

# AUSTAFE STATE CONFERENCE

Thursday 4 August 2016

## TAFE in the current national VET environment – a TDA perspective

My presentation today is unapologetically focussed on the role of TAFE across Australia, consistent with the mandate of TAFE Directors Australia (TDA) which is to provide influential advocacy for TAFE institutes at a national level.

Today I will look at three aspects of TAFE within the national VET environment.

1. An overview of current organisational and structural arrangements for TAFE at a federal level and across the different states and territories
2. Consideration of some important policy positions of TDA
3. and (consistent with the theme of this AUSTAFE conference) an overview of some TAFE institute strategic partnerships.

### Introductory Snapshot of VET

The second release of total vocational education and training (VET) data by the National Centre for Vocational Education Research (NCVER) shows there were an estimated 4.5 million students enrolled in training in 2015. The data provides an estimate of the nature and extent of training reported by 4277 Australian training providers and builds on last year's release which marked a turning point for the VET sector, following the introduction of mandatory reporting of training activity.

Australia is at the extreme end of the spectrum by international standards, having more training providers than similar jurisdictions. The source NCVER paper, *VET provider market structures: history, growth and change*, by Patrick Korbel and Josie Misko, identifies that there are 3,129 people per provider in Australia, compared with 15,725 in Ontario, at the other end of the spectrum.

The NCVER report also clearly demonstrates that despite the extraordinary growth of private colleges (66.3% of student enrolments)

TAFE institutes (20.5%) are doing the heavy lifting in delivering high quality skills, qualifications and jobs.

TAFE is the dominant training provider in key areas of skills delivery, including in what NCVET refers to as 'fields of education' and trade apprenticeships.

“Between 2010 and 2014 TAFE continued to be the dominant provider for government-funded enrolments for plumbing, and electrical apprentices, providing between 80% and 90% of market share respectively.”

The report also says: “The highest completions of nationally accredited course qualifications are those produced by TAFE, with the share produced by private RTOs being almost half that of TAFE.”

## **Federal**

TDA recently congratulated Karen Andrews on her appointment as Assistant Minister for Vocational Education, replacing Senator Scott Ryan. However, this appointment now represents the 7<sup>th</sup> Minister for vocational education in the past three and a half years.

This progression of Ministers has been challenging for those in our sector.

Additionally, a comprehensive vision for TAFE and the vocational education sector appears to have largely escaped the federal election, our political leaders and pundits. The economy, taxation, school education and health each gained traction in the federal campaign. However, too little attention has been paid to tertiary education – even less to its funding and the balance between higher and vocational education.

Air has been sucked out of discussion of the role and contribution of VET and TAFE in particular by the focus on the disasters associated with VET Fee Help. Over the period 2009 to 2014, the Commonwealth paid out \$3 billion in VET FEE-HELP to training organisations, with

private colleges having 75 per cent of the total (NCVER report commissioned by TDA).

Even with the appointment of a new Assistant Minister it appears that Minister Simon Birmingham will take overall responsibility for overseeing the review of the VET fee HELP scheme.

The \$450 million National Partnership Agreement will finish in 2017 and it is not yet clear whether it will be renewed.

## **States and Territories**

The trend across Australia has been for State and Territory Governments to rationalise their TAFE institutes into new entities.

This is the case in NSW, Queensland, South Australia and Western Australia. And not all institutes are called TAFE (institutes, polytechnics, dual-sector universities)!

This trend has provoked wildly different comments from a various commentators ranging from the perspective that the reforms will save money in back end services, create more choice and efficiency of services and encourage collaboration, to others who argue that more centralisation will increase inefficiency and diminish responsiveness to students and industry.

### **Queensland**

As many of you know TAFE Queensland was established as an independent, commercially focussed statutory body in July 2013. TAFE Queensland has six regional RTO's that operate under the collective title of TAFE Queensland.

The key budgetary initiative by the current Government is the 'Rescuing TAFE' program, which was announced under the 2015-16 state budget. The Rescuing TAFE initiative will see \$34.5 million over four years allocated to a range of measures to ensure TAFE Queensland continues to be the premier training provider in the state.

## **Victoria**

Victoria has 12 stand-alone TAFE institutes and four dual sector universities (that are not legally TAFEs but considered to be part of the public VET network)

The VET reform package (in response to the Victorian Government's VET Funding Review) will be announced mid-August. It is understood that the budgetary envelope for VET will be the same, but extra funds will be directed to TAFE to recognise its distinct role

Victoria's TAFE model is distinctly different to others' across Australia, with local governance and operational leadership.

