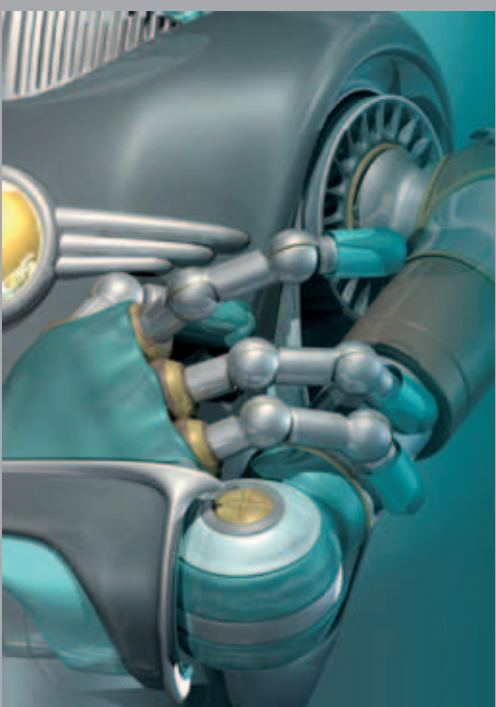


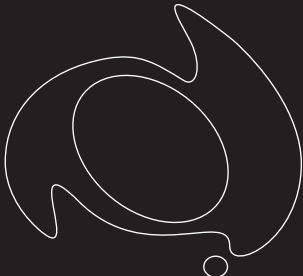


# TAFEDirectors

AUSTRALIA

The Case for a National Charter for TAFE:  
Its Role in Public Sector Provision in Australia





# The Case for a *National Charter for TAFE* – Its role in public sector provision in Australia

## Foreword from the Chair, TDA

Australia's tertiary education policy and national productivity drive include a national vocational education and training (VET) reform agenda. VET has become key to participation, to resolving skills shortages, and increasingly, has a shared responsibility across the federal system.

This year the referral of powers for regulation and registration of training by states and territories, excluding Victoria and Western Australia, prompts a closer review of the role of TAFE. Now, on the eve of a National Partnership Agreement and re-structuring the funding of TAFE proceeding across many states and territories, TAFE Directors Australia (TDA) believes that the time is right for a **National Charter for TAFE**.

A **National Charter for TAFE** would articulate the signature strengths of the public provider for the Australian economy and the unique role in the community of the national public VET provider.

As Australia's economy experiences further growth and skills shortages, and as we reach deeper into the regions, such a **National Charter for TAFE** would clarify the risk profile and role of TAFE within the overall VET sector.

TDA supports competition. TAFE is committed to contestability between providers to generate efficiencies and innovative responses to individuals and enterprises. TDA asserts, however, that governments should recognise and support the pivotal role that Australia's TAFE institutes play in delivering on the governments' economic and social priorities. In this shared federal space, it is timely to agree on the characteristics of TAFE, and its role. Without a strong and viable network of TAFE institutes, the government and the community cannot expect to be assured of the quality of delivery and assessment that will inspire confidence by employers in the system and ensure that the outcomes are in areas of skills need, and that the particular needs of individuals are met.

I am pleased to present TDA's case for a **National Charter for TAFE**.

I commend it to you.

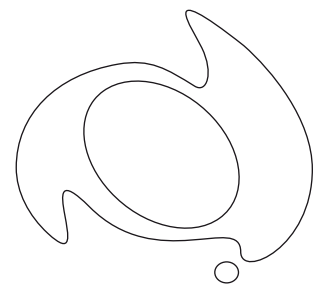


Stephen Conway  
Chair  
TAFE Directors Australia



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# EXECUTIVE SUMMARY

## Overview

At a time when Australia faces unprecedented challenges in aligning its education and training outcomes with the productivity needs of its economy, this paper presents the case for a **National Charter for TAFE**.

At the federal level, the Australian Government is negotiating a National Partnership for Vocational Education and Training to guide future policy in vocational education and training, while in states and territories a more contestable VET system is being seen as a key element in driving productivity and participation. TDA maintains that it is timely to articulate, reaffirm, and derive the full economic and social benefit from the leading role played by TAFE providers, known by all their various titles,\* as public sector Registered Training Organisations (RTOs).

It is envisaged that when the **National Charter for TAFE** is finalised, the Commonwealth and all States and Territories would consider incorporating its key components in the National Partnership Agreement for VET as well as referencing it in the new National Agreement for Skills and Workforce Development. The **National Charter** would inform the vision for TAFE, nationally and in each jurisdiction, and would stand as a guide for governments in dealing with policy and funding for TAFE.<sup>1</sup>

TDA recognises the prerogative of each jurisdiction to exercise its discretion in determining its policy approach to TAFE. However, there are clear benefits from greater national consistency. Greater consistency would produce a more coherent system, assist students and employers in making choices about education and training, and avoid uncertainty for TAFE providers about governments' intentions for them.

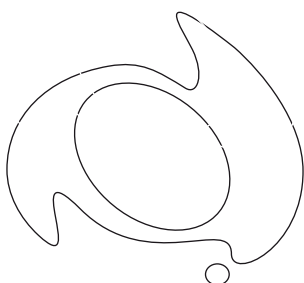
Development of a **National Charter for TAFE** also needs to be seen in the context of the wider tertiary sector. For example, care needs to be taken that policy initiatives in the higher education sector are appropriately aligned with the need to maintain the role and workforce credibility of TAFE Diplomas and Advanced Diplomas while also providing incentives for the development of more seamless pathways between the two sectors. The way in which this is managed will have implications for the future educational and financial viability of VET Diplomas and Advanced Diplomas and will, to a significant extent, determine the success of a connected tertiary sector while maintaining the separate missions and focus of VET and higher education.

