

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

### **Respondent: Concerned Vocational Educators**

#### **Preamble**

This submission is made by a group of people (now retired) who have considerable experience in the delivery of vocational education in general, and particularly the TAFE system, at the national level and in Victoria. A brief synopsis of their experience is attached. The submission is based on four givens that we believe are acknowledged across the spectrum of federal and state governments, industry, vocational education providers and the community at large.

These are:

- Australia must maintain a modern skilled workforce in which all Australians have the opportunity to participate and contribute - not only as a prerequisite for our being an internationally competitive country but also to promote a prosperous and equitable society.
- The Australian vocational education system has been recognized as one of the best in the world. It provides a nationally consistent framework of entry level training and further training pathways in every occupational category in the nation.
- For many years the core vocational education system has been the TAFE system, funded principally by public money. It has delivered training in all fields with high levels of satisfaction from industry, individual businesses and the community.
- The keys to TAFE's ongoing support by business and the community are its ability to provide access to a wide range of students and the quality of training it provides.

#### **Reference (1) (a) (i) – educational linkages with secondary and higher education**

##### Pathways to higher education:

In the Victorian VET system, and presumably also in other states, there is an established practice of TAFE institutes making formal arrangements with individual universities for their students with diploma qualifications to obtain significant credits towards a bachelor degree in a similar field of study.

For example, Deakin University has formal pathways partnerships with Box Hill Institute, The Gordon, and South West Institute of TAFE as well as credit pathway agreements with Chisholm Institute and Holmesglen Institute of TAFE.

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However the interface between University and VET programs suffers generally from the differences in funding access and regulation applying to each sector. That is not to say that the two sectors should be merged, as their missions are distinct and it is essential that VET retains and strengthens its close connection with industry while providing affordable access to all who seek high quality vocational education both during entry to the workforce and while progressing in their working careers.

Pathways from secondary education:

VET, particularly through the TAFE system, provides both a discrete educational destination from secondary education and an excellent base from which VET graduates can continue their learning via entering a university program. Conversely, many university students transfer to TAFE, and graduates can and do enter VET programs in order to gain more applied knowledge and facilitate their entry to or advancement in industry employment.

The current interlinked VET funding and management and quality issues discussed in this submission are severely undermining productive relationships between the sectors and are analysed in more detail under the relevant terms of reference below.

**Reference (1) (a) (ii) – the development of skills in the Australian economy**

In our view the current national system whereby Industry Skills Councils (ISCs) identify skill needs through wide consultation and develop suites of Australian qualifications via ‘Training Packages’ is adequate as a model for ensuring that VET qualifications are potentially relevant, current and in touch with industry developments. The environmental scans conducted annually by national ISCs to inform their work are progressively becoming more accurate in identifying current and future skill needs and ensure ‘future proofing’ of the national VET qualifications.

The critically important issue now is *delivery* of training. In our view it is essential that TAFE be funded, structured and resourced so that it remains at the core of vocational education and training as the pre-eminent training delivery system, with guaranteed quality processes and outcomes. This does not mean that only TAFE should deliver vocational training but it does imply that any competitive training market has to operate on a level playing field and quality should be properly assured so that all providers are required to meet rigorous and strictly enforced national quality standards for all aspects of their operation. This will be further developed in response to Reference 1(b).

**Reference (1) (a) (iii) – the development of opportunities for Australians to improve themselves and increase their life, education and employment prospects.**

We want to address three aspects of this:

First – Governments must continue to encourage employers, particularly small business people, to see training as a part of their operation.

Employer decisions on vocational training are dependent on the confidence the business has in its future and its perception of the benefit training will bring to the business. Any low quality training driven by lowest delivery cost considerations has a real danger of eroding business confidence in these benefits.

A further consideration is as Australia makes the transition from a traditional manufacturing economy to a high value added production model and an expanded services economy it will be essential to retrain the displaced workers to occupy new jobs. The new jobs will require structured training, planned and matched to fit the new skills required of the workers. TAFE can play a vital part in this transition as it has the infrastructure, training expertise and quality delivery standards required for success.

Second, potential trainees must see value in undergoing training.

