



MEDIA RELEASE

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TAFE welcomes new strong protection for students

TAFE Directors Australia (TDA) today welcomed the federal government's decision to introduce a new scheme to ensure that students taking out loans for training and study can shift to a new provider if their current one shuts down.

The Assistant Minister for Vocational Education and Skills Karen Andrews has announced that students who take out a VET Student Loan or a FEE-HELP loan to train and study at TAFEs or private providers will be covered by an expanded Tuition Protection Scheme (TPS). The TPS is operated by the Government for international students and arranges new providers for students if their current one unexpectedly closes.

The Chief Executive Officer of TDA Craig Robertson said that Minister Andrews is to be congratulated for adopting these strong protections for students who take up student loans.

"The TPS has given international students great comfort that they can complete their study in the unfortunate event of their provider closing," Mr Robertson said.

"While some higher premiums will be required for a while, the close watch that the TPS office keeps on providers should ensure that risks of sudden closures are reduced, along with premiums."

In encouraging news, the scheme will also include some form of funding to support second providers to take on displaced students. Support for these providers is essential for such an industry assurance scheme to operate.

"TAFEs and other large providers have gone to extra efforts and extensive expense to place students dislocated from training funded under VET FEE-HELP, as providers chose to cut and run with the money," Mr Robertson said.

"The stronger controls in the VET Student Loans program have reduced the chance of the excesses that we saw in VET FEE-HELP, but that has come at the cost of student enrolments.

"Enrolling can be a long and complicated process and we call on the government to take a more balanced approach to how the scheme operates," he said.

Figures released last week also show that completion rates under the VET Student Loans program have increased, further reducing risks to a new TPS scheme.

The former VET FEE-HELP scheme was discredited by several providers who encouraged students to book up a loan and then take time to complete their training.

“Students failed to heed the government’s warning that they needed to complete the training within the advertised period of the unit, and it was not adequately policed,” Mr Roberson said.

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TAFE Directors Australia is the peak national body representing 28 TAFE institutes, including six dual sector universities with TAFE divisions.