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TAFE: TOO GOOD TO LOSE

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The images on the front and back covers of this edition of The Australian TAFE Teacher are both of TAFE students. The back cover is also our announcement that National TAFE Day will be held on June 24 this year! For updates on National TAFE Day, make sure you’re signed up at www.stoptafecuts.com.au, and once you have finished reading The Australian TAFE Teacher you can use the back cover as a poster!

We would also like to draw your attention to pages 15-18: this centre section can be removed from the magazine and used as a handy reference resource on TAFE funding. We hope the 2015 Autumn edition of The Australian TAFE Teacher both informs and inspires you!

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National TAFE Day
Get involved, visit www.stoptafecuts.com.au

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STOP TAFE CUTS
TAFE: Too Good To Lose
FROM THE PRESIDENT

MICHELLE PURDY, AEU FEDERAL TAFE PRESIDENT

Change is in the air

CHANGE is in the air and who knows what that may mean for TAFE in 2015? Late last year Victoria went to election and the Liberals were deposed to leave the ALP in the driving seat. There is little doubt that TAFE cuts played a role in that election. The results of the Queensland election show that privatisation policies are not popular with the electorate — and that again, TAFE is an issue. Finally, with New South Wales going to election on March 28, the Baird government’s cuts to TAFE colleges could influence the outcome, and perhaps influence governments to rethink their approach to the sector.

The Abbott Government’s current unpopularity with the Australian public provide us with real opportunities to advance the campaign in support of TAFE across the country. It really is time for all the major political parties to rethink their approach to the VET sector, and to commit to public vocational education through TAFE.

NSW Labor’s commitment to capping the proportion of public funding to the private sector is a good, and timely first step. No significant improvements will occur in our industry unless political leaders recognise that the competition agenda isn’t the answer.

Over the last decade TAFE has been changed forever and there is nothing more certain that this will continue. We have changed our practices, teaching methods and delivery, reduced running costs and staff but still it is not enough to satisfy those in power. There is a real danger that we are engaged in a race to the bottom in terms of quality.

Finally, thank you to all our TAFE organisers and members for their unrelenting efforts to bring the plight of TAFE and our students to the forefront of the voting public. Whether it has been in combined union activity or stand-alone under the Stop TAFE Cuts banner, know that your contributions have counted and are appreciated.

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NSW politicians at last debate TAFE policy

The end of 2014 was a busy time for TAFE activists in NSW as politicians found they could no longer ignore the growing community concern for TAFE amid changes to the training market.

Maxine Sharkey

The Save TAFE Moratorium bill, introduced by Greens NSW MP Dr John Kaye and passed by the NSW Upper House in June, was defeated in the Legislative Assembly on November 13. The Bill, designed to stop the introduction of the Smart and Skilled training market, restore TAFE funding, and freeze TAFE fees and the flow of money going to private providers at 2010/11 levels was defeated by the Coalition Government in the NSW Lower House.

This bill was supported by NSW Labor MPs in both Houses of Parliament.

Dr Kaye said: “The Baird-Grant government has refused to acknowledge the destructive impact their policies are already having on NSW’s world-class public provider of vocational education and training.”

“This bill would have saved TAFE from the very worst of the damage consecutive Labor and Coalition governments have inflicted on it,” he said.

“By voting against this legislation the Nationals have condemned students all over rural and regional NSW to poor quality education, lost opportunities and increased fees.

At the NSW Teachers Federation December council, Dr Kaye, the NSW Greens education spokesperson said his party would prohibit for-profit corporations receiving public funding and limit contestable funding to just 20 per cent. Currently in NSW private providers receive about 30 per cent of vocational education and training funding. The Greens also committed to stopping the Coalition’s Smart and Skilled privatisation policy.

The NSW Teachers Federation had invited Dr Kaye, Labor’s shadow education spokesperson Ryan Park and Liberal National Minister for Education Adrian Piccoli to the final council for 2014, to outline the education policies they will be taking to the March 2015 election.

NSW Labor will place a 30 per cent cap on contestable vocational education and training funding for private providers if elected at the state election, shadow education minister Ryan Park announced at Federation’s November Council meeting.

NSW Labor will ensure that TAFE retains 70 per cent of government-funded vocational training, restricting private operators to 30 per cent of the market. This will give TAFE certainty of funding and allow it to continue its role in providing quality vocational education, especially in rural and regional NSW.

This policy recognises that the rapid and unrestrained privatisation of vocational training in other States has led to a drop in quality and the decimation of TAFEs.

While both Labor and the Greens announced policies to provide fundamental support to the public vocational education and training system, Education Minister Adrian Piccoli did not step away from his government’s Smart and Skilled policy, which will strip away a substantial amount of TAFE’s recurrent funding to be made available by tender to private registered training organisations.

“Demand-based funding is here to say,” the Education Minister said. Members of the NSW Teachers Federation council made it very clear to the minister that this statement was not welcomed by teachers.

Maxine Sharkey is the Assistant General Secretary (Post Schools) of the NSW Teachers Federation.