Students need to value their training. The Training Guarantee in Victoria has already resulted in students making training choices (sometimes as a result of highly questionable marketing by some providers) without full information about their options, and after completing the training finding little demand for their qualification. Some students have then discovered that the qualification they gained has stripped them of further government training entitlement. When this occurs what value will these people and their social groups see in formal training?

Third, equitable access to all fields of study and course levels must be ensured. This will be covered in reference (1) (a) (iv).

**Reference 1 (a) (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**

Historically TAFE has embraced the responsibility for delivering services and programs to regions, isolated communities and disadvantaged individuals. Colleges have provided a wide range of training that incurs substantial delivery costs because of capital investment requirements, thin market demand and the need for specialized facilities. TAFE has also been the provider of student services and special programs, such as English as a Second Language (ESL), so as to maximize the opportunities of disadvantaged individuals to access formal training.

TAFEs also represent an important community resource, particularly in regional areas. A less recognised role is that TAFE institutes have sophisticated R&D units which work with employers to devise innovative training programs to meet challenges imposed by new technologies, local condition and other demands on production and service delivery. Such innovations are often the basis of future Training Package developments by ISCs. All of these TAFE functions require funding beyond basic program delivery funding based on student contact hour costs.

Access is particularly important in VET. Unlike universities, VET does not have simple selection criteria based on cut-offs such as Year 12 scores. The system takes all comers. TAFE colleges provide student services, access programs and other services to cater for this diversity. Very few private providers do this.

The latter cherry pick the programs they deliver and, with the exception of long established industry-based and company-based providers, rarely choose to provide high-cost delivery programs or commit to large capital investment.

Whilst it is recognized that states have in the past taken into consideration the extra costs that TAFEs incur because of this responsibility, through their college funding profile, the current model treats all providers as 'equal' for funding purposes thus forcing TAFEs to cut these important services and join 'a race to the bottom' against the worst private providers. It is particularly evident in Victoria where an entirely inappropriate 'entitlement' model provides students a once-only choice of course and provider. This model and the draconian cuts made as a result of 'unintended consequences' has seen colleges, particularly those in regional areas, making savage cut backs on staffing and services as TAFE specific funds are reduced or abolished.

A further consequence of the model and its failures involves the state government financially forcing colleges to curtail or abolish places in higher level courses in order to cost-shift by forcing students into the commonwealth funded higher education sector. Narrow political and budgetary interests are thus changing the profile of post-school education at the expense of the needs of the broad Australian economy and society generally.

Such potential cutbacks will limit access by students and lessen the ability of the VET system to maximize the training of a modern skilled workforce. For the above reasons we believe the underlying model to be deeply flawed.

#### Impact of increased tuition fees for diplomas

The previous Victorian Labor Government increased the maximum annual tuition fees for diplomas and advanced diplomas from \$877 to \$1500 in 2009, subsequently rising to \$2500 in 2011, along with introducing VET FEE-HELP, an income-contingent loan scheme similar to HECS in universities. (Reference: Farrah Tomazin, The Age, 23 August 2008)

The major changes to VET fees announced by the Victorian Coalition Government in 2012 allowed providers to set their own fees for diplomas and advanced diplomas with provision of a subsidy to eligible students. To be eligible for the subsidised fee, students must be enrolling in a diploma/advanced diploma that is at a higher level than the highest qualification they already hold. A schedule of course subsidies has been established with higher levels of subsidy directed towards those courses that the government considers provide the greatest economic benefit and are linked to future jobs growth.

Examples:

- The Advanced Diploma of Hospitality is considered a lower priority program with a subsidy of \$3.00 per hour for a course of 1947 hours duration. At Victoria University the total tuition fee for this course is \$8,000 for eligible students and \$22,348 for non-eligible students.
- The Diploma of Building and Construction (Building) is a considered a higher priority program with a subsidy of \$7.00 per hour for a course of 1610 hours duration. At Box Hill TAFE the total tuition fee is \$8,700 for eligible students and \$22,684 for non-eligible students.

- The Diploma of Accounting has a subsidy of \$4.50 per for a course of 580 hours. At Holmesglen TAFE the fee is \$3900 for eligible students and \$4500 for non-eligible students. It is a pre-requisite to hold the Certificate IV of Accounting whose fees are \$2800, making the total fee for eligible students \$6700 and \$7300 for non-eligible students.

