We want you to know that we, at the Asylum Seeker Resource (ASRC) are fighting with all we’ve got for the basic right for people to live free from harm.

Only with your support, has the ASRC been able to be a voice, without condition or compromise for people seeking asylum.

These are loving mums and dads, and who have made incredible sacrifices to ensure that their families are safe and have the opportunity to thrive.

We want you to know that we, at the ASRC are fighting with all we’ve got, for the basic right for people to live free from harm.

We are mobilising, lobbying, educating, and delivering life-changing assistance to over 3,200 people, in and out of detention.

But we need to ask for your urgent support so that together, we can continue to be at the coalface where it matters most, and to help more than 5,000 people in need this year.

Can you help us continue to fight for all people seeking asylum to keep them safe from harm?

A donation of just $40 will help provide vital employment and vocational training to a family in need, enabling them to build a new life and thrive.

DONATE NOW AT WWW.ASRC.ORG.AU OR CALL 03 9326 6066
The Official Journal of the TAFE Division of the Australian Education Union

VOL 50, No. 1 • AUTUMN 2016
The Australian TAFE Teacher is produced for the Australian Education Union by AEU Vic Branch Publications Unit, 112 Treenery Crescent Abbotsford Tel: 0421 137 9678; Email: lnygeiadesign@gmail.com

EDITORIAL
All editorial contributions to the attention of Pat Forward The Australian TAFE Teacher, Australian Education Union, 120 Clarendon Street, Southbank VIC 3006 Tel: (03) 9693 1800 Fax: (03) 9693 1805 Email: pforward@aeufederal.org.au

SUBSCRIBERS
Price to subscribers for three issues a year is $33.00 (inclusive of GST). Contact AEU Federal Office, 120 Clarendon Street, Southbank VIC 3006 Tel: (03) 9693 1800; Fax: (03) 9693 1805 Email: aeu@aeufederal.org.au

ADVERTISING
Rosie Scroggie Tel: (03) 9693 1800; Fax: (03) 9693 1805 Email: rscroggie@aeufederal.org.au
Sub-Editing: Rosie Scroggie
Design & Layout: Lyn Geia
Production: AEU Victorian Branch Publications
Circulation: 11,000 for current issue

PUBLICATION CONDITIONS
The Australian TAFE Teacher is distributed free to all TAFE members of the Australian Education Union. The opinions in The Australian TAFE Teacher are those of the authors, not the Union, unless otherwise stated.
The Union accepts no responsibility for the accuracy of information in articles and advertisements in The Australian TAFE Teacher.
Articles are accepted for publication in The Australian TAFE Teacher only on the condition that the authors:
(1) Give the Australian Education Union an irrevocable, non-exclusive licence to publish the article; and
(2) Authorise the Union to give permission for reproduction of the article in whole or in part by other persons and organisations for educational and training purposes.
Advertisements are accepted for publication in The Australian TAFE Teacher on condition that advertisers and their agents:
(1) Warrant that (a) the advertisement complies with all relevant laws, and (b) publication will not give rise to any legal claims or liabilities; and
(2) Fully indemnify the Australian Education Union and its employees and agents against all claims and liability arising directly out of publication of the advertisement.

National TAFE Council Executive members
ACT    Karen Noble
NSW    Maxine Sharkey
NT    Vacant
Queensland    Dave Terauds
SA    Tony Sutherland
Tasmania    Paul Lennard
Victoria    Greg Barclay
WA    Gary Hedger

Federal TAFE office bearers
Federal TAFE President    Michelle Purdy
Federal TAFE Secretary    Pat Forward
AEU WEBSITE: www.aeufederal.org.au

features

INSIDE THIS EDITION
5 PAT FORWARD

VOCATIONAL EDUCATION IN CRISIS
6 PAT FORWARD

VET FEE-HELP POLICY-MAKING: NAIVE, INEPT OR WORSE?
8 DR JOHN MITCHELL

IGNORING THOSE VERY INCONVENIENT CANARIES IN THE COAL MINE
11 DR DON ZOELLNER

THE TREATMENT OF VET STUDENT TRAINING ENTITLEMENT MODELS
14 DR KAYE BOWMAN & SUZY MCKENNA

TAKING HARD LESSONS INTO A SMARTER FUTURE
19 BRUCE MCKENZIE

WHY BUTCHER APPRENTICESHIP?
21 VIRGINIA SIMMONS

THE LIMITS OF EDUCATION MARKETS
24 DR MARY LEAHY

STOP THE TAFE SELL-OFFS
26 ROB LONG & KATHY NICHOLSON

columns

4 PRESIDENT'S REPORT
30 AROUND AUSTRALIA

Get involved, visit www.stoptafecuts.com.au

TAFE: TOO GOOD TO LOSE

/StopTAFECuts   @TAFECampaign

Printed on Re Art matte 100% recycled paper
FROM THE PRESIDENT

MICHELLE PURDY, AEU FEDERAL TAFE PRESIDENT

A far better option for students would be for state governments to resume their pre-2012 arrangements and fund Diploma and Advanced Diploma qualifications directly.

HERE is a busy year ahead and Stop TAFE Cuts is stepping out with a fresh new look and feel to our campaign materials. With red as the main colour and with the addition of TAFE: TOO GOOD TO LOSE we hope that everyone will get behind the 2016 campaign. The federal election is looming and we need every member and supporter of TAFE to get active. Don’t sit back over the coming months but step forward and do your bit to make TAFE an election issue. Every political party needs to deliver a solid policy on guaranteeing public vocational funding for TAFE and commit to growing opportunities for Australians to access quality training at their local TAFE campus.

VET FEE-HELP continues to take a high toll on students and TAFE institutes alike. Another round of VET FEE-HELP “reforms” implemented in early 2016 will stop the overall growth of expenditure in this area but it will not prevent the rorting by unscrupulous private for-profit providers. Within the first two months of this year these new guidelines have had an impact on TAFE and students in several states. In Tasmania the new cap on VET FEE-HELP funding for RTOs has been reached and new students no longer have access to the scheme. Instead, they have the option of paying through an instalment plan over a 12 month period. Students are left with little choice but to take on a formidable burden or not enrol at all.

A far better option for students would be for state governments to resume their pre-2012 arrangements and fund Diploma and Advanced Diploma qualifications directly. This is the much vaunted “skin in the game” that politicians are so keen on. If state governments resumed funding of these qualifications, they would pay much closer attention to which providers received funding, rather than abrogating all responsibility and leaving students with the unenviable task of choosing from a range of unethical, and dodgy private providers. We look at some of these issues in this edition of The Australian TAFE Teacher.
Inside the Autumn edition

PAT FORWARD

This first edition of The Australian TAFE Teacher for 2016 is being published in the context of the spectacular implosion of private for-profit colleges in the Australian vocational education sector. It seems now that once a week, the media is full of stories about college collapses, students left stranded — all set against the backdrop of the unprecedented waste of public money through the discredited VET FEE-HELP scheme. The complete failure of public policy evidenced by the college collapses and the VET FEE-HELP crisis have been thrown into sharp relief by the leaking in late January of a paper prepared for the next COAG meeting by the Federal Government.

Minister Birmingham’s championing of a federal takeover of the VET system clearly rings hollow to most states and territories, as one state leader after another rejected the folly of such a proposal in the current circumstances. The failure of the privatisation of vocational education is a major theme in this edition of The Australian TAFE Teacher, and we have some fine contributions from a range of key commentators.

John Mitchell reflects on the failed VET FEE-HELP scheme in his piece, asking whether the policymaking is naive, inept or worse. He argues:

A fundamental job of policymakers is to not design loopholes for rogues to exploit, or, if they design them by mistake, to close them quickly.

And then goes on to say:

One wonders just how federal policymakers could perform so poorly for so long, and so misread the messages being sent to it by the community, the media and state politicians. Only an independent inquiry could address this crucial piece of so-called “reform” is wreaking havoc on students across the country, and changing the face of TAFE. Combined, VET FEE-HELP and the student entitlements are the foundation of a privatised vocational education sector.

Virginia Simmons article on apprenticeships highlights the strengths of this once highly regarded cornerstone of vocational education.

But, says Simmons, the thing that troubles her young apprentice is that new apprentices don’t go to trade school:

These days a trainer visits the shop for a couple of hours every few months and trains them on the job. They use the same work-book as Jeffrey used but all the practical work is related to the shop and they have no interaction with other apprentices or exposure to other businesses. Jeffrey believes that attendance at trade school would assist their transition from school to work and help them to gain a stronger sense of pride in their trade. He is not sure whether this is a cost-cutting exercise or simply a change in approach but either way, it’s a retrograde step.

In his article Taking hard lessons into a practical future, Bruce Mackenzie argues that despite the looming national election, “paucity prevails in VET and tertiary education policy debate”. He says:

My enduring impression is of ignorance and inaction relentlessly undermining a once world class system. Its value further discounted by a dubious ideology upholding free markets and profiteering as worthy design principles for a taxpayer-funded, fit-for-purpose vocational education system.

Change is hard, he says, but his article makes it abundantly clear how critical it is for governments to act urgently.

Kaye Bowman and Suzy McKenna have contributed a great synopsis of their NCVER research into the student entitlement models introduced across the country as a result of the 2012 National Agreement for Skills and Workforce Development. As the sector continues to be captured by the VET FEE-HELP scandal, this crucial piece of so-called “reform” is wreaking havoc on students across the country, and changing the face of TAFE. Combined, VET FEE-HELP and the student entitlements are the architecture of a privatised vocational education sector.

Mary Leahy’s article The limits of education markets examines the Harper report, and its note of caution — that user choice is not appropriate in vocational education all settings or in other education sectors:

Services such as education differ from physical goods in another significant way. They depend on relationships. In vocational education, these relationships are built on trust between educators, students, employers and the wider community. Without trust, qualifications have no value. With the introduction of demand-driven funding and reduced funding rates we have seen an erosion of quality and a reduction in trust.