TDA highlights the contrast between government policy for public universities and for TAFE. Policy settings for universities are, on the whole, coherent and consistent, prioritise the viability of public universities over other higher education providers, protect the title and standing of universities, and have a demand-driven funding regime with unlimited student entitlements to Commonwealth Supported Places.

On the other hand, policy settings for the TAFE sector are fragmented. Each State/Territory has a different policy framework and base funding arrangement for TAFE. The current trend is for each State/Territory to develop a distinct position on issues such as 'full service provision', contestability, access by RTOs to government funding, student entitlements and governance. Inconsistencies between these different policy settings are generating increasingly divergent, and arguably confused, outcomes in each State/Territory. In addition, each State/Territory has different policies in place for the role of TAFE in the tertiary sector, and for the delivery of qualifications at higher Australian Qualifications Framework (AQF) levels. Disparate arrangements for TAFE in each State/Territory will not support the emergence of an integrated tertiary sector.

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\* TAFE providers are variously known as Institutes, Colleges and Polytechnics and include five dual-sector universities. They may or may not incorporate the term TAFE.



Overall, the VET sector urgently needs a properly designed market framework. It lacks effective market oversight with stable and predictable rules. The approach to setting price and subsidy levels is piecemeal. Governments need to form a view about market size on the supply side, rather than simplistically use RTO numbers as the indicator of market health. On the contrary, high or growing RTO numbers are more likely to signal poor regulation.

TDA strongly supports choice and diversity for students, but warns that lessons must be learned from the demise of the international VET student market, caused in large part by the presence of RTOs whose culpable practices undermined Australia's hard-earned reputation for quality VET provision. Moves to expand the number of RTOs accessing government funding in a demand-driven environment, before the new regulatory framework is firmly in place, invites a repetition of disreputable practices in the domestic market.

## Summary of Recommendations

TDA recommends the following steps in developing a **National Charter for TAFE**:

### Recommendation 1

That the Commonwealth, States and Territories articulate and disseminate the key role played by TAFE as a public provider in the VET sector and its capacity to support the Australian economy and that this role be explicitly affirmed in the new National Partnership for Vocational Education and Training.

### Recommendation 2

That the Commonwealth, States and Territories recognise the important role of TAFE providers in the wider tertiary sector and ensure consistency in the associated funding arrangements, including equal and comparable access to Commonwealth Supported Places for equivalent AQF qualifications.

### Recommendation 3

Recognising the TAFE sector's role in ensuring maintenance of critical programs and services that would be at grave risk if left entirely to market forces, that the Commonwealth, States and Territories reach agreement on the concept of 'full service provision', its constituent parts and how each should be funded, including giving due consideration to programs and services in regional and remote communities.

### Recommendation 4

With a view to protecting and enhancing the reputation of the VET sector and ensuring that training funds are invested where the skill needs are the greatest, that the States and Territories agree on common and robust quality criteria which determine RTO eligibility for access to government funding.

### Recommendation 5

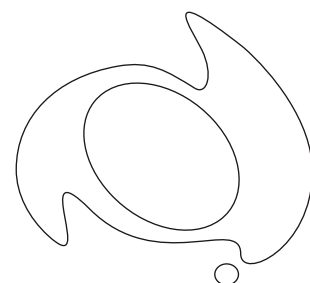
That the States and Territories work towards consistent student entitlement/eligibility criteria for implementing contestable funding, including the availability of concessions.

### Recommendation 6

That the Commonwealth, States and Territories exchange data and share their experiences of implementing contestable/demand-driven funding in both VET and Higher Education, so that any unintended consequences can be addressed in a timely manner and with direct reference to the evidence base.

### Recommendation 7

That the States and Territories ensure governance arrangements for TAFE providers are consistent with their role and enable them to compete effectively.



## Recognition of TAFE's importance

There are many statements from governments about the importance of the role of TAFE.

In November 2009, then Deputy Prime Minister Julia Gillard spoke at National TAFE Day, stating:

*TAFE is a unique network of teaching and innovation in vocational education and training. One that makes a substantial national contribution that cannot be taken for granted ...*

*The Australian dream of suburban prosperity and social mobility, so envied around the world, was made possible in large measure by TAFE.*

*TAFE changes lives. It is the backbone of trades training in this country. It enables adults to change careers. It caters for students who prefer an adult learning environment rather than school. It has a truly national footprint and plays a vital role in regional Australia. It does so much to build a love of learning and to boost national productivity.<sup>2</sup>*

The COAG Communiqué of August 2011 stated that:

*... the key role of TAFE as the public provider in a competitive market (is) recognised and supported, including its delivery of high-cost technical training, encouraging participation of disadvantaged students and offering services in regional and remote areas.<sup>3</sup>*

Skills Australia's 2011 *Skills for Prosperity: A roadmap for vocational education and training* proposed in recommendation 9:

*That the Australian Governments ... articulate the role of the public provider in the next intergovernmental resourcing agreement for the sector.<sup>4</sup>*

In its 2008 policy paper introducing Skills Reform in Victoria – *Securing Jobs for Your Future: Skills for Victoria* – the Victorian Government stated:

*The Victorian TAFE system is the most devolved and autonomous in Australia and our TAFE institutions are leading performers against a number of national measures. Victoria's system is highly efficient, fosters entrepreneurship and is capable of extensive innovation and specialisation ...<sup>5</sup>*

