



7<sup>th</sup> March 2014

**TO**  
**Members of the Senate Committee for Education and Employment**  
**Members of the House of Representatives Standing Committee on Education and Employment**

Dear Members of Parliament,

Good Shepherd Youth & Family Service is pleased to make the following submission to the ***Inquiry into the Role of Technical and Further Education system and its operation.***

We commend the 44<sup>th</sup> Parliament of Australia for giving priority to the issues facing the TAFE sector through the Senate and House of Representative Inquiries into TAFE. This is especially important as the previous *2013 Inquiry into the Role of Technical and Further Education system and its operation* lapsed without an outcome.

We have previously submitted to the 2013 Inquiry. This second submission is a supplementary submission that we request be considered in addition to our first one. We have attached the earlier submission again for your reference.

We are making this current submission to both the Senate and the House of Representatives Committee Inquiries into TAFE, since the terms of reference overlap considerably.

We will comment on selected Terms of Reference.

## **1. The role of TAFE**

*(Senate Inquiry ToR (a); House of Representatives Inquiry ToR's- first three dot points)*

The TAFE sector is absolutely critical to our national economy and social fabric. From its beginnings in the Schools of Mines and Mechanics Institutes established as early as the 1830's, it has continually evolved and grown to meet the needs of employers and communities. It has made and continues to make significant contributions to our socio-economic mobility, social cohesion, and ability to adapt to changing demographic and workforce patterns.

The TAFE sector will continue to adapt to changing needs, but government policy and funding changes must ensure that it continues to provide the continuity, critical mass, innovation, visibility and transparency that only a public institution can.

The range of submissions to the 2013 Inquiry draws attention to the breadth and depth of public and private interests served by TAFE. The importance of the local TAFE to rural and regional areas is particularly striking, as is its role in less affluent communities. TAFE is also crucial to the health of many industries, including the community services industry to which Good Shepherd belongs.

Events since the 2013 Inquiry closed have only served to reinforce the pivotal role of TAFE institutions in maintaining the nation's socio-economic health in difficult times.

#### Adapting to manufacturing job losses and economic downturn

The changes in our manufacturing industry are dramatic and threaten to undermine the wellbeing of many thousands of individuals and their families, as well as whole communities, unless proactive measures are taken. One of these is to provide additional training and education to workers who lose their jobs. Australia's experience from previous economic downturns shows that the workers who remain unemployed, unable to successfully re-enter the workforce in a sustainable way, generally have lower levels of education and training.

The TAFE colleges in the communities affected by these changes provide a critically important resource for those individuals to adapt to the changes. As such, they are a source of social capital and encouragement for the communities themselves as they reach out, re-assess, and re-group.

Unlike private vocational training institutions, TAFE colleges have some key characteristics that enable them to take up this leadership role in the community, now as they have in the past. Some of these are identified below.

#### Balancing 'business as usual' with systemic change

Meeting the training and education challenges of the changing economic and industrial base of the nation requires a balance between stability and risk. Stability is needed in the existing training and education provision in order to deliver some security and continuity to government, industry and community. At the same time, risk-taking and innovation are required to find solutions to emerging issues and respond to socio-economic changes.

The public institutions of the TAFE sector have the critical mass, intellectual capital and institutional strength to manage this balance. Importantly, they also have the mandate to respond to broader social needs, rather than deliver only on the limited business outputs of their company.

#### Using collective impact to meet challenges

Successfully addressing complex challenges usually requires collaborative action, with many 'agents' moving towards the same agreed goals. This type of collective community effort requires trusted backbone organisations to lead it: to ensure it is adequately resourced, to bring in social and intellectual capital, and hold the whole endeavour together. Gathering in stakeholders from across the many relevant sectors – training and education, business, industrial, government, community, and philanthropic – requires publically recognised legitimacy.

This kind of legitimacy can generally only be provided by a public institution that is established in the local community, serves the common good, and is accountable to society through an Act of Parliament. TAFE colleges fit this role, unlike private training providers.