Finally, Don Zoellner examines the warning signs that were conveniently ignored as sorting of the CIV TAE throughout the last decade was made public. In Ignoring those very inconvenient canaries in the coalmine, he says:

When the original canaries died in the coal mines, work stopped and different arrangements were made in order to keep the business operating, a concept that seems lost in the current VET policy climate. There is ample evidence from over the past decade that the VET open market principles, low barriers to entry and reliance upon compliance-style regulation have not been suitable remedies to the behaviours exhibited by too many training providers. It is time to revisit the foundational question of the best balance between market and non-market provision because the enduring, recurrent nature of these problems show that we can no longer ignore the warning signs of the waste of scarce public and personal resources.

The Australian TAFE Teacher, and the vocational education sector is lucky to have such insightful contributors to contemporary policy debate in this sector, and we thank them for their efforts!

Pat Forward is the AEU Federal TAFE Secretary
Vocational education
A SECTOR IN CRISIS

Vocational education should be the engine room of a nation’s economy, and one of the bedrocks of a cohesive society.

It should prepare people for work. It should foster and encourage innovation, and support employers and workers in workplaces. A well-functioning VET system can work with stakeholders to anticipate skills needs and keep our economy strong into the future. But Australia’s vocational education sector is in crisis.

VET in Australia was once internationally admired, but a drop in government investment, the gutting of TAFEs and disastrous privatisation of the system have left us with a system that is failing our students and not preparing the workforce we need.

It’s not just the AEU saying this. Industry leaders are in furious agreement about one thing – the VET system is not working, and it needs to be fixed. Both Innes Willox (AiG) and Kate Carnell (ACCI) point to the alarming decline in apprenticeships – 30% over the last decade – as evidence of the failure of recent “reforms” to the system.

They mention reputational damage, dodgy for-profit operators, inconsistency – and unintended consequences. Mr Willox calls it a crisis, Ms Carnell calls it policy failure.

The crisis starts with the drop in government investment in VET. Recent data from the Productivity Commission shows that investment by governments in Australia’s VET system has almost collapsed. It has declined by 31% since 2005 and recent research by the Mitchell Institute shows that vocational education is the poor cousin of the education sectors, with the lowest levels of government investment.

On top of this we have a disastrous privatisation agenda driven by the Federal Government but embraced by the States, which has driven down quality in the sector while costing taxpayers billions.

Since 2012, through the Commonwealth’s National Agreement for Skills and Workforce Development (NASWD), states and territories have had to agree to implement market-based “reforms” of their VET and TAFE systems in order to access Commonwealth funding.

They had to agree, effectively, to open all their funding to the private for-profit sector — because competition, they argued, would mean efficiency; and they agreed to transfer funding for higher level VET qualifications — Diplomas and Advanced Diplomas from themselves onto students through the VET FEE-HELP scheme, 80% of which goes to the private sector.

Contrary to the belief of Ms Carnell, VET FEE-HELP was not introduced to assist students to afford expensive VET qualifications. Before its introduction in 2012, the cost of Diplomas and Advanced Diplomas to students was in the order of a few thousand dollars — much less than the tens of thousands of dollars currently being charged by operators.

The implementation of the privatisation requirements in the 2012 NASWD has brought chaos to TAFE and the VET sector.

Newspapers report daily on the activities of a for-profit private sector which is out of control with regulators struggling to investigate the tsunami of taxpayer cash heading to dodgy operators.

On a weekly basis, private for-profit colleges are collapsing, leaving tens of thousands of students with huge debt, and no qualification to show for it. Thousands of TAFE teachers have lost their jobs and campuses have closed.

The privatisation of VET was promoted by governments, arguing that it would give students “choice” and make the system more “flexible” because of the alleged diversity and efficiency of the private sector. All that has happened is that private operators have worked out efficient and flexible ways to milk a badly-regulated funding system at the expense of students.

Many young people in Australia now owe more than $5.5bn in debt through the VET FEE-HELP scheme, and 80% of VET FEE-HELP funding has gone to the private for-profit sector. In February this year, the media reported that the private training industry had only enough insurance to cover about $220m of the $5.5bn in outstanding loan funds, in the event a college fails and has to repay students’ debts through the industry’s Tuition Assurance scheme.

Market-based “reform” of vocational education has all but destroyed the apprenticeship system, it has not resolved skills shortages, it has not increased choice or improved the quality of training. Instead it has seen literally hundreds of millions of dollars of scarce government funding wasted on profits to individuals running fly by night, for-profit colleges.

Employers are saying loud and long that the system is broken and needs to
be fixed. Governments must listen to them and take responsibility for repairing our VET system.

Students are losing trust in the system. Why would they enrol in qualifications which are of uncertain quality, which cost them tens of thousands of dollars, and which have at best uncertain employment outcomes?

The proposal in the recently leaked Federal Government’s COAG paper – a proposition for it to take control of vocational education system, would not “fix” vocational education.

Transferring control to the Federal Government would change nothing unless it was accompanied by major reforms to funding and a freeze on new VET FEE-HELP debts.

Unless TAFE funding was explicitly protected, and their unique status recognised, it would simply finish the demolition job on TAFEs commenced in 2012 and destroy Australia’s once internationally renowned TAFE and VET system.

The vocational education sector is like other parts of the education system, a sector whose currency is trust, whose reputation must be so good that it encourages young people to invest time, and energy and their futures in education and training.

TAFE colleges are some of the most highly regarded and trusted institutions in Australia because they actually work.

Governments could fix the problems in the VET system overnight if they guaranteed 70% of their funding to their TAFE colleges, and called a halt to the debacle which is VET FEE-HELP. They could then vigorously regulate and scrutinise the remaining 30% of their funding which could be allocated contestably. If access to this funding was based on quality and reputation, rather than the unseemly process which currently exists, the vast majority of it would go to TAFE colleges anyway.

They must impose minimum hours for courses on private providers so they are required to deliver courses in realistic timeframes, as they are at TAFEs. Too many private colleges are only profitable because the system lets them charge big fees for courses run in a fraction of the time they would take at TAFE. And we must ban brokers. No reputable education system needs brokers to spruik their wares, or entice the vulnerable into long term debt.

All this would save governments, and future generations of young people, billions of dollars.

Let’s clean the sector up, and then we can have an informed debate about whether the sector should be run by the Federal Government or by the states and territories, or by both as it currently is; and we could, for once, develop sound public policy for the VET sector.

Pat Forward is the AEU Federal TAFE Secretary
VET FEE-HELP policymaking:
naïve, inept or worse?

Who is responsible for the abuse of thousands of “acutely vulnerable people”? — DR JOHN MITCHELL

LIKE many Australians, I have followed with sadness the proceedings of the Royal Commission into Institutional Responses to Child Sexual Abuse, but in my case I have asked myself whether a similar inquiry might be called to investigate the exploitation of thousands of adults inappropriately signed up over the last few years for courses that involved VET FEE-HELP loans. I couldn’t help make this connection when I read this description in February 2016 of the collapse of yet another large group of training providers who had benefitted significantly from government loans:

“The three private training colleges that collapsed, leaving thousands of students in limbo, received at least $66 million in government-funded student loans…”

The three private training colleges that collapsed, leaving thousands of students in limbo, received at least $66 million in government-funded student loans.

“As news of the closures trickled to concerned students on Thursday, former employees revealed the colleges recruited students from foster homes, homeless shelters, women’s refuges, aged care homes and drug rehabilitation centres.”

(SMH, 11-02-2016)

Unfortunately these appalling recruitment practices have been widespread in the sector for the last few years, as summarized by the Redfern Legal Centre in its verbal presentation to the senate inquiry into private providers in July 2015:

“Unfortunately, Redfern Legal Centre has witnessed the systemic exploitation of the VET FEE-HELP loan scheme by private training colleges through the use of misleading and unconscionable marketing practices to churn student enrolments. Our particular concerns relate to door-to-door sales by marketing agents, who act on a commission basis, on behalf of RTOs. We have seen a deliberate targeting of acutely vulnerable people, particularly those living in high-density public housing in the Redfern-Waterloo area of inner Sydney. Also, we have seen marketing agents approaching people directly outside Centrelink offices in Redfern.”

To me, this recruitment of unwitting people amounts to the abuse of adults and, given the scale of the abuse, I believe it deserves an inquiry that would go further than any of the other inquiries to date and ask one ultimate question: who is responsible for this abuse?

Responsibility for the abuse

To date, some of the government reports that have considered VET FEE-HELP have largely blamed the rogue providers and been gentle in their assessment of the contribution of policymakers to this mess. In contrast, over the last five years in my column in Campus Review I have taken the position that rogues will gravitate to those programs where there loopholes exist, such as the infamous pink batts program. A fundamental job of policymakers is to not design loopholes for rogues to exploit, or, if they design them by mistake, to close them quickly.

The tendency in VET reports, such as the Senate’s 2015 report on private providers, is to
blame the rogue providers and go soft on the policymakers, which is at odds with the royal commission into the abuse of children, where much of the focus has centred not on the perpetrators of abuse but on those who were in positions of influence but ignored or covered up the abuse when it was reported to them. A simple but profound message emanating from the ongoing inquiry into the sexual abuse of children is that if people in power take responsibility for curbing abuse and then act decisively, the abusers will wreak far less damage.

Due to some fine journalism in the national print, radio and television media, and following damning comments by state and territory ministers for skills, the Australian public is starting to get not only a clearer picture about the abuse of adults that has occurred in the VET sector, but also an understanding that the rogue training providers are not the only ones who have contributed to it. The media and the state politicians are increasingly pointing to policymakers as major, even if unintended, contributors; and in the case of VET FEE-HELP, those policymakers are in Canberra. And policymakers can include not just public servants but advisers and politicians; and not just people from the Department of Education and Training.

The mass media has provided a range of graphic stories over the last eighteen months where students offered VET FEE-HELP loans were recruited by brokers dangling iPads or cash incentives, only for these unsuspecting students to find out part the way through their course that the training provider was now bankrupt or about to be shut down by the regulator. The mass media has also profiled other students recruited by rogue providers who found that they were not yet ready to undertake a diploma level program, then dropped out and now have a sizable debt. This example of a student caught up in the collapse of the group of colleges was provided by The Age in early 2016:

“Australian Indigenous College student Bianca Chatfield knew something was wrong when the college laid off its cook and campus auntie in early December. The college — which predominantly enrolls Indigenous students — then stopped marking her work.

“The Brisbane mother was close to finishing a diploma in business and has been left with $16,000 in VET FEE-HELP debt.

