Guaranteed funding for TAFE
How we can achieve it — page 6
Celebrate 24 June 2015

National TAFE Day

#StopTAFECuts #TAFEDay
NATIONAL TAFE Day is just around the corner! On Wednesday 24 June we are encouraging teachers, students, unions, TAFE graduates and community members to get involved in the campaign by celebrating National TAFE Day. Whatever you decide to do to mark the day, 24 June will be a day to celebrate the achievements of TAFE, and remind politicians and the broader community that TAFE is too good to lose.

Our front cover calls for a cap on contestable funding, and to guarantee funding for TAFE. The Winter Edition of The Australian TAFE Teacher has a wealth of articles that focus not only on the achievements of TAFE, but the damage contestable funding and marketisation is inflicting on TAFE, and the VET system. We hope this edition will not only inform readers, but encourage everyone to get involved in National TAFE Day – because TAFE really is too good to lose.

CARLTON

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ONGOING revelations about dodgy private-for-profit training providers and the devastation they leave behind was one of several key issues on the agenda at the AEU National TAFE Council AGM held in Melbourne in late April. Two speakers of particular interest were Chris Robinson, Chief Commissioner and CEO of the Australian Skills Quality Authority and Gerard Brody, CEO of the Consumer Action Law Centre in Victoria.

Mr Robinson declared that there were now around 400 fewer RTOs as the authority had been actively scrutinising providers. Evidence of this can be seen in the ASQA Decisions Table where a long list of RTOs are recorded as having their registration cancelled, suspended, their registration renewal rejected or other sanctions imposed. ASQA intends to focus more on the poor quality providers and not wait five years for the next scheduled audit if concerns are raised. Currently under investigation are 18 RTOs who relate to 80% of VET FEE HELP complaints received by the authority.

Mr Robinson called for more people to ‘dob in’ poor quality training providers which can be done using their complaints section through http://www.asqa.gov.au.

Another side of the equation seen by Gerard Brody through the Consumer Action Law Centre is the unconscionable conduct by some providers in their dealings with vulnerable Australians. In their recent submission to the Victorian VET Funding review it states ‘Our key concerns in regards to vocational education and training (VET) are misleading marketing practices, soliciting students for unsuitable courses, inappropriate use of brokers to recruit students and ineffective dispute resolution.’

Mr Brody revealed some of the low practices being perpetrated on consumers through high pressure sales techniques, up-selling within the various arms of some businesses and other rip-offs causing severe distress. He advised that Australian Consumer Law does provide rights for consumers and anyone believing they have been ripped off should seek legal advice.

This is just the tip of the iceberg. It seems that every week there is a new revelation of appalling unethical behaviour further damaging vocational education in this country. 

http://consumeraction.org.au/wp-content/uploads/2015/05/VET-submission.pdf (link to the Consumer Action Law Centre’s submission to the VET Funding Review)
Here are five simple ideas to get you started:

1. **Hold an event**
   Big or small, TAFE Day is a great opportunity to gather together with other TAFE teachers, students and your community to recognise the contributions of TAFE. You could hold a BBQ or morning tea at your workplace, or even organise a small event with a current or graduate TAFE student speaking about the impact of TAFE on their life.

2. **Put up a poster**
   Put a National TAFE Day poster up in your workplace, school or TAFE. It’s a great way to spread the word about TAFE Day and show that you’re a Stop TAFE Cuts supporter.

3. **Send a photo**
   Whatever you do on National TAFE Day, whether it’s holding an event, doing some study, or even preparing your lessons, please take a photo and send it through to us at rscroggie@aeufederal.org.au. We want to share heaps of photos of AEU members and Stop TAFE Cuts supporters on National TAFE Day. You can even download a Stop TAFE Cuts sign at www.stoptafecuts.com.au/resources to include in your photo.

4. **Get social**
   On National TAFE Day, let everyone know you’re marking the day by tweeting, putting something on Facebook or Instagramming your photos. Make sure to use the hashtags #TAFEDay and #StopTAFECuts so we can find it; and tag us on Facebook by adding @Stop TAFE Cuts to your post.

5. **Sign up**
   Make sure you’ve signed up as a supporter at www.stoptafecuts.com.au, liked us on Facebook at Stop TAFE Cuts and followed us on Twitter at @TAFECampaign. Joining the campaign online keeps you updated with everything happening in the TAFE sector, and also adds your voice to thousands of other Australians who think TAFE is too good to lose!

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National TAFE Day is about celebrating our TAFE system, and gathering together friends, family, colleagues, teachers, students, unions and community members to work together to Stop TAFE Cuts! We are encouraging all AEU members, Stop TAFE Cuts supporters, TAFE students, teachers and graduates to take some time on TAFE Day to get involved.
AEU calls on governments to END CUTS and RESTORE FUNDING to TAFE

In April, the AEU’s National TAFE Council held their annual AGM. This is the AGM statement developed and endorsed by the Council.

Growing community concern about continuing attacks and funding cuts has put the TAFE system at the forefront of political debate in Australia. The TAFE system is being destroyed by ongoing cuts to funding and policies that shift funding resources away from public TAFE colleges towards private for-profit providers. This has profound consequences for the sector and for students, communities, industry and employers.

Public vocational education, through the TAFE sector, is a social good and contributes to social cohesion, economic prosperity and an equitable and just society. The allocation by governments of public funding to poorly-regulated for-profit providers, especially in circumstances where providers are making profits in excess of 30 cents in the dollar, wastes public resources. Most commentators agree that VET is the lowest-funded education sector and the only way in which private companies can make these super-profits is by cutting hours, short-changing students and destroying quality.

Nationally, more than 40% of government funding is now allocated contestably – meaning that TAFEs must compete on an uneven playing field with for-profit providers. In Victoria and South Australia, where the reforms are most advanced, 80% of government recurrent VET funding is allocated contestably, with the majority now going to the private sector.

Private for-profit providers are offering qualifications with reduced hours, contracting out teaching to third parties and using unethical methods to sign up students.

These cuts to TAFE and the implementation of a market agenda have resulted in:

- Massively increased in student fees
- Cuts to courses and campus closures
- The loss of thousands of jobs in TAFE
- Contracting out and the diversion of TAFE facilities to private providers
- Rapid expansion of VET FEE-HELP, 75% of which is going to private providers
- Rapid growth of student debt, and
- A collapse of public trust in the vocational education sector.

This meeting notes the recommendations of the AEU submission to the Senate inquiry into private providers and of the Sydney University Workplace Research Centre Report into the private for-profit VET sector.

As a matter of urgency, the AEU calls on governments to:

- Immediately cap the amount of government VET funding open to competition from private providers;
- End funding cuts to TAFE colleges and restore funding removed from the TAFE system;
- Cap the amount of funding available through VET FEE-HELP, and regulate the fees and other charges for VET qualifications to ensure that they remain low and that qualifications are accessible;
- Consistent with requirements in the AQF, mandate a minimum number of hours that providers must deliver for VET qualifications;
- Ban unregistered providers from delivering national VET qualifications or receiving, directly or indirectly, government VET funding;
- Ban the use of brokers; and
- Publicly recognise and affirm the important role of TAFE as the public provider in providing access to training and re-training in areas of high and low demand, particularly in rural and remote areas and in support of improved access and participation for disadvantaged learners.

The AEU further calls on all political parties to make an ongoing commitment to:

- Guaranteed funding for the TAFE system, within a model which supports a strong and increased funding base for capital works, maintenance, infrastructure, and equipment, consistent with TAFE’s public role and obligations;
- A rigorous, public examination of the real costs of delivering high quality vocational education, including technical skills for work, adult literacy and numeracy and crucial supporting knowledge and theory;
- A comprehensive public examination and review of the consequences of full competition on TAFE and VET, including the impact on the quality of vocational education, levels of student support and teaching infrastructure;
- An investigation of the contribution made by TAFE to the economy and to society, including through improved employment and further education outcomes for individuals, improvements in industries, especially in regional and rural areas, increased levels of economic, social and educational participation, and its contribution in the areas of innovation and green skills; and
- The development of a national workforce development strategy for the TAFE workforce that addresses improvements in the level and quality of teaching qualifications in the sector, the unacceptably high levels of casual employment and improvements in opportunities for secure employment.
More regulation will not solve the problems with quality in the VET system

We need a new social settlement. The vocational education sector in Australia is in crisis and public TAFE institutions are being destroyed.

Pat Forward, AEU Federal TAFE Secretary

This crisis has been caused by the preoccupation of governments with competitive markets as the only policy setting in the sector. The problems with this approach play out most acutely in the regulatory environment, but more regulation will not fix the problems in the private VET sector. It is time for all stakeholders to call for a rigorous public debate that contributes to the development of policy to re-shape the future of the sector.

The 2012 National Agreement for Skills and Workforce Development and National Partnership Agreement for Skills Reform set out the conditions for marketisation of the VET system, and a number of narrow goals which were the purpose of these radical changes.

These goals included:

• Improvements training accessibility, affordability and depth of skills, including through the introduction of a national training entitlement and increased availability of income contingent loans;
• Encourage responsiveness in training arrangements by facilitating the operation of a more open and competitive training market;
• Assure the quality of training delivery and outcomes, with emphasis on measures that give industry more confidence in the standards of training delivery and assessment;
• Provide greater transparency through better information to ensure consumers can make informed choices, governments can exercise accountability.