The introduction of the higher regime of fees for diploma and advanced diploma courses coincides with an alarming 30% decline in government subsidised enrolments in diploma and above courses from 90,600 in 2012 to 63,100 in 2013, (Reference: page17, Victorian Training Market Quarterly Report Q3 2013).

In 2013 while many TAFE Institutes were forced to cut course offerings across qualification levels several universities increased their enrolments in undergraduate degree programs with the uncapping of commonwealth government funded places. It is likely some students chose this option with a subsequent shift in cost from the state to the commonwealth while others decided against enrolling in vocational courses due to a combination of higher fees and reduced offerings.

It should also be noted that where a student opts for a university place over the equivalent VET program the resultant cost shifting from state to commonwealth is not merely a shift of an equal amount per student place. University places at the same AQF qualification level as VET places are funded at around three times the rate that prevailed in TAFE before the current VET funding cuts. After the student fees regimes in the two sectors are taken into account government outlays per equivalent place in universities remain far higher than in TAFE.

### **Reference 1 (b) – the effects of a competitive training market on TAFE**

In our view this is the key reference in the Inquiry and we have touched on the abject failure of the current approach in our comments above. We contend that if the nation is to meet current and future needs in training it needs a strategically planned system of funding and not an unsustainable and inequitable market approach that fails to recognize that “free” market conditions do not exist, and cannot exist, in this sector.

Whilst states and territories have some of their training funded through agreements with the commonwealth, states and territories design the funding model. The funding model has generally seen overall demand based on industry advice along with some training delivery provision defined either by a cap or defined courses in agreed industry sectors being contestable so that delivery costs in TAFE are exposed to market discipline. In Victoria, the state with which we are most familiar, the Training Guarantee, a system of payment to students who meet certain criteria, has been operating for several years.

However, as reported by the Victorian TAFE Association (VTA) in their press release of 15 June 2012, the demand for government subsidized training boomed as private providers used the Training Guarantee to market directly to students. As a result between 2008 and March 2012 the market share by student enrolments with private providers rose from 14% to 46% whilst in public TAFEs it dropped from 70% to 45%.

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To contain the inevitable cost blowout, the state decided to fund specified training programs as low as \$1.50 per student contact hour and severely cut TAFE funding. At least 75% of the funding cut backs have been directly placed on public TAFEs.

This drastic response has affected all Victorian TAFEs, which have cut programs, staff and services. But what has not been done is to curtail the explosive growth of Registered Training Organisations (currently about 2000 in Victoria). Because of the large number and scope of RTOs the state has not been able to properly regulate them to ensure they are delivering quality training, thus creating a situation open to abuse by unscrupulous RTOs.

However this situation has worsened. The Victorian funding model now has as its primary objective cost containment rather than meeting future skill needs based on industry advice. The state implies that the situation is demand driven by students exercising choice. However the reality is that much of the demand is created by unscrupulous RTOs persuading uninformed students to undertake programs that maximise profit for the RTO. There exists a minimalist mechanism that attempts to assess the training needs and the state adjusts its cost/hour funding to increase or dampen the demand. Those RTOs driven purely by profit motive simply adjust their program delivery profile when costs change to another more profitable program.

None of this serves the interest of the state's or students' training needs. The recent decision by the state authority to be able to alter funding rates with only **10 days' notice** is concrete proof of reactive and crude cost containment. It also demonstrates that their assessment of training needs is failing. It is impossible to see how real training needs are being met under such a system. It is also impossible to see how TAFE colleges can plan their industry programs and meet their community obligations within such short planning parameters. In short the funding system is a shambles.

This raises what we see as a key issue, whereby the state invests heavily in training but relies on the student as purchaser of the training creating optimal value from that investment. No commercial organization would adopt such a risky cost-benefit model where the potential for waste is so high. This waste may take the form of:

- low completion rates due to the student's inappropriate selection of course at the outset,
- lower transition rates from training to the relevant industry,
- increased costs in personal/individual terms when precious entitlements and time is invested in what might turn out to be useless training,
- excess supply in low demand industries.

Our objection to the Victorian approach is that it imposes an 'open' market on a sector where market conditions do not exist. The buyer and seller are grossly mismatched in maturity and knowledge and the government subsidies are not themselves included in the market but set by fiat. The buyer (the student) has no ability to assess the quality of the product nor any redress if the product is faulty or of no use to them.

