

# Expert Review of the Vocational Education and Training Sector



Victorian TAFE Association Response

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## 1. Introduction

The Victorian TAFE Association is the peak body for Victoria's public providers of Vocational Education and Training (VET), including 12 TAFE institutes, four Victorian dual sector universities, and an Associate member, the Adult Multicultural Education Service (AMES).

The Victorian TAFE Association welcomes this opportunity to respond to the Expert Review of the Vocational Education and Training (VET) Sector. We would like to draw your attention to a number of issues, including:

- TAFE
- The strength of the Victorian TAFE model
- The breadth of the VET sector
- Applied research and innovation
- The whole education sector
- Equal treatment of sectors
- Lifelong learning
- National training packages
- Career advice
- International education and training
- Leverage, harmonisation and coordination

## 2. TAFE

In 2018, the Victorian TAFE Association commissioned KPMG to undertake an analysis of the contribution made by Victoria's TAFE institutes to Victorian prosperity. The highly lauded outcome, *The Importance of TAFE to Victoria's Prosperity: Final Report*, outlined the innumerable ways in which Victoria's 12 standalone TAFEs and the TAFE divisions of its four dual sector universities contribute to Victorian wellbeing.

The report demonstrated that TAFE made an economic contribution of almost \$3 billion to Victoria's Gross State Product, with every \$1 spent by Victorian TAFEs generating \$2.19 of value-add to the Victorian economy. But more than that, the report showed that the contribution made by TAFE is more than a matter of economics and finance and includes a large 'social footprint' that champions and delivers "equity and access to education and training for all Victorians".<sup>1</sup>

The KPMG report is a reminder of the need to differentiate between private training providers and TAFE, with the latter fulfilling a public and social 'charter' that is a product of history and design, and is often explicitly required through legislation and other policy instruments.<sup>2</sup> TAFE is informed by more than whether or not an activity will generate a profit, but by a civic duty to the wellbeing of the communities in which they are immersed and serve. Indeed, the community itself holds TAFE to this more exacting civic standard, with an expectation that TAFE institutes fulfil or contribute to the attainment of a suite of social and cultural indicators and to the maintenance of society.

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<sup>1</sup> KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed 1 August 2018: 8.

<sup>2</sup> By way of example, section 3.1.13 of Victoria's *Education and Training Reform Act 2006* explicitly requires Victoria's TAFE institutes to be public spirited in their operation, including by providing "programs and services which are responsive to the needs of the community"; and by providing "facilities for use by the community".

There are a number of ways in which this mission operates, such as:

- Multiple campus locations: Victoria's TAFE institutes and dual sector universities operate more than 100 campuses spanning the state. Their existence is based not on economic grounds solely, but also on community need, providing access to education and training facilities to communities that would otherwise go without. Proximity to an educational institution is often a leading factor in decisions regarding further study, so the presence of TAFE campuses within regional areas contributes to participation in tertiary education and training for regional students who would otherwise be disenfranchised. Indeed, the KPMG report showed that regional TAFE institutes train proportionally more regional students than private providers or universities. In addition, the facilities and resources at TAFE campuses are used for more than educational purposes alone, being available for community and industry use for multiple purposes, including in times of crisis (such as during a natural disaster).
- Thin markets: this refers to a situation where there are "few learners (that is, there is low demand for VET) and/or VET providers (that is, there is limited supply of training)".<sup>3</sup> A thin market can apply to "occupational areas, industry areas and geographic regions (particularly in rural and remote locations)". While these areas can (and sometimes are) catered to by private providers, such providers can (and sometimes do) decide to leave a thin training market if they deem it economically preferable to do so (that is, if they do not make a profit). But for TAFE institutes, the decision rule is not forged in matters of finance alone, but is more nuanced, taking account of the many social and environmental factors that contribute to community and social wellbeing and resilience.
- Community development: Victorian TAFE institutes play a leading role in leading and coordinating efforts to rebuild communities that have experienced economic dislocation and transformation. A good example is the Skilling the Bay initiative led by The Gordon Institute and delivered in partnership with Deakin University and the Victorian State Government. This initiative provides the people of Geelong with opportunities to address issues resulting in the closure of important industries like motor vehicle manufacturing and to engage with emerging sectors.<sup>4</sup>
- Partner to government: TAFE institutes partner with government to deliver and implement policy, or to ensure the delivery of projects that require the utmost integrity and skill. An example is the deployment of the Victorian TAFE network to deliver bespoke business and governance development training to 800 Business Managers in Victorian public schools. This training need was identified by Victoria's Independent Board Against Corruption (IBAC), and Victoria's Department of Education turned to the expertise and strength of the TAFE network to design and deliver the training.
- Diverse cohorts: TAFE plays a major role in providing opportunities for those who come from disadvantaged backgrounds, with a student cohort that includes large numbers from non-traditional backgrounds. Research by KPMG showed that in Victoria alone, the TAFE network delivered training to three times as many students from low socio-economic backgrounds as higher education providers, and about four

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<sup>3</sup> NCVER (2008), *Vocational education and training providers in competitive training markets*: 30

<sup>4</sup> <https://www.thegordon.edu.au/stb/about>, accessed 18 January 2019.

times as many Indigenous students.<sup>5</sup> Further, TAFE and AMES play a crucial role in the delivery of English language and vocational training to Culturally and Linguistically Diverse (CALD) communities, helping to address barriers to employment faced by this cohort. Without the conduit provided by TAFEs and AMES, many from disadvantaged cohorts would likely be excluded from tertiary education and training and from engagement with society.

