



## TAFE COMMUNITY ALLIANCE SUBMISSION TO THE NSW PRODUCTIVITY COMMISSION DISCUSSION PAPER – KICKSTARTING THE PRODUCTIVITY CONVERSATION

The TAFE Community Alliance (TCA) welcomes this opportunity to provide a submission to the NSW Productivity Commission discussion paper, and to assert the need for a strong well-funded VET system in NSW with TAFE NSW as its pre-eminent provider of quality vocational education and training for all.

The TAFE Community Alliance is an advocacy group representing members drawn from all parts of the VET system: students, teachers, employers, small businesses, local community members, researchers, managers and policy-makers. Our common goal is to advocate for a publicly-funded TAFE system that continues to provide the trusted benchmark for quality VET services across Australia and beyond. The TAFE network is a national asset and must be recognised as such, funded accordingly and continuously developed.

The Alliance has focused on the VET section of the paper in terms of its response.

**Do the issues and challenges identified in this section reflect the challenges facing the VET sector in delivering skills for a modern economy? What can be done to address these challenges?**

From the TAFE perspective it is hard to identify anything that is now working well in the VET sector. Australia's VET system was once of high quality and highly-regarded nationally and internationally. It has now fragmented and system governance and coordination has all but disappeared as governments abrogate their responsibilities and pretend that the market will provide. The introduction of the so-called "managed market" over the past decade has revealed the stark truth that governments currently lack the political will or policy acumen to manage any market, let alone one as complex and heavily subsidised as VET. The contestable training market we have today is a clear failure, and government subsidies to unreliable RTOs that are little more than shell organisations is a gross mis-use of public funds. The dismantling and increased privatisation of the TAFE system by overt and covert means has undermined employer and community confidence and trust in the ability of the VET system as a whole to respond to local circumstances, especially in rural and regional areas, and to meet student and industry needs alike.

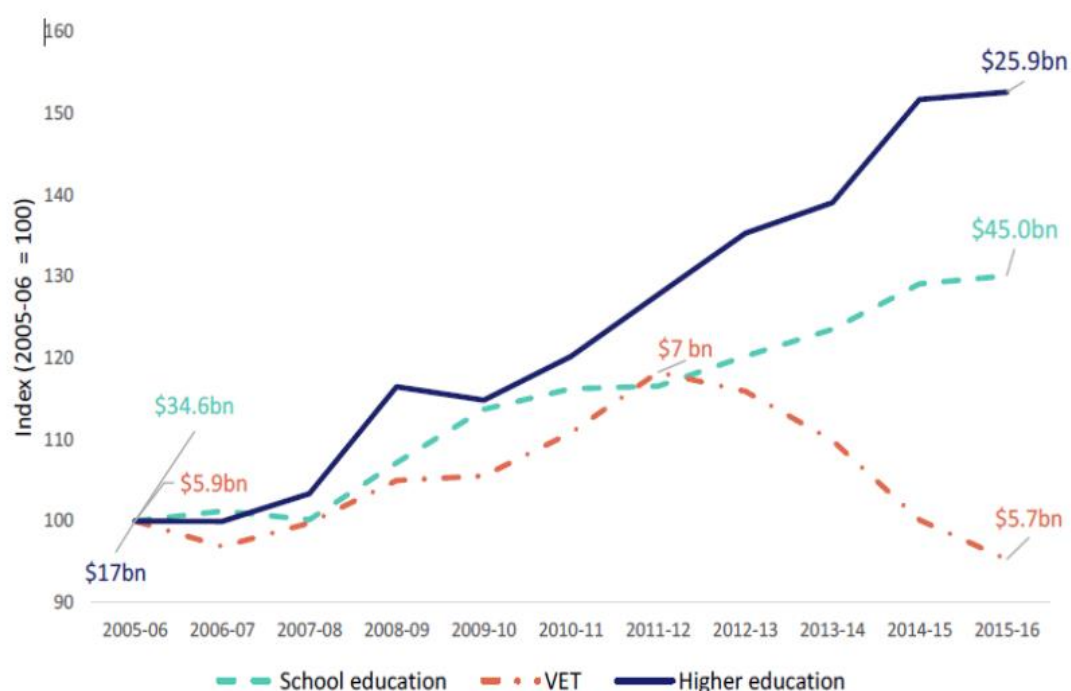
## What are the key challenges in the VET sector?

There are many major challenges at every level of the VET sector. In this submission, TCA highlights just four of them.

### *Sustained funding cuts to the VET sector and to TAFE specifically.*

There is a funding crisis in the VET sector. As the diagram below from the Mitchell Institute illustrates, investment in VET relative to Higher Education and School Education has plummeted over the past decade.