The judgement of the usefulness of the training should be the result of planned provision based on current training demand and potential training developments, as identified and advised by industry. The abolition of ITABs in Victoria has limited this advice. The national ISCs could provide this advice with supplementation from local industry organisations and some input from providers and community organisations.

There are major forces brought into play by the so called market reforms discussed above which drive the VET providers towards shortening learning time for qualifications, providing quick and superficial assessment of learning outcomes, and hence issuing what are virtually fraudulent national and 'government approved' AQF qualifications.

Contestability and quality have an inverse relationship under the model being pursued in Victoria and now appearing in other states. (See further discussion and examples under 1(d) and 1(e))

The problem needs to be tackled both structurally and through quality assurance measures so that the resultant system incorporates the great strengths of the public (TAFE) providers while subjecting them to economic discipline, and allows for a thriving private sector subject to rigorous outcome quality requirements.

The discussion above provides some initial comment on the structural issues. We comment in more detail, and recommend action, on the quality assurance issues under 1(e) below.

### **Reference 1 (c) – what public funding is adequate to ensure TAFEs remain in a strong and sustainable position to carry out their aims**

The respondent does not have the resources to comment on this reference in detail as we do not have access to detailed information on TAFE funding arrangements for each state and territory.

However, we believe there should be sufficient funding to TAFE to meet the following criteria:

- Delivering high quality programs in an efficient manner. We believe that this is not only a funding question but also a question of ensuring quality. In this regard we fully support the recent work of the National Skills Standards Council to develop standards for VET providers and facilitate strong regulation by the national VET regulator (see comments under 1(e)).
- Recognition of the community obligations that TAFE colleges exercise, in particular the student access initiatives and community access colleges provide. It might be fair competition if private providers also provided such services but overwhelmingly they do not. TAFE needs funding to maintain these services otherwise a great number of potential students will not be able to access post-secondary training.
- Recognition that regional TAFE colleges have particular community services and obligations to fulfill. An obvious example is the requirement to conduct programs for a smaller number of students than metropolitan TAFEs. The skill need is there but the student numbers are not.

**Reference 1 (d) – what factors affect the affordability and accessibility of TAFE to students and business?**

Businesses have a closer relationship to TAFE than any other education sector. This is because the business often employs the trainee or apprentice before training starts and expects increased productivity as the training continues. For employers, affordability and accessibility are secondary to the quality of training their employee receives.

Recent investigations by ASQA have revealed a major deterioration in training quality in the aged care sector to the extent that it would be highly improbable trainees have met the necessary standards required to receive the qualification.

There is much anecdotal evidence that these practices are occurring in traineeships where the greatest number of private providers operate rather than apprenticeships that are still mainly delivered by TAFE. This can only lead to employers becoming disillusioned with vocational training.

The tragedy is that it is these traineeship areas where the new employment opportunities exist in fields such as aged care, community services, business studies etc. and quality training is essential.

Students are being limited in access through increased student fees and lack of other support programs that TAFE has provided to enable students to participate.

The Victorian experience shows that the affordability for students varies greatly depending on the funding cuts to particular qualifications. An analysis in September 2012 by the Victorian TAFE Association of data sourced from the National Centre for Vocational Education Research shows that in areas of traditional apprenticeships such as carpentry, electrical, plumbing, engineering, and cooking, the funding cuts average 6% to 7% whilst in areas such as business, hospitality, children services and community services, funding cuts vary from 22% to 81%. This is partly the explanation for why the ASQA has found the quality of training being driven down as providers try to absorb these cuts. But the affordability not only affects students through increased student fees, it also is discriminatory against young women.

David Williams, former CEO of the Victorian TAFE Association, states *“It is simply discriminatory when a male can undertake a higher Victorian funded apprenticeship (on average 90% male), where a minimal fee increase is met by his employer, but his sister, for example, who undertakes a Certificate III in Business Administration qualification (on average 88% female) where the Victorian Government has cut 81% of funding, incurs in the order of \$3000 in student fees.”* This seems even more foolish when the Victorian economy is going through major structural change from its traditional manufacturing base to the service sector.