As a recent report from the University of Sydney has shown, none of the “goals” of this radical experiment have been achieved, and neither have the changes contributed to broader social and economic development.

The crisis in TAFE can only be addressed if all stakeholders declare their hands. State governments want to shift the costs of vocational education from themselves onto students through income contingent loans, despite the fact that student’s qualifications are not of sufficient quality to earn graduates the income needed to repay their loans. The costs of these unpaid loans is borne by the Federal Government, but ultimately the public. Industry groups are profiting from government VET funding, consultants are benefiting from the subcontracting out of anything which resembles research by government, and universities are continuing to prey on the sector in order to maintain their student numbers.

The core of the problem facing the sector is that markets are not the way to organise social goods like education. Advocates of market design cannot point to a single piece of research that shows that it works in education.

Markets are neither good masters, nor good servants. The problem in the VET sector in Australia is not that the market has failed, but that it has done exactly what it was designed to do — deliver profits to entrepreneurial private providers who work within the parameters set for them. Five day diplomas and qualifications delivered in hours are the currency of the current VET system. The regulator is powerless to stop providers from offering these qualifications at exorbitant prices in a fraction of the time it should take, because in the current VET market in Australia, they are not doing anything wrong.

We currently have a system where students are being ripped off and cheated by unscrupulous for-profit providers, and significant numbers of qualifications which were previously government funded have been shifted...
“In vocational education, as in all education, quality centres on the learning process, which young apprentices and all vocational education students engage in when they “go to TAFE”. Learning is a social process linked to an educational institution, even where a part of that learning is on the job.”

to a government loan system where students will eventually have to pay the full cost of their education. Large numbers of students within the VET system simply do not complete their course, brokers and other agents operate as key players selling useless qualifications to an unsuspecting public and unregistered providers are delivering qualifications for which they are receiving public funding. The regulator simply does not know how many students are receiving training which evades even the relatively low standards which currently exist. And in this context, the burgeoning private for-profit sector in VET is making super profits, wasting scarce government funding, and trashing the reputation of an already damaged education sector.

Attempting to strengthen regulatory requirements cannot work in the current environment because the existing standards against which regulation occurs do not address issues of quality in an education system. Calls for increased quality are hollow because quality is hard to define in a market-driven, fragmented, competency based education (CBE) system. CBE severs the link between learning and assessment. According to CBE, learning happens anywhere, anytime, and can be assessed in any place. This trivialises vocational education because in this system curriculum, structured teaching and learning don’t matter, and nor do teachers or institutions. In vocational education, as in all education, quality centres on the learning process, which young apprentices and all vocational education students engage in when they “go to TAFE”. Learning is a social process linked to an educational institution, even where a part of that learning is on the job. In the current debate, the advocates of a VET market see TAFE as just another training provider, indistinguishable except for the additional costs to governments, a problem which the previous Victorian government remedied by effectively cutting all Victorian TAFEs “full service delivery” funding.

The current focus of quality is on the outcomes of learning. Only an impoverished learning experience can be conflated narrowly with outcomes.

Unless there is a new settlement about quality in vocational education, the call for increased quality through regulation in a market system will not work because quality cannot be defined bureaucratically defined and because there won’t be enough resources to maintain the greatly increased scrutiny required in a low trust, high surveillance system. Even the recent announcements by the Federal Government around increased resources for ASQA will do little to stem the tide of rorting in the already debased VET system in Australia. The still recent example of damage done to Australia’s reputation in international education showed that the rorting of vocational education for international student fees was not curbed by increased regulation nor quality assurance, but by removing the link between education and immigration.

It is time to return to basic principles, and to closely examine the architecture of the system. In terms of minimum standards, vocational education institutions should have, as is the case in higher education, as a primary or significant purpose, the education and training of students. Organisations registered in the VET system to provide vocational education should be required, as a condition of their registration, to act in the best interests of their students rather than the best interest of shareholders or the company or the purchaser of the training per se. This requirement is at odds with allowing for-profit providers to operate and have access to government funding. It is worth making the point that for-profit providers are outlawed in schools education.

Within this context, the various purposes of training organisations which currently have access to government subsidies and income contingent loan schemes should be examined much more closely. Distinctions should be made between those organisations, clarifying their purposes with a view to providing tiers of registration which could determine their ability to access public funds and income contingent loans. For example, those which simply offer vocational education which is enterprise-specific, and with no identified broader benefit to students or the economy could be regulated lightly or not at all. Those which offer vocational education qualifications which are nationally recognized would need to meet appropriate quality and standards. Those organisations which offer vocational education qualifications for which income contingent loans are available would be required to act in students’ best interest, and those offering qualifications for which public subsidies are available would need to meet a public interest test.

The current hiatus in the vocational education sector offers a unique opportunity to rebuild and re-establish its reputation. There has never been a greater need for vocational and further education in publicly funded educational institutions — TAFEs - with highly qualified teachers. In working with students at these institutions (whether in classrooms, workplaces, or online), the focus must be on contemporary industry skills, but it must also be on further education, citizenship and building the capacity of this and future generations to participate powerfully in society. Quality must be at the core of vocational education, but what constitutes quality must be robustly debated, understood and agreed so that all stakeholders, including students and other users of the system such as unions and employers support and trust a genuinely high quality TAFE system.

The only way to rebuild trust in vocational education is by developing a coherent understanding, and agreement — a social settlement — about what we mean by quality.

A good place to start would be to re-invest in TAFE institutions — and in the TAFE teaching workforce through support for high level vocational education qualifications. ◇
Ideology, vested interests and the attack on TAFE

PHILLIP TONER (DEPARTMENT OF POLITICAL ECONOMY) AND DAMIAN OLIVER (SCHOOL OF BUSINESS) SYDNEY UNIVERSITY. THE AUTHORS WISH TO THANK MIKE RAFFERTY (SCHOOL OF BUSINESS)

BARELY a week goes by without another media expose of gross deception and venality on the part of private VET colleges and their students. Colleges ripping off students or colleges in cahoots with students to rip-off the taxpayer or otherwise game the system, such as VET qualifications in migration scams.

Despite the now mountainous evidence of failure, commitment to the policy remains rock-solid among the key political parties. ‘We are all Neoliberals [market idealists] now’, apparently. Manic commitment to the failed policy of contracting out publicly funded VET, via a ‘competitive tender’ or student voucher, is proof the claim that Neoliberal public policy is ‘evidence-based’ is a farce.

One can understand the acute personal embarrassment that architects of the contracting out system must feel, in the bureaucracy and academia, who have built their careers spruiking the system from the mid-1980s to the present, in having to admit that the fundamental premises of their system were just wrong. Even harder to accept they have come close to wrecking a training system that was once, decades ago, envied around the world, and was at the heart of Australian economic prosperity and social cohesion. It would be a courageous bureaucrat indeed who told his Minister, ‘upon deeper reflection and having regard to all the facts that were previously obscured by the flux of events, and in light of the new knowledge which is now before us, if I may be so bold Minister to proffer the following advice for your consideration: the policy of contracting out VET is stuffed’.

But the deeper cause of reluctance to admit the policy is a failure is that for true believers in the market idealist ideology in the bureaucracy, academia and political parties, the ideology cannot be falsified. If the policy outcomes do not fit predictions, the policy is not unsound; it simply was not implemented ‘properly’ or hasn’t gone far enough. The succession of apologists for contracting-out publicly funded VET over the last two decades, claim that tweaking the structure of payments to RTOs, ‘tougher’ regulation of RTOs and even fining RTOs for contractual breaches, will remove the ‘few rotten apples’. This attests to the indestructible power of unreasoned belief. Rather than a few rotten apples the whole orchard is infested with coddling moth and root rot.

Aside from these three overlapping groups, the terminally embarrassed, the education policy careerists and the ideologues, it is always a good idea to ‘follow the money’. Who has an economic interest in promoting the failed system of contracting out publicly funded VET? The large
consulting outfits, have been involved from the very beginning in the promotion of contracting out and privatisation, and continue to make a handsome income from the onerous task of advising governments exactly what they want to hear. The large investment banks get a fat fee on the ‘way in’ by advising thrusting private sector entrepreneurs, intent on milking the taxpayer, how to tout up the price of the initial share float in their publicly listed private VET college. The investment banks also get a fat fee on the ‘way out’ by advising these same driving risk-takers how to manage a collapsing share price and offload the company to an unsuspecting buyer. Then there is the veritable army of smaller consultants on CBT and Training Packages and, of course, the legion of smaller private providers. In sum, these groups represent a large, influential and well-heeled interest group who have the ear of sympathetic politicians and bureaucrats.

