

Department of Education, Employment and Workplace Relations

REVIEW OF REGIONAL LOADING – ISSUES FOR REGIONAL PROVISION

RESPONSE TO ISSUES PAPER

SUBMISSION BY

TAFE Directors Australia

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TAFE Directors Australia

Response to DEEWR Issues Paper

Review of Regional Loading – Issues for Regional Provision, December 2009

1. Introduction

TAFE Directors Australia (TDA) welcomes this opportunity to respond to the DEEWR Issues Paper, *Review of Regional Loading – Issues for Regional Provision (the Issues Paper)* at a time when the development of coherent policy and funding arrangements are still being formulated. This offers a real possibility of developing a policy framework which actively encourages meaningful cooperation between TAFE and universities in conjunction with other regional organisations to optimise access to and outcomes from higher education in regional and rural Australia.

TDA is the peak body representing Australia's TAFE Institutes. With over 1.3 million students, TAFE provides over 80% of nationally recognised vocational education and training annually¹. The TAFE sector has a large national footprint and TDA has a large membership in rural, regional and remote Australia.

TDA acknowledges that the policy and funding reforms currently flowing from the Bradley report are primarily directed towards improving the effectiveness of public universities. Therefore TDA's response to the *Issues Paper* is focussed primarily on the ways in which TAFE – university collaboration can contribute significantly towards the realisation of this goal in regional Australia.

Nevertheless, there is a growing concern that the current intense policy focus on higher education will mask the longer term and more diverse contribution of regional TAFE institutes. To address this, TDA has established a Regional TAFE Advisory Group (RTAG) as a standing committee of the TDA Board and has commenced a project to systematically investigate and report on the scope, concerns and impact of TAFE Institutes in regional Australia. The expected completion date for this project is mid 2010.

The TDA executive and the Chair of the RTAG, would welcome the opportunity to discuss this project and its implications with senior DEEWR executives and the Minister.

¹NCVER, Australian Vocational Education and Training Statistics, *Students and Courses, 2008*, Table 11, Commonwealth of Australia, 2009, http://www.ncver.edu.au/statistics/vet/ann08/students_and_courses_2008.pdf, accessed 22/02/2010.
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Recommendations

TDA has seven recommendations in response to the *Review of Regional Loading – Issues for Regional Provision*:

Recommendation 1: DEEWR, in conjunction with the NCVER, should commission a national study to examine TAFE and university partnerships in the provision of tertiary education, and identify strategies for improving cross sectoral student flows, participation and completion in regional Australia.

Recommendation 2: Regional higher education loadings should be structured to actively encourage universities to establish a teaching capability in small rural and remote communities, utilising the existing educational infrastructure and staff of TAFE Institutes.

Recommendation 3: Regional loadings for higher education provision should be scaled for different campus locations according to the ARIA remoteness index.

Recommendation 4: Regional universities should articulate a clear statement of their commitment, objectives and targets for their regional campuses and regularly undertake consultation with other education providers and local industry and community groups as an integral part of their strategic planning.

Recommendation 5: The policy framework for the regional provision of higher education should be weighted towards those universities that include direct contact with students and which achieve this through collaborative use of existing facilities and shared teaching arrangements with regional TAFE Institutes.

Recommendation 6: The assessment of equity groups' participation in university education is revised to reflect the level of successful participation as measured by actual completion of a bachelor degree or significant attainment and progress at that qualification level.

Recommendation 7: Funding supplementation for the regional provision of higher education should be based on:

- a) agreed performance targets where established, ongoing and successful cross sectoral collaborative arrangements are in place,*
- and*
- b) competitive grant funding where there are no established collaborative arrangements in place.*

2. The need for strong university – TAFE Partnerships

TDA strongly supports the higher education reforms flowing from the Bradley Report and the objective of equalising higher education access and participation for those from low SES and regional and rural backgrounds. TAFE Institutes have been particularly encouraged by the Deputy Prime Minister's emphasis on achieving these goals through a greater connectedness between higher education and VET as two parts of a more seamless tertiary education system.

University-TAFE partnerships are particularly crucial in regional and rural Australia. A 1999 study found a complex relationship between institutions in the two sectors, particularly in some parts of regional Australia. In general TAFE and university participation are not substitutes for one another, rather there was a slight positive correlation between the two.² This suggests that, particularly in regional and rural areas, it is important for the two sectors to collaborate closely to increase continuing participation and encourage a flow-on of students between TAFE and university.

