



7 March 2014

Ms Julia Agostino  
Committee Secretary  
Senate Education and Employment References Committee  
Email: [eec.sen@aph.gov.au](mailto:eec.sen@aph.gov.au)

**Megan Lilly**  
Director,  
Education and Training

20 Queens Road  
Melbourne VIC 3004  
PO Box 7622  
Melbourne VIC 8004

ABN 76 369 958 788

Tele: +613 9867 0202  
Fax: +613 9867 0199  
[www.aigroup.com.au](http://www.aigroup.com.au)

Dear Committee Secretary

## **Submission to Inquiry into Technical and Further Education in Australia**

The Australian Industry Group (Ai Group) provided a submission in April 2013 to the previous inquiry conducted by House of Representatives Education and Employment Committee. That submission should be considered by the Senate Education and Employment References Committee in conjunction with this additional submission. This submission addresses the expanded Terms of reference by the Senate inquiry.

### **The role played by TAFE in education linkages with secondary and higher education**

The Ai Group supports the establishment and expansion of education linkages with secondary and higher education. The role of TAFE is central to this as the predominant VET provider in Australia. In terms of the Australian Qualifications Framework, the qualifications delivered through the VET sector overlap with both secondary and higher education. The secondary school sector is now a significant provider of Certificate I and II programs principally through the VET in Schools arrangements. In some jurisdictions Certificate III programs are also included as are School-based Apprenticeships.

In relation to higher education there is an increasing overlap of qualifications. Traditionally, both the VET sector and higher education sector have provided Diplomas, Advanced Diplomas and Associate Degrees. This is especially the case where dual-sector institutions operate, especially in Victoria, although this is now starting to spread to other jurisdictions. In more recent years also, TAFE Institutes have begun to provide degree courses. Indeed, there are examples, such as Holmesglen and Box Hill Institutes in Victoria, where TAFE Institutes provide courses in all three sectors.

So TAFE is centrally positioned in this mesh of qualifications and providers to play a lead role in facilitating effective pathways and cross sector articulation arrangements. In addition, TAFE plays a central role as a provider of 'second chance' education by

assisting people back into the workforce and by providing entry points for those without a senior secondary certificate. Greater development is required to enable more seamless articulation instead of the existing dependence on localised and ad hoc arrangements.

### **The effects of the competitive training market on TAFE**

The previous submission addressed a number of the issues related to the effects of the competitive training market. These included:

- noting that the level of funding to the VET sector is inadequate to meet the expanded demand for skills by industry including areas of skills shortages;
- noting that the level of funding to the VET sector is also inadequate in comparison to the schooling and higher education sectors;
- an acknowledgement that TAFE, with its broader community role, is a significant provider of programs that do not necessarily yield high financial returns such as programs for disadvantaged youth;
- the significant impact on regional communities operating in thin markets of the implementation of market-based funding;
- the provision of many courses through the competitive training market that are based on individual perceptions of benefit rather than on industry need;
- the consequent 'burning' of student entitlements through uninformed course selection choices; and
- the reduction of the provision of student services such as counselling, libraries and disability programs.

This is a formidable list of issues derived from the introduction of a competitive training market. The Ai Group wishes to reinforce the significance of the impact of these on TAFE. It is unfortunate that these negative effects detract from the overall positive approach of moving away from supply-driven training to a more industry demand driven system. In order to complete this successful transition these negative impacts need to be addressed as a matter of urgency.

Yours sincerely

**Megan Lilly**  
**Director – Education and Training**