

UNIVERSITY & TERTIARY EDUCATION SYMPOSIUM

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'IMPACT OF TEQSA'S LEGISLATION ON TAFE INSTITUTIONS'

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Thank you for inviting TAFE Directors Australia to be a part of today's University and Tertiary Education Symposium, here at University of Sydney.

TAFE Directors Australia

By way of background, TAFE Directors Australia (TDA) is the peak national body incorporated to represent Australia's 59 publicly funded Technical and Further Education (TAFE) institutes.

TAFE Directors was originally established in 1998, modeled on the Australian Vice Chancellors Committee, with the Chief Executive Officers or TAFE Directors joining as members, and we lead the advocacy for quality skills development in Australia at a national level.

Australia's 59 TAFE institutes enroll 1.74M students per annum, deliver 84% of publicly funded accredited national training in more than 1300 campus locations across all states and territories.

POSITION

The Impact of TEQSA legislation on TAFE Institutions may give rise to a short Address.

I was party to the stakeholder TEQSA consultations....albeit as we don't mind pointing out the effective tactics, of my colleague Dr. Glenn Withers at University Australia, and with Professor Greg Craven leading the UA negotiating team, which sealed our immediate fate conclusively under the TEQSA legislated in late June.

In retrospect, the bounty of uncapped places being so forthcoming under Labor when it was returned as a Minority Government, perhaps this positioning of universities – while an admirable win for you all – may have far longer term consequences for our tertiary sector, worth sharing at this important forum on behalf of TAFE.

Let me describe our position:-

First, we note there was a successful move to quarantine the regulatory component of TEQSA.

- With state and territory support, there was a deferral of more definition within Higher Education Provider Standards, for example, the case for Specialist Universities, and University Colleges. This single issue has pointedly confirmed a containment policy for those of our membership with an expanding profile – and meeting increasingly complex technology and industry qualification needs -- into the higher education space. I will return to discuss this shortly ---

- We know there is major pressure on Commonwealth revenues – and the Gillard/Evans commitment for uncapped places, has now caused the effectively deferment of Federal consideration of what we argued were strong features of the Bradley Review of Higher Education – ie, for more diversity and wider funding in higher education.

- The sour cocktail amid this TEQSA outcome received a twist of bitters last November, when the Department of Immigration (DIAC) overnight regulated for differing visa classifications for students in VET and higher education – and

(again) ignoring that TAFE are publically owned institutions, absolutely safe as houses, yet we are bundled with the general pool of state-registered RTOs – now at record levels of 5,001 !!

The effect has combined to cause intense impact to our student and industry client base.

Essentially those across these communities – those who have least capacity to afford the reach to higher qualifications – are being restricted with access to take part in courses which may be identified for higher skills and qualifications.

The visa regulations alone has set off unintended consequences with a rapid flight from VET to Higher Education for advanced diploma and associate degree qualifications, led by universities, and dual sector institutions.

Yet the impact is most serious in the case of equity.

- Research undertaken by Paul Foley for NCVET (2007) found that there is an over representation of students from low socio economic areas in VET. This over representation is partly driven by the relatively high participation by students from regions outside capital cities, which on average tend to be lower socio economic areas.
- The same research shows that people from low socio economic areas tend to undertake lower level qualifications.
- As this Australian map with the TAFE footprint demonstrates, our Institutes enjoy a greater footprint in remote and regional communities and therefore an important role to play. Students from these regions often experience difficulty at school and have requirements for literacy and numeracy support which would prevent their direct admission to university.

- TAFE has developed expertise in engaging with these students, especially with a record of significant indigenous enrolments and remote contact.

The latest Strategic Plan of Regional Development Australia Mid North Coast – home of the Member for Lyle (Rob Oakeshott MP), raised evidence at a regional level of this Great Australian Divide –

- The Plan outlined that degree level tertiary qualifications for all persons in the MDC is currently under 10%, while the state average is 29%.
- The Plan stated that only 27% of people in the region aged 15 and above have completed Year 12 as compared with 42% for the state.

Comparative graphics between TAFE and university participation across respective age groups showed only Armidale – with UNE at its centre – with at least some favourable settings, while Coffs Harbour, Port Macquarie and Lismore all showed far higher engagement at VET with TAFE as the dominant provider.