Maxine Sharkey

Autumn 2015 • The Australian Tafe Teacher 5
The Asylum Seeker Resource Centre: 
From TAFE project to Australia’s largest asylum seeker support service

Today, the Asylum Seeker Resource Centre is Australia’s largest provider of aid, advocacy and health services to asylum seekers, delivering services and support to over 1500 people at any one time and with an avid social media following of more than 170,000 people. It’s hard to believe that it all began as a TAFE project back in 2001.

At the time, Kon Karapanagiotidis (pictured above) was teaching community work to groups of TAFE students.

Discovering that asylum seekers were living in the community with virtually no financial or health support, he proposed to his students that, as part of a class project, they set up a foodbank for asylum seekers.

On June 8, 2001 the Asylum Seeker Resource Centre (ASRC) opened up its Foodbank in a tiny shop in Footscray with a few boxes of food.

Most weeks a couple of hundred people would come in for food and the stores would only last an hour or two.

But while the number of asylum seekers steadily grew, so did the number of people dropping off food donations and offering to help in other ways.

This groundswell of support particularly grew in August 2001 when the Tampa crisis threw the spotlight on asylum seeker issues.

At the time, the then Howard Government refused permission for the Norwegian freighter MV Tampa, carrying 438 rescued refugees, to enter Australian waters, providing the catalyst for the asylum seeker policy debate that continues today.

Back in Footscray, as more volunteers brought new skills through the doors of the ASRC, the centre was able to offer other services and support to asylum seekers and so the Education and Health programs came into being.

Over the years, the ASRC has continued to grow organically, in line with the needs of its asylum seeker members, and today there are over 20 programs including Foodbank and Material Aid, Counselling, Client Services, Legal Services, Employment and Community and Social Development, as well as a number of social enterprises employing asylum seekers, including ASRC Catering and ASRC Cleaning.

Last year, the Education Program provided over 3,500 hours of English classes and assisted over 200 asylum seekers to access government subsidised training including TAFE courses.

In Victoria, asylum seekers are able to...
access Certificate 1 to Certificate 4 courses if referred by the Asylum Seeker Resource Centre.

Meanwhile, the Employment Program matches asylum seekers to employers and jobs and is seen as an important step in allowing asylum seekers with work rights to achieve self-sufficiency.

The Social & Community Development program helps asylum seekers overcome isolation and improves their health and wellbeing through mentoring, social activity and sports and arts program.

Last year 100 asylum seekers were involved in mentoring programs and many regularly attended or participated in the music and soccer groups, women’s recreation program and monthly social gatherings.

Early this year, the ASRC took these program offerings to another level, opening the doors of a new world-first Innovation Hub which provides an alternative empowerment model to better support asylum seekers.

The new approach recognises that there are multiple barriers to asylum seekers gaining long-term employment that must be tackled holistically — but it also recognises and harnesses the inherent resilience and resourcefulness that asylum seekers have in spades.

Through the Innovation Hub, asylum seekers are given the chance to use and improve their existing skills, undertake further training and gain work experience.

The focus is on everything people were before they sought asylum and everything they can be.

Asylum seekers can use the resources of the ASRC to tailor a service that meets their needs for employment and education, depending on what they’ve done in the past and what they want to do, and is flexible enough to adapt as their circumstances change and improve.

In this way, the ASRC is moving from a welfare model where asylum seekers receive only what they need at the time, to an empowerment model where they can design and shape how they want to socially and economically contribute to Australian society.

From the reception area you can now look directly into the windows of the first building the ASRC first occupied with its foodbank and its few boxes of food.

It has moved a long way from a small TAFE project 13 years ago to become an important advocate and promoter of rights and improved outcomes for asylum seekers in Australia.

Mary Fall is the Campaigns and Communications Manager at the ASRC.
In February, the University of Sydney’s Workplace Research Centre released *The capture of public wealth by the for-profit VET*. The report is an in-depth look at the private for profit VET sector in Australia. The Executive Summary of the report, reproduced here gives an overview of the report’s findings, and its recommendation.

If you are interested in reading the full report, it can be accessed at: [http://www.aeufederal.org.au/Publications/2015/WRCAEU2015.pdf](http://www.aeufederal.org.au/Publications/2015/WRCAEU2015.pdf) or email the AEU at aeu@aeufederal.org.au and we can organise to send you a copy.
IN 2012, the Commonwealth and all states and territories agreed upon a new market-driven funding model for vocational education, intended to promote opportunities for for-profit registered training organisations (RTOs) at the expense of public TAFE institutes. The centrepiece of this reform was a national training entitlement, or a minimum guarantee that all working age individuals could access subsidised training up to Certificate III level at a vocational education provider of their choice, provided they satisfied various eligibility criteria that vary among the states and territories. This demand-driven funding model has been the primary means of opening up contestable funding to for-profit training providers, and forcing TAFEs to compete in a competitive market. It followed the earlier implementation of the model in Victoria (2009), with the rollout across other states currently in motion.