## **NSW**

Ten TAFE institutes in NSW will now be amalgamated into one government-run entity with course closures, asset sales, job cuts and technology – based teaching driving new efficiencies.

## **South Australia**

TAFE SA operates as one entity. There have been no changes since WorkReady was introduced mid 2015

TAFE SA is implementing the outcomes of its "Improving Access to Education" consultation process, the largest public engagement by TAFE SA in its 46 year history where TAFE SA sought feedback on what courses they train in, how to deliver the training in terms of on-line/blended/classroom (physical and mobile), and where they deliver it (TAFE SA campuses or community facilities)

## **Western Australia**

The WA government recently announced a series of amalgamations of its TAFE colleges. 70 campuses will now be managed by five TAFE colleges, with interim managing directors.

## **Northern Territory**

The Northern Territory has two publicly funded VET providers – Batchelor Institute and Charles Darwin University.

The nomenclature TAFE is not used to describe the public providers in the Territory – Batchelor is an Institute and CDU a dual sector university with a VET sector.

The Northern Territory Government introduced contestability of a limited number of VET qualifications in 2016. This is expected to increase in 2017, subject to the outcomes of the upcoming Territory elections in late August 2016.

## **TDA policy perspectives**

### **1. Enable TAFE to fulfil its charter as the public provider – A national compact**

In 2014 the House of Representatives Standing Committee on Education tabled “TAFE: An Australian Asset”. The report recommended that the federal government: ... “make a value statement comprehensively defining the role of TAFE within the VET sector together with its future direction in the competitive training market”. The report urged government to ‘recognise that the affordability and accessibility of the training market is underpinned by a strong public sector provider’.

This view was echoed in the 2015 report on the Review of the National Partnership Agreement on Skills Reform.

In national higher education policy, the Commonwealth Government articulates a special relationship with public universities through a special compact. The lack of a similar compact with the public TAFE sector has seen TAFE devalued and diminished as a national asset. As a result, TAFE institutes have fewer resources for advancing the public interest.

A compact similar to the public university model would provide a policy reference point and support TAFE Institutes to fulfil their mandate to serve communities and the national VET policy agenda. A national

compact for TAFE would focus attention on resourcing the public VET sector so it can fulfil its mandate.

## **2. Quality: A Risk based regulatory regime**

To TDA the future of vocational education and training (VET) graduates depends on the quality of providers. Training must support

- quality outcomes for graduates
- assessments must reflect the needs of the workplace, and
- training must be fairly priced.

Revelations have shown a number for-profit private providers were approved under the VET FEE HELP Commonwealth loans for students, yet have acted far from ethically and in some cases have acted fraudulently. The result showed many private colleges misused millions from taxpayer funds by deceiving students with flimsy delivery training practices, poor assessment and price-gouging. Many students have completed qualifications only to see them recalled. Vulnerable people have assumed debt beyond their capacity to pay, for qualifications they cannot complete. Many have unwittingly ‘burned’ government-funded training entitlements on flawed programs which have not improved their career prospects.

Protecting student interests protects the national interest A risk-based regulatory regime is the best way to protect student interests. Focusing on consistently strong student outcomes over time, alongside financial viability indicators, enables regulators to differentiate high and low quality VET providers rather than focusing on compliance. TAFE Institutes, including our six dual sector universities with ‘TAFE’ divisions, represent low risk providers.

While governance and reporting arrangements vary across jurisdictions, all TAFE Institutes report annually to state and territory governments and their financial status is reviewable by the relevant auditor-general. Their performance is open to public scrutiny.

A **provider classification system**, as part of the risk management framework, would acknowledge the diversity of VET providers and

provide a way for students, industry and the national regulator, the Australian Skills Quality Agency (ASQA) to distinguish between these providers. This would enable ASQA to identify a range of providers from those that require a lighter regulatory touch through to those that require constant monitoring.

By comparison TEQSA regulates higher education provision using a risk-based framework and a provider classification system. Under risk-based regulation, providers categorised as low risk would be granted delegation to alter their scope of registration and to accredit courses. This would support them to respond quickly to industry demand and learner needs, improve efficiency and effectiveness, and reduce operational costs.

### **3. VET FEE HELP**

The VET FEE-HELP program was described by the former Assistant Minister for Vocational Education and Skills Senator Scott Ryan as a “disaster” and a recent federal government discussion paper has revealed the full extent of the abuse.

The discussion paper ‘Redesigning VET FEE-HELP’ gives a brutal outline of exactly what was going on with private, for-profit training providers enriching themselves through Commonwealth VET FEE-HELP payments. Deliberately targeting the most disadvantaged individuals, the private colleges used commissioned brokers to enrol ill-equipped students in expensive, online courses of dubious quality, which they were unlikely to complete, or in many cases, even commence. Between 2012 and 2015 the average growth of VET FEE-HELP enrolments was 134 per cent a year.