However, TAFE colleges need to be adequately supported with a policy framework and funding if they are to fulfil this potential.

#### Ensuring there is 'no wrong door' to education and training

Individuals coping with retrenchment and industry down-sizing often need help to navigate pathways into the future, especially if their existing education level is low. They are faced with an uncertain future and at the same time need to transact with unfamiliar institutions and digest a daunting amount of information.

Over time TAFE colleges have developed course articulation and the additional supports to enable individuals to take the journey step-by-step. With their broad range of courses and individual supports, they assist individuals to identify their goals and options, and to select a training or education path that matches up needs, capacities and opportunities.

In doing this, TAFE colleges can be guided by what is best for the person, not just best for the business; while responding also to government and industry drivers in designing relevant course offerings. They can partner and innovate to provide locally tailored solutions to needs as diverse as young single mothers getting a first qualification to re-training retrenched manufacturing workers. TAFE colleges connect across the educational spectrum, from universities to community houses. They are recognised as providing effective linkages with other local networks (such as the Local Learning and Employment Networks or LLENs in Victoria supporting young people by improving their participation, engagement, attainment and transition outcomes).

However, the TAFE system needs to continually improve, to be agile and to be accountable in what it offers.

#### Promoting economic security for women

The economic disadvantage experienced by women relative to men is systemic, long term and entrenched. Awareness of this inequality, its causes, and its impacts is increasing. Yet considerable pay inequity endures, and in fact increases in some of the female-dominated careers. Women are employed in more casualised, part-time work, and so are more economically vulnerable. The superannuation gap between genders is unacceptably large: a 25-yr-old woman today will earn almost 50 per cent less over her lifetime than a man the same age.

Federal income security policy is encouraging some women – single mothers – to enter or re-enter the workforce earlier (although partnered mothers receive more generous payments relative to their needs and are not under the same pressure to work from government).

The education and training sector has an important role in redressing the economic disadvantage of women. To overcome these systemic barriers to economic security over the life-course, gender-sensitive education and training providers are essential. This means understanding the demands on carers in terms of course structure, the need for child-care and

other supports, and the pathways to a living wage not just any job. Women need access to qualifications for more sustainable careers that will promote long-term economic security.

Continuing innovations are also needed for women to be supported into non-traditional careers. These broader social goals go beyond the ambit of individual providers and need system-wide planning and research, led by the TAFE sector.

## **2. Competitive training market**

*(Senate Inquiry ToR (b); House of Representatives Inquiry ToR's- fourth dot point)*

As the discussion about the role of TAFE has indicated, there are critical social and economic functions which need to be in the public sphere and cannot be left to the (private) market to deliver, although they can and should contribute to them. These include:

- Providing continuity, critical mass, innovation, visibility and transparency
- Adapting to manufacturing job losses and economic downturn
- Balancing 'business as usual' with systemic change
- Ensuring there is 'no wrong door' to education and training
- Promoting economic security for women.

The competitive training market should be thoroughly evaluated not just for cost efficiencies but for its capacity and willingness to deliver on these more challenging social and economic outcomes.

The private training providers are participants in the training and education sector, benefitting from the intellectual and social capital of the public system (through research, networks, and a history of collaboration with industry through fieldwork placements, for example). Private providers should be contributing resources in the form of a levy to support these taxpayer-funded activities that they benefit from.

## **3. Public funding**

*(Senate Inquiry ToR (c))*

Public funding is critical to maintaining a viable, responsive, and proactive training sector, through TAFE. As indicated in the discussions of the role of TAFE and the role of private providers in a competitive market, the TAFE sector should not be seen as a public cost but as a source of capital – human capital, social capital, intellectual capital, and through them, economic capital.

TAFE should, though, serve the common good, the economic and social goals of the nation. This requires transparency, accountability, and flexibility.