“They are teaching a diploma in business but they didn’t have business ethics,’ she said.”
(The Age, 11-02-2016)

In response to this particular report on a group of colleges collapsing, Steve Herbert, the Victorian Minister for Training and Skills, called on the federal government to take a more “interventionist” approach. “They need a heavier hand. They need to review how they fund VET FEE-HELP, how they distribute the money and whether they continue funding courses with very low completion rates” (The Age, 11-02-2016). Note that Minister Herbert made these comments after the latest and diluted changes were made to VET FEE-HELP in December 2015.

On a number of occasions in the last twelve months the national media has reported on VET providers who profited immensely from VET

“A fundamental job of policymakers is to not design loopholes for rogues to exploit, or, if they design them by mistake, to close them quickly.”
FEE-HELP and have either gone bankrupt or are under scrutiny from the Australian Skills Quality Authority (ASQA) and the Australian Competition and Consumer Commission (ACCC). For instance, in November last year it was reported that “six of the top 10 organisations running Australian private colleges — which together received more than $620 million in government-funded student loans last year — are under regulatory scrutiny or have been accused of questionable quality or marketing practices (The Australian, 5-11-2015).

Four of the six colleges are the subject of regulatory audits and one of the colleges is the subject of legal action by the Australian Competition and Consumer Commission and has been deregistered. A sixth “is set to be the subject of a possible class action by hundreds of students for alleged breaches of consumer and credit laws”.

To cap it off, “despite the many hundreds of millions of dollars flowing to the six organisations in government-funded VET FEE-HELP student loans, together they had just 1,874 students finish their courses last year.” That is, less than 2,000 completions in 2014. There were and are so many loopholes in VET FEE-HELP policy, the sharks have had a feeding frenzy. Let’s call this, at best, naïve policymaking.

**Policymakers’ contribution to the shambles**

Appropriately, the national media has started to turn more of its attention to the role of policymakers in creating this mess. Interestingly, the Radio National program Background Briefing on 28 February 2016 found that a communication breakdown between the Federal Department of Education and Training and the training industry regulator ASQA “contributed to the ‘shambles’ in the widely-rotted VET FEE-HELP loan scheme that saw $6 billion in taxpayers’ money paid to colleges for diploma courses which were often never completed.”

The ABC report “confirmed that the department did not share its VET FEE-HELP loan data with the Australia Skills Quality Authority, ASQA, which accredits courses and regulates training organisations, until early 2015.” The loans data “would have allowed ASQA to judge which training organisations were growing the fastest, and therefore posed the most regulatory risk.” (abc.net.au)

This withholding of crucial information from ASQA was not just naïve; it was an inept performance by the policymakers within the Department of Education and Training, with unfortunate consequences for unwitting students abused by rogue training providers.

The shoddy policy work of the Department in relation to VET FEE-HELP was highlighted in February 2016 by some state and territory Ministers who have lost confidence in the Commonwealth, especially given the recently leaked proposal for the Commonwealth to take over VET. Victorian Skills Minister Steve Herbert commented in the Radio National program in late February that “anyone who thinks that a state government would happily hand over their vital training sector to the Commonwealth government, who is currently in charge of the biggest shambles and disgrace that this country has seen in terms of vocational education (sic), I think it’s a crazy proposition.”

Similarly, NSW skills minister John Barilaro said in early February 2016 that “VET FEE-HELP is a clear example of the federal government interfering in the VET sector and causing a lot of pain for taxpayers and students. I want the federal government to focus on fixing VET FEE-HELP first then we can talk about a uniform national system” (The Age, 04-02-2016).

How did such a mess come about and drag on for so long? One only has to look back at the July 2015 transcript of the discussion between three senior managers from DET and the senate committee inquiring into private providers to see how much DET had lost control of the VET FEE-HELP program and was in a bumbling catch-up mode in 2015, trying to poke their fingers into the holes in the dyke.

**Beyond naïve and inept policymaking**

The recently leaked proposal for the Commonwealth to take over VET was lampooned around Australia, because it blissfully overlooked the Federal Government’s appalling mismanagement of VET FEE-HELP, which is popularly described as twice or three times the size of the debacle of the pink bats program. Bruce McKenzie, former head of Holmesglen Institute and the lead author on a 2015 report on reforms to Victorian VET, described the ideas in the paper about a federal takeover of VET as “clumsy” and “outdated” and “like a pre-historic monster risen from the dead” (The Age, 03-02-2016).

One wonders just how federal policymakers could perform so poorly for so long, and so misread the messages being sent to it by the community, the media and state politicians. Only an independent inquiry could address the question about why did the policymaking cross the line from being naïve and inept to something worse than that. Like the Royal Commission into child sexual abuse, a major inquiry into the abuse of adults conned into taking on VET FEE-HELP loans by unscrupulous parties could ask some hard questions of policymakers.

Those questions could include when did the policymakers become aware of the type of abuse of “acutely vulnerable people” described by the Redfern Legal Centre in July 2015? And why was similar abuse still commonplace in February 2016, as described in the opening paragraph of this article? But the one overriding question to be asked of the VET FEE-HELP policymakers is this: in the end, who is responsible for this abuse of thousands of adult Australians? 🎯

Dr John Mitchell is a VET researcher and analyst. See www.jma.com.au
A NATIONAL report described the contemporary impacts of this move upon the VET sector by reference to widespread complaints about the unscrupulous recruitment actions of a significant number of providers that used unethical practices. In addition, the rapid expansion of the private VET sector had introduced a number of high-risk providers that were poorly managed and not complying with legislation due to their focus upon money rather than education. It was concluded that the fast-paced growth in the sector altered the nature of the training industry due to poor provider business practices, the stretched capacity of regulators and the growing use of education agents.

One might be forgiven for assuming that this was describing the recent problems with the introduction of VET FEE-HELP student loans; however, these observations were made in the 2010 Deveson Report, included the elimination of the monopoly of training provision enjoyed by state-owned TAFE bureaucracies, increased efficiency and provision of greater choice for students and employers.

However, the canaries had stopped singing long before. Despite repeated corrective actions on the part of regulators and policy-makers, there have been continuous reports of problems with the delivery of the ‘qualification that underpins the quality and integrity of the VET system and public and industry confidence in it’.

The first version of the current Certificate IV in Training and Assessment (TAE40110) was introduced into the sector in October 1998 as the Certificate IV in Assessment and Workplace Training. The main rationale for introducing this qualification was to reorient providers towards workplace learning. It was reported that one-half of long-surviving private providers that had initially been registered in Victoria in 1994 had this Certificate IV (BSZ40198) in their scope of registration; making it the most popular single qualification.

From October 2004 until May 2010 the Certificate IV Training and assessment (TAA 40104) served as the nationally mandated qualification for teachers and trainers. The delivery of this qualification also smothered a number of canaries.

In 2008, the NSW Vocational Education and Training Board’s strategic audit of this Certificate IV in Training and Assessment
was precipitated by poor RPL practice, misleading advertising of the duration of delivery, insufficient sub-contracting arrangements and poor delivery by interstate training organisations operating in New South Wales. In recognition of the forces at work in the marketplace it was found that conscientious RTOs offering an ‘educationally sound program find it difficult to compete with RTOs offering a short, cheap course in three to five days’. Two years later Clayton reported that ‘some interviewees claimed that there were RTOs awarding a Certificate IV in TAA (training and assessment) on completion of a two day program’. The Productivity Commission noted in 2011 that concerns about the quality of the delivery of the newly introduced Certificate IV TAE were not new and were well-founded because of inappropriately short delivery timeframes, inappropriate RPL processes and a lack of understanding of the qualification. In fact the qualification was considered by the National Registration and Accreditation Committee to be high-risk in all states and territories. In spite of these long-standing concerns, it was recommended that the Certificate IV TAE be retained as it served as the VET workforces’ warranty of pedagogical skills in training delivery and assessment theory/practice in spite of providing a ‘relatively low minimum requirement for training and assessment qualification’. In the same year the Quality of Teaching in VET report recommended that RTOs delivering the Certificate IV TAE be subject to higher quality audit conditions to address perceived problems with delivery. In yet another report on the risks associated with VET assessment issues published in 2012, large variations were found in the ‘duration and volume of training for the completion of the Certificate IV in TAE’. Special concern about the duration of training was singled out as a significant risk to the capacity of the holders of this qualification to consistently demonstrate the skills required to deliver training and assessment in the VET sector.

By 2013, the National Skills Standards Council believed that the situation had not improved when noting that ‘inappropriate delivery of this Certificate IV undermines quality at all levels and in the worst cases represents abuse of the system’ causing them to recommend even greater regulation and external validation on the basis that this qualification was still considered to be ‘high risk’. When assessing the impact of the proposed increased level of regulation in 2014, the Department of Industry described that the clear likelihood and risk of issuing invalid TAE Certificate IVs was being driven by ‘competitive pressures to offer qualifications in a short timeframe and at a low cost; about one-third of the RTOs covered by the audit delivered the qualification in ten days or less’. The recently released 2016 discussion paper, Quality of Assessment in VET, repeats asking similar questions of the sector framed as concerns about ‘quality control’, ‘licensing’, ‘restrictions’ and the capacity of unspecified ‘particular interests and voices’ to inhibit strengthening the TAE. It appears that the lessons learned from the ongoing negative experiences associated with delivery of the Certificate IV in Training and Assessment and the
problems of unscrupulous provider behaviour have not been considered by those who continue to support expand open, competitive market policies in vocational education and training. With apologies to Monty Python, the canary is no more, it has ceased to be, it is bereft of life, it is an ex-canary.

When the original canaries died in the coal mines, work stopped and different arrange-ments were made in order to keep the business operating, a concept that seems lost in the current VET policy climate. There is ample evidence from over the past decade that the VET open market principles, low barriers to entry and reliance upon compliance-style regulation have not been suitable remedies to the behaviours exhibited by too many training providers. It is time to revisit the foundational question of the best balance between market and non-market provision because the enduring, recurrent nature of these problems show that we can no longer ignore the warning signs of the waste of scarce public and personal resources.