Despite this rich social contribution, TAFE institutes currently face performance measures that are highly focused on financial outcomes and the need to demonstrate a profit (or surplus). But as noted above, TAFE is informed by more than a simple profit motive, but by a civic duty. More importantly, TAFE is held by governments and the wider community to this more stringent social standard. Current indicators capture 'profit' (either directly or by proxy) but do not adequately capture the latter, missing a large swathe of TAFE activity. The consequence is that a complete understanding of the contribution made by TAFE is missed, and so a change in the way this is measured is warranted.

The Victorian TAFE Association considers that the special public and social service role should be more explicitly recognised and cherished in Commonwealth policy. TAFE should be seen and recognised as more than a training provider, but as a trusted partner of government whose resources and skills can be used to tackle and address economic, social and cultural policy issues.

Explicit recognition of TAFE's special position would transpire in a number of ways, including in funding, in policy that explicitly recognises TAFE's special role, in the manner in which the sector is regulated, and in how its contribution is measured. With respect to funding, the Victorian TAFE Association recommends that there be streams designed to explicitly support programs to facilitate community and social building activities, and for these to be funded on cycles of more than one year to enable greater long-term planning.

### **3. The strength of the Victorian TAFE model**

In 2017, the LH Martin Institute undertook an analysis of the highly devolved structure of the Victorian TAFE network and compared it to more centralised approaches in other states.<sup>6</sup> While comparable states (for example, NSW) have moved towards a highly centralised structure whereby formerly independent TAFE institutes are merged and centrally managed, Victoria has preferred to continue with an approach that establishes a series of independent TAFE institutes, each with their own CEO and Board of Directors.

The LH Martin research highlighted a number of features that were shown to convey an advantage to Victoria as a result of its decentralised approach:

- Victoria's TAFE system, which is more localised to regions within country and metropolitan Victoria, enables greater alignment with other bodies and institutions (such as those in local government), facilitating collaboration on social and economic development.

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<sup>5</sup> KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed 17 January 2019.

<sup>6</sup> Goedegebuure, Leo and Schubert, Ruth (January 2017), *Strengths and Benefits of the Victorian TAFE Model*, LH Martin Institute.

- The CEOs of Victoria's TAFE institutes are more connected to local communities, making them more able to respond to local realities and opportunities; and to make decisions and provide an easily identifiable figurehead for external stakeholders.
- The devolved nature of Victoria's system results in a greater number of CEOs, Board Chairs and Board Directors than their centralised counterparts. This creates a number of benefits, including access to increased networks, a larger variety of experience and skill, and a greater pool of people to offer innovative and strategic thinking.
- The Victorian approach facilitates high profile industry specialisation and the formation of long-standing relationships with industry sectors.
- Victoria's system does not stipulate a requirement to have equal-sized TAFEs across the state. As a result, regional areas are better served by having local TAFEs, which are large enterprises for their regions, with the local authority of a CEO.
- Related to the point above, the system has great diversity in terms of scale and size, educational scope and mission that ensures greater alignment between the education and training needs of regions and a TAFE institute's training profile. With respect to this point, Victorian TAFE institutes have, where possible or required, worked collaboratively in the delivery of projects or activities, drawing on the diversity and strength of each of the Network's parts.

The devolved nature of the Victorian model also provides the means for greater protection of branding and reputation. In centralised models, poor practices and behaviour in one part of a TAFE affect the standing of the whole. This is because, where a TAFE is centralised, it is difficult to impossible to provide any meaningful form of demarcation, and so the entire brand is affected. However, in devolved models, this is not the case, and so an 'infection' can be localised to a particular institute.

The Victorian TAFE Association therefore considers that the review should give consideration to the benefits of the Victorian model, and to encourage its adoption elsewhere.

#### **4. The breadth of the VET sector**

It is not uncommon to hear views that treat the VET and TAFE sector as the 'apprenticeship' sector. While apprenticeships are an important training area for the sector and one of which it is proud, this focus often serves to minimise the breadth of Australia's VET sector. This breadth, or diversity, operates on a number of levels, from a diverse educational and training profile; multiple locations that ensure provision over large geographical and diverse areas; a highly mixed student cohort; to the large range of industry sectors that are serviced.