**Figure 3.1 – Expenditure on education by sector 2005-06 to 2015-16**



[Expenditure on education by sector 2005-06 to 2015-16 (base year 2005-06 = 100)]

Source: Mitchell Institute analysis of Australian Bureau of Statistics data (custom request)<sup>6</sup>

FIGURE 1: FROM A SUBMISSION TO THE SENATE EDUCATION AND EMPLOYMENT REFERENCES COMMITTEE INQUIRY INTO VOCATIONAL EDUCATION AND TRAINING IN SOUTH AUSTRALIA BY PROFESSOR JOHN QUIGGIN.

[HTTPS://PARLINFO.APH.GOV.AU/PARLINFO/DOWNLOAD/COMMITTEES/REPORTSEN/024139/TOC\\_PDF/VOCATIONALEUCATIONANDTRAININGINSOUTHAUSTRALIA.PDF;FILETYPE=APPLICATION/PDF](https://parlinfo.aprh.gov.au/parlinfo/download/committees/reportsen/024139/toc_pdf/vocationaleducationandtraininginsouthaustralia.pdf;filetype=application/pdf)

In this sectoral de-funding context, there has been a systematic stripping of funding from TAFE systems over many years. This, combined with ideologically-driven and poorly managed market contestability, has brought TAFE systems to a tipping point. A national network of respected public TAFE institutions providing quality assured and valued services to communities all across Australia is being dismantled in favour of low-quality profit-seeking short-term training providers with no ongoing commitment to the economic and social sustainability of local and regional industries and communities or to meeting the complex learning needs of students in all their diversity.

The poorly conceived restructures of TAFE NSW and the shifting of funding from educational delivery to management positions and consultants, has brought TAFE NSW to its knees. Alternative providers, including university colleges, have taken over much of the current VET delivery, and some TAFE campuses are almost empty. Very large numbers of experienced, qualified and committed TAFE teachers have been driven out of TAFE NSW, and are being replaced by people with minimal or no educational qualifications and little ability to meet student needs. TAFE NSW enrolments are in freefall. Services such as counselling and assistance to learners with disability have been cut to the bone, or ceased. The intellectual and physical infrastructure that allowed TAFE to service every nook and cranny of NSW is being lost or sold off. This cannot be allowed to continue.

### ***Quality of VET is under threat***

The quality of education and training that is provided to students is the bedrock of the VET system and it is being undermined on multiple fronts. Market contestability is prioritised over quality. Continuous funding cuts are diminishing the capacity of the system to deliver quality VET. TCA emphasises just two specific challenges to quality.

First, inadequate regulation. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has revealed the abject failure of both financial sector regulators to go after the banks and institutions with the full force of the laws under which they work. Many of these criticisms can be applied to the VET regulator, ASQA. ASQA should be doing the right thing and acting at all times in the "best interests" of customers, that is students, not cosying up to private sector lobby groups. If the current laws under which ASQA currently works are inadequate, those laws must be changed. If the current funding of ASQA is inadequate, its funding must be increased. Its approach to regulation needs to be changed significantly to protect the quality of VET provision. Governments and the VET regulator need to establish higher barriers to entry for the subsidised market. Making quality-assured vocational education and training attractive to both young people and employers must be a priority.

Second, the devaluing of educational expertise in the design and delivery of vocational education and training. This has led to the design of Training Packages and courses that do not take sufficient account of the different learning needs of different students and their delivery by poorly-equipped trainers without the skills to tailor them to different circumstances and learners. The relentless drive to reduce student contact hours takes no account of the fact that different students learn at different paces and most require educational guidance, not just a worksheet.

### ***Contestability is a failed policy***

The TAFE Community Alliance acknowledges that there have always been private providers of vocational education and training, but by and large they were not in receipt of government funding. Government funding instead was retained for the public providers of VET, ensuring transparency, accountability and for the most part strong quality education, with systems to both identify student learning needs and develop appropriate educational programs, pathways and standards.

Quality vocational education and training should not be compromised by purely commercial motivations or by the cutting of funding to TAFE and limiting its capacity to provide quality education and student support services.

The supply side of the market is saturated and poor-quality providers need to be swiftly exited from the market.

### ***Commitment to access and equity is diminishing***

As the Australian Council of Social Service notes,

*Excessive inequality in any society is harmful. When people with low incomes and wealth are left behind, they struggle to reach a socially acceptable living standard and to participate in society. This causes divisions in our society.*

*Too much inequality is also bad for the economy. When resources and power are concentrated in fewer hands, or people are too impoverished to participate effectively in the paid workforce, or acquire the skills to do so, economic growth is diminished.<sup>1</sup>*

As business and commercial interests have come to dominate public VET policy over the past decade, the role of the VET sector in ensuring that all Australians, including disadvantaged Australians, have access to good quality vocational education and training programs and services has declined.

TAFE remains the pre-eminent provider for disadvantaged students but its capacity to respond to needs is declining under the weight of constant funding cuts and reduced public policy commitment to access and equity. TAFE special access courses play a significant role in promoting access with appropriate support to people who would not otherwise enter the VET system. Such programs have historically been fee-free which also provided vital access to the working poor who were not entitled to a concession but are living close to the poverty line. These are being priced out of the reach of many low-income Australians. In TAFE NSW there has been almost a total loss of Certificate 1 courses which can be essential for the most disadvantaged as a first step into the labour market. A coherent VET system should include all levels of training and education and should ensure access to these and provide learning pathways for all.

