

The high cost of qualification-based fees in NSW

by Michaela Kronemann

Access and affordability have always been underlying principles for TAFE. Yet the continued and deliberate under-resourcing of TAFE systems by governments has led to increased reliance in recent years on both fee for service activity and increased fees and charges imposed on students.

Fees have increased in almost every system, including a further 10 per cent increase in CIT fees in 2008 as part of a planned 30 per cent increase. However the changes to the fee structure in NSW have meant that the vast majority of fee-paying students in that state currently face high and inequitable costs relative to other states. The New South Wales Teachers Federation is currently campaigning on the issue of student fees and the burden faced by NSW students.

In 2004, NSW introduced a new tuition fee structure which increased the cost to students by up to 226.9 per cent. Between 2002 and 2006, revenue from student fees and charges in NSW grew at a faster rate than any other system, an increase of 51 per cent compared to a national average of 25.2 per cent. Fees increased another 9 per cent this year, and a \$50 fee was introduced for government benefit recipients for each course, when the first course had previously been free. Historically, NSW has apparently offered more generous fee exemptions and concessions to disadvantaged students than other states.

A qualification-based fee structure

In NSW, tuition fees are determined by the level of qualification being undertaken, irrespective of the hours of study involved or whether the student is fulltime or part-time.

In effect, this means that the NSW TAFE fee structure favours fulltime students. However, three quarters of TAFE students are employed prior to commencing their training and 89 per cent of TAFE students study on a part-time basis. Other TAFE systems across Australia continue to charge fees based essentially on the number of hours of study undertaken, with a maximum fee cap to protect students enrolled in many hours. In South Australia, the fees also vary by field of study.

In general, the cost of Advanced Diploma and Diploma courses is too high in NSW. With few exceptions, NSW students are paying several hundred dollars more than they would in other states even when studying fulltime.

FULL TIME ADVANCED DIPLOMA COURSES (540 hours)						
NSW	VIC	QLD	SA	TAS	CDU	CIT
\$1,420	\$740	\$718 (\$567)	\$211-\$1188 (\$351-1980)	\$945	\$1,026	\$784

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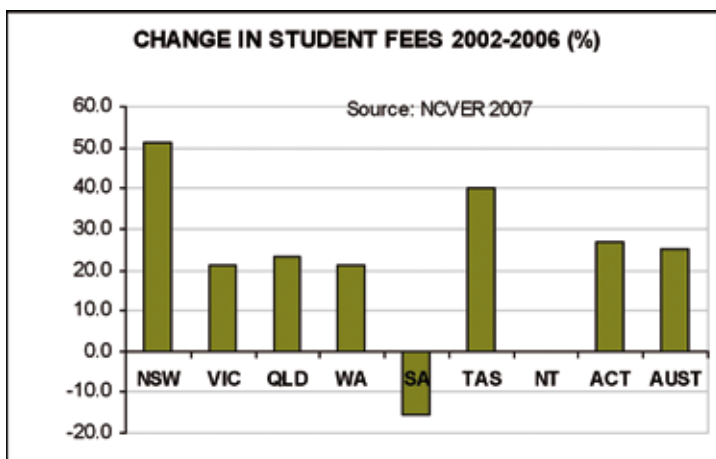
For higher level courses undertaken over two or more years, the costs in NSW are very substantially higher since a NSW student has to pay the full fee each year, irrespective of how many hours they study. Some 63 per cent of students studying at Diploma level and above are part-time. Where students are enrolled for a large number of hours in a year, the fee cap limits the fee that will be charged in other states.

South Australia nominally has the highest maximum fee, but that is because the fee includes all charges for materials and resources. Listed fees for SA

have therefore been discounted by 40 per cent, in line with the methodology used by Louise Watson in her 2003 NCVET study of TAFE fees. The rate for Queensland includes the maximum student services fee.

Because WA fees are charged on unit length, a specific example is needed in order to include WA in the picture. A NSW Diploma in Business Management, with 625 nominal hours in the units selected, would be cheaper in every other system, apart from in Darwin. That's over one year. Enrolling in Queensland, for example, would save \$353 or 30 per cent. If studied over two years, as most people would, the NSW costs would double. Fees in other

COST OF NSW DIPLOMA OF BUSINESS MANAGEMENT (FULL TIME)							
NSW	VIC	QLD	SA	WA	TAS	CDU	CIT
\$1,184	\$856	\$831 (\$656)	\$1125 (\$1,875)	\$928	\$990	\$1,188	\$908





states are based on hours enrolled, and so the total cost of the course would be the same whether studied over one or more years.

