

**Community Services and Health  
Industry Skills Council**

**Submission to the Education and Employment  
References Committee**

**Inquiry into Technical and Further Education in  
Australia**

**March 2014**



## The Community Services and Health Industry Skills Council Submission:

### Inquiry into Technical and Further Education in Australia

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The Community Services and Health Industry Skills Council (CS&HISC) is the peak agency responsible for delivering Vocational Education and Training (VET) qualifications and setting national standards for a broad range of job roles in the Community Services and Health industry. Over 80,000 publically funded students are awarded a Health or Community Services qualification each year. In addition to qualifications, CS&HISC provides advice, services and products to support the development of the overall community services and health workforce.

CS&HISC has a very strong interest in the role and performance of the TAFE system. TAFE providers are the foundation of the VET system involved in the development of the Community Services and Health workforce. Australia's TAFE system is widely recognised as a well-developed and world class provider of vocational training. TAFE's decentralised infrastructure employing a hub and spoke approach, its reach into regional, rural and remote communities, its number of students, trainees and apprentices ensures its essential role within Australia's education system.

Our submission addresses each of the points highlighted in the terms of reference for the inquiry.

- A. The role played by TAFEs in:
  - (i) educational linkages with secondary and higher education,
  - (ii) the development of skills in the Australian economy,
  - (iii) the development of opportunities for Australians to improve themselves and increase their life, education and employment prospects, and
  - (iv) the delivery of services and programs to support regions, communities and disadvantaged individuals to access education, training and skills and, through them, a pathway to further education and employment.
- B. The effects of a competitive training market on TAFE.
- C. The public funding required to ensure TAFEs remain in a strong and sustainable position to carry out their aims.
- D. Factors that affect the affordability and accessibility of TAFE to students and business.
- E. Different mechanisms used by state governments to allocate funding.
- F. The application and effect of additional charges to TAFE students.

#### **A. The role of TAFE**

In considering TAFE's contribution to the development of skills to support economic growth, it is important to first describe the scale of provision. According to NCVET data, in 2012 65% of the 1.9 million publically funded enrolments were students and trainees enrolled in courses at TAFE

and other government providers.<sup>i</sup> Of these 191,355<sup>ii</sup> were enrolled in qualifications from the Health (HLT) and Community Services (CHC) training packages<sup>1</sup>.

#### **i. Educational linkages with secondary and higher education**

TAFE, as the major provider of national VET qualifications, has considerable influence within the VET system. However, the VET system is part of a broader educational continuum that also involves secondary education and universities. Evidence indicates that difficulty articulating from VET qualifications into university continues to be an issue.<sup>iii</sup> The barriers to transition go beyond just TAFE and are aggravated by the lack of a coordinated approach to education and training across government agencies. CS&HISC believes that there is a need for improved pathways from secondary school into VET, as well as between VET and Higher Education institutions.

There are projects looking to strengthen the training pathways that support careers in health and community services. For example, the Australian Curriculum Assessment and Reporting Authority (ACARA) are leading the development of the National Trade Cadetships (NTC). CS&HISC is working with ACARA to develop the NTC curricula for Years 11 and 12.

Through the NTC, CS&HISC aims to provide high school students with clear understanding of the capability requirements and career opportunities within the Community Services and Health industry. This strategy should create increased take up of further study and employment in the Community Services and Health industry. However, to address pathway related issues fully, industry, VET providers, universities, schools and government agencies will need to work together to find innovative ways to address any barriers to progression.

#### **ii. Development of skills in the Australian economy**

##### Job relevant focus of VET

The job relevant focus of vocational education and training offers efficiencies whether is to provide the relevant knowledge and skills required to enter the workforce for the first time, re-enter the workforce, get a new job, or improve skills. In this way TAFE and the rest of the VET sector contribute to ensuring that the workers are appropriately trained for the job that they do.

##### Hub and spoke structure of TAFE

TAFE's hub and spoke structure supports efficiencies that would be difficult/ impossible to achieve in multiple unrelated local organisations. For example, in New South Wales, TAFE NSW is organised into ten institutes based on geographical regions, the ten Institute Directors are members of the TAFE NSW Executive Group which works collaboratively on key issues and joint activities. There are also examples of regional TAFE institutes, which despite their relatively small size, are delivering a number of related health and community services programs, this offers the potential for cost efficiencies in delivery by sharing teaching staff and resources across multiple programs<sup>iv</sup>.

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<sup>1</sup> All figures sourced from NCVET on course enrolments and student outcomes are not inclusive private provision or unaccredited training, due to the fact that Registered Training Authorities delivering these programs are not currently required to report them to NCVET. As a result the figures relating to numbers of health and community service students are not fully representative of total health and community services enrolments.

