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Victorian VET Reform: Privatising TAFE

The Victorian government's "reforms" of its TAFE system have had a devastating impact on TAFE institutes, and TAFE students. They have put the viability of some institutions at risk, especially in regional areas, and they have led to a proliferation of low cost, high volume courses delivered by for profit private providers.

In a period of **less than two years**, in Victoria:

- The number of private for-profit providers has grown from 225 to 528
- TAFE share of the market has dropped from 75% to 48%
- private provider share of the market has grown from 14% to 40%

What does this mean?

Threat to quality. The number of private RTOs has doubled in two years. The quality of training is threatened when the market is growing so rapidly. There is no certainty that Victoria has the infrastructure in place to adequately monitor quality in the Victorian VET system. Victoria is one of two states which has excluded itself from the new national regulatory system. Unprecedented growth in private provision is alarming in a state which experienced significant market failure during the so-called international student crisis.

TAFE institutes in Victoria have been operating autonomously in a VET "market" for 20 years. They have been competing for funding and resources with each other and with private providers during this time. They are very experienced at operating in a contestable market, but many are reporting that the competition that they are currently involved in is both unsustainable, and unfair.

The Victorian TAFE system is the worst funded in the country. The 2010 CEET Report showed that recurrent funding per student contact hour in Victoria was \$12.02, compared with a national figure of \$13.10. Funding in Victoria has declined by 5.3% since 2003 and by 7% since 1998. Most commentators agree that there is little left to give in Victoria.

TAFE institutes in regional areas are struggling under the Victorian reforms. The viability of regional institutes is threatened, with amalgamations and campus closures the only options if they are to remain economically viable.

Training under the Victorian reforms has been skewed towards high volume, low cost areas in private providers, leaving TAFEs with the high cost, low volume vocational education required to overcome skills shortages. There has been huge growth in private provision of business, community services and sport and recreation courses. Most of the training is in low level qualifications outside skills shortage areas.

There has been significant growth in private providers offering cheap 4 and 5 day Diploma and Advanced Diplomas. It is not possible to complete a quality program in this timeframe. Students choose these options because private providers advertise them as “government funded” training – and so students believe that the qualifications are legitimate. This is undermining the integrity of VET qualifications.

Some Dual Sector institutions are shifting their delivery of Diploma and Advanced Diploma qualifications into their Higher Education sectors because funding is better. It is at best unclear whether students enrolling in university courses will be as well supported as they have been in TAFE, or whether the qualifications they are choosing are appropriate for them.

The Northern Melbourne Institute of TAFE told a Victorian review this year that the reforms in that state had been:

...a thinly disguised initiative to increase statistical VET participation, regardless of training quality and integrity, and regardless of the training requirements of industry and the needs of individuals. NMIT believed from the outset that this was an attempt to largely privatise the VET system by stealth, based on unproven and spurious assumptions. NMIT still holds this view.

What can you do?

Governments are ruining the TAFE system. They insist on pursuing a market agenda, forcing TAFEs to compete for ever reducing funding with private for profit providers. The Productivity Places Program is one of the best examples we have of the real effects of competition, and the failure of this agenda to provide high quality vocational education in skills shortage areas.

Join the AEU Invest in Quality, Invest in TAFE campaign! Go to the campaign website at www.aeufederal.org.au/Tafe/InvQual.html and follow us on Facebook (<http://www.facebook.com/pages/Invest-in-Quality-Invest-in-TAFE/232337783470701>) and Twitter (www.twitter.com/tafecampaign)

Send a letter to your local politician by following this link:
http://www.forourfuture.org.au/tafe_lobby.html