However, this study is now over a decade old and it is important that its data be updated and, if appropriate, re-interpreted.

Recommendation 1: DEEWR, in conjunction with the NCVER, should commission a national study to examine TAFE and university partnerships in the provision of tertiary education, and identify strategies for improving cross sectoral student flows, participation and completion in regional Australia.

TAFE Institutes have an established presence and play a key role in providing tertiary education and contributing to community prosperity and well-being in regional Australia. Regional VET provision accounts for over 700,000, or more than 40% of all enrolled VET students across all age groups and all levels of courses.³ Over 50% of TAFE Institutes are located outside metropolitan centres, compared with only 30% of universities. Further, while regional university campuses are almost all located in major regional centres⁴, regional TAFE Institutes, without exception, have a physical presence (of facilities and staff) in one or more smaller regional and remote locations.

TAFE Institutes are thus more accessible to students and communities in the more rural and remote locations where there is the greatest preponderance of low SES groups, high unemployment and underemployment, lower secondary retention and completion rates and the lowest participation in post school education. To effectively address the very low university participation rates in these smaller and more remote communities, universities will need to connect with the much more extensive industry and community networks of TAFE institutes and to harness TAFE experience in encouraging educational re-engagement.

Recommendation 2: Regional higher education loadings should be structured to actively encourage universities to establish a teaching capability in small rural and

² Department of Education, Science and Training, *Regional Participation in Higher Education and the Distribution of Higher Education Resources across Regions*, Occasional Paper 99B, Higher Education Division, HTML version, <http://www.dest.gov.au/archive/highered/occpaper/99B/default.htm>, Chs.5,6. Accessed 22/02/2010.

³ NCVER, *Students and Courses, 2008*, Student Characteristics; Student Remoteness

⁴ As shown in Appendix A to the *Issues Paper*

remote communities, utilising the existing educational infrastructure and staff of TAFE Institutes.

3. Defining regional higher education (DEEWR Issues Paper Section 3)

TDA agrees that the Commonwealth Grants Scheme (CGS) distinction between metropolitan and regional location of higher education campuses is too crude to provide a valid basis for assessing the tertiary education costs and needs of particular regional and rural communities. The location of universities in major regional centres does not *per se* indicate higher delivery costs, improved access for the most educationally disadvantaged or any significant contribution to local communities.

Nor does TDA support the MCEETYA definition of regional participation since this is based on students' home location and not on the location of the tertiary education provider. This definition ignores the impact of the significantly higher costs incurred by students forced to move to metropolitan centres to study, and the value that regionally located campuses contribute to the overall level of education and innovation in those communities.

A preferred option is to classify the location of regional campuses using the ARIA⁵ categories: inner and outer regional, remote and very remote. This would allow for a more progressive and fairer scaling of regional loadings.

Recommendation 3: Regional loadings for higher education provision should be scaled for different campus locations according to the ARIA remoteness index.

However, even the ARIA classification can also obscure fundamental differences between the affordability and impact of higher education provision in individual regional and rural communities. Many of these differences are socio-economic in origin; some are also cultural, as in the case of indigenous communities. Other differences between regions may be attributable to policy differences between state and territory governments. For example, at least one state government is co-ordinating the development of credit transfer, articulation and co-operative program delivery cooperative agreements between its TAFE Institutes and universities.

As an earlier DEEWR commissioned study emphasised, to maximise benefit, a tertiary institution needs to not merely be *in* a community but *of* it: 'Knowledge access must be specifically related to local and regional requirements and attributes. Indeed if a new knowledge-based environment is not directly related to the local environment it can be a recipe for creating further regional and organisational marginalisation and social exclusion'.⁶ Regional universities need to acknowledge this commitment in their mission statement and objectives. The appropriate mix and level of skills and the contribution universities can make to innovation and community development will change over time and can only be established by periodic consultation with key industry and community groups, local government bodies and other tertiary providers in the region, particularly TAFE. TAFE Institutes and their

⁵ Accessibility/Remoteness Index of Australia, Australian Standard Geographical Classification (ASGC) – ABS Electronic Publication, 2005