Professor Denise Bradley noted the distinctive nature of our respective HE and VET systems, and linking the call for diversity to achieving attainment targets on equity.

These recommendations were more recently repeated by **Skills Australia** in its landmark report *Skills for Prosperity: A VET Roadmap*.

And while I note with interest the detailed writings and arguments by Professor Glyn Davis, the incoming Chair of UA, about the application of SES codes by DEEWR in definitions on equity, in the widest sense TAFE remains locked out. The figures speak for themselves --

- If we include the 10 TAFE NSW Institutes which actually come under one HEP registration block, TDA has 23 of its members registered as HEPs.
- To date just two TAFE Institutes – Holmesglen and NMIT, both in Melbourne – were ultimately granted limited Commonwealth Supported Places (CSPs), covering critical skilled shortage areas of nursing, and early childhood.
- And despite equity needs, access to youth support is also quarantined to university students, and we await Professor Kwong Lee Dow’s review on this issue.

So, I will leave to my former Chair, the CEO of Holmesglen Bruce Mackenzie, to debate with you later this afternoon his own perspective on TEQSA.

I will focus on a constructive engagement;

TDA puts the proposition to you colleagues that it is in our joint interest that diversity may be approached in future reviews under our TEQSA and higher education regulation – and working collaboratively with TAFE to gain improved recognition under a dedicated HEP provider category rather than simply being lumped in a group of (public and private) “HEPs”.

TDA considers that the existing Provider Categories in the national protocols -- as they remain for Higher Education -- do not accommodate the variety of institutional types that exist now in the sector. This was argued during the consultations but to no avail.

We recommend –

- the creation of a set of more unified tertiary education protocols
- We see merit they incorporate **new nomenclature for a wider range of organizational types** and facilitating a single approval process for institutions operating in both Higher Education and VET –
- And this is necessary not least to retain a distinctiveness to the TAFE and VET sector, rather than encourage forced rationalization into dual sector institutions.

TDA has undertaken some analysis of the existing HEPs grouping them as universities and non-universities on one axis and broad-based or specialist on the other. This results in a grouping of the HEPs into four quadrants.

The analysis shows that:

- 95% of provision is in Quadrant 1, namely by the universities
- 5% of provision in 'the rest' - Quadrants 2 and 4
- No Australian examples yet exist of 'university college' or 'university of specialisation' (altho **Melbourne College of Divinity** may soon break this generalisation)
- 48% of all HEPs are also RTOs including 14 out of 39 universities
- TAFE institutes account for most of broad-based non-university HEP provision – there is scope for more in a diverse tertiary sector
- 66 out of 70 Quadrant 4 HEPs are accounted for by 5 specialisations:
 - Theology / Faith-based (17)
 - Business / IT (16)
 - Creative Industries (15)
 - Health (12)
 - Hospitality (6)

- No Quadrant 4 HEPs specialise in skill shortage areas such as:
 - Building & Construction, Electrical/ Electronics or Engineering

As the tertiary sector evolves, and as outlined above, it is clear that TAFE is increasingly straddling both VET and Higher Education in a similar, but nonetheless decidedly different way from dual sector universities.

TAFEs HE qualifications are underpinned by the relevant VET qualifications in the same field and the associated links to industry. In this way, TAFE genuinely contributes to the diversity of the HE sector and does not compete with it. This is similar to trends abroad, which I will come to shortly.

TDA therefore supports the view that *provider categories* should recognize this fact, and likewise encompass both VET and Higher Education. The scope for a far greater role to be played by broad-based, non-university HEPS, as loosely groups in Quadrant 2,

I believe the challenge of Bradley's wider vision of a connected tertiary education sector, by 2012, looks ever elusive, as a result of these issues being so thoroughly shelved.

Back in 2009 when Professor Glyn Davis, Vice Chancellor of University of Melbourne and architect and co-Chair of former Prime Minister Rudd's 2020 Summit, proposed Australia look more closely at the American Community Colleges -- particularly in the context of tertiary education growth and modeling.

