Industry and TAFE harmed by VET reforms

By Dr John Mitchell | 23rd July, 2012

Ai Group’s Innes Willox says taxpayer-funded VET courses cater more for student whims than industry needs

Many groups have voiced concerns about the continuing VET controversies in Victoria, including educators, students and local communities, but national industry leaders have been largely mute to date. That has changed now, with a peak industry body, the high-profile Australian Industry Group (Ai Group), highlighting fundamental flaws in the Victorian reforms and asserting the value of the public provider, TAFE.

In an interview with Campus Review, Ai Group chief executive Innes Willox said that the Victorian skills reform model is unbalanced, focusing too much on the individual’s demand for training and not enough on industry skills shortages. “There needs to be a balance, a structural balance, between the individual demand-driven model and a model that recognises the needs of industry,” he said.

Willox said that the Victorian skills reform model has resulted in “people doing things that are seen as easy, or as sexy in some way, rather than being core to the economic needs of the country”.

“There hasn’t been proper guidance for people about what career pathways they could take,” he said, “so people have been able to take the VET system down pathways that don’t recognise our broader economic needs.

“Basically, people are burning their entitlement to training for a course that doesn’t give them a career path, and doesn’t give that person proper purpose or direction. [There have been] a lot of wasted training opportunities, as a result of this model.”

Willox was also disturbed by the rapidly increasing number of opportunistic training providers. “What we’re seeing is the huge growth in the number of private providers, using public funds and attracting enrolments without any regard to the economic needs of the country.”

He said the Victorian approach has gone beyond the original intentions of the Council of Australian Governments (COAG), which are centred on “a national training entitlement, improved quality, expansion of access to income-contingent loans, greater transparency of the sector as a whole, and a focus on bigger and better support for disadvantaged people”. Instead, the Victorian approach amounted to “the marketisation of the notion of entitlement”.

“We think that [Victorian] concept of entitlement needs to be either more clearly defined or redefined, so it’s not open-ended, not untargeted, which is what it is now.”
He said a more appropriate definition would involve student choice within an industry framework, “so that there is public return on taxpayers’ money being spent [on training]”. He believed that COAG could promote a “three-pronged” VET entitlement system that “meets the needs of industry, the needs of the broader economy and the needs of the individuals who are participating”.

Willox is concerned by the latest response, embedded in the Victorian budget, to the widespread rorting of the student entitlement system by unscrupulous providers. “That unfettered individual-demand approach led to structural rorts, and the government has gone some way to addressing those issues, but their response has been blunt and heavy-handed.”

In particular, Willox is concerned about the low prices the government is now offering for some industry training. “The only measure they’ve used is pricing, and this can only to lead to one of two different outcomes: there are either going to be low-quality training programs on offer, which will damage the VET system as a whole and there’ll be no increase in skills, or certain industry programs and areas are going to miss out [on government-funded training].”

Willox noted the damage of TAFE cuts, which he said “has been, for a long time, a standard-bearer in the delivery of training and education”. He valued TAFE as “deliverers for business of people who have the basics and beyond the basics, in terms of skills in crucial trades, and there are still chronic shortages of tradespeople around the country. Boilermakers, electricians, plumbers, gasfitters, welders: they’re all in high demand.”

He believed that TAFE institutes have often cross-subsidised these expensive, technology-based courses with profits generated in other program areas, and this subsidy will end. “This is where the TAFE cuts will impact most, because there is going to be less incentive for TAFEs to deliver these programs that business see as being crucial.”

The removal by the Victorian government of the full-service-provider model for TAFE will impact disadvantaged students in particular, said Willox. “The model allowed TAFE to provide a broad sweep of services to students and fulfil broader community obligations, so that counselling, libraries, services for disadvantaged students, disability programs were delivered by TAFEs. Without that full-service funding we fear that TAFEs will lose that ability and that will make a huge difference to students, or potential students, about whether they can access training.

“TAFEs aren’t perfect, but there is ample evidence that when TAFE delivers programs well, it delivers them really well, in terms of what students are taught and how they learn it, and then how they’re able to apply it.”

But, said Willox, “TAFE’s remit goes well beyond the basic trades: they provide services to local communities, and particularly in regional areas they’re a hub in the community. They don’t just aim just for the lucrative parts of the market, they fulfil a much broader training role, and they’re very much organisations that operate for the public good.”

While Willox supported private providers that deliver high-quality training, he believed “private providers [in Victoria] have on the whole developed a bad name or reputation within many an industry, because of the way the [VET] market has operated. There was this massive influx of new private providers delivering questionable courses.”
Willox noted that the Victorian VET reform model assumed that “the market would just work things out” in weighing industry against individual demand. But the training market doesn’t operate like that, said Willox.

“It’s not pure, it’s not straightforward, it has to be regulated, managed and directed. There needs to be public funding in the public market, so there needs to be accountability; and the best way of getting accountability is to ask, ‘Are we training people for the right skills for the right jobs?’”

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