



# **The Role of TAFE in Regional and Remote Australia**

*A TDA Position Paper*

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# THE ROLE OF TAFE IN REGIONAL AND REMOTE AUSTRALIA

## TAFE – SUSTAINING OUR REGIONAL COMMUNITIES

Regional Australia contributes significantly to the economic, social and cultural viability of the nation. The Minister for Transport and Regional Services, John Anderson, in his statement *Stronger Regions, A Stronger Australia*<sup>1</sup> articulated the Australian Government's commitment to "a strong and resilient regional Australia now and into the future – supporting community ideas, leadership and development." In addition, State and local governments throughout Australia are articulating regional renewal, regional development and sustainability policies advocating increasing engagement and collaboration to enable regional communities to maximise opportunities to participate in the new economy and benefit from Australia's economic development.

TAFE training is developing the skills base of regional and remote Australia, contributing to the development of viable industries and the creation of job opportunities. The contribution made by TAFE to sustaining regional communities and providing opportunities to individuals for life long learning experiences cannot be overstated. The Australian National Training Authority (ANTA) outlined its vision for the strengthening of communities and regions through education and training in its *National Strategy for Vocational Education and Training, 2004-2010*<sup>2</sup>, as:

*"Communities and regions will be strengthened economically and socially through learning and employment. Integrated learning and employment solutions will support regional economic, social, cultural and environmental development and sustainability. Vocational education and training will stimulate interest in learning. It will strengthen the capacity of TAFE and other providers and brokers to partner with local government and non-government agencies, businesses and industry clusters. It will encourage local planning and innovation and help communities deal with change and take advantage of opportunities for growth."*

TAFE provides education and training programs that prepare people for work, and re-skilling for the changing workforce. The expectation is that this training will be responsive to local community and industry needs. The effectiveness of TAFE training in preparing clients for the employment market is borne out by the statistics for graduates entering the workforce. National statistics indicate that in 2003, 74% of TAFE graduates were employed after their training. Of these, 42% had not been in a job prior to their training.<sup>3</sup>

TAFE Institutes and TAFE Colleges occupy a unique role in terms of contributing to the development of Indigenous people and their communities through the provision of education and training. If ANTA's strategic priority of increasing participation by Indigenous people in VET is to be realised<sup>4</sup>, mechanisms for developing and supporting training including funding, availability of appropriate training products, support services and recognition policies need to

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<sup>1</sup> *Stronger Regions, A Stronger Australia*, a speech by the Hon. John Anderson MP, Deputy Prime Minister and Minister for Transport and Regional Services at the National Press Club, 29 August 2001.

<sup>2</sup> *Shaping Our Future: Australia's National Strategy for Vocational Education and Training 2004-2010*, Australian National Training Authority, Brisbane, QLD.

<sup>3</sup> *Australian Vocational Education and Training Statistics, Student Outcomes Survey 2003*, National Centre for Vocational Education and Training Research (NCVER). 2003.

<sup>4</sup> *Shaping Our Future*, ANTA.

be sufficient and flexible enough to reflect fundamental differences without marginalising Indigenous training.

## **THE CHALLENGES**

However, the ability of TAFE to respond to the training needs of regional communities has been steadily eroded by inadequate funding, insufficient training technology and infrastructure and difficulties in attracting and retaining the high calibre delivery staff necessary for quality training outcomes.

Regional and remote TAFE providers face significant challenges in trying to meet the expectations placed on them by communities, industries and enterprises. In many regional areas, TAFE is the only significant provider and communities usually look to TAFE to provide a wide range of education and training options to meet perceived local needs and maximise opportunities for their young people. They are expected “to be all things to all people”. TAFE’s diminishing capacity to meet these expectations will impact in very real ways on communities. The community’s expectation of TAFE is the most critical difference between metropolitan and regional TAFE. Metropolitan residents have a range of choices available to them; Institutes and Colleges can afford to specialise; clients have alternatives. Few such alternatives exist for regional and remote clients.

Regional and remote TAFE Institutes and Colleges face a number of impediments and difficulties in attempting to meet the challenges posed by community and industry expectations. The critical problem areas are:

- 1. Resourcing – the cost of delivery and adequacy of funding**
- 2. Impact of unproductive competition**
- 3. Adequacy of information and telecommunications infrastructure**
- 4. Recruitment and retention of suitable staff**

These issues demand urgent attention by Government because of their potential to seriously affect TAFE’s ability to service regional and remote client groups. A strong commitment from Government is essential to ensure TAFE is able to provide the range, level and quality of education and training services that are expected by business, individuals and communities.