This report shows that the reforms have led to a sharp reduction in government spending per hour of VET delivery (see Figure E1) and a massive transfer of wealth from taxpayers to the owners of for-profit training providers. For example, government funding of the for-profit VET sector in Victoria grew at an annual pace of 42 percent between 2008 and 2013, rising from $137.6 million to $799.2 million (see Figure E2).

Based on the results of the publicly-listed for profit providers, the for-profit VET sector appears to sustain profit margins of around 30 percent (see Table E1). This indicates that every dollar of public subsidy paid results in 30 cents of profit for distribution to the company’s shareholders. It is estimated that in Victoria in 2013, about $230 million in profits was generated across the for-profit VET sector, based on over $799 million worth of training subsidies. Just three companies are estimated to have extracted at least $18.3 million in profits from Victorian taxpayers in 2013. This rate of return well exceeds benchmark norms set by comparable industries, such as child care and transport.

Table E1. Profit margins for selected publicly funded, for-profit training providers

<table>
<thead>
<tr>
<th>PROVIDER</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocation</td>
<td>6%</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Ashley Institute of Training</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Australian Careers Network</td>
<td>45%</td>
<td>40%</td>
<td>51%</td>
</tr>
<tr>
<td>Intueri</td>
<td>29%</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>BENCHMARK EBIT MARGIN</strong></td>
<td>29%</td>
<td>31%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Australia Careers Network (2014); Vocation (2013); Frost (2014); Ashley Services Group (2014)

The analysis in this report rejects the notion that the vocational training sector, under demand-driven entitlement funding, has made progress in the transparency and quality of training delivery. The complete marketisation of VET has come at great cost to taxpayers without achieving the objectives of the reforms, which were to:

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

- The behaviour of for-profit providers has served to undermine confidence in vocational qualifications and taken advantage of students unable to make informed decisions.
- Disadvantaged students are under-represented in for-profit VET providers and TAFE and other public providers continue to enrol most early school leavers, regional students, and students with a disability.
- VET for-profit providers are also avoiding offering courses in skill shortage areas like the trades (which are often expensive to provide and may be subject to more rigorous quality assurance), instead focusing on high volume, high profit areas like business studies.
- Students not eligible for an entitlement place are vulnerable to increasingly high fees, which in many cases are not capped. The availability of VET FEE HELP loans has encouraged some for-profit VET providers to sign up students to loans they have little realistic prospect of repaying.
- The current regulatory arrangements have failed to address serious quality issues in the for-profit VET sector, which has engaged in practices including subcontracting delivery, one hundred per cent online delivery, and allowing students to complete qualifications in less than a quarter of the nominal duration.

The complexity of the operations of for-profit providers casts considerable doubt on whether regulators can possibly stay abreast of the operations of for-profit providers, particularly given limited disclosure requirements and audits which occur on average once every five years.

The research strongly endorses the case for publicly funding vocational education and calls for an evaluation not only of the current architecture in the vocational education system, but also of the principles underpinning its growth. The key design features of the current system — one hundred percent contestable funding and risk-based regulation — will fail to deliver the assumed price and quality benefits of a competitive market because of two factors:

1) Education is an ‘experience good’ — no amount of information (for regulators or students) can overcome the fact that its quality can only be evaluated after its consumption, and
2) The sector is characterised by imperfect competition between profit-seeking (and increasingly larger) providers whose business models have scant regard for educational standards.

These two factors combined point to sustained profitability and poor quality educational outcomes in the for-profit sector (even with regulatory changes), and few of the public benefits that theoretically accrue from a (perfectly) competitive market. All other educational sectors — from early childhood education and care to higher education — receive vastly more public funding (on a per student basis) and far greater regulatory scrutiny to deliver quality outcomes.

The failure of the entitlement model to deliver quality outcomes for learners and value for scarce public money requires drastic and urgent changes. Ideally, policymakers should consider whether the public benefit would be better served by prohibiting for-profit businesses from providing publicly subsidised vocational education and training (as they are in primary and secondary education). At a minimum, it must also be recognised that it is impossible for students to have the information required to make the same judgements about the quality of education and training as they would about a physical product or less complex service. This reinforces the need for quality arrangements that directly regulate the educational inputs (beginning with mandating hours of delivery).

There is also a strong justification for acting immediately to restore funding to TAFE. If a more sustainable funding model for TAFE is not found, then there is a very high likelihood that public confidence in the entire system of vocational qualifications will be fatally eroded. On this basis, the report makes the following recommendations:

**Minimum hours of delivery for courses**

The quality framework should mandate a minimum number of hours of delivery wherever this involves public subsidy (including indirect subsidy through VET FEE HELP). The quality framework should also directly audit the other inputs to quality learning, including curriculum, teaching and assessment practices at the point of delivery. This is necessary to overcome the lack of transparency about who is actually providing these inputs, and whether providers are delivering the contact hours that students enrol for, and public subsidies pay for. The current process-driven approach cannot address these issues.