Dr Don Zoellner is a Research Associate at Charles Darwin University, Alice Springs

Endnotes
Introduction

The implementation of student training entitlements is a key reform initiative within the current National Partnership Agreement on Skills Reform (NPASR) of 2012-2016. We have looked into how the jurisdictions have gone about implementing student training entitlements with the aim of contributing new research for the review of the NPASR that is now underway. In this article a summary is provided of the commonalities and differences found between the student training entitlements models of the eight jurisdictions and the consequences for the longer term objectives of the national training system. One of the found differences is how public providers of VET (TAFEs) are treated and is a particular focus of this article.

Funding and support for this research project was provided by the Australian Government Department of Education and Training, through the National VET Research program managed by the National Centre for Vocational Education Research. The views and opinions expressed in this article are those of the authors and do not necessarily reflect the views of the Australian Government, State and Territory governments or NCVER.

Context

In our research, the first thing we did was to position the student training entitlement reform initiative in context of the wider national training reform agenda.

Until the early 1990s Australian vocational education and training (VET) consisted mainly of eight different public TAFE systems run by the various state and territory governments. TAFE was VET. The vast majority of public funding for training went directly to the TAFEs, largely in block grants and to fund an agreed profile of VET activity. Each state and territory ran their own show however during the 1980s the Australian Conference of TAFE Directors (ACTD) was instrumental in leading national agreement on VET qualification classifications and a register of them, as well as national core curricula and data collection.

Then in the early 1990s, the decision was taken by the Council of Australian Governments (COAG) to create a national training system, in which the state-based structures operated within a nationally agreed framework, achieved through a cooperative federalist approach. A national approach to key aspects of the VET system was predicated on enabling VET-qualified individuals to move readily between jobs and jurisdictions and for Australian firms to recruit from a nationally recognised skills pool and thereby ensure Australia’s economic
The national training reform agenda was not articulated clearly in any one definitive statement. However, our research identified three strategic elements that have been the constant drivers of the evolution of the national training system in order to achieve the agreed operational objectives of responsiveness, access and equity; quality; efficiency; sustainability; and transparency. The three elements have been cooperatively and iteratively developed by the nine governments of Australia and have maintained a focus on achieving an optimal balance between consistency and flexibility in the system as follows:

- **National standards for VET products** - training packages and accredited courses - that are competency-based and aimed at achieving consistent quality training outcomes responsive to current and future jobs but with flexibility regarding how VET providers deliver the training products and individuals achieve their specific outcomes.
- **National frameworks/standards for VET providers** (and registering agencies) to provide consistent thresholds for provider entry into the nationally recognised training market to assure quality delivery of training products but with flexibility to encourage RTOs to pursue even higher standards.
- **Development of a training market** that commenced in parallel with the work on the two quality elements. The new idea from 1992 was to gradually introduce contestable funding arrangements into the publicly funded VET system and thereby create a "training market" in which all providers, public and private and community based, potentially had access to public funding to stimulate the efficient allocation of the public training dollar. Flexibility has always been a feature of the training market element though, with each jurisdiction deciding the extent to which a particular funding approach is used and how it is implemented. As a result, each jurisdiction has VET funding models with differing proportions of the historic arrangement of non-contestable public provider block appropriations and the newer contestable and competitive tendering arrangements, such as user choice and the more recent student entitlement.

Figure 1 provides a timeline overview of the key reform initiatives that have been undertaken in each of the three strategic elements of the national training system.

### Figure 1 Timeline of reform initiatives undertaken to develop the national VET system

<table>
<thead>
<tr>
<th>Year</th>
<th>Product Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Australian Qualifications Framework (AQF)</td>
</tr>
<tr>
<td>1996</td>
<td>Training packages (with regular improvements to meet industry needs). Training package development handbook.</td>
</tr>
<tr>
<td>2000</td>
<td>2012 Standards/policies for training packages.</td>
</tr>
<tr>
<td>2010</td>
<td>Accredited courses — gradually decreasing in number with greater industry focus</td>
</tr>
<tr>
<td>2015</td>
<td>National register of accredited courses and, from 1996 onwards, training package qualifications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Provider Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>NFROT/ARF: a single framework for recognition of VET courses, providers (RTOs and state registering and accrediting authorities [or regulators])</td>
</tr>
<tr>
<td>1996</td>
<td>Australian Quality Training Framework (AQTF) Standards for RTOs and state registering authorities</td>
</tr>
<tr>
<td>2000</td>
<td>2015 Standards for RTOs and registering authorities</td>
</tr>
<tr>
<td>2010</td>
<td>National register of RTOs and the qualifications in their scope</td>
</tr>
<tr>
<td>2015</td>
<td>2011 National VET regulator (ASQA) with Vic. and WA also maintaining state regulator</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Training Market Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>Continuing from 1990s Profile of activity uncontestably funded via contract with public providers</td>
</tr>
<tr>
<td>1996</td>
<td>Continuing from 1994 Portion of funding via competitive tendering</td>
</tr>
<tr>
<td>2000</td>
<td>Continuing from 1997 Portion of funding via user choice for apprentices and trainees</td>
</tr>
<tr>
<td>2010</td>
<td>Continuing from 2009 Portion of funding to enterprises via competitive tendering and first student entitlement schemes</td>
</tr>
<tr>
<td>2015</td>
<td>Continuing from late 2012 Student entitlement to at least first Cert. III level nationally and student loans for Diploma and above through VET FEE-HELP</td>
</tr>
</tbody>
</table>

Multiple roles of government separated — i.e. as VET provider, purchaser and regulator

Quality assurance provided via the above two standard elements

Improved consumer information on VET to support good decision-making

Market design principles to support concerted action

Notes: NFROT = National Framework for the Recognition of Training; ARF = Australian Recognition Framework; ASQA = Australian Skills Quality Authority
Jurisdictional approaches to implementing student training entitlements

The reform framework for a student entitlement to training was established in the National Partnership Agreement for Skills Reform in 2012-16 (NAPSR). This reform had two main nationally agreed purposes: to improve equity and access (for all to be able to achieve a minimum of at least a first Certificate III level course) and to expand consumer choice to any training provider approved by the states and territories. However, the NAPSR of 2012-2016 also specified that public VET providers were to be assisted to compete in the more contestable student driven entitlement funding arrangements. Further it included agreement to increase student access to Commonwealth income contingent loans, known as VET FEE-HELP, to improve student access to higher level VET level beyond the Certificate III level and thereby to raise the VET skills levels available in the national work pool. Thus changes in VET funding arrangements at all levels of VET were agreed to and for implemented by 2016.

In relation to student training entitlements variability was allowed in their design on several key parameters:

- **Eligibility:** to enable the entitlement to be expanded to more than a first Certificate III and to include people who already have a qualification at that level or higher if the jurisdictions’ so chose
- **The courses the entitlement applies to:** to ensure public value, that the training aligns with demand for skills in particular industries or occupations and so will produce employment outcomes:
  - The subsidies, fees and prices of entitlement courses: to ensure flexibility and that budget control is achieved
  - The criteria for RTOs to access entitlement funding, to maintain quality
  - How access to information is achieved: to allow students to make informed training choices.

This variability was built in to accommodate the differing starting points of each jurisdiction and allowed for a variety of models to be developed. Indeed student training entitlement models remain dynamic in all jurisdictions. As issues have arisen the jurisdictions’ have made changes to their student entitlement models and some have done so on several occasions. We analysed and compared the details of the jurisdictions’ student training models as at the end of March 2015. The following key commonalities and differences were found and have implications for the operational objectives of the national training system:

- All jurisdictions had entitlements to at least a first Certificate III for those of working age without a Certificate III and so meet the minimum requirement of the 2012-16 NAPSR. All jurisdictions have gone beyond this minimum requirement as allowed but not in the same way (see table 1). Thus, eligibility for a training entitlement differs across Australia, with implications for access and equity.

We suggested it would be useful to determine if, where, and for whom, differences in student eligibility for training entitlement matter. This may be particularly relevant at jurisdictional borders and among national employers. If significant inequities are found, adjustments to the entitlement models may be warranted. Another option would be to restrict eligibility to an entitlement for all working age Australians to a first Certificate III only, thus providing a clear definition that fundamentally meets the equity goal. Any other additional publicly subsidised training for upskilling and reskilling could be funded separately, including funding for a second Certificate III and/or higher level qualifications.

- All jurisdictions determined the distribution of public funds for entitlements using skills forecasting and by applying the public-value principle. However, since the focus is on the skill needs of the economies within jurisdictional boundaries, the courses eligible for entitlement funding differ across Australia.

We suggested courses in which there is a national skill shortage should be included in all instances for equity as well as public-value reasons. To not cover these courses is to restrict labour mobility, a fundamental reason for the development of the national training system. Public funding of training should focus on ensuring that the right mix and quality of skills are produced to meet industry needs nationally, as well as regionally and locally.

- All jurisdictions had their own set of subsidy levels, student fees and overall prices that apply to entitlement courses, with some notable differences in the degree of deregulation of fees and prices (see table 2). Here the equation that applies is: course government subsidy = student fee = price received by the provider. When it comes to budget control the dominant approach was through the use of caps on entitlement places. Victoria also uses ‘dynamic subsidies’. This means, that when

---

Table 1 Student eligibility for a training entitlement as at end of March 2015 by jurisdiction

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>VICTORIA</td>
<td>Post-school students aged under 20 years are eligible for any entitlement qualification and those aged over 20 years for a qualification higher than the one already held but with a ‘two commencements at level in a lifetime’ restriction.</td>
</tr>
<tr>
<td>SOUTH AUSTRALIA</td>
<td>Post-school students, regardless of age and previous education level, to a total of two entitlement courses.</td>
</tr>
<tr>
<td>QUEENSLAND</td>
<td>Post-school students who do not have a Certificate III or higher and the entitlement applies to a first, and only one, Certificate III.</td>
</tr>
<tr>
<td>WESTERN AUSTRALIA</td>
<td>Post-school students, regardless of age and previous education level, and to any number of entitlement courses.</td>
</tr>
<tr>
<td>TASMANIA</td>
<td>Post-school students who do not hold a previous Certificate IV or higher and for a first Certificate III or higher.</td>
</tr>
<tr>
<td>NORTHERN TERRITORY</td>
<td>Post-school students, regardless of age and previous education level, and to one entitlement course at a time.</td>
</tr>
<tr>
<td>AUSTRALIAN CAPITAL TERRITORY</td>
<td>Post-school students, regardless of age and previous education level, and to one entitlement course at a time.</td>
</tr>
<tr>
<td>NEW SOUTH WALES</td>
<td>Post-school students not holding a previous Certificate IV or higher and for a first Certificate III, and a second Certificate III or higher at a lower subsidy rate for those who already have a Certificate III.</td>
</tr>
</tbody>
</table>
a demand for a particular entitlement qualification is met, that qualification is moved to a lower band of subsidy on the assumption that demand for that qualification will fall also. These differences are another potential source of inequity. We suggested more consistency across the nation in subsidies, fees and prices for the same entitlement course should be possible, with loadings built in for non-metropolitan locations and disadvantaged students as now occurs and that assuring quality should be a dominant driver in designing these aspects of entitlement schemes. In particular, the subsidy level in combination with the student fee must be high enough to allow for efficient training delivery to the nationally agreed outcomes standards for VET products (as specified in training packages and accredited courses). This currently is not always the case.