Compounding their sins, and confirming the observation that market fundamentalism as a belief system cannot be falsified, is that first, a compelling evidence-based case was never made that the public training system was so dysfunctional that it should be subjected to surgery so experimental and radical it would eventually kill the patient. Sure, the system was not perfect, but the radical change to the system reflects the messianic mind-set of the Neoliberal in contrast to the evolutionary, institution-respecting nature of the true Conservative. Second, it was known almost from its inception in Australia that contracting out VET was a risky and retrograde idea. As early as 1991 there were criticisms of the growth of the ‘private training market’ at the expense of TAFE and the atomisation and Taylorisation of skills under the fore-runner of CBT, the module system in NSW.1 Later reports by Kaye Schofield, Damon Anderson and Hugh Guthrie, amongst many others, pointed to fundamental problems in the design and practice of contracting out and the adverse effects on workforce quality and TAFE.2 Several inquiries by the NSW Independent Commission Against Corruption (ICAC) over the 2000’s provided a forensic examination of the perverse economic incentives confronting RTOs and students, incentives that act to destroy quality in training provision. The ICAC also showed the insurmountable difficulties government has monitoring the performance of private agents.3 John Mitchell’s honourable campaign in the Campus Review over several years not only provided high profile publicity of predation on the public purse and diminished quality of training but even got the major employer associations to blast the disconnect between actual labour market demand and the type of courses promoted by ravenous private colleges to ill-informed students.

But perhaps the starkest demonstration of the power of ideology and vested interests over good public policy is that contracting out publicly funded VET had been tried and failed elsewhere. It had been developed, implemented and failed under the Thatcher government in the UK a full 15 years before starting here. For the last 3 decades Australia has been aping

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2 Toner (2104) Contracting out publicly funded vocational education: A transaction cost critique, The Economic and Labour Relations Review, Vol. 25(2) 222–239 provides a summary of this literature and critique of the economic case for contracting out VET.
4 Disasters with publicly supported private colleges are widespread globally. In the US private colleges can charge high fees based on generous student loans provided by the state. (Reminiscent of Fee-Help). A useful account is http://www.msn.com/en-us/money/companies/for-profit-colleges-collapse-or-comeback/ar-BBiL0X1
the UK VET system, generally regarded as the worst in Europe and possibly, the developed world. Australian bureaucrats and politicians in Canberra have been playing monkey see monkey do with an identical, failed policy from their Whitehall betters. The educational policy equivalent of the 1915 Dardanelles campaign.

Recent scandals of private universities and colleges in the United States provide even more graphic tales of deception and fraud. The stories almost defy belief. Some colleges were spending more on marketing and advertising than teacher salaries. Some nurses spent no time in hospitals during their training, and one college even counted a visit to the Scientology Museum for their psychology practical.4

Well, what is to be done? The following are a few ideas to re-balance the system.

**Underlying foundations**

It is the underlying foundations of the VET system – competency based training, training packages, process-driven regulation, competing regimes in different states and territories – that have fuelled the current crisis.

The absence of rigorous standards required of students and teachers creates the conditions where providers who thrive are experts in gaming the system, their business models based on by-passing regulations and fiddling subsidies.

We suggest a subtle return to a curriculum based system, with course content and assessments set by a panel of subject matter and pedagogic experts. One could even consider the truly avant-garde notion of using a common course text-book! Calling the shift ‘curriculum based’ may scare too many horses, but ‘standards based training’ may instantly do a lot to remove the rent seekers and improve the quality of the system.

Starved of funds the VET system has become inward looking, fearful and less innovative. Go back several decades and the TAFE system was actively benchmarking itself against world’s best practice and keen to learn from others as well as spread its own successes. Schemes such as this are relatively inexpensive but also crucial in diffusion of technologies and pedagogic practice and building international networks.

We should be moving toward a system where high quality providers such as TAFE (and only high quality providers) have the ability to develop and issue their own qualifications within the Australian Qualifications Framework (and without losing access to funding). The current system of training packages bogs down good teachers and building international networks.

**Funding**

One of the simplest, commonsense changes that can be made is to tie funding for VET courses to prescribed hours of delivery by appropriately qualified teachers. Protocols may need to be developed for online and workplace delivery based on student contact but the underlying principle should be the same – after all, done properly these are not cheap options. This change alone would remove a lot of incentive for the worst providers currently involved in the VET market.

**Securing workforce standards**

Vocational education and training is the only education sector where policy in recent times has encouraged a decline in workforce standards. In early childhood education and school education, there have (quite rightly) been increases in the quality requirements of teachers. In VET, these have been degraded.

Requiring all VET courses to be delivered by teachers would instantly do a lot to remove the worst providers currently involved in the VET market.

Restoring the status (and pay) of VET teachers would also help to improve the ability to attract and retain VET teachers in important skill shortage areas, including the trades, nursing and early childhood education.

**Securing educational standards**

Higher prescribed standards for equipment and consumables for VET courses would greatly reduce the ability of for private providers to offer courses with grossly inadequate facilities.

**Fees and Loans**

Perhaps the easiest way of stopping many of the worst training providers is to charge access to student loans for fees. We don’t allow just any one to hang out a shingle, call themselves a doctor and access Medicare. We shouldn’t allow training providers to do this either. By mandating minimum qualifications for teachers, minimum contact and student hours and course lengths, you would break the business model of many of the worst training rent seekers.

The key message is that if private sector colleges want to compete, they need to do so by providing the same or better outcomes for students, based on sound training processes. Currently, we are on the low road in VET policy. We should give private provision policy an F and start back to something that works. Saying that public VET training produces good outcomes is not an ideological statement – it is a statement of fact. It’s time to start a debate based on facts, not on failed myths and vested interests.
MIX one part deregulation with one part government funding then sprinkle with a few thousand dollars of student loans and what is the result? A consumer protection disaster.

We have received an increasing number of student complaints relating to private vocational education and training (VET) colleges and education brokers since the expansion of the VET FEE-HELP student loan scheme and the introduction of demand-driven funding. These students have often been lumped with thousands of dollars of debt after salespeople disguised as ‘career advisors’ have signed them up to unsuitable courses.

Most complaints we receive from students relate to unfair contracts, poor quality and unsuitable courses, aggressive marketing tactics and high course costs.

Unfair contracts
We often argue on behalf of our clients that private training provider contracts contain ‘unfair terms’. For example, some courses have cooling off periods as short as seven days, after which students are liable for the full cost of the course. Sometimes these cooling off periods expire before the course has even begun. Students often expect that fees will be incurred incrementally, and are shocked to find out that they are liable for the full cost of the course upfront.

Poor quality courses
We receive complaints about poor quality courses, including courses that have a lack of teaching staff and poor facilities. We are particularly concerned about the growth in online courses, where completion rates for VET FEE-HELP courses are as low as 7%.

Aggressive marketing practices
Some colleges and brokers are cold calling or door-knocking potential students to enrol them in courses. Some people have been contacted about courses after responding to job advertisements posted on websites associated with certain education brokers. There have also been reports in the media that education brokers are posting fake job advertisements in order to collect job seekers’ personal information. High-pressure sales techniques are often used during cold calling and door knocking to convince students to enrol in courses that are unsuitable or unlikely to ever be completed.
Expensive course fees

Given that private colleges with access to VET FEE-HELP and government funding have near-guaranteed income, we consider that many private VET courses (particularly online courses) are excessively expensive. For example, the Double Diploma of Business & Management from Careers Australia costs $23,250 in most Australian states. The Double Diploma of Business & Management course at TAFE Queensland South West costs just $6,800. Recent media reports have also alleged massive pricing discrepancies between fee-for-service and VET FEE-HELP courses being offered by a number of registered training organisations.

Unsuitable courses

We continue to see examples of students being pressured into signing up to unsuitable courses. Brokers essentially operate on a commission sales model, which presents an inherent conflict with the interests of the student. This model provides an incentive for brokers to sign up students to unsuitable courses and VET FEE-HELP loans. In one example, we saw a young woman tell a broker that she was interested in doing librarianship, but was convinced to enrol in a business course.

Inadequate dispute resolution processes

At present, complaints by domestic students in Victoria must be taken to the Victorian Civil and Administrative Tribunal (VCAT). The VCAT process involves a court-like, adversarial hearing, which is much more formal and intimidating than an ombudsman process. We want to see a national industry ombudsman scheme created to resolve disputes between students and colleges. This scheme would be completely independent from industry.

An ombudsman service can contribute to compliance, monitoring and enforcement by providing information about common and systemic issues of complaint to regulators. Such as scheme may also improve complaint handing standards by education providers themselves, by acting as an additional discipline to avoid complaints.

Recent reforms

The federal government has recently announced significant reforms to the VET FEE-HELP training market. These include:
- Banning the use of enrolment ‘inducements’, such as laptops and tablets;
- Unitised fee models;
- Requirements to assess the capabilities of students prior to enrolment;
- Improved disclosure;
- Tougher penalties for non-compliance.

The Australian Council for Private Education and Training (ACPET) also recently released an updated Code of Ethics, and guidelines for members dealing with brokers.

Recent government and industry reforms are welcomed and have tackled some of the issues being faced by our clients. However, we are concerned that the reforms may not adequately protect students from unscrupulous private colleges and education brokers, particularly those engaged in poor recruitment practices.

Further reforms needed

At a minimum, the VET FEE-HELP reforms must be extended to all courses. However, we have recommended that state and federal governments implement additional reforms, including:
- Requiring students who have been cold called or door knocked to ‘opt in’ by contacting the provider to confirm enrolment;
- Banning or restricting commission sales models;
- Enhancing suitability assessments;
- Increasing enforcement activities; and
- Establishing an independent industry ombudsman.

Further reforms are needed not only to protect students from predatory practices and poor quality courses, but also to ensure taxpayer funds are being invested appropriately.