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We contend that business may be accessing training at a lower cost but also with a lower quality (and relevance) of training with TAFE unable to compete and provide the proper training quality. Also, not only are many students being priced out of the market, many people who wish to be trained will not even be able to get to first base. These people are increasing in number as unskilled manufacturing jobs disappear. They need the extra resources that get them to the starting blocks. Currently TAFE provides this.

However the Victorian Government's \$170 million cut to TAFE's ability to meet its community service obligations will severely restrict its ability to continue with these services. Unfortunately the recent TAFE cuts of \$80m in NSW, \$79m in Queensland and an estimated \$83m in South Australia (source - article in The Australian newspaper) is a foreboding sign of worse to come.

**Reference 1(e) – different mechanisms used by state governments to allocate funding.**

We are familiar only with the recent Victorian decisions and we have outlined above our assessment of the impact we believe they are having on the viability of TAFE and its ability to meet training demand with quality delivery.

As argued earlier in this submission TAFE should remain the pre-eminent training delivery system. If the Victorian funding model is replicated in other states and territories then TAFE's ability to remain the core VET training delivery system and services provider will be threatened. We contend that the Victorian model is not the way forward since mechanisms already exist that can produce a training system well able to meet the nation's current and future skill needs at an efficient cost.

Restoring and maintaining quality VET is critical:

There has been persistent anecdotal evidence for several years and in many industry areas that the quality of Australia's Vocational Education and Training system has been declining, and this decline has coincided with the shift towards openly contested government funding for the sector by transfer to the individual as purchaser and/or other means as outlined in this submission. Many private organisations have seized this market opportunity and entered the VET sector as Registered Training Organisations (RTOs), often with little experience in education and few resources.

Recently the national VET regulator, The Australian Skills Quality Authority (ASQA) conducted investigations in several industry areas and discovered that the anecdotal material is, if anything, understating the disastrous state of VET delivery and outcome quality in some industry sectors and through various training providers, (RTOs).

The 2013 ASQA Review - Training for aged and community care in Australia found "*fast tracked minimalist courses are being used even in cases where participants have had no previous work experience or training in aged or community care.*" Many RTOs are offering programs that are too short to ensure that people can gain all of the skills and competencies required.

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For example, it was found that up to 70% of RTOs offered the Certificate III in Aged Care in less than 1200 hours, even though the Australian Qualification Framework guidelines imply a benchmark of 1200 hours or more for Certificate III programs. A number of RTOs offered the Certificate III in less than 200 hours.

Again, 70% of RTOs offered the Certificate III in Aged Care over a period of less than one year, even though the Australian Qualifications Framework guidelines benchmark one to two years as being appropriate for a Certificate III. Over one-third of RTOs offered the Certificate III in Aged Care in less than 15 weeks.

Although competency-based training in the Australian VET system is supposed to be about the gaining of skills and competencies, and not the serving of time in a training program, the fact that so many RTOs are offering programs of such short duration, and are also struggling with assessment, means that in many cases, people are not properly gaining all of the required skills and competencies.

From ASQA's experience, this is not just a problem with training in the aged and community care sector. It has much wider application across the whole VET sector with consequent effects on quality.

There are two key implications. First is that trainees and employees are not really being properly skilled. Second is that those RTOs that are trying to provide high-quality programs that are capable of delivering the skills and competencies required in a meaningful way are being faced with unfair competition (in terms of costs and prices) from those RTOs that are providing 'cheap' and unrealistically short training programs.

This creates an environment in the competitive training market where there is a 'race to the bottom' in terms of continually reducing course fees to attract students, reducing course times to attract students and reducing training and delivery effort to cut costs. Quality and sufficient time to enable adequate instruction, learning and assessment are the 'casualties' in this environment. (Reference page xi ASQA 2013 Review - Training for aged and community care in Australia)

Clearly the regulation of VET delivery by RTOs and assurance of the quality of the national qualifications has proved grossly inadequate in at least the industry sectors which the national regulator has been able to investigate to date.

These fundamental and extremely concerning issues have been widely known or suspected for several years and we note that the authorities, particularly the National Skills Standards Council (NSSC), have themselves become sufficiently alarmed to initiate proportionate action.