The total number of students accessing the VET FEE-HELP scheme has increased more than 50-fold since its establishment, from 5,262 in 2009 to around 272,000 in 2015, between 2014 and 2015 VET FEE-HELP payments soared 67 per cent to a staggering \$2.9 billion with private providers accounting for \$2.46 billion or 84 per cent of the total. The TAFE share was just 14 per cent. The Department of Education and Training’s analysis says that a critical failure of the program lay in its own inability to withhold VET FEE-HELP payments to providers who were doing the wrong thing.

TDA made a number of recommendations to the Commonwealth Government including that “a requirement of approval as a VET FEE HELP provider is that the RTO must occupy the lowest risk category of ASQA’s regulatory Risk Framework”

## **Australian apprenticeships**

A number of current constraints are impeding growth in the Australian Apprenticeship system and have led to declining numbers of apprentices and trainees in training. Foremost of these constraints is the lack of incentives for employers to support trade careers for young people, or for mature-aged workers wishing to move into a skills-based career.

### *Declining numbers of apprentices and trainees*

The decline in numbers of apprentices and trainees is startling. At its peak (December 2010), the apprenticeship system had 440,700 apprentices and trainees in training which was reached after traineeships in ‘non-traditional’ occupations were added to the system and grew to double trade apprentice numbers.

By December 2014, the numbers in training declined further to 316,400 due to falling commencement and completion rates. While numbers increased slightly to March 2015 (319,700), alarmingly rates of non-completion remained over 50% with approximately one third of apprentices leaving their apprenticeship in their first year.

TDA maintains that measures to arrest the decline are now critical. Over 33% of employers in Australia report difficulties in recruiting trade and technician workers with many reporting difficulty finding apprentices with adequate STEM (science, technology, engineering and maths), problem solving and language literacy and numeracy (LL&N) skills.

Almost one quarter of apprentices have low LL&N skills which significantly impacts on their capacity to learn and acquire other skills. This contrasts starkly with employer demand (most notably in manufacturing) for higher level skills and capabilities such as technical, ICT/digital and innovation/design and creative thinking skills.

The high rate of non-completion highlights concerns about the adequacy of career advice. particularly when in the face of severe shortages of trade skills, 20% of apprentices in training are ambivalent about the apprenticeship experience, 33% of employers are ill-prepared to employ an apprentice and current models of apprenticeship do not distinguish



between the different needs of apprentices or between different employers and workplaces, and struggle to support apprentices when they are displaced from work during economic downturns.

#### **4. Higher education**

TAFE institutes across Australia have been approved to deliver their own degrees for over ten years. In this short period of time, eleven TAFE institutes have taken up the opportunity to register as a Higher Education Provider (HEP) and have their own programs accredited. It is now emerging that higher education developed and delivered in TAFE Institutes are distinctive higher education programs, with a real difference in the style of students they attract and that TAFE higher education plays an important role in ensuring diversity, access and equity within the tertiary sector.

TAFE institutes, in developing their degrees, have selected appropriate industry relevant and industry recognized programs for delivery in rural, regional and urban locations to ensure that their programs are available to often isolated low socioeconomic groups. TAFE institutes across Australia have recognised that there is a social responsibility to provide greater access to high quality; industry focused higher education to all groups in society by developing appropriate admission processes that break the nexus between year 12 results and course entry. TAFE institutes ensure that students can transition smoothly from VET programs into their degree programs, with appropriate support and small class sizes to ensure they are geared for success. Importantly most TAFE higher education programs incorporate work integrated learning, something that TAFE have provided for generations.

Admission to the courses can vary, however all provide direct pathways from VET programs within the delivering institutions. All programs have an alternative entry process to ensure mature age learners and those currently in the work force are able to access these programs.

TAFE degrees have attracted a distinctly different cohort of students compared to those studying higher education at a university.

To rectify inequitable and out-dated policy settings for TAFE HEP students, TDA has made numerous submissions calling for the Commonwealth Government to:

- Extend Commonwealth Supported Place (CSP) funding to TAFE higher education students - not just those studying at university - and subsequently remove FEE-HELP loan fees;
- Expand Commonwealth Supported Places to all higher education qualifications in TAFE HEPs;

## **Lets work together: An overview of some TAFE institute strategic partnerships**

### **1. TAFE NSW-Barangaroo Skills Exchange, known as the BSX.**

BSX is a partnership between the project developer, Lendlease, TAFE NSW and the Construction and Property Services Industry Skills Council, with training led by TAFE Western Sydney.

