

# **TDA presentation to the Victorian Government's Higher Education and Skills Group**

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You cannot have missed the fact that vocational education and training, and TAFE in particular has been in the news in the last few months, indeed years.

Journalists have written about VET on a weekly and even daily basis. Radio hosts have raised VET and TAFE in their talk back segments on a regular basis.

TAFE featured as an issue in the Victorian State Government election campaign and similarly in both Queensland and NSW elections

Some commentators in fact credited TAFE with being one of the major issues that swayed voters in Victoria to elect the Andrews Labour Government.

It has not just been journalists shining the spotlight on vocational education and training. In 2013 and 2014 both Houses of Federal Parliament - the House of Representatives and the Senate held separate inquiries into vocational education and training, TAFE and its operations and most recently into the operations of for profit training providers.

Industry leaders from the peak employer bodies have called for change. Catherine Livingstone, president of the Business Council of Australia addressing a conference on 16 March called for a vocational rethink and the Australian Industry Group and the Australian Chamber of Commerce & Industry have also been vocal. The Australian Education Union has run a strong campaign for TAFE commissioned research projects such as its recent one on the uses and abuses of the VET Fee Help Scheme.

Finally and of most relevance to you the new Government in Victoria has established two reviews one on quality in vocational education and

training (due to report in April 2015) and the VET Funding Review, led by Bruce Mackenzie, formerly CEO of Holmesglen Institute (due to report in August).

The Government's objective for the Mackenzie review is "for a more stable funding system that can adapt to Victoria's changing economy"

The preamble to the review's terms of reference states that *"In recent years the Victorian VET funding system has undergone significant upheavals. Rapid and repeated changes to funding settings have undermined the stability of the system. The government TAFE sector has been particularly impacted, resulting in serious concerns about TAFE institutes ability to meet the need of industry and their communities"*

So what has been happening to excite this level of interest?

This afternoon I will provide some observations on:

1. *How to make sense of the complex world that is VET?*
2. *The elements of a national VET system*
3. *The national reform agenda*

Do feel free to ask questions or make comments.

As a representative of TAFE Directors Australia my perspective this morning will be a public provider TAFE perspective.

## **TAFE Directors Australia**

By way of background, TAFE Directors Australia (TDA) is the peak body for the 58 TAFE institutes with our members delivering vocational education and training across every state and territory in Australia.

### **1. How to try to make sense of the complex world that is VET?**

There is no easy answer to this question. The best that I can do this afternoon is to give you some insight into the structures, complexities, vagaries and issues that currently characterise VET.

The vocational education and training sector is currently fragmented.

It is not accidental that a range of education providers have lined up to list on the Australian Securities Exchange.

Figures from NCVET show publicly-funded spending in the sector (which doesn't include higher education or private institutions) in 2013 reached more than \$8.00 billion.

NCVET records about 1.9 million students on the rolls of the thousands of registered training organisations for which it keeps records.

VET has an enormous number of providers (compare eg with 39 universities & 120 Higher Education Providers).

According to the Australian Skills Quality Authority, ASQA's December 2014 report, ASQA was responsible for the regulation of **3,898** of the **4,573** registered training organisations nationally.

VET is large - about one quarter of the Australian workforce is engaged in training.

Vocational education and training a **risky** business – it is subject to a variety of structural and technological changes, including the whims of international students, cheaper education on-line courses and changing labour markets

Sue Fergusson, General Manager, Statistics at NCVET pointed to a couple of global trends “The idea that you get a job for life appears to be over. There is plenty of evidence that people need to adapt their skills to meet employer demands”.

We know that federal and state and territory governments are increasingly concerned about skills levels and productivity of the workforce.

## **What are the elements of a national system?**

The Federal Government, with the support of the States and Territories ushered in a national vocational education and training system in the 1990s.

The elements of the national system in 2015 are:

- The Australian Qualifications Framework (AQF)
- Competency based training
- Training Packages
- National Standards
- National regulator (with the exception of the non referring states – Victoria and Western Australia)

### The **AQF**

The AQF was first introduced in 1995 to underpin national qualifications in Australia encompassing higher education, vocational education and training and schools (Power Point).

Many countries envy this qualifications framework.

Among other aspects, the AQF specifies the expected volume of learning for different levels of qualifications.

There is consequently some tension between this AQF provision and the concept of CBT, which is what I will discuss next.

### **Competency based training (CBT)**

CBT was endorsed by the Australian Ministers of Vocational Education and Training in 1989 and has remained the bedrock of Australian training reform to the present.