Part-time study

For fulltime students in a Certificate III course or below, NSW fees are generally cheaper. However, the reality is that three quarters of Certificate III students and more than 90 per cent of Certificate I and II students study part-time. Over half of all VET students are studying for up to 199 hours per year. Even at Diploma level and above, some 30 per cent of students undertake no more than 200 hours per year.

For the vast majority of fee-paying TAFE students, costs in NSW are considerably higher than they are in other states. The analysis of costs for students studying 200 hours per year shows that NSW students are paying often two, three and even four times what they would be paying if they enrolled across the state borders.

A Diploma student enrolled for 200 hours over a year would pay \$1420 in NSW and \$274 in Victoria. A Certificate III student enrolled for 200 hours would pay \$654 in NSW and \$266 in Queensland. These very large differences are inequitable.

200 HOURS OF STUDY PER YEAR							
	NSW	VIC	QLD	SA	TAS	CDU	CIT
Diploma	\$1184	\$274	\$266 (\$210)	\$78-\$480 (\$130-\$800)	\$350	\$380	\$290
Cert. III	\$654	\$274	\$266 (\$210)	\$78-\$480 (\$130-\$800)	\$350	\$380	\$290

The changes needed

The national vocational education and training system aims to provide flexibility for students and clients. The fundamental flaw in the NSW fee structure is the failure to assist and support students to undertake studies at the pace which suits their circumstances. The cost structure favours fulltime study when the vast majority of TAFE students study part-time.

There are really two options for NSW to consider here in the development of a fairer system: the introduction of proportional fees for students studying part-time or the introduction of a fee structure based on nominal hours.

The issue of a fee cap, which currently exists in all systems other than NSW and the territories, applies also to students who are able to access fee concessions and exemptions. Disadvantaged students and second chance learners may well begin with a lower level or non-award course. Fee structures should be designed to encourage such students to continue their studies, in

order to improve their chances at employment and personal wellbeing. The introduction of a \$50 fee for every course would pose a significant barrier to continued study for those surviving on benefits. If this fee is to be required, it should be the maximum payable in a year, in order to provide greater encouragement to students to continue their studies beyond the initial entry point. That's how the \$55 fee works in Victoria.

Fees for Diploma and Advanced Diploma courses are too high in NSW and should be reduced. While this affects around 10 per cent of students, system policies should be encouraging, rather than discouraging, students to undertake higher level qualifications which will be critical for Australia's future economic development. Victoria has just reported that 40 per cent of Certificate II students already have a Certificate II or higher qualification — we want students to go on to develop higher skills.

Be alert

All this is of particular relevance also to Victoria since the Victorian Government has released a Discussion Paper on Skills Reform which also posits a qualification-based fee structure, with no indication of whether it would take hours of study into account although a maximum annual charge would be maintained. To ensure that current and future fees do not act as a disincentive to training, the Victorian paper suggests the possible introduction of an Income Contingent Loan Scheme. Ironically, that paper also argues that students should be encouraged to undertake higher level qualifications. If Victoria has such a fee structure in mind, it is more than likely that other states will also start to ponder changes.

The other ever-growing concern is of course the increase in individual, full fee paying students. While TAFE has always provided tailored fee-based services to government and industry, there seem to be a growing number of courses offered on a commercial only basis. In 2006, 24 per cent of all students and 12 per cent of all subject enrolments were on a fee for service basis. This is an issue which also must be addressed.

The most fundamental issue is of course the under-funding of TAFE systems. The irony is that despite the increasing burden placed on TAFE students, fees provided only 4.6 per cent of total revenue across Australia in 2006. Increased government funding would reduce the reliance on student fees and charges and the commercialization of courses provided to individual students.

Michaela would like to thank members of NTCE and Union Officers who provided information for this project. Statistics on revenue and enrolments are sourced from NCVET statistical data bases. ♦

Michaela Kronemann is a research consultant, a former AEU Federal Officer and a Life Member of the AEU. This article is based on a research project for the NSWTF. The full report can be found at http://www.nswtf.org.au/media/tafe/files/20080515_fees.pdf