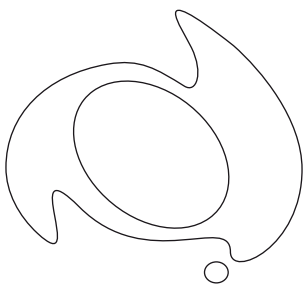
The South Australian Government stated in its 2011 policy paper *Skills for All*:

*The South Australian TAFE system consistently leads Australia in terms of student satisfaction and employment outcomes for students.*

*TAFE SA has over 70% of market share of VET in South Australia ... it is the dominant training provider in key industry sectors and regions ...*

*Consultation revealed widespread support for the public provider. Many viewed TAFE SA's role as critical to the social and economic development of regional communities.<sup>6</sup>*

In its 2011 *Response to the Queensland Post-Secondary Education and Training Review*, the Queensland Government announced the formation of a Ministerial Taskforce with a **specific role related to TAFE**:



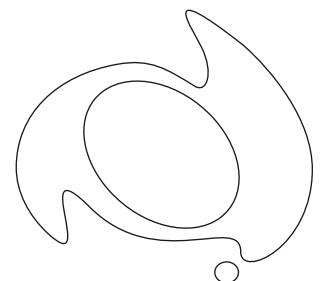
In the context of broader national reform, the Ministerial Taskforce will be formed to:

- consider a range of academic and practical research works ... and their implications and recommendations for TAFE Queensland
- identify and articulate a clear and ongoing role for TAFE Queensland as the public provider of tertiary education and training across the state
- develop and provide expert advice on options for the future structure of TAFE institutes, including appropriate governance models and funding sources.<sup>7</sup>

In its 2011 discussion paper *Smart and Skilled: making NSW number one*, the NSW Department of Education and Communities devotes a whole section to discussing the role of TAFE as a public provider. An extract from that section of the discussion paper states:

*TAFE NSW is the largest provider of vocational education and training in the State. It has a unique role in servicing the training needs of industry and our regions and local communities, with its responsibilities spanning high-level workforce development for industries to improving skill and job outcomes for disadvantaged learners and communities.*<sup>8</sup>

**TDA maintains that it is time for the affirmation of TAFE, as exemplified in the statements of Commonwealth and State/Territory governments. A National Charter for TAFE is a suitable vehicle for the affirmation.**





# COMPONENTS OF A NATIONAL CHARTER FOR TAFE

## Component 1: Redefining the TAFE Sector's Role

TDA notes a tension between the affirmations about the TAFE sector's broad social and economic role (such as those highlighted earlier) and the recent tendency, as exemplified in the August 2011 COAG Communiqué,<sup>9</sup> to assume that the only remit of a public provider is to meet equity outcomes and be an effective policy tool in dealing with market failure. Improving equity outcomes, and responding effectively to market failure, are important aspects of the TAFE sector's work, but they do not constitute a full picture of the TAFE sector's contributions to social and economic prosperity.

TAFE providers do deliver these services – proudly. However, the COAG characterisation is far too narrow. It does a serious disservice to the many TAFE providers around Australia that are large and successful businesses with a sophisticated knowledge of, and ability to respond to, their local communities and regional industry and workforce needs. Many TAFE providers have complex transnational operations. Until recently, many had extensive international student cohorts, lost for reasons largely outside their control. Income generated from these wider activities contributes to the capacity of TAFE providers to serve the public good.

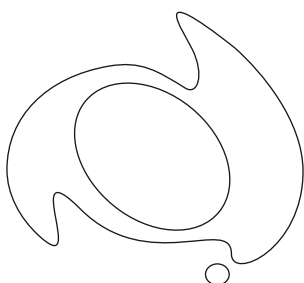
TAFE providers are also increasingly moving away from being solely VET providers. Responding to industry needs, they have built on their areas of specialisation by successfully developing and offering, as registered Higher Education Providers, associate degrees (AQF level 6) and bachelor degrees (AQF level 7).

However, this trend is occurring in a sporadic fashion with different policies in each State/Territory related to approval to offer programs beyond AQF level 6, the arrangements under which this occurs and the funding. There is also no access for TAFE students at these higher levels to Commonwealth Supported Places, despite the fact that these TAFE qualifications contribute to the diversity of the tertiary sector, respond to skill shortages, open up access to new cohorts of students, and assist in achieving government targets for participation. Lack of access to Commonwealth Supported Places means that the most disadvantaged students pay full fees to gain a degree, while students who are traditionally the most privileged do not. This situation is in total conflict with the intent of government policy.

TDA therefore asserts that a **National Charter for TAFE** must recognise the TAFE sector's role in its entirety, including some of the intangible benefits it offers. These intangible benefits are well summarised in the following extract from a Victorian report on the role of TAFE:

*In addition to their core role as education and training providers, TAFE institutes are a major employer and purchaser of goods and services. Their facilities are an important community resource. They have helped to create and continue to sustain the richness, diversity and capacity of local communities. They serve as a bridge within communities, creating and sustaining multiple formal and informal networks, and externally to national and international cultures, markets and economies. They are crucial and enduring symbols of a community's capacity and sense of pride and purpose. It is clear that the mission that has sustained the TAFE sector since its inception remains a powerful motivation for many TAFE managers, staff and council members ...<sup>10</sup>*

The proposed redefinition of the TAFE sector's key characteristics is outlined in Box 1. While other providers share some of these characteristics, it is the combination of them that gives TAFE its unique role.

