

AEU Federal TAFE Secretary Speech
2010 National TAFE Council AGM

In 2009, three key themes stand out in the ongoing debate about the future of the TAFE and VET sector in Australia. These themes could be summarised as:

- The move towards a reconceived “tertiary” sector, including both VET and higher education, and the related move to establish a single national regulator for VET and higher education;
- A renewed shift to give greater prominence to “industry” in determining not just the outcomes of VET, but also the competitive allocation of government funding;
- The acceptance of market design principles as the basis for governance and organisation of TAFE and VET in many state and territory governments, and nationally.

These themes are situated in a broader context. Skills Australia is leading the drive towards a more broadly conceived workforce development strategy, a strategy which will hopefully see people treated as learners and not just raw material into which skills are injected. This shift may have a positive influence on the contemporary tendency within VET to focus only on narrow instrumental skills. But there is a continuing danger, unless there is an open and democratic approach to public VET policy development, for VET and TAFE sector to be seen as only this – an instrument of workforce development, rather than a more broadly conceived vehicle for addressing social disadvantage, increasing participation in society and workplaces and contributing to a more equitable and cohesive Australian society.

For the purpose of this AGM, I wish to concentrate on these three key themes.

Despite more than twenty years of policy determinations and reform processes focussed on improving participation in the higher education sector, universities remain largely impervious to low SES students. In VET and TAFE, the story is a little better – but so-called disadvantaged students are concentrated in lower level qualifications.

Why should we care about the issue of participation in VET and higher education, and how could a re-conceived tertiary sector achieve improved opportunities for working class students?

If the focus and purpose of a reconceived tertiary sector is increased participation through improved pathways for students between the sectors, then the AEU should be one of its staunchest supporters. For most, the key argument for increasing participation from so-called disadvantaged students in education broadly, but in higher education in particular, goes to concerns about equity and social inclusion. For teachers, and for our union, the purpose of education for students in TAFE and VET is no different than for students in schools or in universities. Broadly, the purpose of education is to provide students with the skills and capacity to participate

critically in society's conversations, to operate powerfully and autonomously in their communities, workplaces and unions, and to be able to learn, should they choose, throughout their lives so that they can control their own destiny and determine their own futures.

Why is it important to make sure that all students, but in particular, more students from "disadvantaged" backgrounds, have access to improved pathways between school and VET and between VET and higher education?

At the end of 2009, Kaye Schofield said: "TAFE is a destination in its own right ... the notion of VET as merely a pathway to higher education diminishes its worth".

I do not agree with this. Those who seek to defend the TAFE and VET sector from the influence of higher education, using the argument that VET will become simply a feeder for the higher education sector – the "fortress TAFE" argument – are in danger of missing the point. Universities, we are told, are focussed on academic outcomes, not work. The virtues, we are told, of the VET sector's closer connection with industry will be lost in the academic elitism of universities.

In fact, the university sector in contemporary Australian society is increasingly vocational in its approach. And many in the VET sector rue its increasingly narrow focus, particularly through the version of CBT promulgated in Training Packages, on narrow, employer-determined, instrumental skills.

Vocational education for work is a laudable and necessary focus of the VET sector. But a key focus of VET should also be continued educational opportunity and this is not currently the case. And it should be. Unless the vocational education sector works purposefully with the higher education sector to increase the participation of students from disadvantaged backgrounds in higher level qualifications, we are as a society entrenching social disadvantage and division, and frankly, undermining our future prosperity.

Educational pathways are intrinsic to lifelong learning. No-one questions the need for pathways *within* sectors, and so we should recognise the importance of pathways *between* sectors. Preparing students for work and further learning are not mutually exclusive. The point is to give students *options* so *they* can choose. This is why TAFE requires highly skilled teachers who are able to integrate the educational and vocational purposes of VET and teach students who come from a variety of backgrounds, particularly the most disadvantaged students. It is also why we need a curriculum that emphasises the educational, as well as the vocational purposes of VET, something that competency-based training and training packages cannot do.

The AEU should be a strong advocate of a more integrated tertiary education sector in Australia, arguing for the pre-eminent role of well resourced, public TAFE providers. A C21st TAFE system should recognise the centrality of the person in all learning. This was the central message of Kangan. Our concerns should not be about whether there is a tertiary sector, but rather what form that tertiary sector should

take, and our interest should be in maintaining all the best features of contemporary TAFE, whilst encouraging the development of clear and accessible pathways between all education sectors. Our concern should never be the defence of institutions for their own sake, but the interests of students and society.

Governments must take the same approach, and focus clearly on the interests of students, rather than the imperatives of meaner, leaner government. This would create the opportunity for a more open and democratic policy debate in VET.

And this brings me to the second key theme of this report.

In the 2007 election campaign, the ALP's key VET announcement was for additional Commonwealth funding delivered through what was to become known as the Productivity Places Program (PPP). But PPP funding was to be allocated competitively to public and private providers, with initially, a significantly increased role for industry in both determining industry areas where funding was to be channelled, and how allocation of the funding would occur. The quantum of funding allocated for the PPP was manifestly insufficient; the Federal government initially pulled back from its proposal to allocate the funding through Industry Skills Councils, and then sought to use the funding as part of its negotiations with state governments around National Partnerships. Indeed, additional funding through the PPP was used as an inducement to state and territory governments to impose further market reform on TAFE.