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**Government funding to non-TAFE providers 2013**

$1.36 billion

There has been massive growth in funding to non-TAFE providers from $477m in 2008 to $1.36b in 2013. There are now over 1400 private operators claiming public subsidies.
ACCORDING to the NCVER, many trades are male-dominated and only 15 per cent of all trade apprentices are women. Engineering is a particularly male-dominated area; with women’s participation rates in mechanical engineering dropping right back to single figures. The 2011 Census data shows that of the 123,000 people employed as Fitters, Fitters and Turners, Fitter-Welders and Metal Machinists — only 867 are women. One of these women is TAFE graduate and 2014 Australian Apprentice of the Year Melinda Lethbridge. Melinda is not only to be congratulated on her many achievements, but also for disregarding study and career gender norms to find fulfilment and success.

A high achiever at school, Melinda initially felt obliged to pursue a tertiary pathway and took up an academic study load intending to study mechatronics at university. But a stint of work experience at Hargo Engineering, located in Melbourne’s eastern suburbs, and an affinity for “hands-on” work led her to a different path — a Certificate III in Engineering — Mechanical Trade at Swinburne, and an apprenticeship through Swinburne whilst working at Hargo Engineering.

“I realised I needed a balance of practical work, as well as theoretical challenges,” Melinda said. TAFE was a natural choice for Melinda, and she had always looked at Swinburne as a good option for her, whether she went for a tertiary education or a TAFE education. “I went to their open days and looked at their courses. It just really appealed to me as an organisation, because of the way the courses were structured and also the focus on hands-on work. I looked at Melbourne Uni but it seemed quite large and impersonal by comparison.” Her employer, Frank Gogol at Hargo, cemented her choice when he let her know that though it was entirely her decision, and they would support her choice — they had always sent their apprentices to Swinburne.

Melinda has consistently proved her ability with a number of achievements since commencing at Swinburne. In 2011 she was Best in the Class in First Year at Swinburne which was followed up in 2013 by Best in the Class, and Best Overall (for Trades). Melinda also competed at WorldSkills — “It’s like the Olympic Games for trades” — winning the gold medal at the Melbourne Region competition, and then coming 6th out of 16th in the national competition. In 2014 Melinda was awarded Australian Apprentice of the Year, followed by becoming an Australian Apprenticeships Ambassador for the Australian Government speaking at trades, industry and youth events.

Melinda credits Swinburne with providing a very positive environment for her as she conquered such a male dominated trade — “I’ve never had any trouble because of my gender... I think in general the industry has changed over the last 10 years. It’s much more supportive of women being in the trades, but it’s got a long way to go, because still only about 10% of tradespeople are women. And although my TAFE experience was very positive, I never met another woman apprentice fitter and turner there!” Similarly her employer, while not specifically aiming to employ women has two female tradespeople, and including assisting and office staff, 40 per cent of Hargo Engineering’s employees are female. “It’s unusually balanced for this industry,” Melinda said “People are often surprised when they come in and see so many women.”

Many initiatives are currently underway to help pave the way led by trailblazers such as Melinda. Swinburne has started the Women in Trades Support Network which encourages females to get involved in traditionally male-dominated trades, whilst providing ongoing support to students and apprentices undertaking courses. Melinda is now a mentor for this network saying that “I faced plenty of challenges when I first started my apprenticeship, and I want to make sure every woman entering a trade feels like she has the tools and support to succeed in any field she likes.”

“Just don’t let being a woman limit what options you think you have. If you feel you’re being pushed in a direction that’s not for you, and you’d like to try something hands-on, give it a go. Get your hands dirty and find out whether it’s for you.” Melinda’s comments are sage advice not only for women considering a career in a non-traditional trade, but for any person deciding what to do when they finish school, or considering a new career path.

TAFE and a supportive employer have set Melinda up for a fantastic career in engineering, and by any measure she is already extremely successful. In terms of future plans, she is keen to complete further study at TAFE. “That will give me a few skills to teach apprentices in the workplace... and I want to be a part of providing really good skills to the apprentices coming through. I’d just like to be in a workplace that is renowned for really educating their apprentices and building quality tradespeople. I think it’s very important for us an industry to keep investing in the young trainees who come through.”

Engineering, however, may not be her final career choice. “Maybe down the track I’ll end up as a TAFE teacher, but my TAFE teachers were so experienced. They had 30 years of industry experience behind them before they started teaching, so you can lean so much from them. I’ve got a while to go!”
Funding, participation and quality in VET

Summary of paper delivered by Gerald Burke, Monash University, at Australian Vocational Educational and Training Research Association (AVETRA) 2015 Conference, Melbourne

Unregulated expansion and marketisation of Australia’s VET system have come at the expense of quality. Gerald Burke of Monash University has combed over financial and enrolment data from the past 15 years, confirming what many in the sector have felt for some time:

- Real per hour funding to VET has declined, while universities and schools have received increased government money per student.
- Aggregate participation levels fluctuate in accordance with changes in funding.
- Participation of disadvantaged groups generally improves in years of expansion.
- Decreased funding per hour has affected quality.
- Rapid expansion of funding to private for-profit providers without adequate assurance of their assessments has led to the widely reported poor quality.

Recent history of VET funding

The move towards a VET market, prompted by the Australian National Training Authority in the late 1990s, was driven by a belief that public and private providers competing for government-funded students would improve quality and efficiency. The most significant VET policy shift since market reforms began was Victoria’s introduction of an open-ended student entitlement system in 2011. This led to a massive increase in government funding — $600 million between 2010 and 2012 — virtually all of it captured by the for-profit sector. Funding was reduced severely from mid-2012 by cutting the funding rates for many courses and deregulating fees.

As a result of this policy, Victoria accounted for most of the state funding surge visible in Figure 1. The other notable increase over this period was in Commonwealth funds from 2009 to 2011.

continued p16-18
While overall funding increased around 20 per cent in the decade to 2013, as Figure 2 shows, government recurrent funding per hour of training declined. Government funding for the VET system is allocated based on hours of training delivered. The main reason for this decline was the increase in hours of training per student. This increase in hours is shown in Table 1.
Table 1 shows, almost all the growth in hours of training in the last few years has occurred in the private sector: a 100 per cent increase in enrolments in just four years from 2009 accompanied by an almost 200 per cent increase in hours of training delivery.

**Table 1. Provider type by numbers of students and hours of delivery, Australia, 2009–13, ‘000**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NUMBER OF STUDENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TAFE and other Gov’t</td>
<td>1274</td>
<td>1299</td>
<td>1248</td>
<td>1258</td>
<td>1190</td>
</tr>
<tr>
<td>Index</td>
<td>100</td>
<td>102</td>
<td>98</td>
<td>99</td>
<td>93</td>
</tr>
<tr>
<td>Other registered providers</td>
<td>267</td>
<td>348</td>
<td>483</td>
<td>551</td>
<td>538</td>
</tr>
<tr>
<td>Index</td>
<td>100</td>
<td>130</td>
<td>181</td>
<td>206</td>
<td>201</td>
</tr>
</tbody>
</table>

| **NUMBER OF HOURS DELIVERY** |      |      |      |      |      |
| TAFE and other Gov’t | 368291 | 375877 | 367500 | 381717 | 368527 |
| Index                | 100   | 102   | 100   | 104   | 100   |
| Other registered providers | 52221 | 78399  | 126243 | 155222 | 153963 |
| Index                | 100   | 150   | 242   | 297   | 295   |

Schools and universities were not subject to the reduction in government funding per unit of teaching. Table 2 shows schools received more money per student and grants in universities remained roughly constant in the years 1999 to 2011.

For government schools and higher education index is for or equivalent full time student. For VET it is per hour of publicly funded training. Data in constant prices using the GDP chain price index. (Indexes 1999=100)

**Table 2. Real government recurrent expenditure per student for schools and higher education and per hour of training for VET, Australia 1999 to 2011.**

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2005</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indexes 1999=100</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government secondary schools</td>
<td>100</td>
<td>118</td>
<td>120</td>
</tr>
<tr>
<td>VET</td>
<td>100</td>
<td>93</td>
<td>75</td>
</tr>
<tr>
<td>Higher education</td>
<td>100</td>
<td>101</td>
<td>103</td>
</tr>
</tbody>
</table>

Source: AWPA 2013 p.131
Breaking down the student populations using available 2010 data (Table 3) shows VET, by far the larger sector, educates greater proportions of indigenous, disabled, regional and low SES students. Participation among these ‘equity groups’ tends to be higher during periods of funding growth.

Table 3 Students by sector and demographic characteristics, Australia 2010

<table>
<thead>
<tr>
<th></th>
<th>VET</th>
<th>HIGHER EDUCATION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total students including international ‘000</td>
<td>1,799</td>
<td>1,193</td>
<td>2,992</td>
</tr>
<tr>
<td>Students as % of Australian population aged 15 to 64</td>
<td>12</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Domestic students</td>
<td>1753</td>
<td>845</td>
<td>2598</td>
</tr>
<tr>
<td>Domestic students in two most disadvantaged SES quintiles ‘000</td>
<td>691</td>
<td>191</td>
<td>882</td>
</tr>
<tr>
<td>Bachelor degree or higher</td>
<td>-</td>
<td>86</td>
<td>37</td>
</tr>
<tr>
<td>Diploma, advanced diploma and associate degree</td>
<td>13</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Certificate</td>
<td>67</td>
<td>7</td>
<td>40</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Female</td>
<td>47</td>
<td>56</td>
<td>51</td>
</tr>
<tr>
<td>Part-time</td>
<td>85</td>
<td>30</td>
<td>63</td>
</tr>
<tr>
<td>Indigenous</td>
<td>5</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>With a disability</td>
<td>6</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Main language at home Non-English</td>
<td>15</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>25 and over</td>
<td>57</td>
<td>37</td>
<td>49</td>
</tr>
<tr>
<td>Major cities</td>
<td>56</td>
<td>77</td>
<td>63</td>
</tr>
</tbody>
</table>

NCVER 2012 as included in Burke 2015a. Note there is not a more recent edition of this publication.