**Capping funding to private RTOs to ensure TAFEs remain able to provide quality education**

The role of TAFEs remains paramount in the delivery of training in areas of skills shortages and to student equity groups, but also as the custodian of quality vocational education. In meeting
these and other obligations (including delivery in thin markets, delivery of student services, meeting public sector reporting requirements, and asset maintenance), it is important to recognise this competitive disadvantage.

As the cornerstone vocational educational provider, TAFE has an obligation to serve all fields of education, all student backgrounds and all areas of Australia. TAFE does not have the option of targeting only profitable areas of delivery. The reputation of the sector overall depends on a sustainable and quality TAFE network.

If contestable models remain, the proportion of government vocational education funding allocated contestably should be capped at 30%, with the remainder reserved for TAFE. This will stabilise the sector and provide certainty for students while still permitting sufficient competition to drive innovation in course design and delivery, where this is required.

State Governments should also continue to provide or re-establish block funding for TAFE to maintain infrastructure, support services for at-risk students, and to support the many other roles it plays in the community.

Ban on subcontracting delivery of courses to unregistered providers

Based on the practices that have already come to light, there is a strong case for prohibiting cross-selling between business divisions, and subcontracting delivery to other providers, particularly those who are not registered RTOs. Moreover, rather than solely audit individual RTO brands, an enhanced quality framework would consider enterprises as a whole, to seek better visibility of where responsibility for each component of training delivery lies.

Better regulation of RTOs’ recruiting practices and business models

If it is not possible to regulate for profit providers effectively because of the way they structure their operations then at the very least, quality assurance should also scrutinise the business models of for-profit providers. This would include how they market to and recruit students.

An end to governments manipulating subsidies for private RTOs

Jurisdictions should abandon the practice of regularly manipulating subsidy levels for particular courses or units of competency in response to distortions in the market and rent seeking behaviour by providers. This only rewards gaming and punishes providers that invest the subsidies in quality educational delivery. A preferable approach is to limit access to subsidies in the first place by requiring RTOs to meet quality requirements that are stricter than the AQTF.

(Footnotes)

1 Based on Earnings Before Interest and Tax (EBIT) margins. EBIT margins portray operational performance without the distortion of financing and tax decisions. Distribution to shareholders follows the deduction of interest and tax expenses.

2 2011 EBIT margins for Australia Careers Network were not available from the company’s prospectus, and has been estimated as the average EBIT margin between 2012-2014.
The Australian TAFE Teacher, asked each of the major political parties in the NSW election to put forward their vision for TAFE in NSW. These are the contributions we received.

NSW LIBERALS & NATIONALS – TAFE NSW as the backbone of the state’s training system

ADRIAN PICCOLI

The NSW Liberals & Nationals Government supports TAFE NSW as the backbone of the State’s training system. TAFE is a dynamic organisation which sets the benchmark for quality and delivers the skills needed in a growing economy.

The Government’s vision for TAFE NSW, made clear in the Statement of Owner Expectations in August 2013, is that it is a state-wide inclusive service, offering a broad range of courses, delivering skills critical to the economy, leading quality, innovation and customer focus in service delivery and that it operates as a sustainable business and is an employer of choice.

In just four years, the NSW Liberals & Nationals Government has created more than 126,000 new jobs. The NSW Government wants NSW to continue to lead the country in sustainable economic growth and we can do this by ensuring we prepare a skilled workforce to lead us into the future. Maintaining a strong, viable system of dynamic and innovative TAFE institutes will help NSW to achieve this.

Let’s look at the facts regarding TAFE and VET in NSW:

• The 2014/15 NSW Budget provides $2.3 billion for vocational education, including $1.86 billion for TAFE NSW.
• The 2014/15 budget for vocational education and training is 11 per cent higher than the budget for 2010-11 under Labor.
• There are 9% more student enrolments in TAFE NSW in 2013 compared to 2009. In TAFE in 2013, compared to 2009, there were 30% more enrolments at Certificate III and above and 59% more enrolments at Diploma level and above. Enrolments at these higher level courses have also risen significantly.
• These great achievements demonstrate the excellent work of TAFE NSW.
• As many of you would realise, the former Commonwealth Labor Government required NSW to introduce a competitive student entitlement as part of the National Partnership for Skills Reform. This is a fundamental part of ‘Smart and Skilled’ and to not do this would have risked $561 million in funding to NSW.
• Our Smart and Skilled VET reforms have been carefully designed to improve quality, improve consumer choice, maintain budget neutrality and ensure the strength of TAFE.
• We’re creating more than 60,000 extra student places in 2015 than would have been the case without these reforms.

The Smart and Skilled Quality Framework is a guarantee of quality for qualifications funded by the NSW Government. All approved training providers will charge the same fee when offering a Smart and Skilled government subsidised place. Smart and Skilled fees reflect the shared benefits for students and the Government. We are asking students to make a contribution to a valuable qualification which will greatly improve their prospects in the job market, their weekly income and the quality of their life.

