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The Parliament of the Commonwealth of Australia

# TAFE: an Australian asset

## **Report of the inquiry into TAFE and its operation**

House of Representatives  
Standing Committee on Education and Employment

October 2014  
Canberra

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## Foreword

The intrinsic value of TAFE as an Australian asset was clearly evident throughout this inquiry. As put by the TAFE Community Alliance, 'TAFE is not a business, it's a public institution ... [it's] about putting back into the community', a notion that was supported by not only interest groups, but also by students, industry, universities and the wider Australian community.

This report's main message is a strong emphasis on the value of TAFE in the Australian community and, as such, the Committee believes that the Australian Government should acknowledge this value with a statement through the Council of Australian Governments. This statement should define the role of TAFE in the Vocational Education and Training (VET) sector and acknowledge the unique functions that TAFE, as a major public provider, can contribute. The statement should also set the future direction for TAFE as it operates within the competitive training market – an environment that poses many challenges for TAFE.

The TAFE sector is the largest education and training sector in Australia with 61 government-owned TAFE institutes and university TAFE divisions. This report considers TAFE in a number of different contexts – TAFE's position in the skilling of Australia's workforce; the role it plays in the provision of pathways to employment and university; its community support role; and the competitive environment in which it operates.

TAFE plays a significant role in the development of skills that are essential to the Australian economy. Australia is no stranger to mass redundancies and closures of large-scale manufacturing plants which leave many people out of work. Historically, TAFE has been invaluable in reskilling and providing these often mature aged workers with new opportunities, particularly where many have not undertaken training or further education for many years and in some cases at all. TAFE is an important provider of second chance education and is often a pathway to employment and university, avenues which are frequently supported through partnerships with industry and universities.

For skills development, it is clear that a significant focus in TAFE (and in the VET sector as whole) needs to be on the quality of educative outputs – the actual ability of potential employees to be able to perform the tasks for which they are being trained – and not just on inputs such as student contact hours. At the same time, it is important that outputs and inputs are balanced. A related issue is the variable quality of training, and the Committee believes that the Australian Government should address this either with greater prescription for national Training Packages on the inputs side, or through the development of measures for assessing acquired skills on the outputs side.

The significant role played by TAFE as a provider of opportunities for those in positions of disadvantage and vulnerability was a clear theme in the evidence. While some private training organisations do provide support in this area, this important community support role can often fall to TAFE. Overall, the evidence showed that TAFE undertakes this role well – indeed, in some cases, TAFE has quite literally turned lives around. The Committee recognises the challenges TAFE faces in meeting the needs of these students, and feels that federal VET funding should take into account this role.

The Committee also took evidence in relation to unscrupulous marketing practices by private training providers and other practices of concern, such as the offering of inducements to enrol and advance fee collection. This can endanger both the experience of students and the reputation of training providers generally. These issues have been recognised by the main regulator in this area, the Australian Skills Quality Authority (ASQA). The Committee supports the continued work of the Australian Government, through ASQA and other involved parties, in addressing loopholes that allow high-risk and unscrupulous practices to endanger the experience of students and the reputation of training provision.


TAFE is part of the larger VET sector and, while the Commonwealth provides funding for TAFE as part of its overall expenditure on VET, the governance of TAFE is determined by state and territory legislation. This framework has its limitations. For example, the expenditure of federal funding on TAFEs is not currently quantified at the federal level. This is concerning: the Australian Government should seek to put reporting in place to capture this important information, including the application of the funding by the states and territories. The Committee was also struck by how capital intensive TAFEs can be – particularly in relation to equipment needs. Federal VET funding should take TAFE capital requirements into account. Appendix C of this report gives examples of some of the more capital intensive machinery and tools along with purchase and running costs.



I would like to express my thanks to the Deputy Chair, the Hon Alannah MacTiernan MP, and all members of the Committee for their hard work and dedication. These thanks are also extended to the Committee of the 43<sup>rd</sup> Parliament which began this inquiry. I would also like to sincerely thank all of the individuals and organisations that gave their valuable time to contribute to the evidence, including the students who completed the online student survey. Finally, particular thanks go to those TAFE Institutes; Hunter TAFE in Newcastle, the Barrier Reef Institute of TAFE in Townsville, Regency TAFE in Adelaide and Central TAFE in Perth who hosted the Committee, provided meeting facilities, and allowed us to inspect their facilities. This gave the Committee a valuable insight into the operations of TAFE.

Mr Ewen Jones MP  
Chair





## Membership of the Committee

Chair Mr Ewen Jones MP

Deputy Chair The Hon Alannah MacTiernan MP

Members Mrs Karen Andrews MP

Ms Julie Owens MP

The Hon Sharon Bird MP (from 27/02/14) The Hon Amanda Rishworth (from 14/07/14)

The Hon Kate Ellis MP (to 27/02/14)

Ms Ann Sudmalis MP

Mr Alex Hawke MP


Mr Tim Watts MP (to 14/07/14)

Mrs Karen McNamara MP

Mr Matt Williams

## Committee Secretariat

Secretary	Dr Glenn Worthington (to 21/07/2014)
	Dr Nicholas Horne (from 7/08/2014)
Inquiry Secretary	Mr Robert Little
Research Officer	Ms Rebeka Mills
Administrative Officers	Ms Katrina Gillogly Ms Jessica Ristevska



## Terms of reference

TAFEs have played a critical role in the training and development of Australians for more than one hundred years. For many Australians, TAFEs provide a critical pathway to training and skills which are increasingly needed to access employment. They also play a critical role in regions and in providing access for disadvantaged groups.