### Role in addressing workforce shortages

Gaps in the workforce caused by difficulty recruiting and retaining staff have financial implications for industry. As well as the direct costs of recruitment there are additional costs associated with employing casual workers to fill gaps and with reduced productivity. Appropriate education and training is part of the solution; as investment in training has been found to improve recruitment and retention rates<sup>v</sup>.

All TAFE providers need to be responsive to regional and national skills shortages in planning the provision and promotion of courses provision and promotion. By drawing on national, regional and local information about the current and future workforce, providers can target provision and promotion of programs to address specific current and anticipated workforce shortages.

Furthermore, the recruitment and retention of workers is typically more difficult in regional, rural and remote areas than in metropolitan areas where the pool of appropriately skilled workers is smaller. TAFE's reach into the regional, rural and remote communities puts it in a unique position to deliver education and training that will support the development of a local pool of appropriately skilled workers.

CS&HISC believes that there is a need for improved regional modelling on community services and health workforce supply to inform future planning and provision of education and training at all levels. This improved planning would also assist TAFE providers to prepare for future industry reform. In Community Services and Health, funding for the state and territory level industry training advisory bodies, which have been key sources of workforce information and support, is starting to be withdrawn. Therefore, there is likely to be an increasing need for TAFE institutes to look elsewhere for this support.

### Impact of population health

In community services and health there is an additional dimension; the economic impacts of the population's health on the economy. It follows that an appropriately trained and high quality community services and health workforce plays a fundamentally key role in improving health outcomes and delivering efficiencies in the community services and health industry. TAFE institutes are key agents for delivering these quality workforce driven improvements due to the high proportion of community services and health training they deliver.

### **iii. Development of opportunities for Australians to improve themselves and increase their life and employment prospects**

The key strengths of TAFE are its visibility and accessibility across Australia; the supportive and flexible learning environments it provides; training is planned and delivered through strong partnerships with industry; and its ability to get a broader range of individuals into employment.

#### Visibility

TAFE is an easily recognisable and accessible provider of education and training, both in metropolitan and regional areas. TAFE institutes have strong community presence especially with:

- school leavers as schools have links with TAFE through VET in Schools programs

- migrant populations as they are often first point of entry to formal education through ESL and prevocational courses
- local industry and employers.

#### Accessibility

Access to VET programmes is supported by exemptions for low income groups and VET FEE HELP, which allows students in full fee VET programs to pay for their training after completion on an income contingent basis. Again the geographical reach of TAFE into regional, rural and remote areas plays an important part in making TAFE accessible to regional, rural, remote and disadvantage communities.

Another key tool for making programs accessible to a wider audience is the utilisation of the Open Training and Education Network (OTEN) which offers greater flexibility for students through online provision of appropriate learning and training content for wide a range of programs; supporting students to work their training around their other commitments.

#### Supportive learning environments

Many TAFE institutes have child care facilities, which make it easier for parents to access study programs. Support services like child care, counselling and career guidance services provided by TAFE help to provide a supportive learning environment and have the potential in increase retention by tackling some of the issues that make students drop out of programs.

#### Industry partnerships and pathways to employment

TAFE providers are expert in developing relationships with industry partners, by involving employers in the development and delivery of programs that are relevant to the workplace and respond to industry requirements. Data from a 2013 report on employers use and views of the VET system support this view; employers reported relatively high levels of satisfaction across a range of quality criteria for training delivered by TAFE and other types of providers<sup>vi</sup>.

In community services and health, the strength of these relationships, coupled with the delivery of a wide range of entry level qualifications providing a first step into further education, training and employment, support good graduate employment prospects. The vast majority (90%) of Community Services and Health graduates from TAFE and other government institutes, that responded to the NCVET 2013 student outcomes survey reported to be in either employment or full time education<sup>vii</sup>.

#### **iv. Delivery of services and programs to support regions, communities and disadvantaged individuals to access training and skills and through them a pathway to employment**

##### Context: the community services and health workforce in regional, rural and remote areas

Persistent skills shortages in remote and rural areas have been noted in recent Health Workforce Australia publications.<sup>viii</sup> Vocational education and training, including what is offered by TAFE providers, is essential to addressing shortages in the community services and health industry workforce. This is particularly the case for those occupations for which there is persistent shortages in remote, regional and disadvantaged communities.