The Government needs to acknowledge the vital role played by TAFE in regional and remote areas and make a commitment to examine and address the issues highlighted in this paper. Unless it does so, TAFE’s continuing capacity to service the needs of regional Australians will be placed in jeopardy.

## **THE ROLE PLAYED BY TAFE IN REGIONAL AND REMOTE AUSTRALIA**

TAFE Institutes and Colleges play a critical role in the educational, economic and social infrastructure of regional Australia.

The TAFE system has a network of campuses covering the country. TAFE Institutes and Colleges are often the only provider of post compulsory and vocational education and training

in a region. The service they provide means that young people can undertake post compulsory education and training locally rather than relocating to metropolitan areas and undertaking further education without the benefits of a family support network. In total, there are over 1,460 TAFE campuses throughout Australia, many located in small rural and regional communities. The university system by contrast has a much smaller network (about 100 campuses) and these are concentrated in the larger population centres. In many regional and remote areas partnerships exist between TAFE institutions and universities that facilitate the provision of face-to-face tertiary programs to regional communities.

### **Size Does Matter**

There is a distinction to be made between regional and remote locations. In some instances, particularly in regional Victoria and NSW, for example, “regional” may refer to a quite large centre, with a sizeable population and considerable infrastructure available. “Remote”, however, may refer to a community of 20 – 30 people, many hours drive from the nearest population centre, and serviced by only the barest infrastructure and facilities. This scenario characterises many remote Indigenous communities in Western Australia, Queensland and the Northern Territory. The distinction is important in terms of the provision of education and training services. Larger regional centres may host a regional university campus as well as a sizable TAFE institute or college, whereas in truly remote locations the notion of “sole provider” takes on an entirely different meaning. Government must be cognisant of this differential when developing funding allocation models and determining funding levels. A “one size fits all” approach to funding regional and remote VET delivery is not appropriate.

NCVER data indicates that the addresses of about 32% of Australian VET students are in rural areas and a further 3.6% in remote areas. If those in metropolitan areas outside the capital cities (7%) are included, the total percentage is of the order of 43%. Those in capital cities account for about 57% of students.<sup>5</sup>

In terms of provider location, around 29% of students are in rural areas, 2.4% in remote areas, and 7% metropolitan areas outside the capital cities – ie about 38% in total. Those in capital cities account for about 62% of the total.<sup>6</sup>

TAFE Institutes and Colleges make a significant contribution to the regional economy of Australia through their role in developing the workforce skills essential for attracting industries to the region, and by providing industry focused training, packaging skills and knowledge to meet the specific needs of industry and individuals. A range of national and state reviews has indicated the value of regional TAFE Colleges to the local economy and environment.

### **Community and Industry Expectations**

Regional communities attach a high value to enabling young people and their families to remain in the community as they undertake post compulsory training. The social and economic cost to communities of individuals and families re-locating to metropolitan areas for education and training are well recognised. In addition, regional communities seek to grow their local skills base to attract and retain new industries, provide employment

<sup>5</sup> Estimates derived from *Australian Vocational Education and Training Statistics, Students and Courses 2003*, National Centre for Vocational Education and Training Research (NCVER), 2004.

<sup>6</sup> *Ibid*

opportunities and support the services and broader social and cultural activities that encourage people to remain in regional areas.

TAFE Institutes and Colleges are not only the main provider of post compulsory education and training, but also play an important role in working with local government and business to help create and grow industries, as well as supporting the broader community. There is an expectation that TAFE will provide for the “difficult to service” markets, where student numbers are low, delivery resources scarce and costs high. Training is needed for targeting local skills shortages and enabling skills development, re-skilling and training that lead to job outcomes locally. But TAFE’s ability to do this well is currently constrained by a difficult environment and insufficient funding.

Existing enterprises, even those in mature industries, rely heavily on training and education to remain competitive in their markets. In many regions a number of factors, including technological change and globalisation, are driving workplace and industry re-structuring. The result is generally that existing workers, displaced workers, and those re-entering the workforce after absence all require new skills.

### **Indigenous Students**

TAFE’s continuing ability to play a major role in addressing Indigenous training issues relies on maintaining and building its capacity to foster stronger consultation processes with Indigenous people to better identify training needs and the outcomes desired from training. Considerable unfunded time is spent developing and negotiating training solutions with Indigenous communities who may not have the same training priorities as those set by Government. TAFE has been able to reach the Indigenous client group because of its position within the community and by recognising that a “one size fits all” approach to Indigenous training will not work. Needs, aspirations and capacity differ from one Indigenous community to another, even within a relatively close geographical area; and accordingly flexible, adaptive education and training solutions are required to meet these needs and aspirations effectively.