The Committee will inquire into and report on the role played by TAFEs in:

- the development of skills in the Australian economy;
- the provision of pathways for Australians to access employment;
- the provision of pathways for Australians to access University education; and
- the operation of a competitive training market.





## List of abbreviations

ACCI	Australian Chamber of Commerce and Industry
ACPET	Australian Council for Private Education and Training
AEU	Australian Education Union
ASQA	Australian Skills Quality Authority
AQF	Australian Qualifications Framework
AQFC	Australian Qualifications Framework Council
ASA	Auto Skills Australia
ASC	Australian Submarine Corporation
AVETRA	Australian Vocational Education and Training Research Association
AWPA	Australian Workforce and Productivity Agency
BCA	Business Council of Australia
COAG	Council of Australian Governments
CPSISC	Construction and Property Services Industry Skills Council
CS&HISC	Community Services and Health Industry Skills Council
ESL	English as a Second Language
GSA	Government Skills Australia
IBSA	Innovation and Business Skills Australia

IGA	Intergovernmental Agreement on Federal Financial Relations
ISC	Industry Skills Council
LLN	Language, Literacy and Numeracy
MSA	Manufacturing Skills Australia
NASWD	National Agreement for Skills and Workforce Development
NCVER	National Centre for Vocational Education Research
NMIT	Northern Melbourne Institute of TAFE
NSSC	National Skills Standards Council
NTEU	National Tertiary Education Union
NVEAC	National VET Equity Advisory Council
RTO	Registered Training Organisation
SCOTese	Standing Council on Tertiary Education, Skills and Employment
SkillsDMC	Skills Drilling, Mining, Quarrying and Civil Infrastructure Australia
SPP	Specific Purpose Payment
SSA	Service Skills Australia
TAFE	Technical and Further Education
TDA	TAFE Directors Australia
TLISC	Transport and Logistics Industry Skills Council Ltd
TPDH	Training Package Development Handbook
USI	Unique Student Identifier
VET	Vocational Education and Training





# List of recommendations

## 3 The development of skills in the Australian economy

### Recommendation 1

The Australian Government should, through the Council of Australian Governments, make a value statement comprehensively defining the role of TAFE within the VET sector together with its future direction in the competitive training market, from a national perspective.

This statement should recognise that the affordability and accessibility of the training market is underpinned by a strong public sector provider and acknowledges the following functions that TAFE, as a major and significant not-for-profit public provider, can uniquely bring to the VET sector:

- setting a benchmark for price that ensures the market doesn't simply drive prices up to meet either public or private funding maximum levels;
- delivering community support obligations and ensuring the provision of support across all population centres and groups;
- ensuring that thin markets are covered to maximise the provision of skills needed by both the economy and society;
- delivering support for regions and industries in transition, including working with community leaders to identify changing skills profiles needed for the future and analyse training needs for displaced workers and jobseekers;
- identifying and investing in skills development for new, innovative and emerging industry sectors such as advanced manufacturing, green skills, and ICT;
- providing pre-employment courses, particularly language, literacy and numeracy and digital skills as well as job readiness courses;

- providing mature age learners and early school leavers for whom TAFE is the most appropriate pathway with access to pathway qualifications in order to undertake further study;
- providing other specialised training pathways such as pre-apprenticeship courses; and
- providing a sound, government-backed institution that can attract strong support in the education markets of the Asian region.

#### Recommendation 2

That the Australian Government addresses ongoing concerns about the highly variable quality of training. Two approaches are possible and may be applied differentially depending on the particular circumstance:

- seeking a greater level of prescription and precision around national Training Packages; or, alternatively,
- tasking the Australian Skills Quality Authority, or relevant state authorities, to develop more output-based measures that focus on assessment of skills acquired.

### 4 TAFE pathways to employment and university

#### Recommendation 3

That the Australian Government, in its discussions with the states and territories regarding the impact of current funding arrangements on TAFE provision of pathways to employment, also raise the impact of these arrangements on TAFE provision of pathways to tertiary education and/or higher level studies.

### 5 TAFE in the competitive training market

#### Recommendation 4

The Australian Government should continue its current actions through the Australian Skills Quality Authority, other regulators, national Training Standards and any other involved parties, to take suitable action to address loopholes that are allowing high-risk and unscrupulous practices to endanger the experience of students and the reputation of training provision.

#### Recommendation 5

The Australian Government should put in place reporting, via the National Centre for Vocational Education Research, that captures the exact federal financial contribution made to TAFE and its application by state and territory governments.

**Recommendation 6**

The Australian Government, should, via the Council of Australian Governments, seek to ensure that VET funding takes into account TAFE capital requirements.

**Recommendation 7**

The Australian Government, should, via the Council of Australian Governments, seek to ensure that VET funding takes into account the particular role of TAFE in providing opportunities for those in positions of disadvantage and vulnerability.