Difficulties associated with recruiting to rural and remote locations are evidenced by the disparity in the number of health care professionals between metropolitan and the most remote parts of the country. For example, ABS data indicate that in 2011 'remote' areas had:

- 915.4 nurses per 100 000 population (compared to 1,175.8 per 100 000 in major cities)
- 113 generalist medical practitioners per 100 000 population (compared to 227.8 per 100 000 in capital cities).<sup>ix</sup>

Beyond the shortages in regional and remote areas, there is a national trend towards increased demand for Community Services and Health which is impacting on the numbers of skilled workers required. In the context of this growth in demand, health and community service employers across Australia have reported difficulties recruiting to certain roles. For example, current and persistent shortages of 'Child Care Workers', 'Nursing Support Workers', 'Personal Care Assistants' and 'Therapy Aides'<sup>x</sup> have been reported.

Appropriate, high quality training has an important role to play in addressing shortages in the health and community services workforce; particularly when responding to a new or increased need for a particular role.

#### TAFE's contribution to supporting regions, communities and disadvantaged individuals

Training in regional, rural, remote and disadvantaged communities needs to target specific training needs of those from, and/ or planning to work in, these communities. Regional, rural and remote TAFE providers have the local knowledge and networks required to design and deliver health and community services education and training programs that address the need to:

- Develop more generalists i.e. workers is a broader range of competencies and the ability to refer to specialists as required
- Increase local capacity to 'grow your own' workforce, as students originating from rural and remote communities are more likely to return to work in these communities
- Utilise information technology to support distance-based social and professional relationships and activities
- Develop a workforce best equipped to meet the health and support needs of the local community that may include a high proportion of those who are socially disadvantaged.

TAFE's ability to respond to the needs of remote, regional and disadvantaged communities and skills shortages in the local health and community services workforce is supported by providers being part of the local community. Geographical mapping of providers of community services and health education and training programs indicates that 50% of TAFE institutes have their major campuses in regional and rural locations, with further campuses in smaller communities and a range of outreach centres, TAFE providers also operate mobile and e-learning facilities to aid regional and remote student participation<sup>xi</sup>.

The opportunities for education and training this provides to students from regional, remote and very remote areas is reflected in publicly funded enrolment data. For example, in 2012 almost half of all public enrolments in Health and Community Services qualifications at TAFE institutes were students from either regional (inner or outer regional) (40%) or remote and very remote (4%) areas.<sup>xii</sup>

VET is accessed by Aboriginal and Torres Strait Islanders and individuals of lower socio-economic status. While there is always more to be done to attract and retain students from disadvantaged backgrounds, VET sector enrolment data compares favourably to equivalent data for the university sector. For example, of the publicly funded enrolments at TAFE institutes in 2012, 5% were students who reported to be Indigenous<sup>xiii</sup>, a higher proportion than the 1% of university students in 2012 that identified as Indigenous.<sup>xiv</sup> Similarly, enrolment and student data for 2012 also indicate a higher proportion (21%)<sup>xv</sup> of TAFE enrolments were students from a postcode area of low educational and occupational status<sup>2</sup> than the proportion of university students (16%).<sup>xvi</sup>

TAFE institutes employ a range of strategies to support regions, communities and disadvantaged individuals including:

- **Programs targeted at specific population groups**, for example - a Certificate IV in Aboriginal Torres Strait Islander Primary Health Care (Practice) was developed and delivered by TAFE NSW – Western Institute in partnership with Greater Western Area Health Service. The program successfully met a local need for a training pathway for members of the Aboriginal community to gain employment within the health sector, as well as the need for workers with an in depth understanding of the cultural context and health care needs of the local community.<sup>xvii</sup>
- **Provision of training online** – i.e. the wide range of programs offered through Open Training and Education Network (OTEN), which offers greater flexibility for students through online provision of appropriate learning and training content for a wide range of programs; supporting students to work their training around their other commitments.
- **Pre-vocational courses**, for example the TAFE equivalent of Year 10 (CGE) and Year 12 (TEPC) are fundamental to better equipping early school leavers with the skills that they need for employment. As well as providing disillusioned young people with a second chance in education, these courses can also be used to address workforce shortages by offering lower entry requirements for subjects relevant to local shortages.

#### Opportunities to enhance TAFE's contribution to supporting regions, communities and disadvantaged individuals

As previously mentioned, TAFE providers need adequate support to build understanding of local, regional and national workforce requirements, that best enables them to model course provision on local skills and workforce needs in order to provide the appropriate regional remote and disadvantaged communities.