*Most international students in VET are enrolled with private providers and not counted in the NCVER data. Over a third of international students in higher education are off-shore studying with overseas campuses or partners of Australian universities.

Participation

VET participation was stagnant or declined in the first decade of this century before expanding with increasing funding from 2010 to 2012, then falling again. As Figure 3 shows, higher education has seen much greater enrolment growth over this period.

Figure 3. Government recurrent payments to non-TAFE providers 2004 to 2013, Australia and Victoria, 2013 dollars ($million)

Quality

When VET was largely provided by TAFE there was criticism of its responsiveness and relevance and to some degree of its cost. There was less criticism of the quality of the courses provided.

Broader concerns about quality came to the fore with the rapid expansion of international students in VET, very largely with private providers in the years to 2010. More recently the complaints have related to provision to domestic students. Factors affecting quality include:

- Reduced face-to-face teaching time as online course delivery has grown
- High levels of casual and contract employment among trainers and assessors – 60 per cent in TAFE compared to 25 per cent across the workforce
- Many courses too short to enable students to achieve competency
- Failure to ensure valid assessment of skills.

Unlike other countries, Australia allows newly registered providers to award a qualification without external supervision. Elsewhere assessment is commonly subject to external oversight for example by independent awarding bodies or national exit tests.

The quality of assessment has been recognised as a problem in Australia and the validation of assessments is required. However this does not appear to require that validation is undertaken by persons external to and fully independent of the provider and therefore seems unlikely to be fully effective against a fraudulent provider.

Conclusion

Recent growth in the VET sector has been characterised by declining funding per student and per hour of training. An examples of the resulting effect on quality is insufficient training for students to achieve competencies.

Australia does not have fully independent validation of assessment leading to the award of a qualification. The introduction of open-ended funding of private providers before effective quality-assurance of assessment procedures left the system open to fraudulent providers.

The full paper is available at www.lhmartinstitute.edu.au/insights-blog
There is clear evidence of rorting and rent-seeking in the Australian vocational education and training sector. The business models and exploitative practices of some for-profit training providers have been carefully documented by a number of our leading journalists.

Their work has been enormously important in focussing the attention of politicians and public servants on a broken system. It has also helped build the political will to examine some of the problems.

Also significant is Serena Yu and Damian Oliver’s examination of for-profit VET training, including the level of profit generated by the four publicly listed training companies.

Yu and Oliver also draw attention to the architecture of the VET systems. They argue that contestable funding and risk-based regulation will fail to produce the reduction in cost and improvement in quality that are the assumed outcomes of a competitive market.

System design
The design of the training system is critical. We need to expose the poor behaviour of training providers. However, we also need to go much further and examine how the structure of the VET systems allow and even encourage the gaming, exploitation and rorting.

Two reasons for the failure of the VET market are identified by Yu and Oliver. The first is that the quality of education and training can only be assessed after the course has been completed. Secondly, there is imperfect competition between profit-seeking providers.

There is also another problem. The training market is based on flawed assumptions about the way we form preferences and make decisions. This has implications for use-choice policies in other education sectors as well as in health and care.

The student
Consider the perspective of a potential student, someone young and choosing their first course after leaving school.

They need to choose the broad areas in which they wish to work. Are they interested in care work, building, finance or something else? They need to identify some jobs that matched their interests and aptitude. This would lead to a decision about the most appropriate level of study, taking in account their level of prior education and preparation.

Many qualifications are offered by a number of providers. Our young student would need to decide which one, judging the quality of their training provision, their standing with potential employers and the level of support offered to students. They would need to be clear on who will actually deliver the program and issue the qualification. Action has been taken to improve transparency but we are yet to see the impact on the way sometimes complex relationships are understood by students.

For some qualifications there will be a choice of delivery mode. Online and blended modes can work well but it depends on the course, the sophistication of online delivery and the needs of the student.

The cost of the qualification needs to be considered. This includes up-front fees, deferred fees paid with a VET FEE HELP loan as well as the cost of any materials or equipment, travel and of reducing paid employment which may be necessary to accommodate work placements. It is clear that some students have not understood the implications of signing up for VET FEE HELP loans. Also, important is the implications for the student’s future entitlement to a government subsidised place.

An aspiring university student will need to make similar decisions. While there are big differences between the prestige of universities and courses, there are fewer institutions, and the majority are
public with established identities and reputations. There are also fewer courses.

**Understanding choice**

Selecting a VET course is a complex process. Mainstream economics assumes that individuals will operate as rational, self-interested beings with fairly fixed preferences. The free market enables them to choose between an array of goods and services. All they need is information about their options. These ideas are extremely influential in the major English speaking countries which have liberal market economies and policies designed to promote choice.

There is, however, a vast body of research that reveals we are nothing like the rational economic agent. This research from behavioural economics can shed some light on the failures of the Australian VET markets.

Although we are capable of making decisions carefully following a great deal of thought, we often make them very quickly. Sometimes this is useful, particularly when it enables us to avoid danger. There are times when our immediate judgment draws on extensive experience or deep knowledge and we are able to make decision that would be supported by more careful analysis. However, we can also make mistakes.

The way something is presented or framed has a big influence, something well understood by people in marketing

If we are faced by a difficult question we sometimes substitute it with a question that is easy to answer and not notice we have made the switch. If you are selling something it can help to direct attention to a secondary decision. Choosing subjects or the free gift is generally easier than deciding if this is the most suitable course.

We tend to have a short term focus and can often fail to see longer-term gains or losses. This has implications for course selection, perceptions of VET FEE HELP debt and concerns about chewing up an entitlement.

The research reveals that we tend to be risk averse. However we tend to take greater risks when we face a series of bad options. Socially and economic disadvantage so often involves limited or highly constrained opportunities.

Our preferences are not fixed. They are shaped by the way options are framed. However, more significantly our preferences are shaped by our circumstances. Entrenched disadvantage impacts on what we consider we can do and can become. It can also strip us of the resources than enable us to take advantage of the opportunities that do exist.

**Implications**

The gap between the assumed behaviour of rational economic agents and the behaviour of real humans matters. A system that uses a market to allocate important opportunities is a risky place, particularly for the most disadvantaged. A fairer funding model would take this into account.

The market may offer choice but we need to consider how that choice is constructed, what options are available and who is in a position to make a choice.

Pasi Sahlberg argues that the Finnish school system is designed to provide every family with the choice of a very good local school for their children. His constructs choice in opposition to the way it is conceptualised in liberal market economies.

Choice is often limited in current VET systems. They may be demand-driven but we need to examine how that demand is generated. Providers direct students to courses with the greatest funding rate or the potential to obtain VET FEE HELP. The need to attract revenue and/ or generate profit can be a more powerful driver than the aspirations and capabilities of students.

The VET system must be designed in a way that provides better conditions for education and training providers that genuinely seek to offer high quality education and training designed and that act in the interest of students.

It is important that rorting and unethical behaviour is documented and reported wherever it takes place. However this is not sufficient. It is essential that we focus on the architecture of the system. One aspect to consider is the way we tend to form preferences and make decisions. Rational choice theory does not accurately predict the way we behave. A fair funding model must be based on more realistic assumptions. It must support the stability of good providers and ensure that government subsidy is an indication of high quality.
Beyond the obvious economic benefits of a skilled workforce, education and training should enable all members of the community to develop their talents and abilities and participate fully in the life of the community.

Yet education policy, in Australia and elsewhere, shows almost no recognition of this crucial fact. Rather, policy is dominated by ideas of microeconomic ‘reform’ which treat education as a consumer good. The core aims of policy are to promote competition and consumer choice, and to reduce or eliminate public subsidies and public provision, particularly in post-school education.

The underlying model is one that dismisses, as self-serving nonsense, any idea of teaching as a vocation. The ideal model of reform is one in which schools and teachers are rewarded on the basis of objective measures of performance. The model is reflected in a variety of managerialist initiatives, from high-stakes testing to voucher systems. The ultimate end of reform is for-profit schooling, based entirely on the market choices of consumers (aka students) and producers (aka teachers and schools).

Education reform has failed comprehensively. High-stakes testing has produced an epidemic of ‘teaching to the test’ and outright cheating, while ensuring that the broader goals of education are subordinates to uniform and easily measurable goals like the solution of math problems in standard formats. Even on these limited measures, institutional reforms like the introduction of ‘charter schools’ in the US have not shown any improvement on the public school models.

Among the many failures in the education ‘reform’ movement, the attempt to promote for-profit education has been the most complete. The Swedish experiment, for quite a few years seen as the exemplar of success, has turned out very badly.

