Reforms raise risks for TAFE

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TAFE could go the way of Qantas and Telstra, facing privatisation after competitors cherry-pick its profitable activities, a report to be released today suggests.

Christopher Stone, author of the Centre for Policy Development report, Valuing Skills, says "contestability" reforms are forcing TAFE to act like a private college.

"This turns it into a private entity that can be privatised more easily," he says.

Stone says competitive funding arrangements raise problems for TAFE's financial model as competitors gravitate towards cheap training.

"TAFEs are left with the more expensive courses and their per-student costs increase," says the report, funded by the NSW Public Service Association.

Stone says expensive fields need adequate funding.

His analysis of Victoria's open training market found that TAFEs have between 78 per cent and 98 per cent of market share in the expensive areas of mining, telecommunications, utilities and construction. Private colleges dominate trade, administration and safety.

Stone says TAFE is frequently derided as "too expensive", but that is largely because it runs expensive courses and provides more services such as counselling and career advice.

"It's doing a much bigger job."

While per-student funding for vocational students has been declining for years, Stone says governments never feel they're getting it cheaply enough.

And industry will never be satisfied that TAFEs are sufficiently responsive to its needs, citing this as a reason for a proposed restructure in 1991.
"There always will be a level of industry dissatisfaction along those lines. TAFEs won't always be precisely focused on what industry wants, for the good reason that vocational education and training has broader goals. What industry wants and the long-term interests of the economy might not be exactly the same thing," Stone says.

Stone says industry satisfaction levels for TAFEs and private colleges alike are very high.

He says Dawkins-era reports offered no solid evidence for their assertion that TAFEs aren't sufficiently industry-focused.

Submissions referring to industry concerns have never been made public.

His report says VET's complexity and a paucity of data leaves it "vulnerable to agendas that are unsupported by evidence, or which fly in the face of what evidence there is".

The report cites Victorian claims that the state's open training market has led to more training in skill shortage areas.

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