Fees in NSW are lower than the maximum fees in other states such as Victoria, South Australia and Western Australia. Generous fee concessions and exemptions are available.

Competition between training providers is not new. TAFE NSW has been competing very successfully with private training providers for 20 years and remains the dominant provider of vocational education and training in NSW.

Under the reforms, the percentage of the total VET government budget that is contestable is comparatively small at around 19% in 2014/15 — a fact confirmed by the NSW Auditor-General.

The Auditor-General’s report also found Smart and Skilled was introduced with appropriate independent governance and with a clear focus of ensuring the ongoing viability of TAFE.

The continued success of TAFE NSW as a strong, contemporary public provider is central to our policies which are focused on increased participation in training and skills growth in the right areas to support the NSW economy. The NSW Liberals & Nationals will ensure a strong and resilient TAFE NSW and VET sector.

Adrian Piccoli is Deputy Leader of the NSW Nationals, NSW Minister for Education and Member for Murrumbidgee.
NSW LABOR: Vision for TAFE

On 28 March, NSW residents will go to the polls in what will be an election where the future of TAFE as we know it will be on the line.

RYAN PARK

THE Liberal/National Government has set out a clear agenda that involves massive fee increases for courses, over 1000 TAFE staff to be slashed and no certainty in ongoing funding for TAFE institutes across NSW.

Ironically it is called Smart and Skilled. The reality is it is Dumb and Dumber.

NSW Labor also has a clear agenda and one that is in stark contrast to what Mike Baird is proposing.

A Labor Government in NSW will abolish Smart and Skilled if elected in March.

We have committed to freeze student fees to 2014 levels that will ensure a student’s bank balance doesn’t determine their ability to access vocational education in NSW.

Finally and perhaps most importantly to secure the future of TAFE is NSW Labor’s commitment to cap contestable funding.

No more than 30% will be contestable under a Labor Government.

The first commitment of its kind across Australia. Compare this to the 70% that is contestable in Victoria and has decimated their TAFE system.

Over the last 12 months I have visited TAFE campuses right across NSW.

Whilst the communities are different there is a common message across them all and that is TAFE is too valuable to see destroyed like this.

Too valuable to students looking to get a second chance education or to retrain and acquire skills needed to enter a new industry as our economy changes.

Too valuable to staff and teachers who dedicate themselves to ensuring that business, industry and government get a workforce that is highly skilled and innovative.

Too valuable to the communities, particularly those in regional and rural areas where TAFE is a key driver of the local economy and offers high quality training to those in areas outside the major cities.

There is not a skerrick of evidence that the race to privatise our TAFE system will be good for anyone.

Even the Business Council of Australia said recently and I quote:

“What we don’t want is a market where the public providers are left with residual elements that private providers don’t want to operate in”.

TAFE in NSW will not survive another four years of cuts to courses, slashing of staff and providing no ongoing certainty of funding to operate.

March 28 will be more than just a general election.

It is shaping up as a referendum on the future of training and education in Australia’s most populated state. If you value TAFE, if you want TAFE to be protected and enhanced, Labor is your only choice.

“Ryan Park is the NSW state MP for Keira and the Shadow Minister for Education
Visions for TAFE future lost in dash to private profits

The struggle for the future of public sector provision of vocational education and training is gearing up for its next big engagement, the NSW election on March 28.

JOHN KAYE (GREENS MP)

ANECDOCTAL reports suggest that soaring fees and non-functional software have crashed TAFE enrolments. Students with disability are being turned away because of a lack of support. Courses are not running and students and staff are struggling to keep the system viable.

As predicted the competitive market for state funding has taken an immediate and devastating toll on TAFE, with worse to come if it is not stopped, or at least, profoundly tamed.

At stake is not just how much of NSW’s $2.3 billion annual VET budget ends up in the hands of training corporations, or even the affordability of education for working class Australians.

These are critical issues that had a determinative bearing on the outcome of the state elections in Queensland and Victoria and are likely to do so again in NSW.

However, even more significant to the future of the state and the nation will be the rebirth of the expectation of a quality public education for every Australian.

According to the NSW Auditor-General, in 2014/15 about 19 percent of the state’s total vocational education and training budget was contestable, up from 11 percent the year before.

That means that $439 million of public funds are at risk of ending up in the hands of private providers this financial year.

The state’s Smart and Skilled training market is only in operation for the second half of 2014/15. All other things being equal, it can be anticipated that the contestable market will consume 27 percent of the training budget, or $624 million, in 2015/16.

Based on a University of Sydney Business School study, about 30 percent of public subsidies paid to corporate RTOs end up as raw profit.

Next year, the big training companies could claw out $190 million in profits from NSW taxpayers. Smart and Skilled, like its evil siblings in other states, is an open invitation to the corporate sector to reap profits by cutting course hours, undermining teacher professionalism and exploiting students.

With the promise of a $190 million a year reward, the corporate sector is being invited into NSW to debase standards and squeeze down costs.