The attraction of CBT to Governments was its links with the workplace, its promise of producing more employable graduates, of increasing productivity and of formalising existing work skills with an educational qualification framework.

Governments were moving away from a system where curriculum was developed by numerous bodies with industry and educator representation.

Policy makers were attracted by a concept that allowed for a quantification of skills that would ultimately offer a sophisticated system that could underpin a regime of rigorous accountability.

Industry bodies were charged with defining work place competence, of structuring qualifications from packages or collections of units of competence and the role of the educator was redefined.

Industry was in the driving seat.

Educators now needed to work with the standards that had been endorsed. Their role was subsidiary and concerned with delivery and assessment.

**Competency based training** is an approach to vocational education and training that places emphasis on what a person **does** in the workplace and how competence in this work can be formally achieved by completing a program of training, or by recognition of workplace experience and learning.

Ideally progress within a competency based training program is **not based on time. It is self paced.** As soon as students have achieved a competency, it is immediately credited to them.

This is where there is some tension with the AQF and exploitation by unethical providers.

The Australian Qualifications Framework (AQF) specifies the volume of learning for each qualification level, expressed in equivalent full time years. The volume of learning is a critical starting point for determining whether a shorter period for delivery than that specified in the AQF is adequate.

In small samples of providers in just two areas of training – aged and community care training, and White Card training – ASQA's 2013 strategic audits found serious shortcomings in duration of training

### **Training Packages**

Training packages are statements of industry standards (they are NOT curriculum documents).

They consist of units of competency.

My understanding is that Andrea Bateman has discussed Training Packages at some length in an earlier presentation to you, so I will bypass the detail and make some general observations.

*Context:*

The great strength of Training Packages has been that they promote national consistency.

This means for example that a unit of competence for example awarded by an RTO in outback Queensland must be recognised by all other RTOs in Australia (subject to licensing and other regulatory arrangements). A child care worker awarded a qualification in New South Wales will have his/her qualification recognised anywhere in Australia.

Training Packages are based on industry standards. Their focus is the workplace.

*Challenges for RTOs*

TDA believes however that there is scope for improvement in the development of Training Packages and in their content.

Many Training Packages have become large, complex documents that our members argue are hard to deliver and in some cases hard, if not impossible to assess.

Training Packages are predicated on learners being in the workplace and are not sufficiently oriented to learners not in the workplace – those learners returning to study, unemployed and those seeking to change their occupation.

There has been an excessive amount of ‘churn’ in Training Packages imposing an administrative burden on RTOs.

TDA maintains that educators should play a much more significant role in the development and maintenance of Training Packages

The VET Reform Taskforce, located in the federal government Department of Education is reviewing:

- Who should develop & maintain Training Packages
- What the content of Training Packages should be.

Watch this space..... Refer to the Minister's presentation on Tuesday 21 April.

### **National standards**

Revised National Standards for RTOs were endorsed by COAG in 2014. They

- describe the requirements to be an RTO in Australia
- ensure that training delivered by RTOs meets industry requirements (as set out in the training package or accredited course) and has integrity for employment and further study, and
- ensure RTOs operate ethically These Standards for RTOs were fully implemented by all RTOs on 1 April 2015.

### **The national reform agenda**

The key principles underpinning the Federal Government's VET reform agenda are:

- Industry leadership and engagement
- Streamlining the regulatory environment - cutting red tape
- Improving the quality of teaching and assessment and the outcomes of training (this is especially important to the assistant Minister for Education & Training, Simon Birmingham)

### ***National entitlement & a competitive market place***

Few areas of Australian public policy have indeed undergone such significant and rapid change as vocational education and training in recent years.

The introduction of 'contestability' by the Victorian Government in 2009 and its later adoption by other states and territories has dramatically reshaped the vocational education and training sector.

The ***National Entitlement to Training*** was adopted by COAG in April 2012 as a National Partnership Agreement (NPA) for Skills and Workforce Development. Its purpose to “*....contribute to the reform of the Vocational Education and Training system to deliver a productive and highly skilled workforce which contributes to Australia’s economic future*”

The NPA Agreement identified a number of reform directions, including introduction of a **national training entitlement** for vocational education and training students and a **competitive market place**.

Despite this being a national agreement there has been no common agreement across Australia’s States and Territories about

- the ***nature of entitlements*** for students,
- the ***quality criteria*** that should be applied to providers in receipt of public funds, and
- the ***governance arrangements for public providers***
- nor recognition of the ***role of public providers*** in servicing local communities

Victoria was the first to adopt a national entitlement approach, however other States and Territories have indicated that they too will move to market driven vocational and education training systems.