BSX was conceived as a hub where workplace training could be provided on site at Barangaroo for the workers engaged on the project. Over the 10-year life of the project, the BSX has a target to provide 10,000 workers with accredited qualifications.

Just three years into the project almost 9,600 workers have already been trained. A requirement that 20 per cent of all skilled trade work be performed by apprentices or trainees has resulted in over 700 apprentices being inducted and supported on the project. The BSX is delivering national qualifications ranging from skill sets and Certificate I to Advanced Diplomas, as well as a range of programs in literacy, numeracy, workplace health and safety, personal health awareness, first aid and leadership.

As well as directly giving skills to Barangaroo site workers, it is also fulfilling a longer term role for the construction industry, because of its longevity people have been able to start and finish

their apprenticeship on the site. Apprentices don't often get the opportunity to do that.

The BSX was thrown an additional role in January when it was used to train staff from the world-acclaimed Noma restaurant in local food and alcohol regulations during the eatery's sold-out visit from Denmark.

## **2. William Angliss- Regional Tourism Employability Program**

Through the Regional Tourism Employability Program (RTEP) William Angliss Institute is operating collaboratively with a range TAFE institute partners across Victoria.

The program includes a range of linked projects that aim to build access and capability across Victoria in events, tourism and hospitality tertiary education, leading to higher participation rates of regional students in tertiary education, enhanced employment opportunities and capability in these industries in regional Victoria. The courses offered range from Certificate III in Travel and Tourism and Hospitality and or Events (these are pathway into Diploma) through to the Diploma qualification in these course areas.

In conducting the program William Angliss, works with and supports the TAFE partners in a number of ways including Structured Work Experience, an attraction and retention strategy, promotion of regional event, tourism and hospitality programs, enhancement of student transition into the workplace, development of relationships with local industries including access to the institute's network of industry partners, This network includes

- Visit Victoria
- VTIC (Victorian Tourism Industry Council)
- VEIC (Victorian Events Industry Council)
- AHA (Australian Hotels Association)
- Restaurant Caterers Australia
- Mornington Peninsula, Philip Island Tourism Employment Plan Committee

In addition the institute provides access to its dual sector status to facilitate the transition for those seeking further studies in tertiary education and coordinates Melbourne based residential for all students participating in the RTEP at no cost to the TAFE partners.

### **3. Holmesglen- private Hospital**

When a private hospital opens at Victoria's Holmesglen Institute early next year it will mark a new era in the evolution of TAFE as a partner with industry in applied healthcare research. It will be Australia's first private hospital that is co-located with a TAFE, providing comprehensive, acute healthcare services, and cutting edge training facilities. Holmesglen Private Hospital is a partnership between Holmesglen Institute and the private healthcare operator, Healthscope, Australia's second largest private hospital operator, listed on the ASX.

The hospital comprises 147 medical and surgical beds, state of the art intensive care and coronary care units, seven integrated operating suites, a cardiac catheter laboratory, a day oncology department and an emergency department. It will also include a comprehensive radiology department, pathology services, a pharmacy and café, as well as a number of specialist consulting suites. The hospital is set to open in early 2017 on Holmesglen's Moorabbin campus. The partnership will provide an integrated approach to teaching and learning, with formal training at Holmesglen and clinical placements at the Healthscope hospital. Holmesglen already offers a range of healthcare programs including a Bachelor of Nursing, making it the only TAFE with Commonwealth-funded nursing degrees.

### **4. HE TAFE provider network**

Australian TAFE HEPS have their own community of practice. They formed a **National Network** in March 2013 with the support of TDA. The Network which comprises all TAFE institutes offering higher Education courses meets on a regular basis to share

information, resources, to benchmark and to promote good practice.

The objectives of the network are:

- To share knowledge and information between TAFE HEPs across states and territories;
- To encourage a shared voice on issues and practices relating to the provision of HE in TAFE across jurisdictions;
- To articulate this voice to a range of bodies including the Board of TAFE Directors Australia and other bodies for representation to state and federal policy in regard to HE and VET settings;
- To cooperate in the design and delivery of joint initiatives (such as scholarship and workforce development projects) across jurisdictional boundaries;
- To develop relationships for knowledge exchange and business opportunities with international networks such as Further Education Colleges (UK) and Community Colleges (USA and Canada).

## **CONCLUSION**

The TAFE sector has a reputation for quality delivery and assessment. While the sector is undergoing significant change in its administrative arrangements, it seems that a way of maintaining its quality reputation is through partnerships, collaboration and team work.