It should be noted that the costs of providing TAFE services in regional Australia are higher than in metropolitan centres, due to the additional costs associated with maintenance of dispersed campuses, staff travel between campuses, high proportions of student fee exemptions and concessions and limited scope to offset costs with international student fees or service revenue streams.<sup>vi</sup> Regional loadings that recognise these additional costs help ensure that TAFE institutes in regional and remote areas are sustainable. Better mechanisms for

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<sup>2</sup> Low SES postcode measure is based on the students' postcode of permanent home residence, with the SES value derived from the 2011 SEIFA Education and Occupation Index for postal areas, where postal areas in the bottom 25% of the population aged 15-64 being classified as Low SES.

calculating the additional costs associated with regional and remote provision and for allocating the appropriate Government funding are required.

## **B. Operation of a competitive training market**

### Drivers for competitive training markets

A competitive 'demand' led training market is being promoted and facilitated by state/territory governments, in line with national policy. Demand led training models are an attempt by governments to create a competitive training market, as well as being a tool to cut funding for training where there is not a demonstrable need for the training being delivered.

Competitive training markets are also attractive as they put the customer, often understood as the prospective student, at the heart of the system by basing future provision on the popularity of programs with previous cohorts of students. Furthermore, current industrial agreements have been criticised for not being flexible enough and competitive training markets appear to offer a solution to this lack of flexibility.

### Key considerations for operationalising a competitive training market

The essential nature of the services delivered by the health and community services workforce mean that any persistent shortages or gaps in the workforce will have a negative impact on patients, other service users and their carers. This should be taken into consideration when operating any competitive training market that involves the education, training and development of the community services and health workforce.

While competition between providers might be used to improve choice for students, competition without mechanisms for regional and national oversight of provision could lead to shortages of appropriately trained workers for particular occupational groups and/or specific geographical areas. Therefore, CS&HISC would advocate a health and community services training system which seeks to respond to societal and employer demands as well as student demand. In line with this, the CS&HISC believes that there is a strong case for incentives to be offered for those occupations (in for instance health and community services) for which there are identified industry demand and strong employment prospects so as to ensure students are encouraged to undertake these roles.

To be able to operate effectively in a competitive training market, TAFE teachers need specific skills to be able to take on roles that extend beyond teaching. TAFE teachers need to be able to conduct training and needs analyses, and be able to support employers with job-redesign. In this way TAFE teachers need to be expert training and workforce consultants, as well as teachers. Where TAFE teachers do not have these skills, appropriate funding and support will need to be provided.

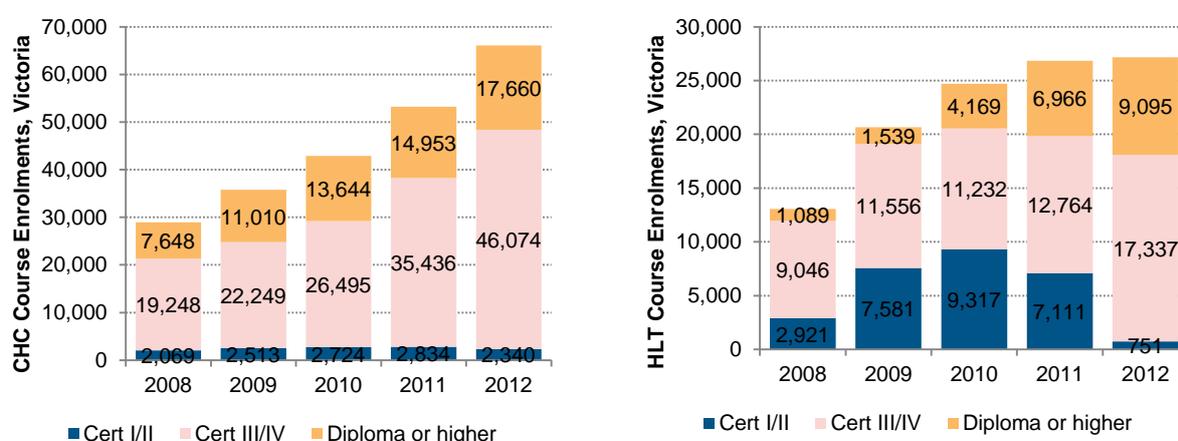
### Impact of competitive training markets

The demand driven training market is leading to far-reaching reform across the states and territories so that most TAFE budgets have been cut and/ or tied to demand. In most cases the impact of these changes on enrolments is too early to see. However, Victoria's demand-driven 'entitlement' funding model has been fully implemented since 2011. This approach led to the rationalisation of TAFE colleges and the merging of some colleges with higher education

providers. The model also favoured Certificate III and IV level qualifications by reducing the subsidies available for Diploma-level qualifications.