You can almost hear the claims of “mission accomplished” from the Dr Strangelove bureaucrats and politicians who have dedicated two decades of their best years to the task of turning education for working class Australians into a commodity.

However, another story is told by the voters’ revolt against the governments in Queensland and Victoria that were left with the VET reform parcel when the music stopped and the damage to TAFE became obvious.

The Greens believe that this is the time for a new vision for TAFE. The first step is the complete restoration of funding, lost courses and course hours,deleted teaching and student support positions, and impaired equity functions.

The next step is to take back from the private sector not just the money but also the ability to set standards.

The task of restoring the rights of working people to a quality education is completed by dumping training packages and building instead the expectation that every member of the community will have a comprehensive understanding of their political, social, physical, cultural and intellectual environment.

The TAFE-driven election results in eastern Australia will be the beginning of making that future a reality.

John Kaye is a Greens NSW MP
With the release of SCRGSP (Steering Committee for the Review of Government Service Provision) 2015, Report on Government Services 2015 by the Productivity Commission in late January, we are providing the following information about the funding of the TAFE and VET sectors. VET continues to be the lowest funded of all education sectors. Please note that 2013 figures are the most recent figures available.

Government real recurrent expenditure per hour of training has continually declined since the mid 1990s. Nationally the decline in funding has been 26% since 2004.

Proportion of government funded students by provider type

TAFE market share has plummeted in Victoria the most advanced “reform” state from 66% in 2009 to 37.7% in 2013. In SA where the reforms were implemented in 2012, market share has dropped from 64% in 2009 to 52% in 2013. Nationally, TAFE had 69% market share in 2009 which dropped to 56% in 2013. Private provider share has grown dramatically as more public funding has been open to the private sector. From 2009 to 2013 private provider market share has grown from 21% to 37%.


2 Includes four dual sector universities


# Excludes community education providers and fee for service students
TAFE funding and the impact of competition

**WESTERN AUSTRALIA**
*Future Skills commenced January 2014*
- From 2004-2013 real recurrent expenditure per annual hour declined by 16.74%
- In 2013, 27.47% of government funding was competitively allocated
- In 2013, 18.5% of government recurrent funding went to non-TAFE providers

**SOUTH AUSTRALIA**
*Skills for All – July*
- From 2004-2013 real recurrent expenditure per annual hour declined by 42.51%
- In 2013, 79.87% of government funding was competitively allocated
- In 2013, 28.5% of government recurrent funding went to non-TAFE providers

**AUSTRALIA**
- From 2004-2013 real recurrent expenditure per annual hour declined by 26.01%
- In 2013, 42.89% of government funding was competitively allocated
- In 2013, 23.5% of government recurrent funding went to non-TAFE providers
The Victorian Training Guarantee was introduced in 2008. Victoria is the most advanced of all the states in its reforms. TAFE emerged as a major election issue in the 2014 state election.

- From 2004-2013 real recurrent expenditure per annual hour declined by 34.41%
- In 2013, 77.44% of government funding was competitively allocated
- In 2013, 47.2% of government recurrent funding went to non-TAFE providers

Queensland Training Guarantee - 1 July 2013

- From 2004-2013 real recurrent expenditure per annual hour declined by 10.40%
- In 2013, 26.93% of government funding was competitively allocated
- In 2013, 18.7% of government recurrent funding went to non-TAFE providers

Smart and Skilled – commenced 2015

- From 2004-2013 real recurrent expenditure per annual hour declined by 16.89%
- In 2013, 17.39% of government funding was competitively allocated
- In 2013, 5.6% of government recurrent funding went to non-TAFE providers

Reforms commenced 2014

- From 2004-2013 real recurrent expenditure per annual hour declined by 6.14%
- In 2013, 22.51% of government funding was competitively allocated
- In 2013, 11.1% of government recurrent funding went to non-TAFE providers

ACT

- From 2004-2013 real recurrent expenditure per annual hour declined by 5.86%
- In 2013, 29.77% of government funding was competitively allocated
- In 2013, 9.3% of government recurrent funding went to non-TAFE providers

Tasmania

Commenced 2014

- From 2004-2013 real recurrent expenditure per annual hour declined by 5.86%
- In 2013, 29.77% of government funding was competitively allocated
- In 2013, 9.3% of government recurrent funding went to non-TAFE providers
Growth in the proportion of recurrent government funding allocated contestably 2013

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<tr>
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<td>12.74</td>
<td>22.2</td>
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</tr>
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</table>

The proportion of government funding allocated contestably has grown dramatically since the introduction of contestability in Victoria under the Brumby Government in 2008, and in other states since the Gillard Government’s 2012 NASWD.

In Victoria, the proportion of government funding open to private for-profit providers has grown from 23% in 2009 to 77% in 2013. In SA, it has grown from 20% in 2009 to 80% in 2013. Nationally it has grown from 23% in 2009 to 43% in 2013.

Payments to non TAFE providers in Australia

The proportion and amount of funding going to the private sector has expanded consistent with the opening up of government funding in the National Agreement for Skills and Workforce Development. The proportion has risen dramatically in the most advanced “reform” states Victoria and South Australia.

