

Loan change would lift VET

Guy Healy | *February 20, 2008*

PROPOSED changes to the Howard government's loans for vocational education students will have a "terrifically stimulatory" effect on public and private institutions, a leading private consultant says.

Access by vocational education and training students to \$80,000 FEE-HELP loans will be restricted to full fee-payers in high-level courses that lead to university awards, Education Minister Julia Gillard has announced.

The original Howard government legislation for VET FEE-HELP extended the same FEE-HELP loan available to university students to VET students but was vague on the requirement for articulation arrangements with higher education providers.

Consult Ed principal and doctorate candidate Peter Ryan told the HES that FEE-HELP for higher education last year was valued at \$511 million and, given the VET sector's greater size, the changes were likely to have a proportionally greater effect.

Mr Ryan, who researches tertiary quality systems and helps private institutions win higher education status, estimates that about 30 non-university higher education providers and hundreds of registered training organisations will apply for eligibility to host VET FEE-HELP students. "If what's happened in higher education with FEE-HELP happens in vocational education, it will be terrifically stimulating for student choice and diversity," Mr Ryan said.

His comments follow Ms Gillard's announcement last week that the original legislation would be amended to ensure that:

- * VET FEE-HELP is restricted to eligible full fee-paying students in diploma, advanced diploma, graduate certificate and graduate diploma courses.
- * VET providers have credit transfer arrangements with a higher education provider in place for each VET-accredited diploma or advanced diploma qualification.

Ms Gillard cited budgetary constraints and a need to target resources to areas of the highest skill shortages as reasons for the amendments.

Mr Ryan said he expected the changes would be effective in helping to address skills shortages.

"Everyone who doesn't already have pathways will want to articulate with a university. But what happens when a university has done 10 deals or says no more because they don't want you competing against them? I worry it will create barriers," he said.

TAFE Directors Association chief executive Martin Riordan told the HES the country's 52 TAFE institutes -- which are allowed to offer full-fee places -- welcomed the proposal because if left unchanged, "they would have opened the floodgates of FEE-HELP, especially among wide sections of private colleges and non-skills shortage areas".

Mr Riordan said the original legislation could have given carte blanche to students applying for lower-level courses in areas considered unimportant.

A spokeswoman for Ms Gillard said there was no estimate of the cost of any potential blow-out and there would be no effect on providers as the original legislation hadn't had time to take effect.