There were concerns that this demand-driven model would have a negative impact on Victorian enrolments in certain areas including diploma and higher level qualifications. However, enrolment data for Victoria show that since the implementation of the demand driven funding model enrolments have continued to increase for qualifications in the Health and Community Services training packages across all qualification levels with the exception of Certificate I or II (Figure 1).

**Figure 1: Course enrolments in Victoria, Community Services and Health Training Packages, by level of qualification**



Source: NCVET VOCSTATS Students and Courses, accessed December 2013

It should be noted that the first year of the entitlement model in Victoria led to a rapid growth in VET and a notable overspend. The Victorian Government has since announced that it is to 'stabilize investment in VET delivery' with a set annual budget of \$1.2 billion.<sup>xviii</sup>

**C. The public funding required to ensure TAFEs remain in a strong and sustainable position to carry out their aims.**

Care must be taken to ensure that the Australian VET system has the capacity to support the development of the community services and health workforce, which ultimately could compromise the quality of care in the future. CS&HISC advocates for an approach to funding education and training that:

- Looks to support the future sustainability of the VET system as a whole
- Uses transparent funding criteria, linked to growth in demand for training and future workers
- Is informed by consultation with industry, TAFE and other VET providers.

#### **D. Factors that affect the affordability and accessibility of TAFE to students and business.**

The affordability and accessibility of TAFE for **students** are affected by a number of factors:

- Fees
- Criteria for fee exemptions and VET FEE HELP
- Systems to support the recognition of prior learning
- Geographical reach of TAFE into regional, rural and remote areas
- Availability of child care for students who are parents of young children.

These factors are informed by state policy and vary according to local capacity.

The affordability and accessibility of TAFE to health and community service providers (**businesses**) are also affected by fees and exemption criteria. In addition, the provision of work placements also carries inherent costs for employers. Currently, while there is funding to support the provision of clinical placements in higher education, VET work placements in health and community services are un-funded. With increasing demand for services and an increase in the number of students requiring work placements, these difficulties are likely to get worse, particularly without a mechanism to better incentivise employers to participate in the delivery of quality work placements. There is also a need to better ensure the quality and job relevance of work placements in community services and health.

#### **E. Different mechanisms used by state governments to allocate funding.**

New reforms in Victoria and similar reforms in the other jurisdictions are now looking to focus the provision of VET subsidies to target areas of greatest public benefit and industry need. Feedback from industry suggests these changes are causing considerable uncertainty about the funding available. The main concern is that where these changes result in a fee increase for students there could be a decrease in enrolments and impact on the supply of new workers.

Assessing the impact of the current changes in funding is complicated as each state and territory has its own list of priorities with different methodologies for determining which qualifications are to be considered a priority. As well as making an important contribution to local and regional economies, TAFE and other VET providers are delivering national qualifications and supporting the development of the national workforce. It is therefore important that the national implications of the mechanisms used by state and territory governments to allocate funding are considered. Furthermore the impact of these funding mechanisms on workforce supply should be evaluated at the national as well as the state/ territory level.

#### **F. The application and effect of additional charges to TAFE students.**

Where reforms in VET funding result in an increase in fees, there is concern that even with fee support mechanisms any increase in fees adds to the risk that certain groups will perceive training to be unaffordable, a perception that could lead to a reduction of enrolments. The longer term implications of this could be significant, with a decrease in overall student numbers may impact national efforts to supply the future required workforce. This is a particular concern for qualifications leading to occupations for which there is strong demand and for diploma and advanced diploma qualifications, which support the development of much needed leadership and management capability.

## Summary

In summary, the Community Services and Health industry is projected to experience strong employment growth over the next decade. The industry is likely to experience significant difficulties recruiting the number of appropriately skilled workers required to meet the demands of an ageing population and growing community expectations in all aspects of care.

As a significant provider of national VET qualifications, TAFE has an important role to play in training the workers required. TAFE's unique decentralised, hub and spoke infrastructure; its reach into regional, rural and remote areas; low course entry barriers and its close relationship to industry and employers, are key to ensuring a reliable supply of workers to our industry.

A sizable proportion of TAFE graduates come from backgrounds of higher social disadvantage. For these individuals, TAFE facilitates access into work and provides opportunities to develop a career. In this way TAFE has a role in promoting personal wellbeing as well as contributing to local, regional and national productivity.

CS&HISC strongly recommends that the impact of changes to TAFE operations in Australia be subject to thorough monitoring and reporting. This will help ensure that the communities accessing and benefiting from TAFE do not lose out and that the capacity of our industry to deliver care is not adversely impacted.

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