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3 THE AUSTRALIAN TAFE TEACHER • AUTUMN 2015
TAFE dominates at
AUSTRALIAN TRAINING AWARDS

In a period of great turmoil in TAFE, it is always a joy to be able to share the good news stories.

LOT OF TAFE good news stories are the small, but life changing moments that TAFE teachers know so well — through education and support transforming reluctant kids into confident students; retraining workers to help them find new opportunities; sharing professional knowledge with the next generation of tradespeople; innovating and developing not only vocational knowledge, but also teaching resources and skills. The students who proudly talk about how TAFE gave them hope, a future, and a new lease on life. The TAFE teachers who celebrate their students’ achievements, whether it is learning to read, completing a Certificate, finding a job, or overcoming fears. And of course our world class TAFE institutes which at their best are centres of innovation, learning and development.

In November 2014, teachers, students and Institute representatives gathered for the 2014 Australian Training Awards. Unsurprisingly, TAFE, its teachers, and its students were front and centre to be congratulated and celebrated for their achievements — and successfully secured the awards for VET Teacher/Trainer of the year, Australian Apprentice/Trainee of the Year, and Training Provider of the Year.

TAFE teacher and NSW Teachers’ Federation member Steven Atkins was awarded the Australian Training Award’s 2014 VET Teacher of the Year. Steven teaches at the Western Sydney Institute (part of TAFE NSW) where he has taught Certificates III and IV in Commercial Cookery for 11 years.

Noting the financial pressures faced by some students, Steven led a resource development project to provide Hospitality and Commercial Cookery students with resources developed in-house and supplied on a USB which cost each student $3 — a considerable saving on the previous cost of up to $300.

Steven’s teaching extends further than his students. Over the past five years he has designed a number of healthy eating plans for the local Indigenous community with the intention of reducing Type 2 diabetes through the preparation of low sugar diets.

“I won because I invest a lot of time in my students,” Steven commented after winning the award, “and I try to foster their education to make sure they go on to bigger and brighter things.”

“Winning the teacher trainer award is amazing for me. It allows me and gives me the opportunity to talk about vocational education and training to a broader audience. I’m extremely passionate about the benefits that vocational education and training can have, not just for students but for the economy.”

The 2014 Australian Apprentice/Trainee of the Year was also selected from TAFE NSW’s ranks. Joshua Lodge’s plans to study chemical engineering at university were deferred when he decided to gain some practical understanding first. He enrolled in a Certificate IV in Laboratory Techniques at the Hunter Institute and secured a traineeship with Origin Energy. Joshua went on to complete a Diploma of Chemistry and is now enrolled in a Bachelor of Engineering (Chemical) at Newcastle University.

Having now completed his traineeship, Joshua is mentoring two trainees who will work in Origin Energy’s chemical department and has secure full-time employment there.

On winning his award Joshua commented: “I hope to spread my message across a wide range of Australians and try and get them into vocational education and training. I believe it really does work… my career pathway in the power industry is very unique.”

At an organisational level Victorian TAFE, the Chisholm Institute took the prize for large training provider of the year. Chisholm provides programmes, education and training to 40,000 students annually.

The 2014 Australian Training Awards highlighted Chisholm’s facilities, including the National Precision Growing Centre — one of two controlled environment horticulture training facilities in Australia, the Centre for Sustainable Water Management, and the Centre for Integrated Engineering.

Chisholm’s CEO Maria Peters in her acceptance speech said “Education is the foundation of our society and I think it is something we should promote and protect. I think the VET sector isn’t something that is still that well understood. Winning an award like this promotes VET, the value it has for individuals and for industry. It is so key to the sustainability of our local economies and the national economy.”

The success of TAFE teachers, students and institutes at the 2014 Australian Training Awards demonstrates the great value of the TAFE system in Australia. TAFE should, in Maria Peters’ words, be promoted and protected. It is a national asset, which thanks to the tireless dedication of its teachers creates thousands of good news stories every year.

The Minister for Industry Ian Macfarlane noted that the awards “highlight the achievements in skills and training that are vital for Australia’s young people, businesses and future prosperity.” It can only be hoped, that TAFE’s successes at these awards translate into greater government support and investment in our TAFE system.
The good, the bad and the unlikely
The Abbott Government has been erratic in vocational education, as in many other areas, in its first 18 months of office. It started badly with early decisions to reduce quality controls, appoint supporters to key government advisory posts and further cut unions from contributing to policy on vocational education.

Gavin Moodie

These decisions seemed to have been driven more by ideological fervor and rewarding party supporters than evidence of what is good for vocational education, its students and the interest groups which governments these days insist on calling ‘stakeholders’. Unfortunately few so called ‘stakeholders’ satisfy the original meaning of those who provide crucial support to the organisation. However, within six months the Government acknowledged the need to strengthen quality assurance and remove or at least try to reduce the dodgy providers and practices which are costing governments so much in subsidies, as well as undercutting TAFE.

