

HECS for VET a smokescreen: AEU

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THE education union has slammed Prime Minister Julia Gillard's announcement of a HECS-style scheme for vocational students as a cynical ploy to disguise fee hikes as broadened access.

But the private college lobby says higher fees are justified, and that income-contingent loans are an equitable way of facilitating them.

On Monday Ms Gillard said her government would extend the availability of ICLs to make it easier for people to get trades and improve their skills.

“University students can study now and pay back their course costs when they get a well-paying job, but students getting high-level vocational skills, including trade and technical skills, cannot,” she wrote in *The Australian*.

“We will ensure these students have the same right to borrow so they can study, to get a loan they can pay back from increased earnings.”

Ms Gillard said the most determined people “have always made their way”.

“Now we’re going to make it easier for them, and for others who have been put off by the upfront costs.”

But Australian Education Union TAFE secretary Pat Forward suggested there was little evidence VET students had been put off by the “modest” up-front costs.

“It is disappointing to witness a Labor government launching its new year vision of a more skilled nation on the promise of giving working class and disadvantaged young people the same right to incur debt as university students,” Ms Forward said in a letter to the Prime Minister.

“It masks a significant policy shift in the VET area ... to shift the funding of vocational education away from governments and onto individual students.”

But the Australian Council for Private Education and Training said that compared to low-level vocational students, those undertaking diplomas enjoyed greater personal returns through bolstered earnings and more secure employment.

“Is it reasonable to ask that group of students to take on some of the more real cost of their learning?” asked CEO Claire Field.

“I think the answer is yes. That then frees up government funding to support people in lower level courses, where the returns aren’t quite as great, to allow more people to enrol in those courses.”

Ms Field said ICLs were the fairest way of raising diploma fees because they allowed repayments in small instalments once students were reaping the benefits.

She said ICLs were critical to making VET reforms work well, and that the reforms needed to be seen in their entirety.

So far, the only state that has introduced full market reforms – and won the right to offer ICLs for government-subsidised diplomas – is Victoria.

But TAFE Directors Australia said the reform had been a disaster, describing the new Victorian system as the “pink batts of Australian VET”.

“Governments are not going to be able to adopt the Victorian model as broadly as we thought, because it just hasn’t worked,” said CEO Martin Riordan.

“They’re committed to try and see access widened, and we endorse that. At the same time, access at what cost?

“I don’t think they’re walking away from an entitlement-based system, but I think they want standards and quality.”

Ms Forward said there was no need for market reforms to achieve an entitlement system, because TAFE entitlements already existed.

The AEU’s NSW branch, which is campaigning against the adoption of similar reforms, has made the same argument.

“Everybody in NSW already has an entitlement to access a government funded place in a TAFE college ... with low fees,” said assistant general secretary Peter de Graaff.

Government subsidised advanced diploma fees currently cost \$990 a year in Tasmania, \$1212 in Western Australia, \$1350 in the ACT and \$1570 in NSW.

By comparison, Victorian fees have roughly tripled to \$2500 since the 2008 reforms, making them among the most expensive government-subsidised diploma programs in Australia.

Nevertheless they remain well short of current university fees ranging from about \$4500 to \$9400, even though an advanced diploma can earn credit for half a university degree.

Ms Field questioned whether low diploma fees were sustainable, given the limited government resources allocated to VET.

A recent study found that skills funding changes had blown a \$1 billion hole in TAFE budgets over five years, with the worst declines in NSW and Victoria.

The Victorian TAFE system is struggling with operating losses of over \$30 million last year, government documents suggest.