

Sweeping Changes to Vocational Training

By John Clarke

The Turnbull Federal Government has announced sweeping changes to vocational training and vocational loans schemes which will take effect from 1 January 2017 if they pass through the Parliament.

Under the redesigned system, private colleges will have to go through a rigorous application process to become eligible and will then be subject to extensive monitoring. Relationships with industry, student completion rates, employment outcomes and a track record in education will all be assessed when deciding which colleges can access the loans program. TAFEs will automatically qualify for the new scheme but will be subject to the same performance criteria as private providers.

The 144,000 current vocational training students

will be able to remain in the old scheme until the end of 2017 if they choose.

The system of vocational loans was originally legislated by the Howard Government pre-2007 and has been progressively expanded by Labor and Coalition Governments.

The Government has faced mounting pressure over the last 2 years to completely overhaul the system amid significant evidence that vulnerable students were being corralled into courses for which they had only limited aptitude. Colleges were accused of inflating their enrolments to chase funding and students who dropped out of courses were left with substantial debt obligations.

The cost of the previous scheme ballooned from \$325 million in 2012 to \$2.9 billion in 2015. Under



Dixie Fitzclarence and John Clarke

the proposed changes, the tightening of funding is estimated to save the Federal Government \$25 billion over the next decade.

Announcing the changes, Education and Training Minister, Simon Birmingham, said the proposed changes would return integrity to the vocational education sector "and deliver a win-win for students and tax payers through a range of protections".

There are undoubtedly substantial costs savings in the new measures. Whether or not the scheme reforms deliver positive outcomes for students remains to be seen.

John Clarke is the Solicitor Director of Clarke Law with a local network of offices in Narooma, Bermagui & Bega.