### **How could governments raise the profile of VET and shift cultural attitudes towards the sector?**

The suggested changes below provide some important thoughts as to how the profile of the VET sector might be raised. The highest priority is a restoration of government policy that is evidence-based, values all the work undertaken within the VET sector, that caters for the diversity of student needs, and increases funding to enable this to occur, especially within the public TAFE system. The TAFE Community Alliance has continued to make the point to all governments that their primary VET responsibility should be to ensure government funding is invested in the provision of quality vocational education and training through TAFE.

### ***Increased funding to VET, specifically TAFE***

The current funding crisis in VET must be addressed, both at a state and federal level. We urge that this be the overriding recommendation from this discussion paper, an acknowledgement of the funding

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<sup>1</sup> <https://www.acoss.org.au/inequality/>

shortfall and immediate plans to redress it. This will require a rethinking around Smart and Skilled funding to ensure TAFE NSW receives increased funding for the delivery of quality educational programs.

### ***An end to market design of VET***

The TAFE Community Alliance has consistently made the point that education is too important to be left up to the vagaries of the market. Such an approach is not applied to Higher Education or School Education, and there is no good reason why it should be differentially applied to the VET sector. It is critical that government funding supports a quality TAFE system that is able to meet the needs of industry and students and that such TAFE qualifications are accessible. Marketisation has led to significant increased costs to students leading to an expensive student loans scheme. Accessibility to VET qualifications needs to be rethought with consideration of increased free courses at lower certificate and access levels, and manageable fees at higher levels. Acknowledgement of the need for reasonable fee structures is being realised in other countries, and should also be the case in NSW.

### ***A differentiated national tertiary sector***

Tertiary education policy in Australia is increasingly incoherent. The best tertiary systems are differentiated systems which recognise the continuum of skills and competencies found in the occupational structure and support a corresponding variety of education and training institutions at the tertiary level which complement but do not unnecessarily compete with each other. Current demand-based funding models have led to unproductive competition between higher education and VET for share of the subsidised training market, and dysfunctional governance and funding arrangements. This competition is often at the expense of an informed and realistic choices by students and also diminishes the core mission of universities. Perverse funding incentives to enrol in universities rather than VET institutions is distorting the occupational structure of the Australian labour market. The negative effects on the supply of vocationally skilled employees has been recognised by many industry groups and the problem is getting worse over time.

As suggested by multiple reports and studies, Australia needs a coherent plan for its tertiary sector, that is able to build on the strengths of both the higher education and vocational education sectors, with appropriate student pathways between them. The funding arrangements should facilitate not undermine such a plan. NSW needs to work towards this goal.

### ***Recognition of the professional identity of VET educators***

Along with a national plan for the tertiary sector there should be a recognition of the need for professionally qualified VET educators as in the schools and university sectors. Such a recognition would put an end to the current requirement that the Certificate IV in Training & Assessment as the only educational qualification required of VET educators, and ensure funding to support educators gaining professional higher level qualifications as is the case in many other countries. When you trace the demise of TAFE NSW over recent years, there is no doubt the changes to the TAFE teacher qualifications and loss of professionally qualified staff, have contributed.

National professional development programs have had wide success in the past, and could assist in also supporting educators to continue to develop their pedagogic and vocational skills, including around assessment practices. The recognition of the impact of using applied research in the VET sector, also necessitates educators having the opportunities to build their capabilities in these areas. The recent

<https://www.ncver.edu.au/research-and-statistics/publications/all-publications/vet-applied-research-driving-vets-role-in-the-innovation-system>

Recognition of the professional expertise required to prepare students with multiple dimensions of disadvantage for successful participation in further study and employment, alongside dedicated secure equity targeted funding is essential. While some students can be fast tracked into university or employment, for others the process is long and requires significant support from knowledgeable professionals.

At this time VET educators have very little say in the structures and governance of the VET sector. The control of the sector has been handed to employers and industry which has limited sectoral capacity for educational innovation and local responsiveness. This imbalance needs to be redressed and vocational educators given an opportunity to be represented on governing bodies such as AISC and Skills Councils and other consultative bodies in NSW..

*Making equity an important part of the VET system with a national equity/social inclusion unit*

One way to help do this is to establish a national equity/social inclusion unit. Such a unit would build capability and capacity to embed relationships with peak bodies, communities, non-government and government organisations in order to negotiate, plan, deliver and evaluate strengths place based programs according to needs and opportunities. This process would involve breaking down barriers, providing access and confidence to appropriate support in an authentic learner centred environment. This would also help ensure targeted support for students led by communities that recognise multiple and intersecting forms of disadvantage. NSW needs to support the establishment of such a body.

We are willing to provide further information to support our submission. Please contact:

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