## **CRITICAL ISSUES**

### **1. Resourcing**

#### ***The Cost of Delivery***

The impact of the cost of delivery in regional and remote areas is felt by TAFE providers at a number of levels, with consequences for both the quality and quantity of training delivered. Resource costs have a significant impact when delivering courses in remote areas, potentially limiting the range of programs that can be offered. Industry and the community expect that TAFE will continue to provide a diverse range of teaching areas and associated training services.

Regional Institutes and Colleges have been increasingly innovative in their delivery methodology in an attempt to limit delivery costs whilst maintaining high quality delivery to entire regions. However TAFE’s continuing capacity to do this is limited. The following factors that affect the cost of regional and remote delivery must be addressed if TAFE is to match community and industry expectations.

- Lack of, or inadequate, training infrastructure such as:
  - training facilities and equipment;
  - industry standard work place training environments;
  - information technology and telecommunications.
- Geographical distances between population centres mean the costs associated with lecturer and support staff travel can push the cost of delivery past the critical point. This often means difficult choices must be made by the TAFE Institute or College, and the community, about what training can be provided.
- Whilst flexible delivery is an option in reducing delivery costs in remote areas, the lack or inadequacy of funding for development of flexible learning resources, support materials and infrastructure for delivery has meant the full potential of this delivery method has not been explored. This is particularly true of remote areas, where infrastructure is limited. In addition, feedback from clients regarding flexible delivery indicates that face-to-face opportunities in some form are still important to provide an opportunity for learners to share their experiences with peers and a lecturer. For example, clients expect a lecturer to travel to regional and remote areas to service these students.
- Maintaining a number of small campuses across a region is often expensive, due to large overheads and the absence of the benefits that economies of scale can bring to larger metropolitan Institutes. The cost of staffing the administrative and support units required to support delivery at small campuses adds further budgetary pressures.
- A consistent approach to funding is required that will allow Colleges and Institutes to attract appropriately qualified staff. Industrial agreements (which currently vary between States, as does the capacity of Institutes and Colleges to fund them) provide for additional employment benefits for remote staff. Recognition must be given to the fact that these costs are an essential component of regional delivery and should therefore be funded appropriately. Those elements which add to the cost burden of delivery in regional and remote areas include:
  - district allowances,
  - subsidised accommodation,
  - air conditioning subsidies,
  - additional leave entitlements,
  - travel entitlements etc.

### *Funding*

Current funding models that link funding to student/teaching hour ratios do not, in general, sufficiently take into account the increased costs of regional and remote delivery, provision of educational delivery technology or higher costs associated with recruiting and retaining qualified staff. Nor do they allow for sufficient differentiation of cost per Student Contact Hour unit between larger regional population centres and small, remote or rural communities. Regional loadings go only a small way in addressing the cost implications of supporting delivery highlighted in this paper.

Linking of funding to student/teaching hour ratios can act as a significant barrier to the provision of training in regional and remote communities where participant numbers can be low. Small class sizes will remain a reality for many TAFE Institutes and Colleges and this needs to be acknowledged as a characteristic of regional and remote delivery. In addition, traditional funding models based on class size are increasingly becoming irrelevant as flexible delivery develops. Government must consider a more sophisticated funding model that allows

for a differential allocation of funds based on the delivery situation. Funding models need to be developed that recognise the cost implications of low student numbers and that increasingly accommodate flexible and mixed mode approaches to delivery, rather than assuming all classes comprise a minimum number of students assembled in one location being taught by one lecturer.

#### ***Recommended Action***

- ***Government must review funding levels and allocation models, and consider the introduction of a differential funding model that takes into account the unique features of regional and remote delivery and their cost impact. Any proposed new funding model should be within the context of an overall increase in funding for VET and not simply a re-alignment of the existing funds between different locations.***

## **2. Unproductive Competition**

TAFE Institutes and Colleges in Australia operate in a competitive training market. The introduction of a competitive publicly funded training market into a regional environment has, in a number of instances, led to the duplication of resources and services. The thin markets that characterise regional environments do not always lend themselves to competition, which spreads resources and expertise inefficiently and undermines efforts to strike a balance between the provision of viable courses to meet local needs and the efficient deployment of resources. Government should review the ability of regional areas to sustain unfettered competition without the loss of quality or choice.