## **4. Factors affecting affordability**

*(Senate Inquiry ToR (d))*

The first Good Shepherd Youth & Family submission made extensive reference to the issue of affordability. We wish to add that our microfinance loans are increasingly in demand to pay for training costs, especially for course equipment for example in trade courses or visual arts

courses. University students on Youth Allowance receive a Semester Start payment (currently of \$1,025 for each six months of eligible study) to cover these costs: this should be extended to vocational and trade students.

## **Recommendations**

In addition to the recommendations made in our first submission, we ask that the following be considered:

1. That a National Plan for lifting and targeting education and training outcomes be established
2. That the TAFE sector's role as a public institution be strengthened to enable it to deliver outcomes linked to regional and local needs for human capital, social capital, and intellectual capital
3. That Centres for Excellence in Training be established to provide leadership to the TAFE system and advice to government, community and industry
4. That a Research Centre for the training sector be established with a research agenda developed through widespread consultation
5. That private training providers contribute a levy to support the development and continuance of a dynamic, high quality training sector (such as through Centres of Excellence and a Research Centre)
6. That a National Education and Training Ombudsman's Office be established
7. That Centrelink ensure the Student Start-up Scholarship currently provided to tertiary students also be available to eligible students in vocational training courses.

We appreciate the opportunity to submit to these important Inquiries.

Yours sincerely

Robyn Roberts

CEO

16<sup>th</sup> April 2013

Dear Minister,

Good Shepherd Youth & Family Service (GSYFS) is pleased to have the opportunity to make a submission to the House Standing Committee on Education and Employment regarding the Inquiry into the role of Technical and Further Education system and its operation.

### **About us**

GSYFS is a well-established Melbourne based community service organisation; we work with disadvantaged young people, women and their families. We provide a range of individual and community capacity-building programs including financial counselling and microfinance, emergency accommodation, family support and family violence responses. Our Social Policy Research Unit has conducted action research into the emerging needs of our communities; recent projects include the impacts of microfinance, how women can rebuild after family violence, how economic abuse can be prevented, the financial education needs of disadvantaged women, and stories of young people disengaged from schooling.

### **The significance of TAFE to the people we work with**

For disadvantaged Australians accessing TAFE courses has life-changing impacts. Across our services we observe the positive life changes in the parents, young people and women that we support to access TAFE courses.

Every day we work with people who have had few life opportunities and turn to TAFE courses as a way out of their current situation. They know, as we do, that economic participation is a key to long-term positive life outcomes and that gaining a vocational qualification is a vital step along this path.

In this submission we will present several case studies<sup>1</sup> that specifically address the following two terms of reference:

- the development of opportunities for Australians to improve themselves and increase their life and employment prospects;
- the delivery of services and programs to support regions, communities and disadvantaged individuals to access training and skills and through them a pathway to employment.

These case studies show both how Australians improve themselves through TAFE, and how access to other services and supports is vital to successful TAFE experiences.

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<sup>1</sup> All case studies have been de-identified to protect individuals and are therefore able to be made publically available.

## TAFE breaks life trajectories of disadvantage

With the right supports, TAFE can enable anyone, regardless of their background to gain a qualification that gives them a passport to economic and social participation.

*Stephanie is a 23 year old single mother of three children aged 5, 4 & 12 months. She is supported through a transitional housing program, before which she and her children were homeless for over a year. Stephanie had a very difficult upbringing, running away from home in early adolescence and then being placed in out-of-home care. During these years she did not attend high school and consequently now has low self-belief in her abilities, in her own words: "I am stupid, I am illiterate". However, she has recently applied to attend a TAFE trade course in Carpentry and was accepted. Stephanie was able to access funding for single mothers to attend TAFE, without which she would not be able to take up this opportunity. Stephanie is attending the course consistently and for first time she has a brighter vision for her future. Stephanie plans to gain employment and subsequently transition off welfare payments. This will assist in her plan to secure a private rental property rather than be waiting for public housing, hence enhancing a positive future for her children.*

Stephanie's story shows how TAFE access can provide an opportunity to increase life and employment prospects. It also demonstrates some of the theory of change behind these outcomes: building confidence, providing achievable steps, replacing the previous negative self-image with one of competence, and being a valued social contributor as a student and then employee, private housing tenant, and good role model for her children.

