The latest official advice to the federal government about Australia’s workforce needs has put its finger on a fundamental problem in our education system.

Governments, policy analysts and commentators spend an enormous amount of time looking at school and university education. But we forget about the sector in the middle, vocational education and training (VET), which is just as important in meeting the educational needs of Australia’s workforce.

The Australian Workforce and Productivity Agency (AWPA) made this point very clearly in the National Workforce Development Strategy released on Friday.

David Gonski’s panel thoroughly analysed school funding, and the “base funding review”, which reported to the federal government in 2011, dissected higher education funding.

But nothing similar has happened in the VET sector. As the strategy released on Friday said: “From a national perspective, this level of research into VET sector funding is missing.”

But, arguably, the problems in VET education are worse than what we characterise as the crisis facing our schools.

The AWPA report points out that funding per student hour of VET education fell 14 per cent between 2006 and 2010. It records the high student drop-out rate in VET. The latest estimate of the completion rate in VET education is 28.4 per cent.

The report also notes that the Bradley higher education review focused on ways to provider higher education to low socioeconomic groups. But it points out that there are three times as many learners from the lowest socioeconomic quintile in VET than in higher education.

It also points out that quality assurance in VET has been poor and needs to be beefed up. And there should be more effort put into improving teaching and learning and boosting professional development in the sector.

Not surprisingly, the report recommends more money for VET. As a minimum, another 3 per cent every year to keep pace with real GDP growth, and another $200 million a year to adequately deal with VET education for disadvantaged groups.

What’s more, the report also points out that about 6 million Australian adults do not have the literacy skills needed to function adequately in life and work. The long-term solution to this is in the school system, but in the short term it requires VET sector programs. How did we get into a situation where the system that provides the training needed for most jobs is in such disrepair? There are, by the way, many more students in VET education than higher education.
Partly it is the problematic relationship between the states and the federal government. Martin Riordan, head of TAFE Directors Australia, believes former Tertiary Education Minister Chris Evans should not have gone ahead with new TAFE funding agreements with the states without a comprehensive review of the funding that quality VET education requires.

This report is in the hands of his successor Chris Bowen. He has the chance to make a permanent mark on his portfolio by accepting its key recommendations and pushing to make more money available in the May budget despite spending constraints.

The Australian Financial Review