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26 August 2008

INCOME CONTINGENT LOANS WILL NOT SOLVE SKILLS SHORTAGES

The Victorian Government has announced huge increases in TAFE student fees starting at Diploma and Advanced Diploma level, and moving through to Certificate 3 and Certificate 4 in 2009. It has also announced the introduction of a HECS-style loan scheme for the Victorian VET sector.

Increased fees and charges and the imposition of a long term debt burden on students will discourage many from undertaking education and training. It will not encourage participation in VET at a time of some of the most critical skills shortages in Australia's history.

The reforms will also see increasing proportions of Victorian TAFE Government funding allocated through competition to private providers, as well as to existing TAFE Institutes. This represents the further marketisation of vocational education and training in Australia.

Competition for funding in the TAFE and VET sector over the past ten years has damaged the TAFE system, hindering its capacity to deliver high quality vocational education and training. It has contributed to the emergence of skills shortages and unmet student demand. Strategies to increase competition for funding in the VET sector put at risk the capacity of governments and the sector to plan for future education and training needs of the Australian community.

The Victorian TAFE system is the lowest funded system in the country, and this is a move by the Brumby Government to further reduce its investment.

Federal Education Minister Julia Gillard's support for the Victorian reforms should be of great concern to the TAFE system nationally.

The solution to the skills shortage in Australia requires proactive long term planning and vision. It requires guaranteed funding for TAFE.

For further information, please contact:

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