Our experience delivering support programs in disadvantaged communities makes it clear to us that associated funding support and other holistic services are required to ensure access to TAFE for those seeking to turn their life around through education and training. This includes the TAFE system providing vocational support workers at each TAFE who can facilitate careers pathways and counselling.

**Recommendation: That holistic support services are fully funded to ensure that disadvantaged Australians are not excluded from the TAFE system.**

## TAFE is there when mainstream school fails

TAFE provides a second chance for those young people who become disengaged from schooling early. However, for young people who are financially and socially disadvantaged additional funding and support is required to secure this opportunity.

*Brad is a 16 year old male struggling in alternative education after losing interest in his previous mainstream school which he found too academically oriented. Brad was victim to bullying at that school. Brad was assessed as eligible for 'job ready' courses in TAFE and is being supported to attend a local TAFE through the VCAL program. However, the TAFE fees are too high for Brad, even the Concession fee is quite expensive at \$198.00 per semester, plus TAFE identification costs. Our case manager was able to secure funding through a scholarship scheme outside of the TAFE system. Without this he would not have been able to attend. Brad is actively engaged with his TAFE course and his prospects now look good for future employment.*

Brad's story highlights how young adults on a very low income can access TAFE to create opportunities for themselves. It also highlights the brokerage work of community organisations in securing Brad additional funding support. VCAL and its linkages with other school systems are also vital for young adults such as Brad.

VCAL at TAFE provides alternative learning opportunities for young people who have left school early. Many young people, especially those who have had a disadvantaged upbringing, thrive in a more adult environment that TAFE offers. Once a young person has left mainstream schooling early their options are limited and their education often stops at that point, severely limiting future employability. Additional supports should be funded to ensure that young people can access this second chance. VCAL programs provide a unique alternative learning environment that successfully engages disadvantaged young people who have left school early.

**Recommendation: That VCAL continue to be offered by TAFE providers.**

### **Current TAFE funding cuts are thwarting positive life goals**

Unfortunately there are many other disadvantaged individuals who are unable to reach even the simple first step of starting a TAFE course, despite their motivation.

*Rachel is a woman who has had a traumatic up-bringing, but has regained confidence to do further study after participation in our volunteer support program. Rachel has always wanted to work with animals and with support she applied to do a Vet nursing course at TAFE. Rachel was accepted into the course which lifted her confidence and motivation. She was subsequently notified that the TAFE had dropped this particular course as result of funding cuts. Rachel was extremely disappointed with this news and has not regained motivation to try anything else at this point.*

Rachel's story highlights that role that TAFE can play in assisting vulnerable people in building motivation. Women too use TAFE as an entry point to a second chance in life and a sufficient range of courses needs to be maintained so that women are not excluded.

**Recommendation: That a diverse range of courses continue to be offered by TAFE providers in order to provide pathways to both social and economic inclusion.**

### **TAFE is now out of reach for some young people**

The current TAFE cuts have had significant negative impact on a number of the disadvantaged individuals we work with.

*Arie has been looking for a job for about a year and currently receives Newstart Allowance. Arie would like to enrol in TAFE to become a cabinetmaker however he simply cannot afford the upfront costs. There is a \$700 a downpayment for her TAFE course and then about \$400 for textbooks and tools. Arie is not eligible for an Advance Payment from Centrelink, as he is currently paying off an Advance Payment that he took out to cover the costs associated with looking after his young son. Even if Arie were eligible for an Advance Payment, the maximum amount he could receive would be \$500, which is not enough to cover his TAFE fees and associated costs. For Arie, accessing TAFE is out of reach.*

Arie's story illustrates how TAFE can be out of reach for those who cannot afford the upfront costs. Disadvantaged people who are doing it tough should not be excluded from TAFE because of fees. Our secondary school system is currently failing to adequately lift the educational outcomes of children from low income backgrounds. We are a country of unacceptably low educational equity in the primary and secondary schooling systems. Although there is potential for the 'Gonski Review' recommendations to eventually correct this trend, it is our vocational and tertiary system that must, for the foreseeable future, deliver equity within our education system. However, the success of TAFE as a pathway to employment for those from disadvantaged backgrounds is dependent on public policy that ensures courses are accessible, for all Australians.