In the US, the for-profit schools company Edison failed almost completely. Launched on the stock market with a bang in 1999, it rapidly gained contracts to manage hundreds of public schools in the US. But poor performance and excessive charges meant that Edison lost contracts almost as fast as it gained them. Worse still, from the viewpoint of investors, Edison consistently lost money, and was
delisted from the NASDAQ exchange in 2003. It still exists as a shadow of its former self, offering a variety of school management services, but running hardly any on its own.

Far worse than mere failures like Edison are for-profit universities like Phoenix. These degree mills, or rather dropout mills, have prospered by recruiting poor students and enrolling them in degree programs they never finish. The trick is that the students are eligible for Federal government support, called Pell grants, and for loans that can be made to seem attractive. Phoenix collects the US government cash, while the students are lumbered with debts they can never repay and can't even discharge in bankruptcy.

In Australia, the for-profit model has been promoted in a number of forms. Now-disgraced childcare entrepreneur Eddy Groves attempted to establish for-profit schools, but this proposal was, thankfully, rejected by state and federal governments. Melbourne University, under the leadership of free-marketeer Alan Gilbert, set up a for-profit subsidiary, Melbourne University Private, which collapsed ignominiously. Along with other Australian universities, Melbourne also dissipated $50 million on a venture called U21Global, billed as the university of the future, but ultimately sold off to an Indian company.

The one area where the for-profit model has been pursued consistently is that of technical and vocational education. This is not because the for-profit model has performed well; far from it. Rather it reflects the fact that there has always been a role for the for-profit sector in providing training courses of various kinds; the ideologues of education ‘reform’ have sought to use this as a model for a competitive, profit-based technical education sector.

Unsurprisingly, the availability of public money has produced an epidemic of rorts along the lines of those observed elsewhere. In Victoria, which led the way in market-oriented reform, the problems were evident some time ago.

This did not, of course, lead to any change for the better. Instead, governments across Australia followed the Victorian model. For-profit providers responded by emulating the University of Phoenix, with recruiters offering free laptops to anyone willing to sign up for a course and the associated debts: the targeted groups were low-income earners who would not have to repay the income contingent loan except in the unlikely event that the course propelled them into the middle class.

This isn’t just a matter of fringe players: a recent report on A Current Affair identified some of the biggest for-profit firms, such as Evocca, Careers Australia and Aspire as using such practices. The Australian Skills Quality Authority is supposedly investigating these reports. However, as with the authorities that are supposed to regulate greyhound racing, the obvious question is why, when these rorts have been common knowledge for years, a current affairs show can find the evidence ASQA has apparently missed.

It’s clear enough that privatising VET-TAFE has been a failure, as would be expected based on international experience. But the answer is not to go back to the past.

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It’s clear enough that privatising VET-TAFE has been a failure, as would be expected based on international experience. But the answer is not to go back to the past. In the 20th century, post-school university or TAFE education (or even completion of high school) was an optional extra, but now it is a necessity. We need a national framework for post-school education, with the goal of ensuring universal access and participation.

This entails an upgrading of the TAFE system to fill the gap left in the 1990s, when institutes of technology and colleges of education converted themselves into universities. Access to all forms of post-school education should be on the basis of a unitary HECS scheme, with fees being confined to postgraduate courses such as coursework Masters degrees.

This leaves us with the problem of how to wind down the for-profit system. We could start by converting the better for-profit systems into contract providers of TAFE courses, and then gradually absorbing them into a unified system. Those who don’t like that deal could compete like good capitalists in the open market, charging upfront fees and serving whatever market they could find, subject to ordinary consumer protection laws.

For-profit education is a proven failure. The educated workforce and citizenry of the future need a universally accessible public (or non-profit) education system, extending beyond high school to encompass appropriate post-school education for all.

Government spending per hour VET delivery 2004–2013

Funding per contact hour in VET has fallen on average by 26 percent between 2004 and 2013. It is now less than $13 an hour.
TAFE is a beacon of hope and opportunity for the client base of the National Welfare Rights Network. The attempted dismantling of TAFE by conservative governments must be resisted if we are to maintain a society which is founded on equality and opportunity.

The National Welfare Rights Network is the peak body for community organisations which specialise in social security law, family assistance and employment assistance. Our membership includes community legal centres across Australia and Aboriginal legal aid services operating in the Northern Territory.

Who are our clients? They are, for example:

- Young people with no family support;
- People who are jobless
- People with disabilities
- Older workers recently retrenched
- Casual workers trying to gain a foothold in a secure job
- Single parents caring for their family and seeking employment.

They are all people we may know, friends, family and colleagues who may, from time to time in their life need access to Australia’s strong and important social security system. They understand poverty in an affluent nation. They budget with precision and yet are told on a daily basis through the mainstream media that they hapless and hopeless and just need to get a “job”. That is why I use the word “jobless” advisedly in this article because I want to emphasise that unemployment is a structural issue and not merely an individual deficit. The reality is that there are simply not enough jobs to go around for every person who wants one. In December 2014, there were nearly 795,000 job seekers registered as seeking work with Job Service Australia providers and around 152,000 advertised vacancies per month. That is five registered job seekers competing for each advertised position.

Young people who need the assistance of our member centres are often escaping from family violence or simply have no family support structure. Often they are studying or want to do so. Youth unemployment (15 to 24 year olds) represents about 40% of all unemployment in Australia with some regions currently seeing 20% youth unemployment. Furthermore, 38% of students on Youth Allowance are currently forking out more than half their weekly income for housing. These young people are doing it tough. The fact that governments in this environment would be raising TAFE course fees astronomically and closing TAFEs is counterproductive and driven by a deeply ideological belief in a market economy for education. It’s not like we don’t know about the critical importance of education at all levels to help redress deep and persistent disadvantage. Indeed the Productivity Commission on 11 June 2013 said:

Education is a foundation capability. It improves a person’s employment prospects and earning capacity, and the evidence points to a relationship between education and better health and raised civic and social engagement.

For many of our clients, TAFE is the clear alternative to a lifetime of insecure work or perhaps no work at all. It’s the alternative to being hectored and hassled by those in society who are more privileged and more powerful. I believe that TAFE is the bulwark in our nation against those who are already privileged arrogating to themselves not only wealth but the secure jobs of the future, those jobs that
are autonomous and not highly supervised. As we embrace the digital revolution, the greatest change in workplace life since the industrial revolution, the class struggle may well be about who has access to the secure jobs of the future.

In such a world, TAFE as a well-funded, predominant provider of VET is critical for access and equity. At the National Welfare Rights Network, we watch with dismay as some private providers prey on our client base and we watch the significant transfer of public money into private hands with 30% profit margins in the For Profit sector, according to the University of Sydney’s Workplace Research Centre.

Media reports of poor quality in the For Profit sector serves to undermine the public’s confidence generally when it is important that TAFE remains as the custodian of quality. Recently in NSW we have seen reports of private providers charging us to four times as much as TAFE for a course; for example, $27,880 for a one year salon management course. 2

In the welfare sector, we have seen the effect of outsourcing and contestability in the employment services area and the consequent diminution of quality in some cases as well as the churning of jobseekers through the books and the imposition of increased numbers of financial penalties on jobseekers. Our clients need and deserve education and training of the highest quality and the support services provided by TAFE.

In 2013, John Falzon, CEO of St Vincent de Paul’s said:

“We believe TAFEs are one of the core educational pillars of our society, which provide both instrumental benefits to the economy and enormous benefits to the 1,000,000 Australians studying there. I wholeheartedly accord with that view and would add a dimension about the importance of TAFE in reducing inequality and building democracy. TAFE is for everyone. It builds the nation’s skill base, support communities and offers individuals opportunity. If everyone has the ability to participate both economically and socially, then our democracy is strengthened.”

This is adapted from a speech given by Maree on 17 April 2015 when she was the President of the National Welfare Rights Network. Maree now works as a lawyer at a trade union law firm, NEW Law Pty Ltd.

1 Australian Youth Unemployment 2014: Snapshot, Brotherhood of St Laurence
2 The Australian 16 March 2015
EDUCATION
much more than achieving grades: transitioning from TAFE to university

THERESA MILLMAN

Transition pathways from TAFE to university are increasingly becoming an accepted mode of entry to higher education. As Watson, Hagel and Chesters (2013) suggest, government initiatives which encourage the participation of diverse members of the population in higher education, have led the way to rising numbers of transitioning students along such pathways. Indeed, the number of students from VET courses articulating to higher education in Australia has increased by 75% since 2003 (Watson, Hagel & Chesters, 2013, p.10). For many students the transition from TAFE to higher education often brings a great sense of achievement. However, students can be faced with a number of challenging situations once they begin their higher education degree.

This article explores the learning journeys of three students from a regional TAFE campus in NSW. It is based on the outcomes of interviews I conducted in 2013 -14 as part of my doctoral studies. The students in the research graduated from the Certificate IV in Tertiary Preparation (TPC) in 2013 and went on to enrol in their respective undergraduate degrees at a regional university in NSW. Over the page are snapshots of their experiences.

Diagram 1: Summary of key benefits of TAFE

Diagram 2: the key challenges faced by students at university
Connor

At the time of the study Connor was 27 years old. He stated that he had grown up in a ‘working class neighbourhood’, and that no-one in his family had ever been to university before.