⁶ Cumpston, Andrew, Ross Blakers, Chris Evans, Maureen Maclachlan, Tom Karmel, *Atlas of Higher Education: A community focus*, Department of Education, Science and Training, Occasional Paper Series 01/A, March 2001, Ch.2, <http://www.dest.gov.au/archive/unitatlas/paper> accessed 25/02/2010. TDA Response DEEWR Issues Paper

Councils already conduct these consultations on a regular basis and an growing proportion of TAFE courses are being delivered through innovative partnerships with local businesses and community organisations.⁷

Recommendation 4: Regional universities should articulate a clear statement of their commitment, objectives and targets for their regional campuses and regularly undertake consultation with other education providers and local industry and community groups as an integral part of their strategic planning.

4. Education delivery modes and student participation – the need for cross-sectoral partnerships (DEEWR *Issues Paper*, Sections 4 and 5)

As the *Issues Paper* recognises, there is a range of delivery models that can be adopted by regional higher education providers. Three models are proposed for consideration – traditional face to face; flexible delivery using improved communications infrastructure; and intersectoral collaboration utilising the facilities of VET and school providers.⁸

The most appropriate delivery modes will depend on the particular characteristics and circumstances of the communities being served. However, some general principles will be relevant to most regions. In particular, as the *Issues Paper* emphasises, a central goal of regional provision should be to increase participation by low SES, rural and regional students. Students who enrol from these backgrounds are more likely to be older, to have not completed their secondary education, less likely to be experienced learners and are at greater risk of withdrawing or failing in higher education programs than those from more prosperous metropolitan communities. These students have a greater chance of successfully completing tertiary education if their initial reengagement with education is through direct contact with experienced teachers in a relatively non-threatening and non- competitive environment.

However, in many cases, a regionally located university campus does not significantly improve access or participation for those in poorer and smaller rural communities. The majority of these campuses are located in major regional centres and do not provide permanent or mobile teaching facilities in outlying parts of the region they serve.

A further concern for TDA is that the definition of regional higher education includes distance education which increasingly translates to courses that are delivered online. Online delivery is highly unlikely to be effective in poorer and more remote communities, partly because of the preponderance of inexperienced and educationally disadvantaged learners and partly because of the globally inferior performance of Australia's broadband infrastructure. Even in more educationally and technically well equipped communities, on line programs have higher withdrawal and failure rates than those where there is a significant element of direct contact between teaching staff and students.

⁷ For example: Mitchell, J. 2008. *Improving the bottom line - why industry values partnerships with TAFE NSW*. NSW Department of Education and Training. A summary of the report can be found at: https://www.tafensw.edu.au/employerservices/national/docs/The_Bottom_Line_Why_Industry_Values_TAFE_NSW.pdf

⁸ DEEWR *Issues Paper*, p.6

A third option canvassed in the *Issues Paper* is for delivery through partnerships and collaboration, with universities utilising the facilities of VET providers and schools. TAFE Institutes have actively advocated such partnerships over a long period of time. In addition to the sharing of facilities, the utilisation of TAFE teaching expertise to provide compensatory general education, study skills and, often, the first year of university studies can greatly enhance the probability of subsequent student success.

The *Issues Paper* cites some examples of where this is occurring. TDA members can provide further examples of excellent collaboration and there have been numerous government-commissioned exercises in collecting and publishing examples of best practice in this regard. However, the extent to which such collaboration takes place remains entirely within the gift of individual universities and is often decided not on the basis of the best access and delivery option for students, nor on the relative skills and facilities of the institutions concerned, but according to a university's financial interests and territorial imperative. Several regional TAFE Institutes have advised TDA that, despite clear indicators of student demand and formal requests from local industry and community groups for them to offer the first year of a bachelor degree, the regional universities concerned have refused to cooperate either by licensing the TAFE Institute, or by themselves providing the program. For example, in at least two cases during the past two years, universities have closed down their regional delivery of first year Agriculture degree programs and have moved them to their metropolitan campuses. In both cases, the regional TAFE Institute concerned would have been well placed to continue teaching those programs under licence.