The recent opening up of the training markets by some States and Territories however has resulted in far reaching structural change.

All States and Territories have decreased their funding of VET, except Victoria and the former Victorian Government took large amounts of money from TAFE institutes.



The Australian Workforce and Productivity Agency's (AWPA's) Future Focus report noted that, between 2006 and 2010, government real recurrent expenditure on VET increased by 10% but expenditure per student annual hour actually decreased by 14% (*during the same period*).

More alarmingly, it also found that while recurrent funding since 1999 had increased or remained steady in other education sectors, it had fallen 25% for vocational education and training.

Professor Peter Noonan has written extensively on federal funding arrangements.

The constant minimisation and adjustment of funding levels now means that every RTO both public and private is looking for ways to minimise their expenditure- on governance, on staff, on resources, on time spent in delivering and assessing training, on student support, on educational innovation, and on the nature of skills being developed.

Delivery of high cost technical skills, requiring small class sizes and expensive equipment and facilities, essential for developing a productive society is being minimised or avoided. It also means that student support, so necessary for some young people, for people re-entering the work force or transitioning from one industry to another in response to changes in industry structures, or people with disability, is also being minimised or avoided.

The dramatic decline of funding of vocational education by States and Territories was one of the themes in Jennifer Westacott's chancellor's address at Swinburne University in late 2014. Ms Westacott, CEO of the Business Council of Australia referred to the present problem of diminishing funding with state governments being the biggest contributors to VET, but offering no more money.

It is more "politically palatable" she said for governments to make cuts to VET than cuts to schools.

Each of the States and Territories are introducing changed governance arrangements for their public providers.

In a number of States and Territories new statutory authorities have been established outside the traditional Department of Education structures.

There have been documented costs, particularly where implementation has been coupled with cuts in government funding.

The rationale that underpins a national entitlement system was that eligible training participants would have **greater choice** of training provider for the qualification they wish to study.

There is not however always relevant information available to prospective students on which they can base an informed decision about which private training provider is appropriate their needs and can be reasonably relied upon to deliver high quality training outcomes.

The My Skills website, for example, does not provide sufficient information about providers to support an individual's assessment of individual providers' track records or a comparison between providers. An informed decision about selecting a training provider should surely include clear information about the duration of qualification.

### **Regulatory framework**

In 2011 the government established the national regulator, the Australian Skills Quality Authority (ASQA) for vocational education and training.

ASQA is responsible for all RTOs that enrol international students or operate in a State or Territory other than Victoria or WA

Victoria and Western Australia did not refer their VET regulatory powers to the Australian Government.

Victoria retained the Victorian Registration and Qualifications Authority (the VRQA) and WA the Western Australia Training Accredited Council.

ASQA has a legislative base and its auditors ensure that VET colleges comply with the regulations, including whether the educators were appropriately qualified and their training and assessment complies with industry standards.

ASQA's role has been broadened and it has garnered additional resources (\$68 million) in the quest to focus on poorly performing RTOs.

This is challenge for ASQA, but a challenge too for learners, employers and the community.

### ***Industry led reform***

The Federal Government has signalled its intention to strengthen the connection between training and jobs.

### ***\$476 million Industry Skills Fund (ISF)***

The Federal Government established an Industry Skills Fund. (ISF)

The stated aim of this fund is to *“assist Australian industry to access training and support services and develop innovative training solutions so Australia will have the highly skilled workforce it needs to adapt to new business growth opportunities, rapid technological change and market driven structural adjustment”*.

The declared intention of the Fund is to provide employers with up to 200,000 training places and support services.

TAFE institutes and other training providers will not be able to access these funds directly.

### ***Vocational Education and Training Advisory Board***

Former Minister for Skills, The Hon Ian Macfarlane established the Vocational Education and Training Advisory Board on 15 August 2014.

The Board replaced a range of bodies such as the National Skills Standards Council.

The VET Advisory Board is comprised of 5 industry leaders.

The Board it was announced will “work with Government’s VET Reform Taskforce to help advance national reform priorities”

## **CONCLUSION**

The vocational education and training system is complex.

At this stage far from achieving the intent of the national reform agenda, it is a system beset with declining employer and community confidence in the outcomes of VET.

Minister Birmingham has displayed energy & resolve to reverse this trend as has the Government of Victoria.