A consideration of Victoria's TAFE institutes enables some understanding of the wider VET sector. Annually, Victoria's 12 TAFE institutes and four dual sector universities:

- operate more than 100 campuses spanning the state
- provide education and training to over 200,000 Victorian students
- deliver 2 million units of training
- employ about 10,000 staff
- manage over \$2 billion of state-owned assets
- offer training across the Australian Qualification Framework, with many TAFEs registered as higher education providers, while those that are not registered with TEQSA hold partnerships/agreements with universities and other higher education

providers that create pathways between institutions or that includes the delivery of higher education courses (at least in part) by TAFE institutes.

- generate \$171 million of Victorian economic activity (in 2016) through the provision of education and training to international students.<sup>7</sup>

Victoria's TAFE institutes are also considerable providers of secondary education. The Victorian TAFE Association has commissioned research that shows that Victoria's TAFE institutes provided secondary education to almost 6,000 students, with increasing numbers of early school leavers completing their senior school certificates in TAFEs and dual sector universities year on year.<sup>8</sup> Such students have challenging learning backgrounds and tend to gravitate towards communities and professions that accept them (like those in TAFE). The senior secondary settings in Victoria's TAFEs and dual sector universities consistently attract young people who have struggled in school, have experienced disrupted learning for a variety of reasons and are from low socio-economic status families.

Victoria's VET sector includes over 300 Learn Locals, which are independent not-for-profit community organisations that deliver pre-accredited and accredited training to over 95,000 Victorians each year.<sup>9</sup> Learn Locals deliver training to a broad range of users, ranging from existing employees seeking to reskill or upskill, training of adults who have no prior education, to those wishing to complete their formal years of schooling.

The point of this discussion is to ensure a more nuanced and detailed awareness of the VET sector, its breadth and to the role that it does and can play in the education and training of Australians. While the VET sector can and will continue to play a pronounced role in the provision on training for apprentices and trainees, it can do so much more. The Victorian TAFE Association recommends that the review pay attention to the many and varied contributions and activities of the sector, and especially those of TAFE, and to the possibilities to grow these into the future.

## 5. Applied research and innovation

A prominent feature of the TAFE (and indeed the wider VET sector) is its links with industry and community. Perhaps the most well-known way in this manifests itself is in training courses that have a direct industry and community link, and whose creation and sustenance hinges heavily on relationships that provide access to the expertise of industry, community and other end-users.

Increasingly, however, the sector's links with industry and community have evolved, finding expression in an increasing number of areas. One of these is in research and innovation.

Given the TAFE sector's reputation for providing solutions to real-world problems, it is unsurprising to find that TAFE's research activity is mostly applied and translational. Applied and translational research is that which is directed towards acquiring new knowledge for a specific purpose or *practical* aim and with a particular use in mind. It is motivated to create and demonstrate practical use of knowledge and to generate new insights that solve the real-world problems faced by industry and the community.

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<sup>7</sup> KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed 16 January 2019: 5

<sup>8</sup> Jonas, Pam, Schultz, Nita and van Son, Jo (2017), *Disadvantaged young people: senior secondary completion in Victorian TAFEs and dual sector universities*, Victorian TAFE Association.

<sup>9</sup> <http://www.youthcentral.vic.gov.au/study-and-training/other-study-options/learn-local-education-and-training>, accessed 22 January 2019.

The increasing level of research activity has led to TAFE-led initiatives to support, encourage and build research culture and activity. Examples include:

- Investment by Victorian TAFE Association members to support and build research activity, such as:
  - The allocation of more than \$600,000 over three years by William Angliss Institute to support staff to undertake research projects and to develop HERDC recognised research outputs. William Angliss has also linked scholarly practice to currency requirements for all teaching staff, with research not optional but a fundamental part of teacher duties.
  - The establishment of the Centre for Applied Research and Innovation at Holmesglen Institute, which works (among other things) to assist in the identification of applied research and innovation opportunities and to foster student involvement in applied research and innovation.
- Leading and partnering in large scale research projects by TAFE institutes. By way of example, Holmesglen Institute is working with universities and its partner, Healthscope, on a National Health and Medical Research Council (NHMRC) funded project to prevent falls in Australian hospitals; and with South East Water to develop heating processes for harvested water for use in domestic dwellings (which involved construction of test facilities at Holmesglen). SuniTAFE and its industry partner, Agromillora (a world leader in fruit and olive tree propagation) are working on experimental super high-density crops of almonds and olives at SuniTAFE's Cardross Farm.<sup>10</sup>
- The development and operation of world-class infrastructure used for TAFE teaching and research activities, such as the Automotive Centre of Excellence located at Bendigo Kangan Institute (which includes world-class vehicle and engine testing facilities and a purpose built auto-electrical lab); facilities developed by Chisholm Institute, including the Health Centre of Excellence at its Berwick campus (which features nurse training and simulation laboratories) and the Centre for Advanced Manufacturing at its Frankston Campus (which includes a purpose-built, industry-driven flexible, integrated Design Centre); cutting edge facilities at William Angliss Institute (such as 3D printers that are used to research food production); and the establishment of Australia's first Clinical School for enrolled nurses developed by Holmesglen Institute in partnership with Healthscope.
- Establishing applied research dissemination platforms, including events and symposia hosted by the Victorian TAFE Association and others<sup>11</sup> and the development of Applied Research and Innovation Webinars to give TAFE researchers an opportunity to display research to their peers.<sup>12</sup>

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<sup>10</sup> Further examples of research projects can be seen at <https://www.vta.vic.edu.au/applied-research>, accessed 15 January, 2019.