The *Issues Paper* notes that the HEPPP provides funding for cross-sectoral partnerships. Unfortunately, the HEPPP guidelines do little to encourage these partnerships. Under the HEPPP arrangements, universities will receive supplementary funding for the number of low SES/rural students they enrol including those enrolled in internally accredited Diploma and Advanced Diploma courses. Far from encouraging cross-sectoral collaboration, this will tend to drive a wedge between the two sectors of public tertiary education as universities pursue the funding advantages of increased student enrolments regardless of whether they are in a position to effectively deliver relevant programs.

Recommendation 5: The policy framework for the regional provision of higher education should be weighted towards those universities that include direct contact with students and which achieve this through collaborative use of existing facilities and shared teaching arrangements with regional TAFE Institutes.

5. Funding Models (DEEWR Issues Paper, Section 6)

TDA does not support the continuation of formula-driven funding either on an historical, or student-demand, driven basis. Many of the current participation, partnership and structural adjustment reforms have continued such a formula-driven approach without any reference to reformed institutional objectives, or the obligation to meet identified and agreed outcomes.

In particular, TDA is concerned that universities can attract substantial sums for participation by low SES and rural students on the ground of their initial enrolment in

sub-degree programs rather than their successful completion or continuation to bachelor degree level studies. Students from these backgrounds are more likely to withdraw or fail than those from more prosperous metropolitan communities. Their initial participation is thus not a reliable indicator of improved equity in higher education.

TDA's response to the draft HEPPP guidelines discussed this problem in more detail. A copy of that response is at attachment A to this submission. It emphasises that unless a measure of *successful* participation is included in future *pro-rata* funding, 'there is a significant risk that equity based funding supplements will have a minimal or even negative impact on the representation of those from low-SES and regional backgrounds who hold bachelor degree qualifications'.⁹ TDA is strongly of the view that this focus on students as 'inputs' to higher education should be replaced by a focus on outcomes using a measure of *successful* participation which would normally require the *completion* of a bachelor degree.

For these reasons, TDA has a strong preference for a combination of the third and fourth funding options for regional higher education provision. Specifically:

- where well established collaborative arrangements are in place, together with clear community support for the university's level and focus of provision, funding on the basis of agreed performance targets would allow continuation and possibly upgrading and diversification of regional provision. Examples in this category might include the regional dual sector institutions and other established regional partnerships.
- where there are no, or only intermittent, inter-sectoral collaborative arrangements and uncertain levels of benefit to all or most parts of the region concerned, funding should be based on a competitive grant scheme which encourages and rewards best practice. In these cases, eligibility for funding should include submissions led by a TAFE Institute or local consortium which may include a university or an alternative higher education provider.

Recommendation 6: The assessment of equity groups' participation in university education is revised to reflect the level of successful participation as measured by actual completion of a bachelor degree or significant attainment and progress at that qualification level.

Recommendation 7: Funding supplementation for the regional provision of higher education should be based on

a) agreed performance targets where established, ongoing and successful cross sectoral collaborative arrangements are in place,

and

b) competitive grant funding where there are no established collaborative arrangements in place.

⁹ See Attachment A (i), p.1.
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ATTACHMENT A



22 January 2010

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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



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A/Chief Executive Officer



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29 January 2010

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Dear Mr Coutts

Following my letter of 22 January this year, TDA has further considered the draft guidelines for the Australian Government's Higher Education Participation and Partnership Program (HEPPP) and wishes to recommend that the guidelines be amended as follows:

1. That at least one half of both the Participation and Partnership components of the HEPPP funds available in any calendar year be retained for grants made on the basis of proposals submitted by all categories of tertiary education providers, including non-university higher education and VET providers;
2. That, from 2012, the allocation of funds under all components of the HEPPP take into account the rate of improvement demonstrated by institutions in both participation and completion/continuation of students from low-SES backgrounds;
3. That the reporting requirements on the Partnership component of HEPPP funding be amended to give equal weight to arrangements with VET providers that provide tertiary preparation, or other relevant programs for low-SES students, particularly those who are early school leavers and and/or located in rural and regional Australia;
4. That, consistent with the Government's approach to managing the Education Infrastructure Fund, an independent advisory board be established to advise the Minister and make recommendations for grants to institutions under the HEPPP;
5. That the program be re-named the Tertiary Education Participation and Partnership Program (TEPPP).

TDA would welcome the opportunity to further discuss these issues with you.

Yours sincerely

Per:

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