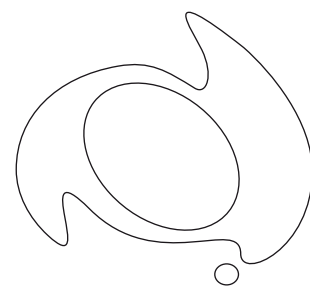


## Box 1: The Key Characteristics of TAFE

TAFE providers:

- Are well-established, highly capable publicly-owned entities
- Are key agents for implementing government policies and targets
- Deliver in a wide range of industry sectors and/or across multiple levels of the Australian Qualifications Framework
- Tailor the scope of their programs and services to ensure they meet the further education and skill needs of their regional communities and enterprises
- Balance their operations to enable funding of high-cost technical training
- Support regional workforce development through strong links to industry
- Offer a broad student experience with individualised vocational and further learning options for a diverse range of students, both local and international
- Provide a wide range of quality student services, including student learning support and extensive resources for student learning in all industry sectors offered
- Are commercially orientated with dividends re-invested in public educational programs, services and infrastructure
- Are committed to social inclusion
- Often have significant international/transnational operations
- Are critical partners with senior secondary schools and universities in facilitating cross-sectoral pathways, contributing significantly to post-school success
- Are at the forefront of promoting a connected and seamless tertiary sector, with some TAFE providers also registered as Higher Education Providers and offering associate degrees and/or bachelor degrees in their own right, and others offering innovative integrated diploma/degree programs jointly designed with university partners across the nation
- Represent low risk to government for market failure because of mature and systematic internal processes for quality assurance and the maintenance of teaching and learning standards, robust administrative procedures, and government-controlled governance and accountability arrangements
- Contribute to the social fabric and the educational aspirations of the communities and regions in which they operate.

Clearly, agreement on the key role played by the TAFE sector would assist in the consistency of a vision for TAFE nationally, in forming a view about how TAFE should be funded, and in promoting an integrated tertiary sector.



## Recommendation 1

That the Commonwealth, States and Territories articulate and disseminate the key role played by TAFE as a public provider in the VET sector and its capacity to support the Australian economy and that this role be explicitly affirmed in the new National Partnership for Vocational Education and Training.

## Recommendation 2

That the Commonwealth, States and Territories recognise the important role of TAFE providers in the wider tertiary sector and ensure consistency in the associated funding arrangements, including equal and comparable access to Commonwealth Supported Places for equivalent AQF qualifications.

## Component 2: 'Full Service Provision'

There is a level of recognition that not all training needs can best be served by market mechanisms alone and that governments, as the owners of TAFE providers, can use policy levers and funding mechanisms to address this. Terms such as 'full service provision' are therefore used to describe the TAFE sector's role in ensuring a full range of courses and student and industry services are offered across a wide geographic footprint and in thin markets.

For example, in implementing its Skills Reforms, the Victorian Government recognised that additional costs were borne by TAFE and made funding allocations '*such that requirements associated with being a publicly owned provider of training, including any community service obligations, are adequately met.*'<sup>11</sup> These costs were intended to include:

- Salary increases under enterprise bargaining agreements and associated long service leave
- Disability programs and services
- Indigenous liaison
- Student support services, including various forms of apprenticeship support
- Maintenance, general equipment and specialist equipment
- E-learning.

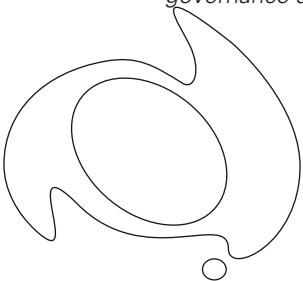
While applauding the attempt to acknowledge the additional costs, TDA maintains that this list illustrates an imprecise and confused approach to full service provision. The distinctions are blurred between funding for the costs of enterprise bargaining agreements, funding for community service obligations and funding to ensure the TAFE infrastructure network is maintained. Each would be dealt with individually in a more sophisticated and transparent funding system. It is therefore not surprising that there is debate about the extent to which all these costs are actually covered under the current arrangements.

The Government of South Australia is also making efforts to address this issue. Its *Skills for All* policy paper refers to a 'subsidy price differential', stating:

*TAFE SA currently incurs additional operating costs as a result of being a public institution delivering government determined policy objectives ... Ongoing support for key areas of TAFE SA's role will receive a differential price to address agreed cost differentials ... The price will be transparent, comparable and published by DFEEST.*<sup>12</sup>

Reference was made earlier to recommendation 9 of Skills Australia's *Skills for Prosperity – A roadmap for vocational education and training*. Importantly, the recommendation goes on to say:

*That Australian Governments ... in introducing the entitlement funding model, agree to maintenance by state and territory governments of core base funding to enable public providers to fulfil a public good role that cannot be achieved through market-based arrangements. Such funding must be subject to clear performance outcomes and reform accountabilities, including greater flexibility in governance arrangements.*<sup>13</sup>



TDA is concerned that different approaches are emerging about how to acknowledge TAFE's role as a public provider servicing the public good and maintains that a common approach to 'full service provision' and associated funding would usefully form part of a **National Charter for TAFE**. This includes considerations such as any loadings that might apply to support programs in regional and remote areas, as occurs in Higher Education.

TDA asserts that the existence of strong TAFE providers in regional, rural and remote areas is critical to economic and social development. They play an especially important role in removing barriers to tertiary education for low SES and Indigenous students who may otherwise not see university as a realistic option. Particularly in states like Western Australia and Queensland, where skills shortages are serious, TAFE providers are a consideration in attracting people to move to and settle in regional locations, along with schools, hospitals and other social services. This should be recognised by governments, along with the fact that in some remote locations TAFE providers are the only large employers and provide an essential service to the local community, not the least of which is often English language training. These circumstances demand that the TAFE sector's viability not be undermined by government policy.