<sup>11</sup> For example, an Applied Research and innovation Symposium was held in 2016 that was attended by approximately 160 people. The purpose was to showcase applied research in TAFE (<https://www.vta.vic.edu.au/research-directory/applied-research-events> accessed 28 June 2018). In 2018, a conference was organised by the Australian Vocational Education and Training Research Association to showcase VET practitioner research (<https://www.avetra.org.au/pages/inaugural-avetra-vet-practitioner-research-conference-2018.html>, accessed 17 January 2019).

<sup>12</sup> The Applied Research and Innovation Webinars can be seen here: <https://www.vta.vic.edu.au/research-directory/webinar-series>, accessed 15 January 2019.

- The establishment of the VET Practitioners Research Network (VPRN), which provides an outlet for the dissemination and sharing of research activity that occurs within the VET sector.<sup>13</sup>

TAFE research activity occurs despite a paucity of programs to support it. For example, TAFE sector access to existing research funding schemes is constrained by rules that prohibit or limit participation.<sup>14</sup> There are also no Commonwealth programs explicitly designed to support research in TAFE, which stands in contrast to other jurisdictions, including Victoria, which supports applied research projects through its Workforce Training Innovation Fund.<sup>15</sup> Nor are there Commonwealth programs to invest in TAFE research infrastructure and facilities.

The Victorian TAFE Association therefore recommends implementing competitive grant schemes to develop and support TAFE research capability and infrastructure. Further, we recommend that the rules of current schemes/initiatives be reviewed with a view to addressing unreasonable and unnecessary barriers to TAFE participation.

The proposed changes would provide multitude benefits. For example, in recent years, governments have sought to measure research impact.<sup>16</sup> The underlying desire is to ensure that Australia's research activities translate into tangible economic and social benefits. However, lack of recognition of TAFE research means that much policy directed towards research impact is crafted with the goal of fostering greater links between universities and industry, in the hope that this will promote greater levels of interaction and result in higher levels of innovation. In this approach, the universities and research bodies create new knowledge that industry, which is the end-point, takes and transforms into new goods, services and processes.

But in this approach, a key conduit for growth (TAFE) is not taken advantage of. A better approach would instead draw on and recognise the many and varied parts and players in the research and innovation system. One such approach is the 'innovation ecosystem'.

In brief, the innovation ecosystem approach, like its biological analogue, looks at the large number of diverse and interdependent elements that drive research impact and innovation. These range from human factors (such as researchers, teachers, investors, students, entrepreneurs, tradespersons, artists and professional service providers) to material (such as funds, facilities, equipment and general infrastructure) and immaterial factors (such as the legal structure and other customs and institutions that are essential for trade, interaction and

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<sup>13</sup> <https://vprn.edu.au/>, accessed 22 January 2019.

<sup>14</sup> For example, the rules governing the two major Australian Competitive Grant Schemes (those administered by the Australian Research Council (ARC) and the NHMRC) make TAFE institutes ineligible as administering organisations. While TAFE may participate, it can do so only as a partner to a university or other eligible body.

<sup>15</sup> Commonwealth policy absence can be further contrasted through comparison to other judications that have valued and invested in TAFE-equivalent research. Canada's College and Community Innovation (CCI)<sup>15</sup> program is one such program: it supports Canadian colleges and polytechnics (Canada's TAFE equivalent) to work with small and medium-sized enterprises on applied research projects. Its aim is to increase innovation at the community and/or regional level and increase the capacity of colleges and polytechnics to work with local industry on applied research projects.<sup>15</sup> Germany and the Netherlands too explicitly recognise and support TAFE-equivalent research, including through the Fachhochschulen (universities of applied science) in Germany and Hogescholen in the Netherlands, which are public tertiary education institutions established and orientated to applied models of learning and research for small to medium enterprises (SMEs).

<sup>16</sup> See, for example, work from the Australian Research Council, <http://www.arc.gov.au/research-impact-principles-and-framework>, accessed 16 January 2019.

flows of information). Unlike current approaches, the innovation ecosystem approach recognises that research, knowledge creation, impact/adoption and commercialisation are not the domain of a single entity or group like universities, but can be seen in the activities of each of the ecosystem's constituents. It recognises and provides a greater role for the TAFE sector, which through its deep and long-sustained relationships with industry and community, would prove to be a strong conduit for the generation, transmission and application of research and innovation.

