

## Media Release —

### **VET's Full Fee-Paying Students Left Unprotected By Proposed Reforms**

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For Immediate Release

Students and their employers who pay the full cost of their vocational education and training (VET) will be the only students not to have their fees protected in the event of a provider's closure. That's the practical outcome of legislative reforms before the Australian Parliament and to be debated this week. If passed, the reforms will see the fees of international students protected along with the fees of students accessing either the Australian Government's VET Student Loans or selected higher education loan programs.

The peak body representing independent providers in the higher education, vocational education, training and skills sectors, the Independent Tertiary Education Council Australia (ITECA), notes that the legislation before the parliament will see Australian residents paying their own way left unprotected.

"The Australian Government has a serious commitment to reforming the VET system and this is welcomed, thus in this context it's extraordinary that the Australian Government's reform to student fee protection will leave unprotected the money of students making an investment in their own education," said Troy Williams, ITECA Chief Executive.

In the view of ITECA, the legislation creates three classes of students. The first class of students are international students that will have their fees protected. The second class of students are Australian residents accessing the VET Student Loans or selected higher education loan programs. These fees too will be protected. The third class of students that will be left unprotected are those that use their own money to gain the training and skills required to support a growing economy.

"The arrangements proposed under this legislation will lead to even greater segmentation in the tertiary education market and create a more complex system for students to navigate. Some students will certainly be disadvantaged against their peers," Mr Williams said.

For providers, the legislation will establish different protection arrangements for different cohorts of students, which will create a more complicated regulatory environment in which to operate.

"The Australian Government has a solid VET reform agenda underway that supports students and cuts red-tape in the sector. This is meaningful reform that should be celebrated; however, the failure to fully protect the fees of all students is an opportunity lost," Mr Williams said.

The changes to the student fee protection arrangements are set out in the *Education Legislation Amendment (Tuition Protection and Other Measures) Bill 2019* that's currently being debated in the Senate.

This issue is particularly important to the independent tertiary education sector that support some 70% of the 4.1 million students in vocational education and training plus around 10% of the more than 1.5 million students in higher education.

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