

# GEARED TO WORK

*Debate grows on whether the technical and further education system is adequately skilling Australia.*

*Story: Geoffrey Maslen*

Australia's huge and dynamic technical and further education network looms large in the lives of many of the nation's citizens. After all, more than 2 million students are enrolled in the 61 public TAFE institutes and they range from teenage apprentices and adult technicians to nurses, early childhood educators and would-be financial planners.

With twice the number of students taking courses than in Australia's 42 universities, the TAFE colleges with their 1,300 campuses and smaller centres, dotted across city, suburban, regional, rural and even remote locations, deliver more than 80 per cent of the advanced technical skills training needed by industry and commerce.

Not only do they prepare new generations of apprentices and trainees every year, many of the institutes also enrol thousands of offshore foreign students throughout the Asia-Pacific.

But with significant changes to the sector in recent years, including increased competition among providers, there is vigorous debate about the way in which pathways to employment are being delivered.

Publicly-funded vocational education and training, or VET, is best known through the courses run by the TAFE institutes as well as by secondary schools, technical colleges and even some universities. In fact, six Australian universities have large TAFE divisions that offer VET programs in parallel with the academic subjects.

Far less publicly familiar are the vastly more numerous private VET 'registered training providers'. In fact, there are 5,000 of these RTOs as they are called and they include business colleges, industry associations, employers and training organisations. The mostly for-profit VET providers now compete with the public TAFE institutes for students and government funding, but so fierce has this competition become that some supporters fear for the future of TAFE.

In a submission to a House of Representatives inquiry into TAFE, Dr Leesa Weelahan says Australia's future prosperity and social cohesion are threatened by recent attacks on TAFE.

"TAFE is being decimated by state and Commonwealth government policies to encourage markets in vocational

## *TAFE students come from a wider range of backgrounds than in most universities*

### LEARNING FOR LIFE:

TAFEs play a key role in developing skills needed for innovation



education and training and by funding cuts,” says Dr Wheelahan, who recently moved from the University of Melbourne to take up a post as professor of community college leadership at the University of Toronto in Canada, “The structure of markets in VET in Australia will inexorably undermine TAFE [which] plays a key role in articulating, developing and institutionalising notions of the social good and the knowledge and skills that are needed to support innovation and Australia’s future prosperity. TAFE’s future is at stake,” she writes.

In a similar monitory submission, the Australian Education Union says it is becoming increasingly apparent that TAFE’s medium and long-term survival is now at risk in many states and territories: “While most policy-makers acknowledge that TAFE needs to play a pivotal role in the emerging tertiary sector, its institutional capability is being undermined and its crucial role in creating positive social and economic futures for citizens of all ages and regions of the nation is being threatened,” the union declares.

Last year, the then Labor government initiated an inquiry by the House Education and Employment Committee and it attracted more than 170 submissions from unions, corporations, employer associations and individuals. But the inquiry lapsed when the federal election was called.

Then in February this year, Industry Minister Ian Macfarlane asked the committee “to continue the work of a previous parliament into this area” and accept the submissions to the previous committee as evidence. In an unusual move, the Senate is holding its own TAFE inquiry and will consider any public information provided to the 2013 House committee, including the submissions.

Under the House inquiry’s terms of reference, the eight-member committee is to report on the role played by TAFEs in the development of skills in the Australian economy; the provision of pathways for Australians to access employment [or] a university education; and the operation of a competitive training market.

“I am pleased to be able to continue the important work of the previous committee, especially given the importance



of TAFE institutions in battling unemployment,” said committee chair Ewen Jones (Herbert, Qld). “This is a current issue of significance around the country and one which requires attention.”

The committee began a series of public hearings in March when it heard evidence from TAFE Directors Australia. The association’s chief executive, Martin Riordan, told the members that although the states and territories were legally responsible for their TAFE institutes, “the federal government is a hugely influential stakeholder”.

Mr Riordan said that in the 2012-13 financial year, the Commonwealth contributed \$2.2 billion out of a total of \$8.6 billion spent by the TAFE institutes, with the states providing \$3.9 billion and the balance made up from fees, student loans and training for commercial services.

“It is a particularly poignant time for an inquiry like this to be reactivated,” Mr Riordan said. “For it is the 40th anniversary since the Commonwealth inquiry by Myer Kangan into technical and vocational education in Australia. [That inquiry] laid the vision and the framework for a public provider network and the formal creation of the TAFE network.”

In their submission, the TAFE directors note that the Gillard government’s introduction of “demand-driven funding” for universities had abolished federal limits on student enrolments, thereby opening the institutions to greater competition among themselves. To help them cope,

the universities received nearly \$400 million of “structural adjustment funding” from the government.

“Yet a Commonwealth policy-induced change that opened up Australia’s 61 TAFE institutes to greater competition from 5,000 registered training organisations (including the universities) attracted not a single cent in adjustment funding from the Commonwealth,” the directors say.

They are not alone in pointing out that their institutes not only have to compete with the VET providers for government funding and students, but also have community service obligations that do not apply to the private operators.

**“Many of the qualifications granted in the VET system are not valued by employers”**

TAFE students come from a wider range of backgrounds than those in most universities, with a higher proportion from blue-collar homes and many more Indigenous, disadvantaged and disabled students enrolled. As well, the TAFE institutes’ geographic reach extends beyond the cities and outer suburbs to regional and remote communities – areas where few university campuses are located.