The Victorian TAFE Association therefore recommends that, in addition to implementing competitive grant schemes to support TAFE research, that consideration be given to the innovation ecosystems approach and the role of TAFE in driving innovation and research impact, of the ways that current policy limits or fails to support TAFE in this role, and to the development of policies to amplify and support TAFE in supporting research, research impact and innovation.

## **6. The *whole* education sector**

The VTA considers that the scope of this review should be amended to analyse and consider the education sector in its totality, taking consideration of both the school sector and higher education. Recommendations made in the absence of a fuller review would likely prove only partially effective, since policies applied to the VET sector are impacted upon by those developed and applied to other education sectors, most notably higher education.

For example, the sustainability of the VET sector cannot be fully understood without some consideration of Commonwealth policy towards Commonwealth Supported Places. Currently, Commonwealth Supported Places (CSP) are not available to TAFE/VET students, creating a price disadvantage for domestic students who avoid TAFEs to choose a potentially inappropriate course of study in a (subsidised) higher education institution. The market distortion sees local students choose their educational pathway on the basis of funding availability rather than appropriateness for their employment or learning goal. This problem is compounded by the VET Student Loans program, which levies an administrative loan fee of up to 20 per cent on VET students that is not imposed on university students using the equivalent program.

Consideration should be given to regulatory matters too. While the VET sector is ostensibly regulated by the Australian Skills and Qualifications Authority, many important aspects are regulated by other bodies.<sup>17</sup> Many VET operators are also registered higher education providers and deliver higher education courses that are the regulatory responsibility of TEQSA, so thought should also be given to the impact of this and other regulatory bodies. As such, only through a broader analysis can a complete understanding of the regulatory requirements and impacts be understood.

One way to create a 'whole' is to move away from notions that split the sector into secondary, VET and higher education. This current trifurcation does not serve the sector well, creating artificial and unhelpful hierarchies that relegate VET and secondary education

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<sup>17</sup> For example, the Australian Competition and Consumer Commission has oversight on matters relating to consumer protection; the Australian Securities and Investment Commission administers matters relating to private for-profit Registered Training Organisations; and the Commonwealth's Department of Education and Training has oversight over a number of areas, such as the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). Further, there exist regulations levied by bodies at the state government level, such as the Victorian Department of Education and Training. An understanding of the regulatory environment for the VET sector would be incomplete without consideration of these bodies.

to subordinates in the service of higher education, as 'factories' producing graduates on a pathway to university. A superior approach would jettison the three-tiered view and instead conceive of a sector that is made up of 'applied learning' and 'academic learning'. This approach makes far more sense, taking account of 'vocational' anomalies in the higher education sector (such as courses in the health sciences) as well as more academic elements in the current VET sector. It would also provide greater focus on the type of learning and expected outcomes, helping to move away from the current approach that creates a 'rivalry of three' and replacing it with a more synergistic whole.

## 7. Equal treatment of sectors

As noted elsewhere, the TAFE and wider VET sector currently do not have access to Commonwealth Supported Places, creating a distortion that impacts upon the VET sector's ability to increase student numbers. Indeed, the Victorian TAFE Association recommends that the current CSP 'franchise' be extended, so that TAFE students too can access subsidies available to those who obtain their education in a university.

The problems associated with CSP funding have been exacerbated by changes that resulted in the current VET Student Loans program. The limitations created by this program impose barriers upon VET students that are not felt by those in higher education. The imposition of an Eligible Course List inflicts a restriction on VET student liberty to choose the education and training that best meets and serves their personal circumstances. It is worth noting that no such imposition or restriction is levied upon students in higher education, who are free to choose the education of their choice, all of which has the benefit of subsidy and support.

Students in the VET sector are further impacted by the lack of funding available to support vulnerable cohorts. While programs exist at the Commonwealth level explicitly designed to provide support to vulnerable student cohorts in the school and higher education sector,<sup>18</sup> no such programs exist for VET. What support is provided to VET students is generally created at the institute level and funded by the institute through sources such as general revenues.

The favourable treatment given to higher education contributes to negative views of the VET sector, viewed not as an equal and important plank in the wider education system, but as an 'educator of last resort', as an 'after thought' in the system's operation and design. But the successful operation and function of Australian society depends heavily on the education and training provided by the VET sector. It is not a matter of hyperbole to say that Australian society would cease to function successfully without the education and training provided by the VET sector. This reality should manifest in policies that treat VET in a manner equal to those enjoyed by others, including in the funding and support given to VET students.

With respect to student support, the Victorian TAFE Association considers that policy should have a dual aim: to increase participation in education and training; and to increase the depth and diversity of skills. This is best achieved not by some Eligible Course List that limits choice, but by providing students with access to and ongoing support for education and training that is best suited to their needs but that they might not otherwise be able to afford or access. Importantly, the parity of treatment between the sectors would remove distortionary effects that have seen more and more students choose educational offerings that are not suited to their goals, abilities or dreams.