We understand that the NSSC determined in mid 2012 to completely review the standards which govern VET in Australia, and the manner in which the standards are ensured, so that every training provider which is granted the privilege of being able to issue Australian qualifications consistently meets or exceeds the national standards for teaching, assessment and honesty in its dealings.

The NSSC website reports that the Council has developed and endorsed the new standards and will be submitting them to the 'Ministerial Council early in 2014. We would welcome

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standards that represent a qualitative change from those existing and set much higher bars for the operation of VET providers.

Concepts such as licensing instead of registration, and the requirement for each licensed organisation to appoint an accountable, qualified and senior person to ensure quality and the meeting of teaching and assessment standards at all times are strongly supported by this submission.

The early consideration and endorsement of the new standards by Ministers is highly recommended as further delay could critically damage the future of the Australian VET sector at a time when it must be in robust health to assist industry and individuals in the deep restructuring of our economic base.

### Particular implications of the Victorian approach to funding

This model has a fatal flaw in that it tries to impose a competitive market in a context which lacks some of the essential features of a competitive market. Most of these come back to imperfect knowledge on the part of the consumer and inadequate assurance of quality and fitness for purpose of the product on offer:

- Adequate knowledge on the part of the consumer – it is impossible for many government-funded voucher carrying consumers to be aware of the quality of the provider and of the relevance of the training course to the job market. Accordingly instances abound of learners burning up their entitlement to a training course by enrolling in courses run by dubious providers which lack the competence (or in some cases even the intention) to deliver useful training;
- There is no substantial guarantee of the equivalence of what is on offer between providers, with inadequate structures and principles for quality assurance and monitoring of delivery processes, curriculum, relevance of program, or assessment;
- The availability of easy money has encouraged poorly resourced and often poorly motivated providers into the system. A strong TAFE system would offer some checks on problems arising from this but the Victorian system has reduced TAFE capacity to offer an alternative and runs the further risk of forcing TAFE Institutes and other reputable providers into a race to the bottom to compete with private providers;
- Similarly, unscrupulous or reckless opportunists have been drawn into the training market to offer programs which are cheap to deliver regardless of whether they meet a genuine need in the job market;
- Consumers face a potentially huge transaction cost in that they enter the market with a single entitlement (the Training Guarantee in Victoria): if their purchase turns out to have been rewarded with a useless product because of the reckless incompetence or gross negligence of the provider, there is no second opportunity unless they return to the market using their own funds and the wisdom accumulated from their first entry into the market. Now that the new system has so driven up the cost to the learner this can place an intolerable burden and drive them out of the training market altogether. This is clearly a considerable detriment to both the individual and society generally.

We believe a national framework should be developed under which TAFE can be funded not only for the costs of training delivery but also the other services that colleges provide to students and the community as a whole. States would continue to make detailed funding decisions within this framework.

### **Reference (1) (f) – the application and effect of additional charges to TAFE students**

TAFE students are now required to pay increased charges for training. This particularly applies in the certificate level of traineeships and the advanced diploma and diploma levels in TAFE.

The Victorian example quoted in our response to Reference (1) (d) is being repeated in many Certificate III areas in that state. Many students cannot afford these payments as they are generally working in lower wage occupations. This will obviously be a deterrent.

Some would argue that a TAFE HECS system similar to that applied to diplomas and advanced diplomas in Victoria being applied to all VET programs is the solution. In our view this would not be equitable. As demonstrated in the same example trade qualifications have not had the same cuts in government funding as other sectors which are the growth sectors of the economy. Also many employers have met the increases in costs.

So the very people who have the greatest potential to pay off a HECS debt (i.e. trades) will not have to do so whilst others will have it imposed on them. Again we stress that these are the future employment growth sectors into which governments wish to encourage people to retrain as the economy restructures. Shifting the cost burden to the students is not the way to encourage people to retrain and/or upskill.

TAFE's ability to deliver advanced diplomas and diplomas is being challenged by universities following the lifting of any caps on university enrolments. This used to be the pathway for TAFE students who could get recognition for a certificate course into a diploma qualification and in turn get recognition for the TAFE diploma in a university degree.

We are now seeing outright competition between the two sectors for students for these qualifications. As a result TAFEs are charging similar fees as universities as states reduce their financial support for TAFE diplomas. For the states it is a good cost shifting exercise to the commonwealth but for the student we see no benefit.

