urge Minister Birmingham to reconsider some elements to prevent unintended negative impacts on Australia’s highly regarded education and training sector.”

Mr Camm said private education and training providers were integral to Australia’s education and training sector and the overwhelming majority of providers delivered great outcomes for students and the economy.

Data released by National Centre for Vocational Research (NCVER) this year estimated there were 4.5 million students enrolled in VET in 2015 and 66.3 per cent of students undertook VET with private training providers.

“Of those students whose study with a private provider was government-funded, 74.5 percent were employed after training, compared with 72.3 per cent of TAFE graduates,” Mr Camm said.

“More than 85 per cent of students who studied with private providers were overwhelmingly satisfied with the overall quality of their training.

“The majority of students choose private providers for a range of reasons, and they are happy with that choice.”

Mr Camm said moves to halve the number of courses eligible for government funding drastically reduced the choice of students to study an area of interest with a provider that suited their needs.

“We already heard from Andrew Norton yesterday that the reforms were most likely to negatively impact women who relied on previous VET FEE HELP loans to access courses that may no longer be eligible,” he said.

“The caps on student loans may also have potential to reduce the quality of training as providers reduce costs to meet caps, regardless of the actual cost of delivery.”

Mr Camm said while ACPET members had long supported the need for reform to ensure unethical providers were removed from the market, the design issues with the new scheme needed immediate attention.

“For example, with set caps, how do providers with exemplary resources, industry relationships and outcomes, provide evidence for adjustments?” he said.

“The VET FEE HELP scheme was a failure of government regulatory oversight that has been enormously damaging for Australia. We welcome a new model but, in fixing the problems, we urge the Government to be aware of unintended consequences that could punish students and the ethical providers who have consistently delivered outcomes.

“We welcome the opportunity to work with the Government to address these issues as a priority.”

Ends.

**Rod Camm is available for interview - 0409 484 051.**