### **Recommendation 3**

Recognising the TAFE sector's role in ensuring maintenance of critical programs and services that would be at grave risk if left entirely to market forces, that the Commonwealth, States and Territories reach agreement on the concept of 'full service provision', its constituent parts and how each should be funded, including giving due consideration to programs and services in regional and remote communities.

### **Component 3: Criteria for Accessing Government Funding**

Evidence is emerging that there are some perverse outcomes from too rapid a move to opening up access to government funding to RTOs in a contestable environment.

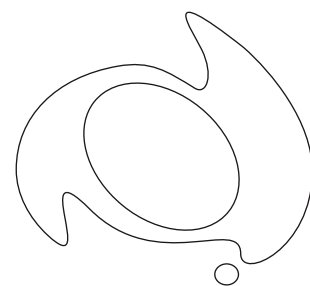
Victoria is a case in point.<sup>14</sup> Following the full introduction of demand-driven funding in 2011, Victorian public providers' share of government-funded enrolments fell to 52 per cent, down from 75 per cent in 2008. TAFE providers have also experienced a loss of fee-for-service income. It appears this is partly due to cost-shifting as enterprises have gained access to government funds for training. At the same time, as a stark example of market distortion, 4,100 people enrolled as fitness instructors in Victoria, mostly in the private sector, up from 400 in 2008. Other less obvious distortions are undoubtedly also in the process of emerging.

Whether or not these outcomes were intended or desired by government is unknown, but they represent a sharp break from past attempts to shape the market where there is evidence of either over-supply or under-supply. If repeated across Australia, this will prove to be a costly and ineffective exercise. These outcomes are also reminiscent of what happened with the international VET students when the market was flooded by private RTOs with low cost/high demand programs for commercial gain but with little attention to quality or genuine employment outcomes.

Lack of clarity on this issue means that the ultimate aim of government for public VET provision is open to interpretation.

The South Australian Government has already indicated in *Skills for All* that RTOs in that state will be required to demonstrate that they meet certain criteria before accessing government funds. The criteria will include strong links to industry, but other criteria are yet to be determined.<sup>15</sup>

Skills Australia also endorses this idea in recommendation 12 of *Skills for Prosperity – A roadmap for vocational education and training* and importantly assigns a role to the Australian Skills Quality Agency (ASQA) in implementing it:



*That Australian Governments agree ... to implement criteria that RTOs must meet to become eligible providers of publicly funded entitlement places. ASQA should identify appropriate criteria and provide advice to governments...*<sup>16</sup>

TDA asserts that until the new VET regulatory system is firmly in place, it is folly to provide open access to government training funds on the basis of demand alone. To do so invites a repetition of practices that occurred in the international market. The issue of the viability of the market (in terms of the number of providers, the associated risks and the cost of regulating them) has been ignored, to the detriment of Australia's reputation.

A common approach to criteria for eligibility to access government funding would address some or all of the following issues:

- Strict adherence to quality requirements, based on enhancements to the Australian Quality Training Framework (AQTF)
- A track record of compliance and an unblemished reputation in the market
- Evidence of appropriate infrastructure
- Pre-tendering processes to identify a sustainable number of preferred providers
- Strong contractual arrangements for a fixed volume of business
- Payment of a bond.

Further, detailed attention needs to be given to the balance between entitlements and skills shortages so that the demand-driven system is sustainable over time.

A **National Charter for TAFE** should include resolution of these issues.

## **Recommendation 4**

With a view to protecting the overall reputation of the VET sector and ensuring that training funds are invested where the skill needs are the greatest, that the States and Territories work towards common and robust quality criteria which determine RTO eligibility for access to government funding.

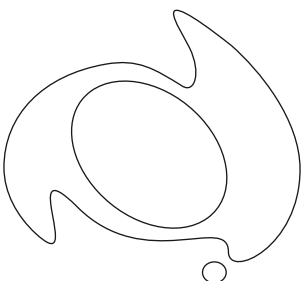
## **Component 4: Criteria for Student Entitlements, Eligibility and Concessions**

As a demand-driven funding system is rolled out across Australia, each jurisdiction is adopting different approaches to student eligibility and entitlement criteria. Similarly, there are different approaches to concessions.

In a speech at the 2011 TDA Conference, the Executive Director of the Victorian TAFE Association (VTA) provided a summary of the different approaches to entitlement so far in place:

*In Victoria the entitlement model through the Victorian Training Guarantee provides for a government subsidised place for all people up to the age of 20, and for those over 20 provided the student is undertaking a course at a higher qualification level than currently held with the exception of designated foundation courses and apprenticeships. Varying minimum and maximum fees apply to different categories as well as access to VET FEE-Help at Diploma and above levels. Students undertaking a course at the same or lower level than currently held, other than foundation courses, do not attract government support and are required to be full fee paying save for some discrete exemptions available from a limited pool of funds.*

*In South Australia, Skills for All proposes a training subsidy will be available at the higher level up to an Advanced Diploma. A subsidy at the same qualification level will be available twice at Certificate II and above. Bridging learning from a lower level qualification at the same time as doing a higher level course will be supported by a training subsidy. Students will also be able to access a one-off training subsidy to undertake a course at a lower level than their existing qualification, including those with a degree or above.*



*Queensland through the Post-secondary Education and Training Review has a different model. It proposes a closer alignment with the Victorian entitlement model with additional features such as capped funding for students with initial qualifications up to degree level, with higher fees to reflect higher individual returns and the capacity of the state to intervene in the market by not funding or capping specific qualifications in areas of oversupply or low priority.<sup>17</sup>*

The Executive Director VTA went on to suggest that ‘*dialogue should occur between the States and Commonwealth to bring about a better alignment through consistent application of entitlement/eligibility criteria*’. TDA supports this view and proposes that a more consistent approach be incorporated into the **National Charter for TAFE**.

