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Dear Mr Coutts

Thank you for your letter of 15th December inviting TDA's response to DEEWR's draft guidelines for funding under the Higher Education Participation and Partnership Program (HEPPP). The timing of this invitation coincided with the Christmas/New Year season and this has delayed the TDA Board's ability to fully consider these guidelines. Consequently, the comments here should be regarded as an interim response, with a final Board response to follow by the end of this month.

TDA has a number of fundamental concerns about both the 'participation' and the 'partnership' elements of the draft HEPPP guidelines and does not support these guidelines as they currently stand.

Participation funding guidelines:

The definition of undergraduates includes students enrolled in the sub-degree programs for which TAFE is currently the largest provider in Australia. At the same time, the guidelines restrict eligibility for funding to those institutions listed in Table A of the Higher Education Support Act (the Act) that is, mainly public universities. These definitional boundaries will have the effect of redirecting students away from TAFE and private providers to public universities, a trend that will be markedly exacerbated by the current relaxation, and subsequent abolition in 2012, of university enrolment caps.

TDA regards this as a very anti-competitive policy framework. More importantly from a national perspective, the push-pull effect of the guidelines will afford universities the opportunity to increase their institution-specific equity group enrolments without materially contributing to any net increase in overall tertiary participation levels by students from low-SES backgrounds.

The guidelines also allow universities the opportunity to meet their HEPPP funding targets by enrolling students in sub-degree programs rather than increasing target group participation in bachelor degree qualifications. This takes little account of the need to link equity participation to the Government's target for a greater number of bachelor degree graduates. This creates a significant risk that HEPPP funding will have a minimal or even negative effect on the proportional representation of low-SES students in the nation's pool of younger Australians who hold bachelor degree qualifications.

The redirection of funding and student demand towards universities inherent in these guidelines will also significantly increase the cost of providing, and reduce the productivity gains from, the same or equivalent level qualifications in fields of national economic significance. There are numerous examples of universities being unable to afford to continue the more applied elements of tertiary qualifications, including in the fields of agriculture, environmental management and mining and civil engineering.

Partnership funding guidelines:

Other than a cursory mention of 'VET' in the introductory paragraph, the guidelines for partnership funding focus primarily on the 'transition' from school to 'university' with output measures exclusively focused on this process.

There is no further mention of VET or of TAFE. This would appear to be inconsistent with the government objective of an interconnected and seamless tertiary sector as announced by the Minister as long ago as March 2009.

These guidelines downplay, if not actively discourage, the role of TAFE Institutes in providing sub degree programs that are either accredited as higher education programs or are directly linked to bachelor degree level programs in universities. They also ignore the greater effectiveness of TAFE, relative to universities, in providing second chance education and tertiary preparation programs for young people who have already left school. At the very least TDA would have expected that the monitoring and outcomes measures on partnerships with schools would be matched with similar measures related to university arrangements with TAFE institutes, to provide opportunities for early school leavers who aspire to a university education.

The draft guidelines take no account of the apparent failure of universities to improve equity participation with government funding they received as part of previous higher education equity programs. TDA believes that it is unlikely that students from low SES backgrounds will succeed in the environment unless universities change their delivery style and program offerings.

Contrary to the Government's intentions, the effect of both the participation and partnership components of the HEPPP guidelines will be to diminish rather than enhance diversity and student choice in tertiary education. The guidelines will have a particularly deleterious impact on aspiring tertiary students in rural and regional Australia where it is TAFE Institutes, rather than the public universities, that provide the infrastructure, the community engagement and the industry-relevant sub-degree programs that are in demand and that are essential for improved productivity and social cohesion.

The draft guidelines do not include clear measures of effectiveness and appear to largely ignore the COAG endorsed principle of outcome-based funding arrangements. Given that government funding under the HEPPP will total over half a billion dollars, TDA believes that Australian communities are entitled to be more clearly informed of the intended and actual outcomes of this program.

TDA is aware that DEEWR is required to brief the Minister on these guidelines in the near future. We will provide you with our formal response as quickly as possible. We also intend to raise this issue, along with other key issues, with the Minister at a meeting in the near future.

Yours sincerely



Pam Caven
A/Chief Executive Officer