The KPMG Report commissioned by ANTA<sup>7</sup> found that competition by providers for small markets has led to a fragmentation of the market with a consequent increase in costs due to smaller classes. In some cases these increased costs have led to course options being withdrawn. It also found that to maximise clients and profits, some providers offer only generic or cheaper courses. This increases cost pressures on TAFE, both by requiring it to meet community needs for more expensive courses, and by reducing the revenue from the higher profit courses that might subsidise the lower profit ones. This in turn reduces TAFE's ability to provide low-profit, low-demand courses, which reduces choices in regional and remote areas.

#### ***Recommended Action***

- ***The Government should undertake a review of the role of the competitive training market and the extent to which uncontrolled competition in the publicly funded government-allocated training market should be implemented, particularly in regional and remote areas.***

## **3. Staff Recruitment and Retention**

The ability of regional and remote TAFE Colleges to recruit and retain suitably qualified and experienced staff is limited, when compared with metropolitan areas, and becomes more limited as the distance from major centres increases. Whilst staff in remote areas receive a

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<sup>7</sup> KPMG Consulting *National Vocational Education and Training Policies; Issues and Lessons from Regional and Remote Australia*, an ANTA Project, managed and published by the Victorian Office of Employment Training and Tertiary Education, July 2001

number of employment subsidies such as district allowances, government housing, additional leave etc, these go only a small way to address the perceived and actual social, career, and economic disadvantages of living in a regional or remote location. Current resourcing models do not sufficiently, if at all, take into account the additional costs associated with attracting and retaining high quality staff, nor do they allow TAFE Colleges and Institutes the flexibility to offer incentives in an effort to attract staff.

Existing IR awards differ from State to State, with varying conditions and allowances. Most are still generally based on the face-to-face, twenty week semester model and do not accommodate the mix and match approach to delivery that characterises flexible learning. Efforts are also required to reform IR awards at the State level to ensure they more appropriately reflect current VET practice.

TAFE Institutes and Colleges need the capacity to offer additional incentives to attract high quality staff to regional and remote locations. It is essential to re-vamp systems to ensure they can accommodate the new delivery paradigms being introduced by VET practitioners and providers.

***Recommended Action***

- ***Governments must recognise the difficulties associated with attracting and retaining quality staff in regional Australia, by developing a new funding approach which reflects the needs of regional and remote deliverers.***
- ***TDA also calls on State governments to review industrial award systems that are currently hindering flexibility and responsiveness.***

#### **4. Technology and Telecommunications Infrastructure**

Keeping pace with technological change and new equipment is a particular challenge in a regional campus where student numbers are small but the skill requirements are the same as in a metropolitan campus.

While issues of cost and availability of information communication technology and infrastructure, particularly bandwidth, are greater in more remote regional areas, the majority of regional areas are disadvantaged in terms of cost, availability, and reliability of these services in comparison with people residing in metropolitan areas. The lack of adequate reliable, high quality ITC facilities limits the opportunities for TAFE Institutes and Colleges to provide training services to regional and remote areas through online delivery products. This is of serious concern given the importance placed on flexible learning, and online delivery as a key strategy in flexible learning.

***Recommended Action***

- ***TDA calls on the Australian Government to develop and implement a national strategy which will ensure equity of access to broadband telecommunication services for regional and remote Australians.***

## CONCLUSION

TAFE plays a vital role in providing education and training in some of the remotest areas of the country. TAFE training is developing the skills base of regional and remote Australia, contributing to the development and growth of viable industries and the creation of job opportunities that sustain regional communities, and provide opportunities to individuals for life long learning.

TAFE Institutes and Colleges struggle to meet community and industry expectations within the constraints of current funding models and the “growth through efficiencies” paradigm that has driven VET in recent years. There is a real danger that existing levels of disadvantage experienced in many regional areas of Australia will be reinforced if TAFE is not able to address these needs appropriately and in ways that suit different regions.

TDA therefore calls on Governments to re-affirm their commitment to ensuring that TAFE is suitably placed to provide the range, level and quality of education and training services required in regional and remote Australia, by:

- *Reviewing funding levels and allocation models, and considering the introduction of a differential funding model that takes into account the unique features of regional and remote delivery and their cost impact. Any proposed new funding model should be within the context of an overall increase in funding for VET and not simply a re-alignment of the existing funds between different locations.*
- *Reviewing the role of the competitive training market, and the extent to which uncontrolled competition in the publicly funded government-allocated training market should be implemented, particularly in regional and remote areas.*
- *Recognising the difficulties associated with attracting and retaining quality staff in regional Australia, by developing a new funding approach which reflects the needs of regional and remote deliverers; and State Governments reviewing industrial award systems that are currently hindering flexibility and responsiveness.*
- *Developing and implementing a national strategy which will ensure equity of access to broadband telecommunication services for regional and remote Australians.*

**TAFE Directors Australia**  
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