In addition, student entitlement/eligibility criteria in VET need to be considered in light of uncapped places in the Higher Education sector. In an effort to maximise the number of students gaining access to Higher Education places, the trend is already emerging for TAFE Diplomas and Advanced Diplomas to be replaced by Higher Education qualifications at the same level, either as exit points in their own right or as part of a degree. Ideally, there would be a single set of tertiary entitlement/eligibility criteria, designed to take the circumstances in both VET and Higher Education into account.

### **Recommendation 5**

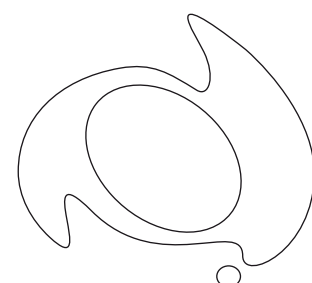
That the States and Territories work towards consistent student entitlement/eligibility criteria for implementing fully contestable funding, including the availability of concessions.

### **Recommendation 6**

That the Commonwealth, States and Territories exchange data and share their experiences of implementing contestable/demand-driven funding in both VET and Higher Education, so that any unintended consequences can be addressed in a timely manner and with direct reference to the evidence base.

## **Component 5: Governance**

States that have adopted a policy of transition to a fully demand-driven system have variously recognised that TAFE providers need a level of autonomy/independence in order to be flexible enough to compete, and that this needs to be reflected in governance arrangements. State policy settings are summarised in Box 2.



## Box 2: State Policy Positions on Governance

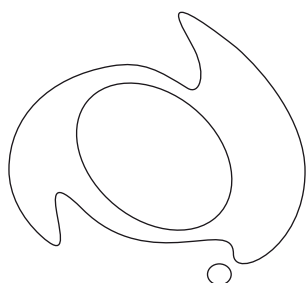
State	Policy Document	Policy
Queensland	Queensland Government response to the Queensland Post-Secondary Education and Training Review, 2011	Recognition of 'the importance of governance and operational reforms to increase public providers' capacity to operate in an increasingly competitive environment'. (p. 15)
South Australia	Skills for All: The Strategic Direction for Vocational Education and Training in South Australia 2011–2014	Governance and funding arrangements will be reformed so that TAFE SA has more independence to compete effectively in the open training market. (p. 7)
Victoria	Securing Jobs for Your Future – Skills for Victoria 2008	The Victorian Government is working with TAFE institutions on changes to governance to ensure that they have the flexibility they need. (p. 28)
Western Australia	Planning for the Future 2009–18	Key program: Giving TAFE colleges independence to compete effectively in an open training market. (p. 2)

These policy positions appear very similar in sentiment. In practice, what is meant by independence or flexibility, and how these characteristics are reflected in governance arrangements, is very different in each instance.

TDA proposes that a **National Charter for TAFE** emphasises governance arrangements that promote the ability of TAFE providers to compete.

### Recommendation 7

That the States and Territories ensure governance arrangements for TAFE providers are consistent with their role and enable them to compete effectively.



## NEXT STEPS

To progress this case for a **National Charter for TAFE**, TDA will:

- Undertake consultation with key stakeholders including all levels of government, local members, industry and community groups and student and staff representatives.
- Formally propose to governments that in principle support for a **National Charter for TAFE** be included in the National Partnership for Vocational Education and Training and in the new National Agreement for Skills and Workforce Development.
- Develop a draft **National Charter for TAFE** for consideration by the COAG Standing Council on Tertiary Education Skills and Employment by June 2012.

## CONCLUSION

TDA has argued in this paper that the time has come for Commonwealth, State and Territory Governments to adopt a common **National Charter for TAFE** incorporating at least the following five components.

### Component 1: Redefining the TAFE Sector's Role

- Articulate and disseminate the key characteristics of TAFE as a public provider and its capacity to support the Australian economy.
- Recognise the importance of the role of TAFE providers in the wider tertiary sector.

### Component 2: Full Service Provision

- Confirm a common definition of 'full service provision', its constituent parts and how each part should be funded (including the provision of programs and services in regional and remote communities).

### Component 3: Criteria for Accessing Government Funding

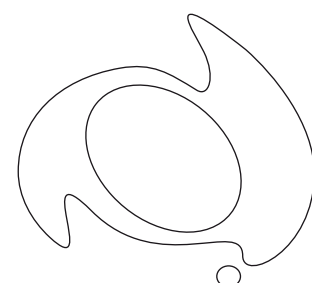
- Commit the States and Territories to common and robust quality criteria which determine RTO eligibility to access government funding.

### Component 4: Criteria for Student Entitlements, Eligibility and Concessions

- Engage the States and Territories in working towards consistent student entitlement/eligibility criteria for the implementation of fully contestable funding, including the availability of concessions.
- Identify and adopt a process for the Commonwealth, States and Territories to exchange data and share their experiences of implementing contestable/demand-driven funding in both VET and Higher Education, so that any unintended consequences can be addressed in a timely manner and with direct reference to the evidence base.