In another submission, the Community Services and Health Industry Skills Council notes that two out of every three



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**JOB READY:**  
Call for more  
industry involvement  
in training sector

post-secondary students are undertaking courses in the health and community services fields. The council says half the nation's TAFE institutes have major campuses in regional and rural locations, with further outposts in smaller communities and a range of outreach centres. TAFE providers also operate mobile and e-learning facilities to aid regional and remote students.

This involvement of TAFE colleges in regional, rural and remote communities puts them in a unique position to deliver education and training in health and community services, the submission states. By this means, the institutes support the recruitment and retention of workers in areas that are typically more difficult to fill than in metropolitan areas.

But the council says the demand-driven training market created by state and territory governments has led to structural and far-reaching reform of their TAFE systems, with budgets being cut or linked to student demand. Victoria led the way in 2011 in a move that resulted in the rationalisation of TAFE colleges with mergers between some institutes and some universities taking over TAFE.

"It is still too early to assess the full impact of these changes," the council says. "However competitive training markets come with the risk that if they are implemented without sufficient regard for the broader employer and societal demands, and requirements for appropriately trained and qualified workers, this approach could reduce TAFE's ability to meet the projected 35-77 per cent increase in demand for

workers in the community services and health industry by 2025."

Several submissions to the House of Representatives inquiry are critical of the TAFE colleges and the private providers because, they argue, the quality of their training is inadequate.

The Minerals Council of Australia says the publicly funded VET sector has largely failed for years to meet the needs of the minerals industry. The council raises concerns about training outcomes, agreed standards, monitoring and auditing, and the availability of reliable information about the large number of providers.

"[We have] consistently advocated for reform of the VET sector as we believe that to make an optimum contribution to the Australian economy, the sector must be industry-led and responsive to the needs of industry. Progress towards a demand-driven VET sector is acknowledged, though concerns continue to surround the variable quality of training outcomes within the sector."

Adding to criticisms of "unscrupulous private providers" mentioned in several submissions, the council says these organisations have taken advantage of the lack of information available to students by enrolling them in courses with little prospect of a job at the end.

"As a result, many of the qualifications granted in the VET system are not valued by employers; similarly titled courses can be of vastly different durations of days or even years



and provide variable quality outcomes. A longer course is not necessarily a better course – however there have been instances of dollar-driven training organisations insisting on shorter timelines, against industry’s wishes, to the point of adversely affecting quality.”

One of the 11 industry councils established by the federal government to boost skills and workforce development is AgriSkills Australia. Its submission points out that to contribute to Australia’s global competitiveness and to build “a world-class, highly productive workforce”, the agricultural food industry needs a flexible, dynamic and responsive training system that guarantees the current and future skills requirements of their people.

The council represents 180,000 mostly small to medium sized agricultural food enterprises that employ a workforce of more than 840,000 people. It says the industry generates more than \$230 billion each year, accounting for 20 per cent of Australia’s export earnings, while also producing 89 per cent of Australia’s domestic food supply. And it adds a punch line: “One Australian farmer produces enough food to feed 155 people.”

Yet the food industry is facing an urgent need to boost the skills of its workforce, while “the rigidity of public funding models for delivery of training, and governments’ steadfast policy commitment to full qualifications, continues to erode the relevance of VET to the agrifood industry at a time when these sectors most need to build their skills base,” the council says.

“Of major concern is the variation in the quality of VET teaching and assessment delivered by public and private training providers. It is vital that courses offered by TAFEs and private RTOs reflect industry needs. Trainers must have current industry knowledge and be equipped with the skills to deliver it via a range of appropriate delivery modes.”

Another of the skills councils, Manufacturing Skills Australia, also says TAFE has struggled to meet the rapidly changing needs of industry during a period of intensive structural adjustment. It says new technologies are demanding new skills while the growth of the resources sector in regional areas is putting demands on TAFE in geographical and skill areas where often the necessary educational and human capital resources are not available, or have not been considered.

## *Completion rates need to be improved*

“The organisational structure of the TAFE system makes it slow to respond to these demands, which is resulting in increasing criticism .... It could be argued that the move to a competitive training market and user choice funding models are tools to make the TAFE system more flexible and responsive to industry needs. [But] MSA has concerns around these models as drivers of change ...”

The council warns that by 2016 Australia will face a shortfall of 6,000 technical and trade engineers, and a further 37,000 professional and management engineers will also be required. Yet engineering is one of the skill areas most at risk under



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the entitlement models being introduced by the various state governments.

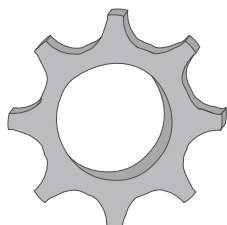
“The major criticism in relation to the role TAFE plays in the development of skills in the Australian economy is directed at policy which is largely focused on inputs, that is, nominal hours of training activity, rather than outcomes, that is course completions,” the MSA says.

“If the TAFE system is to continue to play a major role in the development of skills for the Australian economy, these completion rates need to be improved. The significant public investment in the publicly owned TAFE system should provide a benefit for the whole community, of which industry is one part.”

The council says the development of a wider market in vocational education and training through policy changes that provide for privately owned RTOs to operate is not in question. However, public investment in vocational education and training infrastructure and establishments should be used to maximise benefit for all.


“This investment needs to be done wisely and be supported by an economic rationale. That rationale must embrace the needs of all under the charter of a public TAFE system, and in equitable ways,” the MSA concludes. ■


**INPUTS AND OUTPUTS:**  
Debate continues over policy directions for TAFE



**LINKS**

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