

The VET Fee-HELP scandal- how afraid should we be?

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The views of an accidental expert

- Early involvement with the original scheme, via the credit pathway angle (with Ros Brennan Kemmis);
- ‘Visited’ the topic shortly after the Victorian ‘amendment’;
- Involved in the rescue of the scheme in 2015 via the VET Fee-HELP reform working group;
- ... plus long-term research interest in the private VET market since an early national project on CBT (paper from this project below)

Smith, E. & Perry, P. (1995). Private providers: paradoxes, problems and practicalities. *Barriers and boundaries in adult vocational and post-compulsory education and training, 3rd annual conference on post-compulsory education and training.*

What is it and what is the problem?

- HECS student-loan system as a whole and its evolution;
- Expansion to VET Diplomas and Advanced Diplomas;
- Original VET version required pre-arranged credit pathway agreement to university;
- This was lifted nationally after Victoria had so helpfully paved the way;
- Entry of 'rogue' providers into the market.

Early days

- VET Fee-HELP had twin policy goals – higher diploma numbers and more credit transfer to higher ed.
- ACPET involved in development of the policy.
- Development and running of workshops around Australia (Ros Brennan Kemmis and myself) on credit transfer.
- Workshops underpinned by research: Analysis of ACPET's own survey; our interviews with RTOs; our interviews with RTOs and with universities about credit transfer.
- Involvement in meetings with Department. Some potential dysfunctional outcomes discussed.
- Feedback from workshops

A brief visit to the scheme four years on (2011)

- 94 providers were registered, for 1459 courses;
- Victorian Amendment to the HESA Act 2009, steep jump in 2010 attributed to Victoria;
- ACPET conference session: credit transfer still contested; Department wanted to retain;
- Grosvenor Management Consulting report said it was inequitable for the Victorian 'relaxation' not to apply nationally;
- The provision was removed nationally in 2012.
- Journal article written chronicling the scheme (reference at end).

2014-2015: The perfect scam!

- People signed up via brokers (example of approach to TAFE CEOs) and got free I-Pads;
- Government sent millions upon millions of dollars to providers (TAFE and private) to pay the student contributions ;
- Students acquired a tax debt – some cared but some didn't.

Cause

- Removal of the credit transfer brake;
- Took a year for media to realise this (e.g. The Australian).

Return to the field: VET FEE-HELP reform working group

- Set up by Minister Birmingham;
- All the major representatives from VET sector and consumer and legal bodies;
- Met regularly March-August 2015;
- Implementing pre-determined agenda to extraordinarily tight timelines;
- Some major issues: census dates; application form and decoupling it from enrolment; LLN;
- Some surprising issues.

Current situation

- Co-ordinated actions by Department and ASQA against some providers; NCVET report on VET FEE HELP activity (which 'revealed' the link to credit transfer, according to the media!);
- Providers have been closed down and some have voluntarily ceased operations (useful work by Don Zoellner and others in exposing these providers);
- New regulations and guidelines in place;
- Some providers see the new regulations as just too hard.

What are the outcomes?

- Waste of tax-payers' money – it is **real** money;
- Exploitation of vulnerable people;
- Tarnished the VET system;
- Huge waste of time for the Minister, the Department, the consumer bodies, the working group, 'good' RTOs that have to conform to necessarily stringent requirements;
- Clouded perceptions of private providers;
- Opportunity cost.

What should we be afraid of?

- VET Fee-HELP! Do not extend to Cert IVs!
- Extending HECS-HELP to private HEPs!
- Not noticing when a policy changes tack. (Zoellner-'conversion').
- Providing government money without caps or proper scrutiny.
- Allowing criminals to hi-jack our system.
- Assigning a new, debased, meaning to the word 'quality'.
- Taking sides (e.g. TAFE versus privates) when the whole VET system is at risk.

The future

- What role have researchers played?
- Should we have played a role?
- How can the forces mobilised to deal with the problem be mobilised for positive ends?

Smith, E. & Brennan Kemmis, R. (2014) Credit transfer from VET to Higher Education: A pathways policy meets a roadblock. *Research in Post Compulsory Education*. 19(2), 230-244.

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