- All jurisdictions had processes for determining which providers may deliver their student entitlement training. They all had entry-to-market or contractual arrangements that requested evidence to demonstrate quality performance over and above the ‘minimum’ required in relation to particular criteria in the Standards for RTOs of 2015.

  - All jurisdictions had expanded the public information available on training entitlements, including the eligibility rules and subsidy levels available for eligible courses; the nature of the fee rules; and the approved providers.

  - We concluded that the jurisdictions are now well positioned to inform ‘fit for purpose’ improvements to national standards for VET providers and training products. Standards for providers and training products, and the guides associated with them, should be continuously improved to ensure that contractual requirements for evidence about quality are more consistent nationally. At the moment, the detail of the contractual requirements can differ markedly.

  - Good consumer information could do as much to improve training quality as regulation, standards or funding arrangements.

### Treatment of the public provider in the more competitive training market

Our other key finding was that

- All jurisdictions’ entitlement models involve greater contestability among providers, but the extent of the contestability differs across the jurisdictions and how public providers are supported in the more contestable market also varies.

The jurisdictions have gone about supporting the public provider in the increasing contestable public-funded training in three different ways. In the ACT, Tasmania, NSW and the Northern Territory public providers still receive uncontested training appropriations. In South Australia and Western Australia public providers are subsidised for entitlement courses at a higher rate than private providers. In Victoria and Queensland public providers receive special base funding and then compete on equal footing with private providers for entitlement students (see Table 3).

#### Table 2 Treatment of subsidies, fees, prices and budget control in entitlements, by jurisdiction, in summary

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Subsidies</th>
<th>Fees</th>
<th>Prices</th>
<th>Budget Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria</td>
<td>Variable – five bands</td>
<td>Fully deregulated</td>
<td>Variable</td>
<td>Subsidy adjustments</td>
</tr>
<tr>
<td>South Australia</td>
<td>Variable</td>
<td>Tuition fixed</td>
<td>Partly variable</td>
<td>Capped places</td>
</tr>
<tr>
<td>Queensland</td>
<td>Variable – four levels</td>
<td>Fully deregulated</td>
<td>Variable</td>
<td>Non-issue so far</td>
</tr>
<tr>
<td>Western Australia</td>
<td>Variable</td>
<td>Tuition fixed</td>
<td>Partly variable</td>
<td>Non-issue so far</td>
</tr>
<tr>
<td>Tasmania</td>
<td>Variable</td>
<td>Tuition fixed</td>
<td>Partly variable</td>
<td>Capped places</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>All fully subsidised</td>
<td>Tuition fixed</td>
<td>Partly variable</td>
<td>Capped places</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>Variable – three bands</td>
<td>Semi-deregulated</td>
<td>Variable</td>
<td>Capped places</td>
</tr>
<tr>
<td>New South Wales</td>
<td>Variable</td>
<td>Fixed</td>
<td>Fixed</td>
<td>Capped places</td>
</tr>
</tbody>
</table>

Quality had become a big issue. Not all the work in the quality area had been done when
We noted that ‘Skills Australia, in its advice to governments in 2011, had recommended: ‘that Australian governments . . . in introducing the entitlement funding model, agree to maintenance by state and territory governments of core base funding to enable public providers to fulfill a public good role that cannot be achieved through market-based arrangements. Such funding must be subject to clear performance outcomes and reform accountabilities, including greater flexibility in governance arrangements’. Furthermore, TAFE Directors Australia (TDA) had made a case in 2011 for a national charter for TAFE to be agreed by ministers as part of the NPSR (2012—16). TDA saw benefits in greater national consistency to produce ‘a more coherent system and avoid uncertainty for TAFE providers about governments’ intentions for them’ (TAFE Directors Australia 2011, p.3). Importantly, they asked for recognition of the TAFE sector’s role in ensuring ‘the maintenance of critical programs and services that would be at grave risk if left entirely to market forces’ (p.4). A national charter for TAFE did not come about. Maybe it is time now to revisit this notion and start theball rolling again on some national consistency with regard to the treatment of the public VET provider.

Post our research there has been several government inquiries and reviews on the student training student entitlement (and VET FEE-HELP). We are now seeing a closer alignment with Skills Australia’s advice emerging including a ‘reinstatement of the TAFE brand’ as well as adjustments to demand driven models to ensure the continuing viability and sustainability of TAFE. This is evident in the recommendations of the Mackenzie Coulson report in Victoria (2015), the recently released Western Australian TAFE ‘restructure’ (February 2016), and changes to the degree of contestability in favour of TAFE SA in WorkReady (June 2015).

**Where to next?**

Overall, we concluded that the experience from the implementation of student training entitlements indicates that a reassessment and reframing of national guiding principles would be useful, drawing on what has been learnt from the eight models, to support greater national cohesion and enhance public understanding of and participation in the initiative. These guiding principles could include:

- Flexibility in the funding of training entitlements that focuses on ensuring public value and that the right mix of skills is produced to meet industry needs nationally, as well as locally, to assist graduates to obtain jobs and/or move into further learning
- A national public-value framework that would help to guide the design of the publicly funded training market, with indicative performance measures and risk management approaches included
- The acknowledgement of more consistency in the eligibility criteria and in the logic behind the allocation of subsidies for an entitlement to ensure public value and quality
- Clearer definition and recognition of the role of public providers, and more consistent treatment of public providers in a competitive market environment
- More accessible and useful information being made publicly available. This would enable more informed student choice and greater responsiveness to student needs, particularly in regards to provider quality and students’ costs.

Dr Kaye Bowman of Kaye Bowman Consulting and Suzy McKenna, Tertiary Education Consultant
College collapses, student exploitation, sham qualifications, ineffective regulatory intervention – these insidious realities have compromised Australia’s VET sector for a decade.

BRUCE MACKENZIE

My enduring impression is of ignorance and inaction relentlessly undermining a once world class system. Its value further discounted by a dubious ideology upholding free markets and profiteering as worthy design principles for a taxpayer-funded, fit-for-purpose vocational education system.

During the review I undertook for the Victorian government, educators, welfare groups, industry and the wider community expressed overwhelming disquiet about the parlous state of VET. Just how parlous was illustrated by the CEO of Mitsubishi Heavy Industries suggesting Australia lacks the depth of skills to build new generation submarines.

Let me recount six themes identified during VET stakeholder consultations.

1. Advancing adult literacy and numeracy

Welfare, education and some business groups maintain Australia has failed to tackle obstinately low adult literacy and numeracy levels. A 2014 Productivity Commission Working Paper backs them, reporting links between poor employment outcomes and low adult literacy and numeracy levels.

A substantive VET role is minimising impacts of disadvantage by lifting educational attainment rates. It follows that a legitimate objective government can establish for the VET system is improving adult literacy and numeracy. Weak literacy and numeracy prevent students completing tertiary qualifications. Certificate I and II qualifications are not producing positive employment outcomes*. Some suggest restructuring these preparatory programs, so they focus on student accomplishment of minimum literacy and numeracy levels. Allied with this, I sense strong support for invoking minimum literacy and numeracy requirements for enrolment at Certificate III, now a threshold employment qualification.

2. Underperforming Commonwealth-State relationship arrangements

Many stakeholders are dismayed by ceaseless intergovernmental conflict over VET governance. Recently the Commonwealth suggested taking responsibility for VET from the states. Surprisingly, some employer groups supported the proposition. Whatever the outcome, we must resolve which level of government is accountable. The stand-off fuels unnecessary tensions and dilutes concentrated attention on reform.

State governments have been derided following the collapse in VET’s standing. However, the Commonwealth is not blameless with four Commonwealth VET ministers in just two years, and a still incomplete higher education reform agenda. The Commonwealth is responsible for the abandoned Australian Technical Colleges, the $2.1b Productivity Places Program debacle, and the equally ingenious Workforce Development Fund. The Commonwealth’s VET FEE-HELP fiasco led even Prime Minister Turnbull to declare VET a ‘shambles’.

If it is to take responsibility for VET the Commonwealth must demonstrate far greater capacity to develop, implement and monitor educational policy. Australia desperately needs a tertiary education plan spanning VET and higher education. Current tertiary education arrangements disenfranchise thousands of capable people from tertiary education, rendering Australia unable to shape a workforce skilled for 21st century demands. The arrangements are unfair to many, and uncompetitive to boot.

3. Provider saturation

It is universally agreed that providers make the largest contribution to a well-respected VET system. Many see that contribution jeopardised because there are too many providers, and standards for accessing government funds are lamentably low. I agree. There is no effective quality floor for provider access.

Low barriers to entry constituted a profoundly stupid strategy, creating gaping system weaknesses and squandering system improvement opportunities. Government might have achieved innovation, quality and competition goals by signalling to the market its desire to build a world class tertiary education system. One that accommodated private investment in partnership with public institutions. Government could have enhanced Australia’s educational reputation. Instead, the outcome is 5000 small private providers and a regulatory nightmare.

College collapses, student exploitation, sham qualifications, ineffective regulatory intervention – these insidious realities have compromised Australia’s VET sector for a decade.
4. Qualification integrity
The credibility of VET qualifications is threatened. ASQA, employer groups, ACIL Allen Consulting and many stakeholders regard student assessment standards as inadequate. There is an abiding concern about assessment conducted fully on-the-job and/or online. Assessment credibility is inextricably linked to curriculum (training packages) and teacher capability. We must improve both, but assessment reform is an immediate quality improvement avenue.