### Component 5: Governance

- Commit the States and Territories to governance arrangements for TAFE providers that are consistent with their role and enable them to compete effectively.

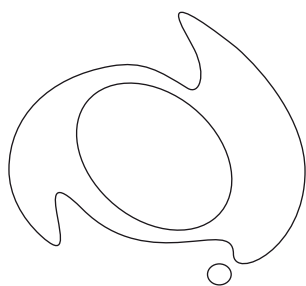




## Appendix

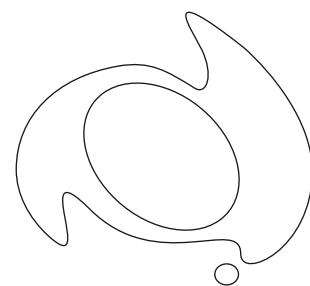
Extract from John Ross, 'Sectors Asunder', in *Campus Review*, vol. 21, 31 May 2011

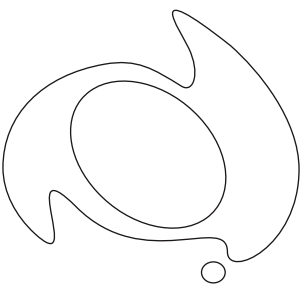
	HIGHER EDUCATION	VET
Political oversight	Commonwealth	State/Territory
Planned regulator	Single body – TEQSA	Two bodies – ASQA and National Standards Council
Independence	Autonomous	Mostly not autonomous. Some TAFE Institutes are statutory authorities, but comply with State regulations
Industrial Relations	Managed at institution level	Managed by State/Territory
Number of providers	About 200	About 5,000 – 1% public
Public share of student load	Public unis have 93% of students and 94% of load	TAFE Institutes have 77% of publicly funded students, and 84% of publicly funded load
Eligibility for Government funded HE places (CSPs)	38 institutions	2 TAFE Institutes
Drivers for demand-driven funding	Student demand	Student and industry demand
Full-fee domestic courses	No, except private and postgraduate HE	Yes
Indexation	Most favourable arrangements from 2012	Unfavourable arrangements, no changes planned
Structural Adjustment Fund	Yes, Australian unis can apply	No, can't apply to HE SAF, but can partner with unis
HEPPP	Public unis and Bachelor Institute can apply	Ineligible to apply, but can partner with unis
Income-contingent loans	Available to all government-supported undergraduates	Available to fee-paying diploma and above students at approved VET providers. Unavailable to government supported students, except in Vic.
Assessment levels for student visas	HE less favourable assessments than VET for 2 countries (Jordan and Zimbabwe)	VET has less favourable assessment levels than HE for 46 countries
Naming rights	Use of term 'university' protected	In at least one jurisdiction (Vic.) term 'TAFE' used by public providers. Public VET providers abandoning the name, particularly WA



## Notes

- 1 Parliament of Australia, Joint Committee of Public Accounts and Audit, *National Funding Agreements*, Official Committee Hansard Friday, 16 September 2011, Canberra, pp. 19–26
- 2 Minister for Education, the Hon. Julia Gillard MP 2009, Speech Transcript, National TAFE Day, Parliament House Canberra
- 3 Council of Australian Governments (COAG) Meeting Communiqué, August 2011
- 4 Skills Australia, 2011, *Skills for Prosperity – a roadmap for vocational education and training*, Commonwealth of Australia, p. 13
- 5 Skills Victoria, 2008, *Securing Jobs for Your Future – Skills for Victoria*, Victorian Government, p. 26
- 6 *Skills for All – The Strategic Direction for Vocational Education and Training in South Australia 2011–2014*, Government of South Australia, p. 23
- 7 *Queensland Government Response to the Queensland Post-Secondary Education and Training Review*, 2011, Queensland Government, p. 15
- 8 *Smart and Skilled – making NSW number one*, 2011, NSW Department of Education and Communities, p. 7
- 9 COAG Meeting, August 2011, Communiqué
- 10 Noonan, P 1992, *The Role of TAFE*, Victorian Learning and Employment Skills Commission, p. 41
- 11 Skills Victoria, *Victorian 2011 Performance and Funding Agreements for TAFE*, Department of Education and Early Childhood Development
- 12 *Skills for All – The Strategic Direction for Vocational Education and Training in South Australia 2011–2014*, Government of South Australia, p. 24
- 13 Skills Australia 2011, *Skills for Prosperity – a roadmap for vocational education and training*, Commonwealth of Australia, p. 13
- 14 Skills Victoria, *Victorian Training Market Quarterly Report, Q2, 2011*, Department of Education and Early Childhood Development
- 15 *Skills for All – The Strategic Direction for Vocational Education and Training in South Australia 2011–2014*, Government of South Australia, p. 6
- 16 Skills Australia 2011, *Skills for Prosperity – a roadmap for vocational education and training*, Commonwealth of Australia, p. 13
- 17 Williams, D 2011, 'Contestable funding and uncapped higher education', paper presented at the TDA National Conference 2011, [www.tda.edu.au](http://www.tda.edu.au)