I took note, -- and in 2010-11 was a successful applicant for an Australian American Fulbright VET Scholarship. The Scholarship was hosted by the American Community Colleges Association (AACC) to review financial modeling and areas of growth across the College sector.

- I was surprised to learn that 17 US states had proceeded in recent years to legislate for Community Colleges to offer degrees – based on workforce skill needs.
- Importantly, in almost all cases, those US States contribute to the degrees with co-funded contributions – similar to Australian Government funding to degrees at universities for HECS places.
- A key difference has been that the degrees at Community Colleges in the US are often more competitively priced – cheaper for students – however the offset is that Colleges are not required to undertake research, and must satisfy skill shortage evidence.
- Finally, it was clear that in US states like Arizona, that articulation has been significantly improved through structural reform. In that case, a ***Joint Tertiary Articulation Council*** operates, with public universities and community colleges sharing the chair – and including the widest range of faculty deans – to ensure there is better guaranteed value for students who may begin with a College course, and secure articulation into most of university degree options.
- In several other states including Florida, this articulation has been legislated.

Prime Minister Julia Gillard in a speech to the Committee for Economic Development of Australia (CEDA) on 1 February 2011 outlined the challenge facing Australia:

“After three decades when unemployment was our major problem, we now face shortages of labour – a problem unmatched anywhere in the industrialized world”.

She went on to say that *“it is vital that we unlock all the potential of our labour market for young people and adults...The government’s goal is to create the best education system in the world, including a **world-class, market-driven TAFE and vocational training system**”.*

There were a number of key messages for us at TDA in the Prime Minister's speech:

- Australia has '**skills shortages**': the Prime Minister is in agreement with industry forecasting the likely shortfall of 36,000 trades people for major resource projects by 2015.¹
- There need to be strategies to encourage **greater workforce participation**, especially of youth and adults who are seeking more work and people on disabilities pensions.
- The **productivity committee of the Federal Cabinet** is working on "overhauling vocational training". (which now appears to be code for a more market driven approach to funding, albeit contained in language to do with a Skills Entitlement)

The key words are **participation** and **productivity**.

Council of Australian Government's (COAG) targets

Increasing participation is the key driver behind the COAG targets for 2020 which are to:

- Halve the proportion of Australians aged 20-64 years without a Cert III qualification
- Double the number of high level qualification completions (Diplomas and Advanced Diplomas)

¹ Resource Industry Employment Taskforce, Chaired by Hon. Gary Gray MP (2010)

- Raise the proportion of young people achieving Year 12 or equivalent qualification to 90% by 2015
- Halve the gap for indigenous students in Year 12 or equivalent attainment by 2020.

The emerging tertiary landscape

I am the first to acknowledge that the Australian Government has committed to a number of initiatives that advance the formation of the tertiary sector, including the formation of a single Ministerial Council for Tertiary Education & Employment (MCTEE).

Yet it was the Bradley Review which outlined a vision for an Australian tertiary sector with six *'Key Characteristics of an Effective Tertiary Education and Training System'*:

- Equal value given to both VET and higher education – ***the jury remains out***
- Recognition that while institutions may have a primary mission in one sector, they should be able to offer qualifications in the other sector in the terms of current arrangements – ***the system is structured unduly with preference to universities, with even a drift for diploma and advanced diploma qualifications to HE because of immigration visa rulings***
- A shared and coordinated information base - ***NO***
- An integrated response to enterprises – ***NO***

- An efficient regulatory and accountability framework – **TEQSA and ASQA just established**
- Clearer and stronger pathways -- **NO. In fact, evidence has been recently published that articulation has remained the weak link , and despite – for example – TAFE NSW developing some 500 articulation agreements, results have been low.**

Late last month, the Acting Director General of Education and Training, Pam Christie was quoted saying “*The waste of time and effort of all that work, compared with the actual flow of students granted entry on the basis of that credit (shows) it’s not working.*”

TDA’s position – A Blueprint for Australia’s Tertiary Education Sector

TDA has contributed to this debate by releasing in July 2010, *A Blueprint for Australia’s Tertiary Education Sector*, (www.tda.edu.au).