Valid assessment is at the heart of the training system. If assessment is perceived to be a sham the system will be similarly perceived. Many think a summative assessment regime, especially for high risk areas, can increase public confidence in VET qualifications.

Australia can readily implement validated assessment aligned to international practice. Appraisal of provider capacity can include student completions criteria. Unfortunately, frequently queried assessment practices cast completions as a suspect measure. Summative assessment, combined with a provider classification system, would boost regard for VET qualifications and providers.

5. The future of TAFE
During the VET Funding Review I encountered a universal view that TAFE institutions underpin a sustainable VET system. Private providers can complement TAFE but cannot match its physical and intellectual infrastructure, nor its geographical spread. TAFE was the benchmark for the system. However, increasing numbers of small providers and a stagnant student population (1.8 million) inevitably mean large-scale, fit-for-purpose TAFE providers will be wiped out. The system will comprise an uncoordinated, uncontrollable mass of small providers with narrow VET capability. This is not what Australia needs.

TAFE’s future lies in reasserting its core purpose: integrating industry and education. Industry in turn must provide clarity about its needs and intended contribution to student learning.

TAFE, with other agencies, must also actively respond to disengaged and/or educationally disadvantaged citizens. TAFE must advocate for targeted resources that support students to achieve personal and educational goals by assisting their transitions to further education and employment.

In partnership with industry and community groups, TAFE institutions, their staff and governing bodies, must reassert the pivotal role of vocational education and the public provider in access to training and skills formation.

6. Coherent advocacy
The media has actively exposed corruption and shortcomings in the VET system, but scandal is not policy.

A national election looms, but paucity prevails in VET and tertiary education policy debate. An articulate policy vision is vital. The Victorian government has promoted VET reform and restoration of public provision as a public good. Yet advocates like ACPET, TAFE associations, welfare groups, and employee and employer bodies seem disunited. I believe they can generate a politically influential policy program centred on VET’s ability to power tertiary education access and skills acquisition. It’s an important thread in social cohesion. And in a transitioning economy VET will be fundamental to Australia’s future economic growth.

Adopting a united view won’t be easy. Change never is.

Bruce Mackenzie was the CEO of Holmesglen Institute for 31 years and headed the Victorian government’s recent VET review.

*It is recognised that some Certificate I and II are threshold occupational levels and would remain so.*
Jeffrey was a pretty typical kid from a good family living in an affluent middle class Melbourne suburb. The fact that in years 11 and 12 he didn’t know exactly what he wanted to do when he left school was not untypical either, but it did make it difficult for him to focus on his studies. Where was it leading? Was it going to be useful?

WHY BUTCHER APPRENTICESHIP?

Jeffrey was a pretty typical kid from a good family living in an affluent middle class Melbourne suburb. The fact that in years 11 and 12 he didn’t know exactly what he wanted to do when he left school was not untypical either, but it did make it difficult for him to focus on his studies. Where was it leading? Was it going to be useful?

To complicate matters, he had a part-time job in a local butcher’s shop and, more than once, the owner had offered him an apprenticeship. So, if all else failed, he had that up his sleeve and he didn’t mind the work. And the careers teacher advised that having something, even an apprenticeship, was better than having nothing.

These factors, his awareness that he wasn’t particularly academic and, by his own later admission, his somewhat naïve arrogance, all came together to see him facing his VCE exams completely unprepared. As the results came due, reality dawned that his score would indeed not leave many options open. Jeffrey’s parents, also sensing that this was the case, urged him to take up the apprenticeship. And so Jeffrey signed up
as a butcher’s apprentice and escaped having to deal with the VCE results.

In another dose of reality, the apprenticeship proved to be hard, very hard. Becoming a qualified butcher was not the same as serving behind the counter and helping with the clean-up as he had done during his school years. It meant real work. You couldn’t stand around talking or fiddling with your iPhone as if you were still at school. Time was money and business was tough. The shop was in a busy strip but was competing with other butcher shops - one directly opposite - and two major supermarkets. There was pressure to perform. You had to extract the greatest possible value for your employer out of a carcass in the most time-efficient way. You could not make mistakes or high quality potential product might end up as mincemeat and a loss the employer could ill afford and would resent. You had to cope with ribbing and bullying from the more senior employees and do many of the worst jobs. You had to start early, work long hours and on weekends, sometimes even Sundays, often missing out on the social events that your mates were enjoying. Anyway, if you went to a club or a party, having to say you were an apprentice butcher when everyone else was going to uni was sure to be a conversation stopper. It wasn’t like studying to be an engineer or a graphic designer. And apprentice wages were lousy.

Towards the end of the second year, fed up with it all, Jeffrey was ready to put down his tools, walk out and never come back. As he expected they might, his parents begged him not to, saying that he didn’t have to stay a butcher forever but finishing what he started would stand him in good stead for the future. Reluctantly, and with no other options, he heeded their advice.

One good thing about the job had been the two full-time two-week blocks of training he did each year at ‘trade school’ – the specialist TAFE. It was good to interact and make friends with other apprentices and hear about other workplaces. You learnt things that you would never learn in your own job because each butcher shop is geared to its local clientele and its own top sellers. And you learned to create some products that people don’t ask for any more or that were never asked for in your shop. If you ever worked for another butcher and you couldn’t, say, tunnel-bone a leg of lamb, you would look stupid. Then there were the teachers. They had been in the industry all their lives and had so much experience they wanted to share, it made you appreciate how much you could still learn. You also learnt how to give cooking advice, which was not taught on the job. It was surprising how many much older customers would ask how to cook a certain cut of meat. It was good to be able to tell them about cooking times and temperatures and to give some advice about what to serve it with – something that sounded a bit different and that you knew would work. That was much better than having to tell them to look in a cookbook. It taught you to understand customer service.

True, you could get away without going to trade school but you wouldn’t want to, given the choice. Trade school gave a diversity of experience and enabled you to form a judgement about your own workplace and to weigh up your future in it.

One of the most rewarding things about completing his qualification, which he did last year after four years, has been that Jeffrey has had the opportunity to train other apprentices. Staff turnover in the shop meant that he quickly became second in charge and two new apprentices had to be hired. He knows from bitter experience what it was like at their age and believes he can help smooth the path for them, being much closer to their age than the boss. He sometimes comes down
hard on them when they’re not pulling their weight because they need to learn about discipline and teamwork to become successful in the trade, just as he did himself. But he doesn’t rat on them if they make a mistake. He prides himself on being fair and he thinks they respect him.

The thing that troubles him is that the new apprentices don’t go to trade school. These days a trainer visits the shop for a couple of hours every few months and trains them on the job. They use the same work-book as Jeffrey used but all the practical work is related to the shop and they have no interaction with other apprentices or exposure to other businesses. Jeffrey believes that attendance at trade school would assist their transition from school to work and help them to gain a stronger sense of pride in their trade. He is not sure whether this is a cost-cutting exercise or simply a change in approach but either way, it’s a retrograde step. He knows that other parts of the industry are cutting back on apprentices, only training them on the job and often treating them as disposable. And he knows that the trade school he went to has had to cut many of those staff from whom he learnt so much. He wonders what they are doing now.

A number of Jeffrey’s friends went on to university and have now completed their degrees, but they don’t all have jobs and some still don’t know exactly what they want to do. Another went into the hospitality industry and used to laugh at Jeffrey for putting up with apprentice wages, but is now still working in a café. Jeffrey owns his own car and has paid a deposit on a small apartment, which he rents out to pay the mortgage.

Looking back on his apprenticeship now, Jeffrey would not change it for anything. Sure, he should have studied harder at school but he has learnt things that cannot be taught in a classroom. Even though he will probably go on to do something else in time, he is in no real hurry. He has already returned to study, but is still likely to pursue something practical. He has developed deep respect for his employer, who he understands has put his heart and soul into the business, that it is his livelihood and that times are tough. If Jeffrey were to leave his workplace now, it might be the wrong time. He couldn’t stand to see the business go under.

**Conclusion**

There is nothing very new in Jeffrey’s story as he is typical of many young people. However, it highlights vividly that:

- Young people from all economic backgrounds can experience difficulty in deciding on a career path.
- This might be less of an issue if more students were actively encouraged to undertake apprenticeships and it wasn’t presented as little better than a fall-back option.
- University should not be presented as the only preferred destination – it simply doesn’t suit everyone.
- Cutting corners on apprenticeship training, especially the off-the-job component, will prove to be a mistake and will not assist in encouraging young people to enter the trades.
- An apprenticeship combining on and off the job training can develop personal confidence, provide a rounded and rewarding education and offer a career path.

Virginia Simmons is a consultant specialising in vocational education and training.

**APPRENTICESHIP SHOULD NOT BE PRESENTED AS LITTLE BETTER THAN A FALL-BACK OPTION.**

**CUTTING CORNERS ON APPRENTICESHIP TRAINING WILL PROVE TO BE A MISTAKE AND WILL NOT ENCOURAGE YOUNG PEOPLE TO ENTER THE TRADES.**
Markets have been introduced into different parts of the education sector, with the promise that they will provide greater choice and diversity. They are also expected to allocate public resources more efficiently. The Australian vocational education and training (VET) sector has gone further down the marketisation path than either schools or higher education. It relies more heavily on the market than VET sectors in other comparable countries.
NEVERTHELESS, even the most enthusiastic supporters of the VET market have conceded that there are serious problems with student recruitment, quality of provision, trust in qualifications, and the extent to which skills development meets labour market demand. There are also concerns that qualifications may deliver specific skills but fail to prepare graduates with the capacity to develop in their chosen area of work. The ability to go beyond basic task completion is essential for the types of innovation in work processes needed for productivity growth.

The solutions proposed tend to focus on tighter regulation of markets. Governments have shown no interest in considering whether there is a more fundamental problem, namely that even tightly regulated education markets cannot deliver what has been promised. Indeed, movement is in the opposite direction, with the federal Government committed to adopting the market model in more areas of service provision.

