



WHY A FEDERAL VET TAKEOVER WILL HURT TAFE

TAFE GETS CUTS WHILE PRIVATE PROVIDERS PROFIT

TAFE is under attack from a privatisation agenda which has slashed its funding while giving taxpayer dollars to poorly-regulated private providers.

Much of this has been driven by the Federal Government and a federal takeover of VET will make things even worse.

- Government VET funding has declined by 32% since 2005.
- In 2013, 46% of VET funding nationally was allocated contestably – that is, open to for-profit private providers.
- In 2008, \$25 million was expended on VET FEE-HELP. In 2014, this figure had grown to more than \$1.5 billion and **VET FEE HELP debt for 2015 will exceed \$4 billion.**
- More than 75% of VET FEE HELP goes to private providers – who have no limit on what they can charge students.
- Profit margins in the private VET sector are as high as 50% – mostly funded by taxpayers.

TAFE campuses are closing and jobs are being lost, while taxpayer are subsidising private profits made on the back of VET FEE- HELP debts.

HOW A FEDERAL TAKEOVER HURTS STUDENTS

Students are already paying much more for qualifications and being burdened with huge debts. This will get worse under a federal takeover.

A proposed federal takeover would see all VET funding open to private for-profit providers, and many more courses having to be paid for directly by students through VET FEE HELP.

WHAT NEEDS TO CHANGE

There is a fundamental problem with allowing any government VET funding to go to for-profit providers. However, to address the current crisis, governments should support their TAFE colleges by:

- Guaranteeing a minimum of 70% government VET funding to go to TAFE
- Suspending the operation of the student loan scheme (VET FEE HELP) pending a thorough review
- Suspending the registration of any new private providers
- Developing and implementing strong regulation and monitoring all private colleges.

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