TDA believes that a vibrant and diverse tertiary sector offers the best chance for boosting Australia’s productivity through increased participation in tertiary study.

TDA sees TAFE institutes as an integral part of that diversity as both standalone institutes offering Higher Education degrees or as partners of other higher education providers.

TAFE institutes:

- have a strong track record in working with students from low SES backgrounds (in fact, TAFE scores higher than HE on all equity benchmarks)
- support industries and enterprises to achieve their workforce development goals

- have developed specialist expertise in a range of niche industry areas, for example, viticulture, equine studies, design, and in areas of critical skills shortage, for example, nursing
- have a very large foot print nationally, with an especially strong presence in a range of regional centres.

TDA has endorsed:

- The **definition of tertiary qualifications** as ‘those at diploma level and above’, although there are still those who argue that ‘tertiary’ includes everything from AQF level 1 - 10.
- The creation of a set of more unified tertiary education protocols incorporating **new nomenclature for a wider range of organizational types** and facilitating a single approval process for institutions operating in both Higher Education and VET – not necessarily forced rationalization into dual sector institutions
- Progressive movement towards a **single tertiary regulator**
- TAFE institutes offering degrees having access to **funding for Commonwealth Supported Places**. In this respect it is important to note that Recommendation 29 of the Bradley Review proposed:

Recommendation 29:

That the Australian Government introduce a demand-driven entitlement system for domestic higher education students, in which recognised providers are free to enrol as many eligible students as they wish in eligible higher education courses and receive corresponding government subsidies for those students. The arrangements would:

..... apply initially only to public universities (Table A providers under the Higher Education Support Act 2003), but would be extended to other approved providers when new regulatory arrangements are in place ...

We also note that this has been publicly supported, among others, by the Go8 and the Vice-Chancellors of both Melbourne and Sydney Universities.

Since the release of the TDA **Blueprint** there have been a number of developments indicating progress:

- Eleven TAFEs are now registered to offer higher education, and the whole SA and NSW TAFE systems are now registered to offer higher education qualifications. TAFE offers higher education in every state except Tasmania and in the Northern Territory where it is part of the dual-sector university.
- The University of Ballarat developed a partnership with a number of regional TAFE institutes in Victoria enabling them to offer that University's degrees (and not be reliant on developing their own).
- Both the NSW and Victorian Governments have developed tertiary education plans, which recognize the role of TAFE in the provision of Higher Education. The Victorian Minister for Higher Education and Skills has announced as one of his top priorities increasing the number of bachelor degree courses offered at rural TAFE campuses.
- Last September, Queensland's Premier Bligh supported a new dual-sector university through the amalgamation of Central Queensland University with Central Queensland Institute of TAFE, with the Commonwealth currently reviewing this proposal under its Structural Adjustment application process.

- The University of Canberra has announced its intention to become an ‘omniversity’, encompassing all stages of the education process and including private providers under the university umbrella..... and....in the ACT, Professor Denise Bradley has recommended a merged new dual sector institutions between UC and CIT.
- Both the Queensland and South Australian Governments have initiated agreements with the universities in their States that provide for consistent credit transfer and pathway arrangements with the State’s TAFE institutes. This obviates the need for to individual TAFEs to negotiate with each university – a truly arduous and not always successful process.

CONCLUSION

TDA argues that since late 2008 when Bradley proposed “a more coherent approach to tertiary educational provision”, the policy settings that separate TAFE and Higher Education have, in fact, been widened.

The evidence is the introduction of uncapped funding for universities; Australian Government funding interventions; establishment of the new regulatory framework and the perception that TAFE is the problem.

TEQSA was an opportunity to widen our vision and look to diversity in tertiary education funding. And unlike VET where ASQA and the NSSC are separate bodies, TEQSA and the HE National Standards Panel are established under the same Act and there was an opportunity for change that has been missed for us in VET.

Perhaps one solution may be to see as a phased programme, this reform be piloted in Australia’s regions, and like Florida, Arizona and other US States?

We think it timely to see these issues of diversity not as distractions to the paradigm of higher education in Australia, but an opportunity to allow institutions like TAFE be

supported and geared to this interface with specialist courses, linked with our industry clients.

Thank you.