Harper competition review

The Australian Government accepted most of the recommendations made by the Harper review into competition policy (Harper et. al. 2015). The review was initiated to address Australia’s supposed stalled productivity growth, a highly competitive global market and the risks associated with an ageing population. It was designed to support the Government’s called for another round of microeconomic reform.

The Harper report argued that competition policy should improve the operation of markets to meet the long-term needs of consumers. It should also increase choice by increasing the diversity and responsiveness of government services. This could be achieved by encouraging new players and by supporting innovation and entrepreneurship. The importance of securing a level of access and equity was also identified.

The review panel also argued that choice and contestability can improve human services, empower those using the services and improve productivity. It recommended placing user choice at the heart of service delivery. This entails a change in the role of government to one of stewardship. Although the review focussed mainly on health, aged and disability care, there were references to education.

The Harper report included a note of caution, recognising that user choice is not appropriate in all circumstances. It argued that user choice is easier to apply in situations where there are a range of competing providers, the service is simple, there is good information to guide service users and when users can easily switch providers. It also works better when there are repeat transactions, low constraints on capacity, transaction costs are low and it is possible for Governments to specify performance-based standards.

On the other hand, the report argued, it is harder to apply user choice when there is a natural monopoly (such as with the Pharmaceutical Benefits Scheme), the service is highly complex and the outcomes are uncertain, the transaction is one-off or urgent, capacity constraints are high, switching or transaction costs are high and government specifications on service delivery are highly prescriptive.

Where does education fit?

Selecting a course is not like buying a soft drink. If today’s drink was too sweet, you can choose something else next time. It may be disappointing but the stakes are low. Drinks are a simple good and typically there are repeat transactions. The cost of switching product is relatively low, even if you throw out the first drink and immediately buy something more palatable.

Consider a more expensive good — a car is much closer to the cost of a qualification. Buying the wrong car is more of a problem than buying the wrong drink. However, assuming there are no safety issues, it is possible to sell a car that does not meet your needs. Education is far more complex than even a major domestic purchase such as buying a car. In many cases, the outcomes of an investment of time and money in education are uncertain. With a car, one usually knows the uses it will provide. Qualifications, on the other hand, do not necessarily lead to jobs, and students may not reach the point of graduation.

Although not strictly a one-off transaction, the number of qualifications a person will start or complete is limited. Each course involves some sort of investment of time and money even if this has been distorted by the way some VET providers have used VET FEE-HELP. However, it can be difficult to assess the value of a qualification or course until after graduation. This type of evaluation is particularly difficult in the VET sector where there are so many providers, many of which are relatively new and without an established profile or reputation.

Capacity constraints vary. They are higher for courses, for example, in areas requiring expensive equipment (traditional trades) or if the institution has to manage students’ work placements. The shift to demand-driven funding has increased the amount of delivery in courses that are cheap to run. Hence we have an oversupply of some qualifications (e.g. business management) and an undersupply of others (trades).

Regulation in the VET sector remains an issue. A combination of factors, including the policy settings, a narrow form of competency-based training and limitations to the scope of audits, make it difficult to address the problems with quality.

The arguments presented by the Harper review suggest that user choice is not appropriate in VET or in other education sectors. The Harper review also points to another concern, one raised by a submission to the panel. Services such as education differ from physical goods in another significant way. They depend on relationships. In vocational education, these relationships are built on trust between educators, students, employers and the wider community. Without trust, qualifications have no value. With the introduction of demand-driven funding and reduced funding rates we have seen an erosion of quality and a reduction in trust.

This is more than a matter of economic inefficiency. Access to high quality education that prepares young people for work and citizenship is also important for a fair, democratic society.

Dr Mary Leahy is Course Coordinator at the LH Martin Institute

Reference

After five years in government the Coalition has cut courses, increased fees and debt for students and 3600 teachers and staff have been made redundant with many more part-time casual teachers losing some or all of their work.

In September 2015 the Sydney Morning Herald reported a document was leaked to NSW Greens TAFE spokesperson Dr John Kaye MLC. The document claimed TAFE would sell off 27 sites, and close regional campuses.

The documents include the full TAFE sites at Chullora, Epping, Belrose, Scone, Dapto, Vincentia, Maclean, Murwillumbah, Corowa, Narrandera and Grenfell and partial sale of campuses at Granville, Wollongong, Goulburn, Forbes, Bourke, Muswellbrook, Ballina, Albury and Glendale.

TAFE teacher members have since been told by management that the NSW Government’s Smart and Skilled funding model provides insufficient funding for TAFE to maintain its many campuses.

Figures from the leaked document include $32 million for new projects, but more than half of this is earmarked for IT, with expectations of increased online course delivery. And $10 million is earmarked for relocating services from sold-off campuses, presumably to proposed ‘pop-up’ shopfronts.

This does not wash with TAFE teachers who face hugely increased workloads brought on by the EBS computer system. Teachers continue to report that TAFE is spending lots of money on bandaids that do not fix the system.

The planned closures in the leaked document are now becoming evident. It was revealed that Quirindi TAFE campus in New England would be closed. In an email to staff, management said it was “relinquishing an old facility that is no longer fit-for-purpose” and replacing it with a leased shopfront.

The introduction of Smart and Skilled has seen all TAFE courses and staff removed from Dapto TAFE. Local community members witnessed NSW police inspecting the college last year amid rumours the college would become an anti-terrorist training centre.

Skills Minister John Barilaro announced on February 16 that NSW Police will lease Dapto TAFE for the next three years.

The college will remain in public ownership. Illawarra Institute will open a shopfront “Learning Centre” in the Dapto shopping centre. It will be opened by Mr Barilaro in April.

When were the people of NSW, who own the public TAFE system, asked if they agreed to the closure of TAFE campuses and sell-off of sites?

This process of defunding and then closing TAFE sites is having a devastating impact on enrolments, especially on the ability of the system to deliver trades training in areas such as Western Sydney and in rural and disadvantaged communities in NSW.

NSW Teachers Federation will continue the Stop TAFE Cuts campaign and urges members, family and friends to contact their NSW State MP today and ask them what they are doing to stop the selloff.

Rob Long and Kathy Nicholson, TAFE Organisers, NSW Teachers Federation
Chullora TAFE campus in NSW. An announcement in 2015 that the metal fabrication section at Chullora would close in 2016 left hundreds of students and teachers distressed. These photos show the abandoned site and equipment awaiting to be auctioned.
In October 2015 the Western Australian Government set up the Training Sector Reform Project to examine the Western Australian TAFE College network. The Hon. Cheryl Edwardes was appointed as Chair to the Steering Committee with Mr John Langoulant leading the project work. The Reform Project further examined some of the recommendations of the 2014 Seares’ *Independent Review of the Vocational Education and Training Sector in Western Australia.*

The Reform Project Report was completed in December 2015 with the Minister releasing it on 24 February with a statement outlining an initial round of changes to the TAFE College sector based on some of the recommendations in the report.

The report deals with a large range of issues including college amalgamations, new KPIs, the impending review of the funding model and privatisation.

**College amalgamations**

Significantly, the current 11 colleges will be amalgamated into only five: two in the metropolitan area (North Metropolitan TAFE and South Metropolitan TAFE) and three in the country (North Regional TAFE, Central Regional TAFE and South Regional TAFE). For our TAFE members this will initially mean everyone will have a new employer and will work within a vastly different college structure. However, as time progresses members will face a range of challenges.
For our colleagues in the CPSU / CSA the amalgamations will mean significant and immediate job losses impacting both metropolitan and regional areas. There has been community opposition voiced against the amalgamations particularly in regional areas where job losses will hit local communities hard.

Of note is that the Government has listened to community and unions and brought back the TAFE branding including in the names of the five new colleges. The TAFE brand also featured in an advertising campaign launched earlier this year.

The report also recommends that TAFE increase the level of collaboration between colleges whilst at the same time increasing specialisation of training delivery.

Industrial relations
Despite some colleges initially pushing for further autonomy, including in terms of industrial relations and bargaining, the Union’s position of having these remain centralised with the Department of Training and Workforce Development playing a key coordinating role, appears to have been supported by the Reform Project. The amalgamation process should be completed by the end of 2016 in time for negotiations to start on the new General Agreement at the beginning of 2017.

New key performance indicators recommended
The report proposes a range of new key performance indicators for TAFE Colleges including the following two:

- Administration expenses as a percentage of total expenditure, that being, the ratio of non-teaching FTE to the total FTE.
- Facilities utilisation which is to measure the average percentage of time that college facilities are booked. Of concern is the idea that if facilities are underutilised they could be opened up for the use of ‘third parties’ and that leased campuses may be closed.

Funding model review
The Reform Project will soon begin a review of the funding model with a view to having the new model implemented in time for 2017. The review will analyse, amongst other areas: delivery methods with varying levels of teacher to student ratios (delivery modes), increased levels of curriculum change and development, increased levels of audit and teaching cost drivers.

According to the report, “costs associated with different training delivery methods such as face-to-face, online, and recognition of prior learning will be examined along with College campus level capacity and maintenance in relation to cost per student curriculum hours, fixed costs, and fair leasing arrangements for the use of public infrastructure.”

The review of the funding model may also provide an opportunity to examine the cuts to student contact hours and the impact this has on students and lecturers.

The Union will be making submissions to the Funding Model Review.

Student fees
Of concern is that the report does not address the key issue of increased student fees, which have risen up to 650% in some courses, in the past two years. The dramatic increase in course costs have led to a student enrolment decline of about 7 per cent in 2014 and the same in 2015. Consequently, enrolment based funding for TAFE Colleges has been reduced.

Without a reduction to expensive student fees, enrolment growth will be challenging and the TAFE reforms may not achieve their desired result. In statements to ABC Radio in February the Minister agreed, stating that, “to some extent the success of the reforms do rely on an increase in student growth.”

Privatisation
Whilst the report does not recommend increasing the current levels of funding to the private training sector it does indicate that the Steering Committee believes “that a managed public market delivers better outcomes than a fully deregulated competitive market.”

And further, that “These conclusions provide an important counter-point to the push towards fully competitive public markets that have underpinned recent COAG agreements.”

Whilst these statements indicate a more supportive approach to the public sector the report did not address the underlying problems in the private training sector and increasing public concerns as to the quality and indeed validity of many private sector qualifications not to mention the unethical growth in VET FEE-HELP debt.