Connor had originally enrolled in the TPC as a means of entering the Police Service of NSW. However, a number of his TAFE teachers recognised that he had a level of academic curiosity and ability that would enable him to successfully engage in a degree such as Science or Law.

When I first interviewed Connor towards the end of his TPC program he spoke about his reasons for initially attending TAFE:

I didn’t finish high school and I just thought this was the avenue, obviously I needed to get a mark, I couldn’t just walk in [to university] I didn’t have a Certificate IV or anything like that…

When I asked him about his overall impressions of TAFE he said:

…[my] confidence has generally grown…my eyes have been opened… since I’ve done the TPC and been in contact with the teachers, I’ve noticed that personally… the way I access and analyse information [has improved].

He went on:

[TAFE] has definitely opened my eyes… there’s a lot of encouraging if you’ve got something to say… students [can] sort of express their ideas… and … I’ve gotten better at writing … but the most important thing is critical thinking…

Connor had listened to the advice of his TAFE teachers and on completion of the TPC he was accepted into a Science degree in 2014. However, he was somewhat nervous at the prospect of university:

… it’s possible that I might not be able to handle it, but I think that… hopefully this [TAFE] course has given me those skills that are necessary to at least begin to deal with it… I’m not sure if I’ll be able to handle the workload…

Aishia

Aishia was 27 years old at the time of the study. He had enrolled in the TPC with the express purpose of applying for entry to a Health Science degree. For him, the TPC was a pathway to higher education.

When I first spoke to Aishia he had a positive attitude towards some of his TAFE experiences:

I don’t think I was really prepared for uni and now doing all this work and stuff [at TAFE] I feel like I’m prepared… I feel like I’m ready to … take the next step…

Aishia completed the TPC in 2013 and was due to start his university degree in 2014. He expressed some of his worries about this:

Um… it’s going to be a little bit hard because it’s a different environment, different people, I’ll have to make new friends…

Briony

Briony completed the TPC in 2013. Her motivation was also to qualify for a Bachelor of Education. It had always been her ambition to become a primary school teacher, and the TPC was a pathway to realising this dream. At the time of the study Briony was 19 year old and quietly spoken. She stated that she had enjoyed her time at TAFE as it had given her the support she needed at a difficult time in her life:

…in the TAFE studying we’re also more close, so it makes me feel more comfortable to talk, less restrictions, so if I don’t understand something I’m more likely to ask…I think I’m a lot more calm… more relaxed …

When I asked Briony what she expected university to be like she said:

I think it’s going to be a bit difficult but I think it’s a welcome challenge… it’s just going to be different because I’ll finally be where I want to be…

Briony began her Bachelor of Education degree in 2014.
Connor

Next spoke to Connor at the end of his first semester of university in July 2014. He had faced a few challenges along the way, for example, getting used to eLearning as a key form of pedagogy and communication at university, but primarily the main issue for him was finding a balance between his work/study and home commitments. There was pressure from all sides; friends, family, his girlfriend and from himself to get a full time job:

Organising my time is the biggest one… I’m still working on it… it’s still not perfect… I’m one of those people who… I’m always rushing around, thinking about something, a disorganised person… I’m starting to get a bit tired actually… I’m starting to get a bit worn out…

However, what was most poignant about Connors’ story was the fact that coming from a low socio-economic background, he aspired to be a role model for children he may have in the future:

Coming here [to university] was never purely about getting a job… I wanted to do… something that I could be proud of… I wanted to just sort of put myself in a better position and I suppose… lead by example… the big drive for me was eventually having children that I could… give some guidance and knowledge of what’s exactly out there…

My overall impression of Connor was that he was still uncertain about whether he had made the right decision to go to university. It was clear that successfully completing his TAFE course had given him the confidence he needed to consider further study. However, there was the constant pressure of the need to earn a reasonable income. At the end of our final interview, Connor had not yet decided whether to stay at university, or whether to seek full time employment.

Aishia

When I spoke to Aishia at the end of his first semester of university in July 2014, he had mixed feelings about his experiences of university so far. He was particularly challenged by the amount of work he had to do:

… all of the assignments are due the same week… the same day, so… it’s really hard and also I have to study for exams and there are articles that we have to read before we go to tutorials and stuff like that…

He was also missing the one to one help and assistance he had received during his TAFE studies:

… the lecturers and the teachers really… sometimes when they give you your assignments and stuff, I don’t really understand it… you don’t really know what to do… they don’t really give you that one on one help…

Despite the difficulties he was facing at university his goals were firmly in place. Aishia was determined to continue with his studies and achieve his aspirations for the future:

I want be a midwife… So I’ve got a lot of studies ahead of me… [but] it’s worth it… I’m not going to give up uni… I’m going to keep going and keep pushing and keep fighting until I get where I want to be…

Aishia had faced a number of personal issues on his learning journey from TAFE to higher education, but he displayed a level of resilience and determination to achieve his goals.

Briony

I spoke to Briony again at the end of her first semester at university. She seemed transformed by her experiences; she was happy, lively and energetic. However, she was also faced with a number of challenges; these included understanding the relevance of some of the material she was faced with and the workload that university entailed:

I think I’m kind of like in the transition stage, I’m getting used to things… but it’s a bit crazy at the same time… it’s just that some of the subjects… I find it hard to really see where they fit in with primary education…

Briony’s aspirations were however consolidated by her university experiences and this was obvious in the apparent joy she had felt of her experiences in her first primary school practicum:

…the first day of my prac, I just came away thinking there is nothing else I can see myself doing… after being at school for just a day it’s totally what I want to do… I got up today and I taught Art by myself and… it’s just really nice.

When I last spoke to Briony she was happy and settled in her studies, she was achieving her dream and like Connor and Aishia, she was finding ways to cope with the challenges experienced in the shift from the TAFE environment to a university environment.

As a pathway to higher education, TAFE can often provide skills for its students that are not easily measured. For the three students in my study, TAFE had provided them with the academic literacies they would need for higher education. The TAFE experience had also built their self-confidence and their self-esteem, and it had given them the opportunity to build on their aspirations. The students still faced challenges at university, primarily because of the somewhat different pedagogical approaches between VET and higher education. Fundamentally, we can measure academic outcomes, both at TAFE and university, but how much do we value the ‘intangible’ outcomes? Education is inclusive of much more than achieving grades.

References


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Once elected, the new Labor government moved quickly to intervene in the TAFE space by

- Requesting that TAFEs place a moratorium on redundancies until the New Year in 2015.
- Approving the release of $20 million of emergency funding to seven TAFEs as part of a $320 million ‘rescue fund’ for the public TAFE sector. The funding to be used primarily to stop job losses and course closures.
- Establishing a public inquiry into TAFE and other provider funding to be headed up by Bruce McKenzie (ex CEO from Holmesglen TAFE).
- The inquiry is to provide an interim set of recommendations after 100 days and the final report to be provided to government by the end of August 2015.
- Cancelling the qualifications from close to 10,000 thousand Victorian students because of poor training practices in a number of RTOs.
- Commissioning an urgent Review of Quality Assurance in Victoria’s VET System. This review is to feed into the McKenzie Review.
- Reinstating the entitlement to subsidised training to students that had their qualifications cancelled.
- Releasing a further $50 million to TAFEs to support the development of education and training projects in industries with high employment prospects.
- Disqualifying a number of employers from being approved to hire apprentices following a VRQA audit of 115 employers in the automotive industry. Some of the problems uncovered by the VRQA audit included – poor supervision of apprentices; inappropriate work tasks or facilities; limited evidence of training, including a lack of contact with the registered training organisation and apprentices not being released to attend formal training, or not being paid to attend training.

The AEU is encouraged by the actions of the new Victorian government to act urgently to limit the ongoing damage being done to the public TAFEs and the reputation of the Victorian VET system, but the actions to date go nowhere near fixing the damage created by the ongoing loss of $1.2 billion each year from the TAFEs since 2012.

Greg Barclay is the Victorian member of the National TAFE Council Executive

New South Wales

Maxine Sharkey

The Stop TAFE cuts campaign has generated widespread community awareness of the impacts privatisation is having on TAFE students and teachers. In NSW growing community concern about these attacks placed on TAFE was a central political issue in the recent state election.

During the election the NSW ALP and Greens both announced policies to cap public funding available to private for profit training companies. The re-elected Baird Coalition Government will continue the implementation of its Smart and Skilled program. The Premier has moved TAFE NSW and State Training Services from the Department of Education and Communities to the new Department of Regional Development Skills and Small Business under Minister John Barilaro.

The Stop TAFE cuts campaign will continue to lobby and influence all political parties to reverse this privatisation of TAFE funding. In NSW members will continue to campaign with other unions, community groups and employers to highlight the policy flaws of the Smart and Skilled program.

The research report of the new classifications of assessor, education support officer and head teacher band 3 is due by the end of June 2015. The Joint Management Committee between TAFE management and NSW Teachers Federation has endorsed the research and has agreed to continue the trial past 30 June until December 31 2015. This will allow the parties to fully consider the final report and learn from the further findings emerging.

NSW TAFE teacher EA expires on June 30 2015, and at the time of writing no formal negotiations have commenced.