**Recommendation: That adequate concession arrangements be available so that fees and materials are not out of reach for those seeking to enrol in TAFE.**

### Education and training options for single mothers

On many measures of financial hardship, single mothers are the most disadvantaged group in Australia. Providing pathways to economic participation is critically important for this group.

*Kirsten is a single mother who has just completed a basic Certificate in Social Welfare Studies at TAFE. Upon completion of this first course Kirsten identified the goal of continuing her studies with an Associate Diploma. This further study would greatly enhance Kirsten's employability. However, Kirsten cannot afford the course fees so she remains in limbo, unable to complete the next level and unsure whether to enter the workforce with the basic course.*

Kirsten's story highlights the struggle of single mothers surviving on low incomes. TAFE courses are becoming unaffordable for the most disadvantaged group and Kirsten's story illustrates how her pathways to economic participation are inhibited simply because of course fees. The situation of many single mothers is deteriorating due to income support payments being too low, and in fact is being actively reduced by the shift from Sole Parent Payment to Newstart Allowance. TAFE providers must ensure that they continue to provide opportunities for to overcome past disadvantage, fees and costs do hinder single mother's ability to enhance their economic participation. There is a danger that the positive achievements of the TAFE system in enabling people to 'catch up' economically will be undermined by becoming unaffordable for the very people who need TAFE most.

**Recommendation: That government policies address the affordability of TAFE fees for those on low incomes, including those on income benefits.**

### Lack of coordination with Centrelink

There are system barriers are making TAFE inaccessible for those who are disadvantaged and are trying to navigate the system.

*Abdul is a young man who came to Australia as a refugee from Afghanistan. He and his wife have a baby daughter who was born in Australia. Abdul is receiving Youth Allowance to enable him to study at TAFE, and his wife receives a parenting payment from Centrelink. The family was living in a friend's house in outer Melbourne – a fact which they reported to Centrelink immediately. Centrelink provided them with rent assistance for many months before advising them that this was a mistake. Until this time, Abdul and Farha were unaware that they were not entitled to rent*

*assistance. They are now paying back Centrelink a debt of around \$1,500. They are not able to afford essential household items, such as a fridge. The family is now in a precarious financial situation and continuing the TAFE course is extremely difficult under these circumstances.*

*Loretta is a young woman who is receiving Newstart Allowance. Loretta would like to enrol in TAFE to become a disability support worker. However, Centrelink has advised that she is not eligible for Youth Allowance due to the prior studies that she has undertaken. This is in spite of the fact that Loretta's current qualifications have not enabled her to find a job. Loretta remains on Newstart Allowance, without a job, and without access to a course that could enable her to find meaningful employment.*

Abdul and Loretta's story illustrate how Centrelink can become a gate keeper to TAFE for disadvantaged Australians. Those on Centrelink payments should not have to 'work the system', rather they should be able to trust that Centrelink coordinates with TAFE's to enable people to transition to economic participation. It is a concern that Centrelink's policies regarding welfare payments and work incentives do not always support the training and employment goals or needs of recipients.

**Recommendation: That there be greater coordination and communication between Centrelink and TAFE to address the current systemic barriers so that TAFE courses are accessible to all Australians.**

To sum up, we find that our clients who attend TAFE rely heavily on community funding which is sourced through the work of case managers. Without this assistance there would be no pathway available to this vulnerable group. With less community funding available and the increase in TAFE fees, without reforms, accessibility for disadvantaged Australian's will decrease. The ability for this cohort being able to move out of poverty is at risk.

Yours sincerely,

Robyn Roberts  
Chief Executive Officer  
Good Shepherd Youth & Family Service