The statements do however provide a glimmer of hope given that the state government has recognised and described TAFE Colleges as being of “cornerstone importance” and does not intend to further damage TAFE through increased privatisation of the sector, at least not for the time being.

There is also hope that the savings generated from the amalgamation process will remain with the TAFE College network — whether to offset future funding cuts or constrain spiralling student fees remains to be seen. It is always possible that the savings estimated to be made will actually go into providing a future for Western Australians attending a TAFE College but here in WA, Treasury seems to win the day when it comes to cutting public services despite the obvious and growing need to support technical and further education as the WA economy transitions. Savings generated from structural change and so called efficiencies seem to be cut from future budgets as a matter of course.

The WA Training Sector Reform Project Report can be found at: http://www.dtwd.wa.gov.au/trainingproviders/training-sector-reform-project/Pages/changes-TAFE-WA.aspx

Ramona Mitussis is an organiser at the SSTUWA

The review concludes that the government needs to take a more active role in:
• Managing the system
• Defining the purposes of VET
• Outlining expectations
• Implementing strategies to maximise the benefits of investment in VET
• Establishing a framework and administration to deliver the benefits.

Recommendations include that a basic funding system based on:
• Student entitlement be retained with eligibility based on upskilling, to allow students and employers to train with the provider of their choice
• Funding for training be based on the efficient cost of delivery
• The price of VET be based on a government subsidy and a compulsory minimum student contribution
• Move to a system which must operate within a defined budget allocation.

In order to build a stronger and more responsive TAFE sector changes are required to focus on:
• A clear statement about the role of TAFE institutes in Victoria
• Funding public TAFEs for some of the obligations imposed upon them as public providers
• Developing a compact that involves identifying their communities’ educational needs, negotiating these with government and meeting agreed outcomes
• Investigating the opportunity to establish polytechnic universities to improve access to higher education in areas of educational, social and economic disadvantage.

The fundamental issue facing TAFE is contestability. The Review made no recommendations to cap contestability and supports the continuation of market based approaches to education and training in Victoria.

Enterprise Agreement Negotiations

The AEU concluded negotiations with the Victorian TAFE Association towards the end of 2015 that ‘rolled over’ the existing Multi Business Agreement into a short term Multi Enterprise Agreement. The new MEA maintained all existing terms and conditions and provided for a sign on bonus of $2000 (pro-rata) for fixed term and ongoing teachers and 2.5% salary increase from the 8 September 2015 and a subsequent 2.5% on the 2 July 2016.

• The AEU is currently involved in informal discussions to develop a new MEA to replace the current interim agreement.

At this stage the AEU and the VTA have committed to work on developing an agreement that will support high quality teaching and learning with a set of professional wages and conditions to underpin and support that work.

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

NEW SOUTH WALES

MAXINE SHARKEY

NSW continues to bargain with TAFE management on a new agreement for teachers and related employees as well as teachers in TAFE Children Centres. The AEU NSW has been bargaining with the employer since April 2015. Both agreements expired on 30 June 2015. A TAFE Institute Managers agreement was put to ballot before the end of the year without the union’s agreement and despite the union’s advice, TAFE’s offer was accepted by the majority of managers covered by the agreement.

The new TAFE Managers Agreement takes affect from 2016 and while it will give managers a 2.5% pay rise per annum for two years, the agreement strips away job security by placing all new managers on time limited contracts. Among other consequences, this will create a disincentive to career progression for teachers.

TAFE teachers continue to struggle with the new IT system known as EBS. This system negatively impacts on all aspects of enrolment and class management and has led to unmanageable levels of workload and anxiety for teachers and head teachers. EBS is now the subject of a $6 million audit by KMPG in order to account for $47.6 million in student fees and $477.4 million of revenue since the introduction of Smart and Skilled funding in 2015. The Union has consistently voiced concerns about the negative impact of the introduction of EBS and Smart and Skilled.

The Stop TAFE Cuts campaign will continue in 2016, with a focus on highlighting the great work of TAFE teachers and students, despite the ever decreasing funding.

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

QUEENSLAND

DAVID TERAUDS

Since November 2015 TAFE Queensland and unions have been working through a revamped Award Modernisation process. The outcomes should be aimed at, amongst other objectives, providing modernised of awards, simple to understand and easy to apply. TAFE Queensland argues six current pre-modern awards should be condensed into one covering all employees including maintenance, administrative and teaching.

The QTU position is the resulting document is not easy to administer being over 90 pages long and combining the rights and entitlements of vastly different employee categories. The QTU is fighting for a separate Educational Employees Award as educational staff have unique working conditions that set them apart from other employees.

There is very little disagreement regarding content, with the parties negotiating differences away. The QTU has submitted a Draft Award to the QIC which copies the relevant agreed clauses from the TAFE Queensland “inside-the-school-gate” Award into a separate and workable document.

Pre-election promises of the Queensland Government continue to be realised with the establishment of two independent bodies. The first is Jobs Queensland, a statutory body whose role is to provide independent advice regarding the purchasing of Training.

The second is the re-establishment of the Training Ombudsman. After achieving power in 2012 the previous LNP government did away with the Ombudsman’s office when it referred regulatory responsibility to the Commonwealth. New legislation passed through Parliament on the 25th of February. Since September 2015 there has been an interim Ombudsman operating who has received over 60 complaints. A number of MOU’s are being established between the office of the Ombudsman and other organisations with oversight of the VET market such as ASQA and consumer affairs. These relationships will strengthen the oversight of an Industry which has participants ruthlessly preying on the vulnerable in order to turn unsustainable profits.

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

TONY SUTHERLAND

A NEW YEAR, a fresh start, but few changes for TAFE SA as it continues to struggle with reduced funding to deliver quality education and skill training for a growing unemployment crisis in South Australia. Reduced funding subsidies, increased student fees and reduced qualification offerings have resulted in around a 6% downturn in 2016 TAFE SA enrolments.

In an endeavour to address continued viability, TAFE business reviews have targeted staffing costs by declaring delivery staff excess to needs, a strategy that has led to increased administrative overhead costs on programs – in some programs in excess of 70%.

Negotiation of a new Enterprise Agreement continues, now into its eighth month. An initial offer has been rejected by the Union due to the inclusion of redundancy provisions that will unduly disadvantage lecturers who do not have the ability to readily be redeployed into other areas of public sector employment.

The TAFE Offer includes Redeployment, Retraining and Redundancy provisions that will mean a 50% reduction in any redundancy payment taken between 3 and 6 months of the notice of declaration as an excess employee, and a 75% reduction if taken between 6 and 9 months of declaration of excess.

Given the TAFE’s ‘trigger happy’ history with respect to identifying excess employees the AEU has rejected this proposal. Negotiations with Government on this feature of the enterprise bargaining are continuing.

Yet another South Australian ministerial reshuffle has led to a new minister with TAFE responsibilities. Current Education Minister Dr Susan Close has added Higher Education and Skills to her ministerial responsibilities. She replaces Gail Gago to become the ninth minister for skills and training since the ALP won government in 2002.

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

WESTERN AUSTRALIA

GARY HEDGER

It was a pleasant surprise whilst staff were on leave to find that the government had begun a new website and campaign to promote TAFE, given that this was the same government that had made colleges remove any reference to TAFE in their branding.

As part of the press release the Minister stated “TAFE has come a long way over the years and provides some of the most diverse and exciting career training opportunities, and we want to ensure the community understands what is available”. As if we did not know that.

Roll on a month and a further press release, the government is reinstating the former TAFE brand and we are now to have 5 TAFE colleges across the state (down from 11 currently).

This is to be done to free up 23 million dollars a year and gives students greater access to a wider range of courses by streamlining management structures. Whish the minister stated “were unwieldy, cumbersome and excessive”. The minister went further and stated that “bulky administrative structures were a parasitic drain on resources and government money”.

The minister further stated that “cutting jobs and streamlining services would free more money for TAFE to spend on student training hours”.

It is estimated that around a further 230 plus jobs will be lost from the TAFE sector due to the amalgamation.

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

TASMANIA

PAUL LENNARD

A MAJOR event for us at the end of 2015 was the retirement of Rex Calvert, our President of the TAFE Division. Rex has devoted may years of service to the AEU within Tasmania and nationally. He will be greatly missed, both for his deep knowledge of the TAFE sector, and his efficient and friendly manner in which he went around assisting and advising AEU division members. Whilst the Tasmanian AEU TAFE sector will be a poorer place without him, we at the AEU wish him well in his retirement, and his new marriage.

TAFE within Tasmania is struggling within the current financial models. An extended redundancy and workplace incentive renewal program carried out throughout 2015 has resulted in many years of high quality experience and knowledge leaving the organisation, the vast majority not being replaced. Managers of teaching areas that previously had teaching loads have had their substantive positions abolished and were either offered redundancies, roles as Advanced Skills Teachers, or moved to the public sector award with the abolition of previous leave entitlements and a reduced hourly pay rate. TAFE teachers within Tasmania are now struggling with higher class sizes, cuts to student contact hours, constant changes to timetabling, and the limitation of units offered to operate courses, placing further challenges in the areas of workplace stress and overload for our teachers and support staff.

Unfortunately many positions within the union remain vacant after our recent elections. As we prepare for the “Stop TAFE Cuts Now” campaign, the next round of EBA negotiations, and Federal Government threats to VET, it is critical that all TAFE Division members of the AEU in Tasmania become active in our union and nominate for any TAFE Executive and Council positions that will be offered shortly. The new Tasmanian AEU TAFE division executive is heavily focussed on the recruitment of active and engaged members into these positions. It is essential that we maintain a motivated membership to protect the conditions we have, as we look toward an uncertain future.

Paul Lennard is the Tasmanian member of the National TAFE Council Executive
We call on all governments to support their TAFE colleges into the future, so that they can continue to provide quality vocational education and opportunity to students, employers and communities by:

- Guaranteeing a minimum of 70% government VET funding to go to TAFE;
- Suspending the operation of the student loan scheme (VET FEE HELP) pending a thorough review;
- Suspending the registration of any new private providers;
- Developing and implementing strong regulation and monitoring of all private colleges.

Please return completed petitions to rscroggie@aeufederal.org.au