The manifest failure of the PPP, both in terms of the miniscule allocation of places to TAFE (less than 2%), and its initial concentration in low level training has been well documented. The National Partnership Agreement on the Productivity Places Program has resulted in state and territory governments taking over administration of the program but it is difficult to see how this will improve the program unless funding is increased and the allocation methods changed. But a significantly larger problem is emerging in what appears to be a push back to the initial argument that employers should have a greater say in how and where public funds are allocated for training.

I cannot overstate the dangers in this for TAFE. While it is manifestly the case that public funding for vocational education should go to areas where increases in the depth and breadth of skills are important both for the economy and for future employment, it is simply not the case that giving public funds to industry skills councils, or directly to employers – to allocate competitively – will achieve either a more direct alignment between areas of skills need and the funding, or more significantly, an increase in the depth and breadth of skills in the economy. It is not in the interests of students, the community or government to give so much power to one interest group over the allocation of funding, or over defining the content of qualifications. VET qualifications are meant to provide individuals with the knowledge and skills they need for their careers, and not just to provide funding for employers' internal training.

The Federal Government must not abrogate its responsibility to develop coherent policies on future workforce planning, and it must place a well-resourced public TAFE system at the centre of any future strategy.

Which brings me to the third key theme in my report. The market reform agenda in TAFE continues apace, and it is the context within which VET policy direction is currently being set.

The focus in the current debate remains on the creation or development of a market and this is the problem. It is taken as a given that a market is a good thing, and that the only issue for discussion is how it should be shaped.

Increasing competition for scarce government funds is about creating or extending market organisation of the sector. Making the sector demand-driven through a student entitlement model is code for further competition in the sector. We need to be clear that this remains a policy driver in all governments in Australia at the moment. And if the focus of policy is the design of markets, it leads us inevitably to ask the wrong questions, to argue over the wrong things – and to come up with the wrong answers.

There is a great deal to be learnt from the current crisis amongst private providers in the international education market in Australia. Firstly, once you create a market, gaining profit becomes the point of the activity, not education. Secondly, the actions of a few lead to penalties for all as society's trust in our education system is eroded. Thirdly, the market will flood the lower-cost end of provision. And fourthly, more and more regulation is required leading to compliance cultures. The fact that the Department of Immigration and Citizenship is going to require international students – who have Australian VET qualifications – to sit a job ready test if they are to be granted permanent residency is damning condemnation of this market. The Australian Department of Immigration is effectively saying it does not trust the outcomes of the Australian VET system.

Governments are currently focussed on the wrong questions, and this is encouraging aberrant behaviour. It is also letting them off the hook. What is the point of promulgating and reifying choice for students, when the mechanisms chosen to implement choice are forcing a race to the bottom, with quality the biggest loser?

Disciplining TAFEs by forcing them to implement market strategies will make them look more like factory assembly lines than educational institutions.

We still have not seen any evidence that educational markets work. We have been asking for this evidence for a long time. This is a policy based on faith, and not evidence.

Greater marketisation – under the guise of entitlements and vouchers – will not result in greater choices for students. All providers – public and private – will only run programs if they make a profit, and this does not help those whose interests

don't fall into these high-volume, low-cost, profitable areas. It is also clear that the cost of VET to individuals will increase. As Victoria shows, it will lead to greater costs to students and undermine equity. Marketisation will also favour the low budget private RTOs who will win on price through sacrificing standards.

I want to turn briefly to the 2010 National TAFE campaign, which we will deal with in the workshops scheduled later this morning.

The AEU has commissioned the Centre for the Economics of Education and Training (CEET) at Monash University to model the annual and total investment in VET required to meet the CoAG targets. The CoAG targets are expressed in the Skills and Workforce Agreement National Partnership as agreed outcomes between the Federal and state and territory governments. These are:

- Halving the proportion of Australians ages 20-64 without qualifications at Certificate III level and above between 2009 and 2020, and
- Doubling the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.

For the federal government to achieve these targets requires both a significant increased investment in TAFE and VET, and, when combined with other targets around participation set by the government through the Bradley Review, changes in the current narrow approach to training.

Campaigning for increased investment in TAFE in this election year is a crucial aspect of the work of the union in 2010, but also into the future. The objectives of the campaign are clear. We must work to increase government investment in the public TAFE system, promote TAFE, particularly in the context of the failure of private providers in the domestic and international market, and build alliances and partnerships with other key stakeholders. Recruitment must be a clear objective, building on the union's commitment to improving the professional status and working conditions of TAFE teachers, including casual teachers.

The campaign is designed to elevate the value and strength of TAFE and contrast it with the uncertainty and negatives involved in providing public money to private providers. The *Invest in Quality, Invest in TAFE* framing will help in the push for greater investment in TAFE. It will also make it harder for governments to justify sending an increased share of funds to private providers.

It is crucial that we stem the tide of the market agenda in the TAFE sector. The price we will pay as a community if we are not successful is a complete hollowing out of the vocational education experience and a deskilling of individuals. The recent experiences in the international education sector are not an aberration, but a logical consequence of unfettered market forces.

We are all paying for the failure of ABC childcare, and we will pay as a community for the failures in international VET market.

The cost of market failure is high, for individuals and for society.

There are two important features of a TAFE sector operating for the public good - a well resourced learning environment and a professional teaching workforce. There must be a national conversation about these issues – something we haven't seen for a long time, and TAFE teachers must be a part of that conversation. TAFE teachers are highly skilled professionals working with a diverse range of students, in classrooms, workplaces, online and in the community. They are the critical difference between private providers operating for profit in a poorly conceived training market, and public TAFE providers.

They need to be the shapers of a new tertiary system.