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<sup>18</sup> For example, higher education providers can access support through the Higher Education Disability Support Program (see <https://www.education.gov.au/higher-education-disability-support-programme>, accessed 22 January 2019)

## 8. Lifelong Learning

The transformation of the Australian economy in the past few decades has seen the nation's competitive advantage based increasingly on a highly knowledgeable, educated and highly skilled workforce. The continuance of Australia's prosperity depends heavily on the ability of its workforce to continually adapt and develop skills and on the smooth adoption of newly required abilities. Increasingly, more and more adults will be participating in some form of education and training; in other words, to lifelong learning. With that in mind, consider that nationally:

- 63 per cent of VET students are 25 and older, compared to only 37 per cent for universities
- Students who are 45 and older represent 22 per cent of the VET student cohort, compared to 9.6 per cent for universities (the university figure is for students 40 and older).<sup>19</sup>

These figures tell us that lifelong learning is generally the province of the VET sector, suggesting that the delivery of robust, flexible and effective lifelong learning will require strategies that fully engage and support the VET sector.

But while the VET sector should, on the basis of these facts, be considered the supreme conduit for the provision of lifelong learning, unpredictable policy development has created circumstances that are not favourable to the VET sector's steady development. Instead, the sector is all too often relegated by government to 'educator of last resort' status, a 'poor cousin' to both the school sector and higher education.

Figures collated by the Mitchell Institute demonstrate and reinforce this point. Between 2005-06 and 2015-16, the VET sector saw real-term funding fall from \$5.9 billion, to \$5.7 billion. By comparison, over the same period, school sector funding rose from \$34.6 billion to \$45 billion, while funding to higher education increased from \$17 billion to \$25.9 billion.<sup>20</sup>

The sector's ability to deliver training to those seeking to change career or reskill can also be hampered by Commonwealth and state level policies that do not provide subsidised training where that training results in a qualification lower on the Australian Qualifications Framework than one previously completed.<sup>21</sup> For example, a person who holds a master's level degree and wishes to undertake training at a certificate level would be unable to access subsidised training, even if the certificate is key to securing employment. This barrier applies too to those undertaking qualifications 'within VET', such as a person who holds a diploma obtained in a VET institute who then chooses to undertake a trade course at Certificate III.

As noted elsewhere, the VET sector is prone to be caricatured as the apprenticeship sector. This view often clouds understanding of the sector, and with it, to the role it can play in issues like lifelong learning. To reiterate, the sector is proud of its role in providing the training for Australia's next generation of tradespeople, but so too are we proud of the millions of other Australians we educate and train, including those who seek to retrain later in life.

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<sup>19</sup> *Australian vocational education and training statistics: total VET students and courses 2015 — data slicer*, National Centre for Vocational Education Research and *Selected Higher Education Statistics – 2015 All Students*, Commonwealth Department of Education and Training.

<sup>20</sup> <http://www.mitchellinstitute.org.au/wp-content/uploads/2017/12/Expenditure-on-education-and-training-in-Australia-2017.pdf>, accessed 18 January 2019.

<sup>21</sup> See, for example <https://www.swinburne.edu.au/current-students/manage-course/fees/loans-discounts/skills-first/>, accessed 18 January 2019.

The Victorian TAFE Association considers that these Australians too warrant policies that support and facilitate their educational journey and recommends that policies be enacted that explicitly recognise the important role of the VET sector in lifelong learning across the full gamut of VET sector activities. As part of this, the sector should be awarded an increase in funding to enable the sector to provide lifelong learning to more Australians in increasingly innovative and more efficient ways. Further, the review should give thought to policies that provide a barrier to access to training and consider options that would enable more and more Australians to access training during the evolution of their careers.

## 9. National training packages

When national training packages were first introduced, their aim, along with the competency-based system, was putatively to ensure a training system that was rooted in the needs of industry. Industry was given a central place in the design and development of training, a hallmark of which is training packages made up of discrete units that an individual must successfully undertake to be declared competent for a particular job or function.

But in recent times, training packages have proven unwieldy, being difficult to change and tailor to evolving industry needs and to an economy that is changing at an exponential rate. Further, their highly focused nature has, until now, proven problematic in providing the generic skills that individuals need to function across industry sectors and job types. Indeed, this was in part recognised in the 2018 review of training packages (*Training Product Reform: Issues for Discussion*), which outlined proposals for a fixed number of foundational skills as a means to ensure individuals obtain skills that translate to diverse situations. Finally, there exist dislocations between policies at the Commonwealth and state level that create duplication or add to the regulatory burden associated with their delivery.