There is also an argument that some of these students will have great difficulty in being successful at universities. There are examples of universities accepting students with ATAR scores of 35 into these programs. We question whether universities have the culture to support these students unlike TAFE which has a tradition of support strategies for them.

RMIT announced on 25 February that it was withdrawing its status as a TAFE Institute. This is in response to new funding arrangements and the driving down of price and quality of entry level training. Delivery will shift from the certificate level to the sub-degree level of AQF 5 and 6. Other dual sector providers are likely to follow and full fee recovery is sure to occur.

We ask, what is being achieved by this?

## **Recommendations**

We would advocate that through the COAG mechanism, the commonwealth and states and territories reach agreement on a national strategic approach to the Vocational Education and Training Sector with TAFE institutes at its core incorporating the following principles and elements:

1. The pre-eminent advice on the current and future training needs should come from national ISCs on an annual basis and ISCs should continue development of training packages to meet these needs.
2. The Australian Skills Quality Authority should be the sole monitoring organization of provider registration requirements and compliance standards. The Authority's ambit would cover all aspects of all providers - public and private, including governance, ongoing financial viability, premises, equipment, student management, staff qualifications and experience and assessment validation. It should be provided with the resources to undertake the registration and compliance of all providers.
3. A national framework should be developed under which TAFE can be funded not only for the costs of training delivery but also the other services that colleges provide to students and the community as a whole. States would continue to make detailed funding decisions within this framework.
4. Development of national guidelines on a mechanism that allows some training delivery provision defined either by a cap or defined courses in agreed industry sectors being contestable so that delivery costs in TAFE are exposed to market discipline. The extent to which contestable funding needs to occur should be decided by the states and territories under guidelines agreed through COAG with the most stringent quality assurance measures in place for all providers. The total training market should be assessed for priority needs-based funding and within an overall cap allocations made for areas of contestability, and allocations made for pure TAFE provision where suitable infrastructure is required for delivery.
5. The new VET Standards endorsed by the National Skills Standards Council be adopted.
6. RTOs to be licensed rather than registered with the requirement to retain a licence being based on the appointment of an accountable, qualified and senior person to ensure quality and the meeting of teaching and assessment standards at all times.
7. TAFE to play a major part in the retraining required for the transition of the manufacturing sector of the economy to a high value added production and expanded services sector.

## **Appendix**

### **Background of Concerned Vocational Educators**

Paul Byrne – Former:

- CEO of the Australian National Training Authority and previously an ANTA General Manager. In these roles and earlier while TAFE Federal Secretary of the Australian Education Union he was a significant participant in the reform of the Australian Vocational Education and Training sector towards the world leading national and industry relevant system.
- TAFE teacher – Preston TAFE

Dave Robson – Former:

- Joint Executive Officer – National Employment and Training Taskforce (NETTFORCE) chaired by Lindsay Fox and Bill Kelty instrumental in expanding the traineeship system to all industries and occupations in Australia
- Consultant to RioTinto on vocational education for local indigenous trainees
- National Secretary - Australian Education Union
- State Secretary – Technical Teachers Union of Victoria
- TAFE teacher - RMIT

Allan Corcoran

- Retired Victorian Tech College teacher and 40-year TAFE trade/technician trainer.
- Former President of TAFE Teachers' Association of Australia.

Bob Howden – Former:

- President TAFE and Adult Provision - Australian Education Union, Victorian Branch
- TAFE Teacher – Melbourne College of Printing and Graphic Arts

John Hird - Former

- Teacher and administrator over 30 years in Victorian TAFE, as a teacher, union official and with roles in managing industry advice relationships and flexible training systems.

Peter Crocker – Former:

- Technical teacher and TAFE administrator
- President Technical Teachers Union of Victoria
- Manager Human Resources State Training Board of Victoria
- Manager Major Projects (industry liaison) Western Melbourne Institute of TAFE
- Education and training consultant

John Kemp – Former:

- Manager of Learning Research and Design Departments at 5 regional and metropolitan TAFE Institutes over 25 years. He has extensive experience with the realities of innovation, entrepreneurship and quality Vocational Education and Training across most fields and levels of study.

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