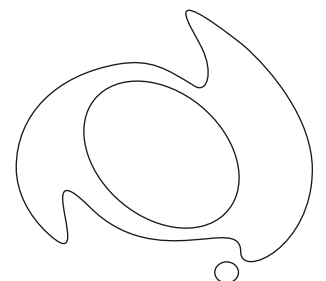


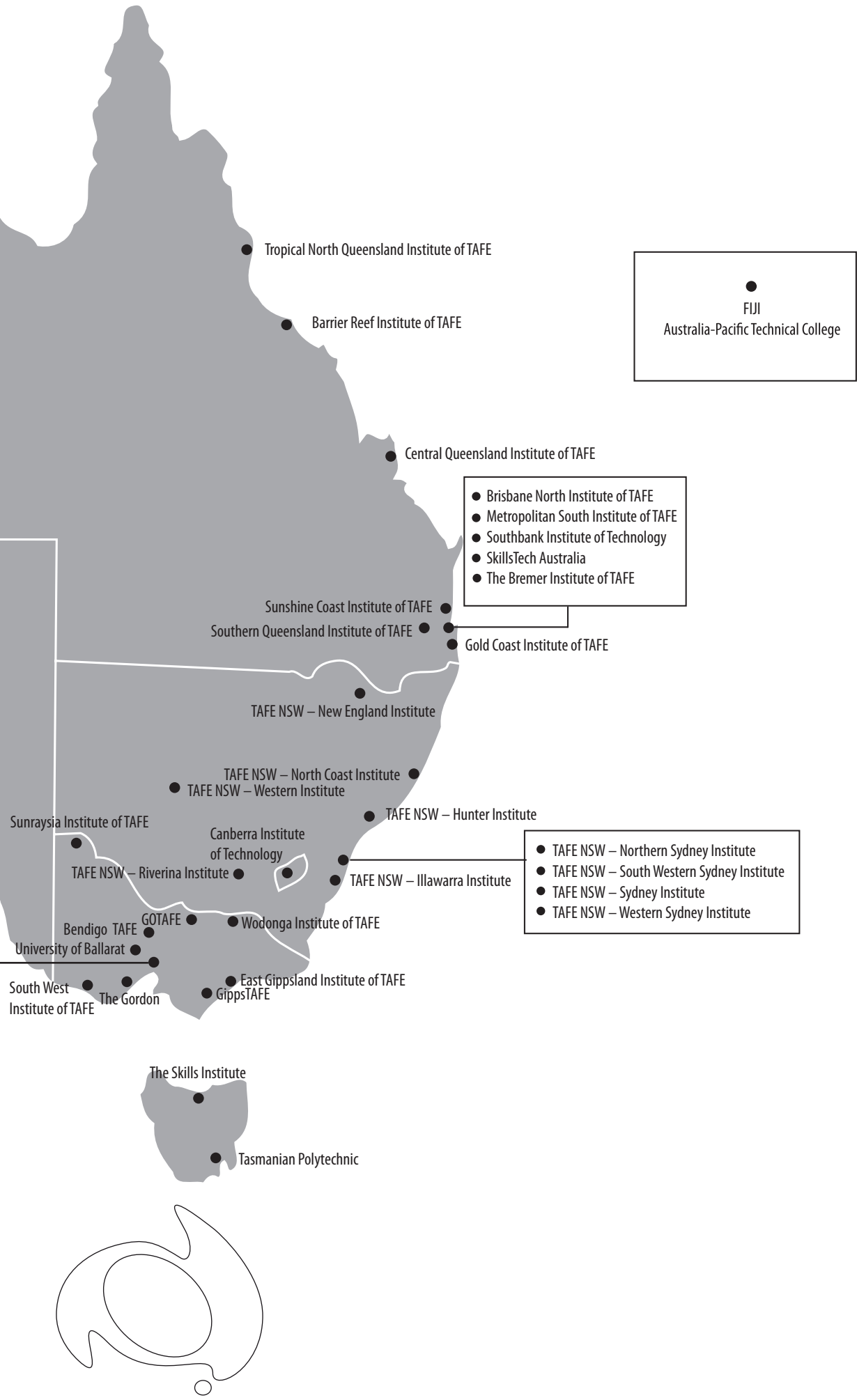


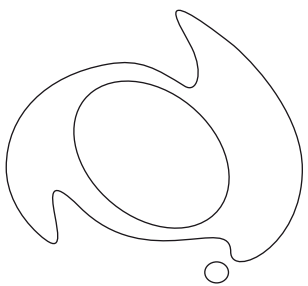
# 59 TAFE providers with 1,300 locations



Information current @ 30 November 2011







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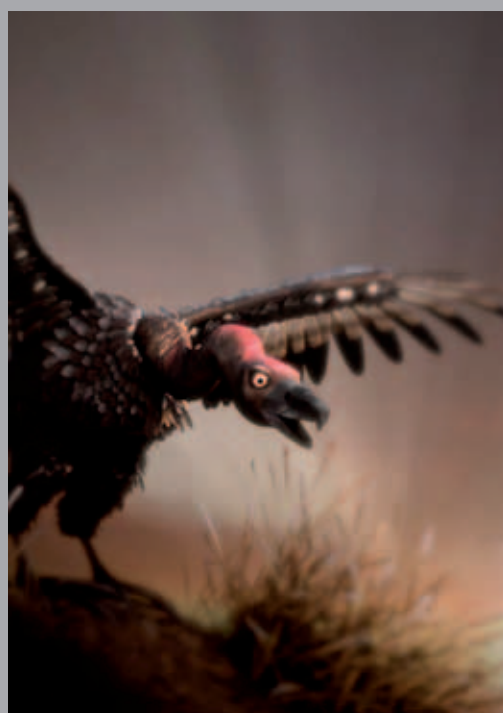
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Animations from graduating students at TAFE NSW–  
Sydney Institute of TAFE, celebrating the 120th anniversary of  
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