The Victorian TAFE Association considers that a recommendation arising from this review must be for a wholesale review of national training packages. As part of this, consideration should be given to whether training packages should be replaced, and to exploring best-practice models from other jurisdictions. The analysis should draw on the latest thinking and research from relevant disciplines. Importantly, it is essential that this review draw on expertise from within the TAFE and VET sector, and be cast so as to be considered within the context of a larger education sector.

## 10. Career advice

In his 2017 report, *Rebalance and Relaunch: Supporting Victoria's economy by enhancing apprenticeship and traineeship pathways as a mechanism for skilling the future workforce*, the Victorian Skills Commissioner noted "the challenge to attract capable apprentices to many industries". The Commissioner highlighted a number of reasons for this, including negative narratives on future employment and social pressures that push students away from VET programs towards university.<sup>22</sup>

The Victorian TAFE Association considers that the issues highlighted by the Skills Commissioner can in part be traced (as noted in section 4) to a misapprehension of the nature and breadth of the VET sector and to the kinds of rewarding and fulfilling careers that

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<sup>22</sup> Victorian Skills Commissioner (October 2017), *Rebalance and Relaunch: Supporting Victoria's economy by enhancing apprenticeship and traineeship pathways as a mechanism for skilling the future workforce*, <http://www.vsc.vic.gov.au/wp-content/uploads/2017/11/Victorian-Apprenticeship-and-Traineeship-Taskforce-Report.pdf>, accessed 15 January 2019.

are opened by VET learning. We recommend that thought be given to measures to counter these views, including to the role of career advice.

Among the many highly influential voices providing career advice are careers advisers, family, teachers and peers. But when advice is biased, inaccurate or based on outmoded notions, it can prove deleterious to an individual's best interest. Countering these influential and ill-informed voices can prove highly problematic and is particularly difficult when the individual is a young person who lacks the confidence or maturity to navigate career options or challenge the assertions of older peers. For the VET sector, the result of this poor advice is a difficulty in growing numbers, but for Australia as a whole, the results are (among other things) skills shortages for industry, individuals with education and training unsuited to their strengths and needs, and an impact on prosperity.

To counter these effects, the Victorian TAFE Association recommends the development of 'peer' education and engagement strategies to increase awareness and provide an accurate understanding of career options. Thought should be given to how existing programs (such as the Apprentice Employment Network's Multi Industry Pre-Apprentice project) can be extended to help tackle misinformation and remove the stigma associated with a VET qualification.<sup>23</sup> Finally, resources should be allocated to enable the development of a robust and expert career adviser workforce who would be provided with training that enables them to more effectively challenge the biases and misapprehensions that present to a career advice user.

## 11. International education and training

The Victorian TAFE Association supports the international education and training activities of all member institutes. Major challenges common to all members include: low-quality private providers offering 'unduly short'<sup>24</sup> training with poor student and graduate outcomes; onshore student recruitment and transfers; and inadequate resourcing of the VET sector regulator.

The Victorian TAFE Association acknowledges the impact of 'unduly short' course delivery on the international education sector, a key growth sector for Victoria. This impact is predominantly felt by TAFE institutes and high-quality private providers undermined and disadvantaged in the highly competitive international student market by low quality providers offering substandard programs that do not enable learners to attain the desired competencies.

The 2017 HSBC *Global Value of Education* report confirms cost sensitivity across the post-secondary sector globally and its ongoing role in international student and parent decision-making.<sup>25</sup> Australia competes on a global scale for onshore international students. While Australia is an attractive destination, living and educational costs can be reduced for cost-

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<sup>23</sup> <https://aen.org.au/multi-industry-school-based-pre-apprenticeship-support-project/>, accessed 15 January 2019.

<sup>24</sup> The use of quotation marks warrants some explanation. In Australia's competency-based system, a learner's rate of progress is determined by his/her demonstrated competency and not by the amount of time spent training. Therefore, in a competency-based system, a course of study is 'unduly short' when a training provider enables a learner to 'graduate' despite the learner not demonstrating attainment of pre-stated competencies. This implies, *ceteris paribus*, that the training provider has not appropriately recognised nor provided the amount of training required for the learner to achieve pre-stated outcomes. In other words, when one says that a course is an 'unduly short' course, what one really means is that the course has been poorly conceived, delivered, or both.

<sup>25</sup> HSBC (2017), *Global Value of Education*, <https://www.hsbc.ae/1/2/personal/the-value-of-education>, accessed 6 March 2018.

sensitive students by choosing ‘unduly short’, cheaper programs with shorter associated stays.