Maxine Sharkey is the NSW member of the National TAFE Council Executive

Queensland

David Terauds

With a new Labor government in Queensland things have quieted for TAFE. The new Minister has stated publicly that TAFE funds will be quarantined on the basis that TAFE is about providing growth and development opportunities for individuals and communities not just jobs. Included in the ALP election commitments were:

- Unwinding of Queensland Training Asset Management Authority (QTAMA)
- Dedicated and additional funding for TAFE,
- Re-establishment of the Training Ombudsman.

Progress is an unfolding project with many previous changes legislated by the LNP government. Issues such as the restoration of the assets of TAFE to the department will add to the long legislative agenda of the Palaszczuk Government. Financial commitments to TAFE should be realized in FY15/16. However the sense of ‘Impending Cataclysm’ is receding and a more positive mood emerging. There is a widely acknowledged belief that if the Newman Government had been returned, TAFE Queensland would have had little market presence at the end of a second term.

Another ALP renovation job is in progress with the IR framework. Award modernization and enterprise bargaining are on hold until a new framework is settled.

Meanwhile, TAFE educational staff at Central Queensland University have received an administrative pay increase of 2%. The increase acknowledges lack of pay increases since 30 June 2013 and delays in post merger bargaining. The University has agreed to match the 2% figure to any administrative increase granted to TAFE Queensland employees and has undertaken to progress bargaining as soon as feasible.

David Terauds is the Queensland member of the National TAFE Council Executive
SOUTH AUSTRALIA

TONY SUTHERLAND

THE South Australian Government’s 
Skills for All program has ended with the state 
Government hanging their hat on its success in 
achieving 100,000 additional training places, 
expansion of the private training market and a 
reduction in VET delivery costs.

The reality is not a success story. To attract 
enrolments many courses were offered fee 
free resulting in a massive initial uptake over 
a wide range of qualifications. Lack of student 
counselling into appropriate courses resulted in 
enrolments, but not completions, a contributing 
factor to the dismal 37 per cent completion rate. 
This can be compared to TAFE’s record 
of around 90% completion where trained VET 
practitioners meet students’ learning needs and 
support their learning journey.

In an attempt to control over subscribed 
courses with limited employment outcomes the 
Skills for All training subsidy list was amended 
ten times over a two year period resulting in 
a confused training market. These changes to 
funding have meant substantial fee increases 
being borne by students with many qualifications 
only funding source becoming full fee paying.

The Skills for All legacy is that of tax payers 
funds channelled from the public provider to 
the private for profit providers for a product of 
questionable quality delivered in as short as 
time possible at increased cost to the student. 
The last changes to Skills for All may have seen a 
down turn in student uptake which has led to 
TAFE SA undertaking major business reviews 
and a likely loss of another 50 FTE teaching 
staff.

WorkReady will replace Skills for All from 
1 July 2015. WorkReady can be summed up 
as more closely targeting funded training with 
employment outcomes, greater financial contribu-
tion by students and employers and closer 
alignment of training graduates and labour 
market demand. WorkReady will see fewer qual-
cifications funded and at reduced subsidy rates by 
government.

Tony Sutherland is the SA member of the 
National TAFE Council Executive

WESTERN AUSTRALIA

GARY HEDGER

THE WA replacement general agreement for 
TAFE lecturers was registered on the 7th 
of May 2015 in the Commission and the pay rise of 
2.75% for the first incremental pay increase plus 
back pay is to be paid on the 4th of June 2015.

Students under the new fee structure and removal of fee caps are starting to ask questions in relation to value for money. As employment opportunities are changing in WA, people are starting to return to TAFE for up-skilling and retraining. They are starting to ask about “just what they are paying for” in relation to costs. We have been informed that students are going online (VETinfoNet) to find out the course/unit delivery time they are paying for and questioning why they are getting fewer hours than they have paid for. This will be followed up to find out what students are being told.

Apprentices are also starting to complain about the new fee structure in 2015, where the cap on fees for apprentices was removed. Many apprentices are going on to hardship/fee payment plans as they cannot afford the new fees required. It has also impacted on continuing apprentices that have debt from 2014, with changes to enrolment procedures requiring that existing debts are cleared before they can enrol in the next stage of training. To further compi-
cate this matter changes to wage increases for apprentices are now linked to completion of training. And the government asks why they have such a high non completion rate for apprentices!!

Gary Heder is the WA member of the 
National TAFE Council Executive

ACT

KAREN NOBLE

WORKLOAD review will be our focus over the 
next few months. Our EA contains a list of 
15 tasks that will be examined to see whose 
workload they belong in and how the work is to 
be resourced. I suspect we could already write 
another list of 15 tasks that need such a review 
but for now, we will focus on the current list 
which includes tasks such as: risk management, 
technology interfacing, purchasing, maintenance, 
marketing, curriculum development, collecting 
and analysing student feedback.

From early 2015 CIT has a private provider 
operating from one of its campuses, not a happy 
situation and one to watch closely. Clear commu-
nication and boundaries for the students are 
important so they are clear about who is their 
RTO, especially if things are not progressing 
smoothly. However, there are opportunities to 
tegrate these students into the campus and 
link them with CIT student and study options in 
the future.

National TAFE Day will have a lobbying focus 
in the ACT and we will extend our ‘Stop TAFE 
Cuts’ posters into the high schools and colleges. 
It is high time we worked with our colleagues 
in secondary education to ensure they know 
that TAFE, as they used to know it, is under 
threat. One RTO is not the same as another and 
students need to thoroughly research their VET 
options before committing.

Organising our sub branches also needs a 
boost and hopefully will pick up over the next few 
months. We are working with the AEU ACT office 
on strategies to boost membership and involve-
ment of members.

The new CIT Governing Board will be in place 
by the time of this publication. We are hoping 
an AEU member will fill the staff representative 
place. We have campaigned well and await the 
outcome.

Karen Noble is the 
ACT member of the National TAFE Council Executive
TASMANIA

REX CALVERT

TasTAFE has now been operating for almost 2 years with former South Australian, Stephen Conway, as the CEO. Initially following the re-uniting of the Skills Institute and the Polytechnic, staff seamlessly transitioned into TasTAFE with little or no regard as to the numbers actually required.

With the fall of the Labor/Green Accord and the election of the Hodgman led Liberal Party the new Treasurer, Peter Gutwein, implemented savage austerity measures that included massive cuts to the Public Sector.

Coinciding with the Government’s austerity measures has been TasTAFE’s redesign process that has seen the loss of many jobs at Educational Team Leader (HOD) level and above. The number of teams across TasTAFE has been reduced from 48 to 31. The number of managers who have expressed interest in redundancies or who will revert to a teaching roll is so high that TasTAFE will need to advertise for staff to become the new Education Managers, it is envisaged that there may well be 7/10 new managers. The vacancies will need to be processed through the government vacancy control process and any positions not filled by this means will be advertised in the Government Gazette paving the way for current staff to apply for Education Manager positions.

The Tasmanian Government through its Department of State Growth, headed by Minister Matthew Groom, has produced a paper “Investing in Skills for Growth”.

The paper alludes to statements such as –
- “A more proficient and competitive training System”
- “Encouraging greater competition in purchasing of training while still recognising the need for a strong public provider”
- “Progressively and responsibly open the training system to greater competition”
- “Managing our training system so that competition delivers value including improving performance monitoring and assessment through contracting”

As is evident in other states more competition with private providers has seen the demise of TAFE Institutes across Australia. It would appear that the Liberal Government in Tasmania has not learnt from experiences in other states. It is worth noting that the Department of State Growth, in Tasmania, is the body that oversees the funding of TasTAFE.

Rex Calvert is the AEU Tasmanian TAFE Division President

TAFE FACT

Profit margins – private for-profit providers

<table>
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<th>PROVIDER</th>
<th>2011</th>
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<th>2013</th>
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<td>Vocation</td>
<td>6%</td>
<td>18%</td>
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<td>Ashley Institute of Training</td>
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<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Australian Career Network</td>
<td>N/A</td>
<td>40%</td>
<td>51%</td>
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<tr>
<td>G8 Education (listed childcare provider)</td>
<td>16%</td>
<td>16%</td>
<td>18%</td>
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The average amount of profit taken by a publicly-listed for-profit VET provider – that is nearly twice what similar companies make out of government subsidies for childcare.

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With over 7,500 people confirmed dead, and over a million children said to be ‘severely affected’, Nepal needs our help.

Nepali unions are organising immediate assistance and are calling for global union support.

Union Aid Abroad-APHEDA will work with the General Federation of Nepalese Trade Unions (GEFONT) and Union Network Nepal Liaison Council (UNI NLC) to provide the following immediate support:

- Medical treatment for injured
- Temporary tent and housing
- Water and food supply

A major 7.9 magnitude earthquake struck Nepal on April 25th 2015 causing unprecedented destruction of infrastructure and homes, as well as loss of thousands of lives. Many of the world heritage buildings have been reduced to rubble. This is a huge disaster for one of the poorest nations which was already struggling to improve the living standards of the poorest of the poor.

Your support is very much needed at this time. Whether large or small, every contribution counts in the effort to rebuild the lives of people in Nepal.

“Kathmandu valley is unimaginably destroyed! It is the most terrible quake we have ever experienced. Chilling cold, plus rain, lack of tents and [continuous] jolts is sufficient to scare people. It has disturbed even rescue work.”

Bishnu Rimal, President, General Federation of Nepalese Trade Unions (GEFONT)

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