As such, training providers offering ‘unduly short’ programs, which do not equip international students with the competencies needed for local or international employment, constitute a major reputational risk for the Australian VET sector. In fact, in its 2017 review, ASQA found that “the long-term quality of Australia’s vocational education and training (VET) sector is at risk unless the issue of unduly short training is definitively addressed”.<sup>26</sup>

For TAFE institutes and high-quality private providers offering programs with levels of training that enable the attainment of competencies, market share is being lost in an attempt to sell a ‘premium product’ in highly cost-sensitive markets. As the ASQA review also notes, “[m]any providers offer good-quality training; however, these providers are facing increased pressure to either reduce quality or leave the market—because they cannot compete with providers offering unduly short and inadequate training programs”.<sup>27</sup>

The Victorian TAFE Association recognises the impact of inadequate levels of training on course quality. Similarly, in response to the Education Legislation Amendment Bill 2017, International Education Association of Australia (IEAA) CEO Phil Honeywood noted: “Even if providers abide by all existing legislative and regulatory requirements, in seeking to maximise their enrolments they can often encourage a ‘race to the bottom’ with abnormally low tuition fees...By the time these providers have paid large commissions to education agents their tuition fee structure is only sustainable if they cut corners on quality.”<sup>28</sup>

The challenge for international VET program providers offering the appropriate levels of training is two-fold: first, they must persuade cost-sensitive international students to undertake a more expensive option that offers the appropriate levels of training, over a cheaper one that does not provide adequate training, despite all accredited programs being recognised ‘equally’ by AQF definition; and second, as anecdotal evidence from our members and from members of the Australian TAFE International Network has revealed, high quality providers must compete to retain students, once enrolled, from aggressive onshore and even on-campus recruitment activities by low quality providers offering ‘unduly short’ programs.

When applying for an international student visa, applicants must be able to satisfy the Commonwealth Department of Home Affairs that they have researched their intended course of study and can explain how it will benefit their future. Discussions with our members have revealed that careful offshore agent ‘genuine temporary entrant’ efforts are exploited onshore, resulting in lost compensation/commissions for preparatory offshore efforts and no need for private providers to spend marketing budgets on overseas recruitment, or to carry the entirety of the risk associated with the issuing of the student visa.

The Victorian TAFE Association supports development of initiatives that provide greater clarity for prospective international students on what they can and should reasonably expect from their education and training. The Victorian TAFE Association also welcomes any policy that addresses and removes aggressive, low quality providers from the VET sector and

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<sup>26</sup> Australian Skills and Quality Authority (June 2017), *A review of issues relating to unduly short training*, page 4

<sup>27</sup> Australian Skills and Quality Authority (June 2017), *A review of issues relating to unduly short training*, page 4.

<sup>28</sup>The PIE News (7 June 2017), “Australian government to target the “rorters and shonks””, <https://thepienews.com/news/australian-government-to-target-the-rorters-and-shonks/>, accessed 23 January 2019.

provides regulators with greater resources to address unfair disadvantage. Policy drivers must also be developed that directly target and inform international students, such as through the development of 'exemplars' that are targeted at and more readily understood by international students that outline what could reasonably be expected during the student's course of study.

## **12. Leverage, harmonisation and coordination**

The Victorian TAFE Association considers that the review should give consideration to initiatives enacted by the states and territories, and in particular, to those that have proven successful and could be rolled out nationally. Further, consideration should be given to mechanisms for coordination where disparate but similar programs exist, and indeed for Commonwealth involvement (including through funding and resource provision) so that the benefits arising from the program can be maximised.

The Victorian TAFE Association considers that two Victorian programs warrant consideration and exploration for national implementation. These include the Workforce Training Innovation Fund (WTIF), and the Skills and Jobs Centres (SaJCs) initiatives. WTIF "creates opportunities for the joint exploration of new ideas and solutions to enhance workplace productivity". It provides up to \$5 million funding through four streams, including in applied research.<sup>29</sup> SaJCs provide job-seekers with expert advice on training and employment opportunities and assist industry and employers to meet workforce needs.

In some instances, there are tensions between policies that operate or whose origins are at the Commonwealth level, with those arising from state or territory initiatives. A good example is the volume of learning guidelines outlined in the Australian Qualifications Framework (which are based on a whole of qualification perspective) and those of state and territory governments (which often have different requirements that are built at the unit level). The preferred approach to deal with matters of conflict is to develop one set of national requirements that TAFE and VET should work to. Such national requirements should be developed in a collaborative manner, drawing on input from various levels of government, but importantly, drawing on the input and expertise the TAFE and VET sector.

The Victorian TAFE Association considers that the review should look more broadly at ways to minimise duplication; to identify successful policies (in addition to the two Victorian programs outlined above) that could be rolled out nationally; and to determine the interconnectedness of existing programs and possibilities for leverage. Consideration should be given to instances of divergence or conflict between policies and programs.

TAFE stands ready to work as a national network to serve and ensure the prosperity and best interests of the nation.

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<sup>29</sup> <https://www.education.vic.gov.au/skillsfirst/Documents/Workforce%20Training%20Innovation%20Fund/WhatdoesWTIFgrantprogramfund.pdf>, accessed 21 January 2019.

### 13. Key contact

The VTA welcomes the opportunity to speak further to the issues outlined in this submission. To do so, please contact:

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