Good

The Government’s launch of reviews of training packages and their development has been generally good for vocational education, and a considerable advance on governments’ previous practice of announcing major new policies without any public involvement or consultation but following secret consultations with key supporters and favoured interest groups — sorry, stakeholders. The Government released discussion papers, held nationwide consultations online and in person, and invited submissions from all who may be interested. However, the Government is not planning to release submissions. While this is an observation of an improved process rather than outcome, it is nonetheless an advance.

The training package reviews are also good in opening for discussion issues that had previously been non-negotiable, responding to criticisms that have been published in The Australian TAFE Teacher and elsewhere. For example, the training packages discussion paper notes the relatively high proportion of qualifications that had no or trivial numbers of publicly funded enrolments in the decade from 2002 to 2013. This is precisely the issue raised by Leesa Wheelahan in her article ‘VET has too many qualifications’ published in the Winter 2012 issue of The Australian TAFE Teacher.

The possibility which perhaps has the most potential for TAFE is in the discussion paper on the development of training packages which includes ‘Approach 3: Government contracts for designated VET sector bodies’. The discussion paper explains: ‘This approach would see a limited number of bodies, approximately six, assigned the responsibility for the development and maintenance of the training package and associated products with the possibility of a lead industry skills body.’ This seems to offer the possibility of the state TAFE bodies preferably, or less desirably TAFE institutes in each state and territory, associating to be one of the approximately six designated VET sector bodies.

These developments would be good because they would allow TAFE institutes to shape qualifications to suit the different needs of their students and the different roles they play in preparing graduates for employment and further learning.

Also good for TAFE is the proposal to strengthen qualifications’ quality assurance, perhaps by specifying volumes of learning and/or monitoring assessment standards, since this should curb the dodgy providers and practices which have been undercutting TAFE by lowering standards.

The discussion papers even invite a change in nomenclature from the previous hallowed ‘training packages’ to ‘industry-defined qualifications’, ‘occupational standards’ or ‘skills standards’ and replacing ‘competencies’ with ‘knowledge and skills’. While, again, this appears more symbolic than substantive, it may signal an acceptance that vocational education is not well served by having the language and structure of its qualifications so radically different from, and largely incomprehensible to, the other education sectors.

Bad

While it is important to recognise the advances that vocational education has made so that they may be consolidated and built upon, they don’t detract from much that is bad in recent developments in Australian vocational education.

The most important obstacles to improving the quality of vocational education are the unrelenting cuts in funding per student training hour, which have been introduced by both major political parties at both major levels of government for over a decade. But of course the Australian Government is silent on this. Most starkly, the training packages discussion paper considers what levers might be available to the government to improve the system, without mentioning the obvious option of increasing investment in it.

This raises a second problem with the Government’s approach: its fragmentation of vocational education as if different aspects could be examined and possibly changed without...
considering the implications for the sector as a whole. All aspects of training packages should be reviewed together, including curriculum, accreditation, quality assurance, funding and governments’ construction of vocational education markets.

Vocational education was made ‘industry led’ in the mid 1990s to make it more relevant to employment, and more recently it has been increasingly marketised to make it more flexible and responsive to employers. But still the Government’s discussion paper complains that vocational education is too inflexible and that employers aren’t sufficiently engaged in exercising the leadership governments thrust upon them.

Yet the Government seeks to fix the problems arising from marketising vocational education by introducing yet more marketisation — what it calls ‘contestability’ — in developing training packages. This risks all the principal-agent problems of bodies acting in their own market interests rather than in the interests of their students let alone the system as a whole. This in turn will require the Government to introduce different layers of monitoring and control, by contracts rather than regulation, but external control nonetheless.

The discussion papers assume that skills standards (training packages) will continue to be based on atomised work tasks. Yet it is precisely this shackling of vocational education qualifications to narrow and often short term work tasks that limits their development of graduates’ medium term vocational development and transfer between occupations, and limits their application to broader vocational roles.

While the Government is open to different ways of developing skills standards (training packages), all of its approaches would continue to place almost all of the initiative at the top of the hierarchy, which would impose its requirements on successively lower layers to training providers. This top-down approach is the reason for the large number of unused and under used qualifications, since qualifications are commissioned at the top of the hierarchy far away from the teachers and training providers responding to students’ and employers’ interests.

Furthermore, all three of the Government’s options for developing skills standards (training packages) combine the specification of the requirements for skills standards (training packages) with developing qualifications to meet those skills standards (training packages). The Government should continue with the top level specification of skills standards (training packages). However, skills standards (training packages) should be restricted to the minimum necessary to ensure national portability and should be defined differently as the development of the knowledge, technical skills and attributes of graduates in their field. The Government should also allow qualifications to be developed by providers or groups of providers such as TAFE systems.

The Abbott Government has intensified Coalition governments’ marginalisation of unions’ involvement in vocational education and continues the longstanding and bipartisan exclusion of teachers from vocational education policy which has led to policy which erodes the educational value of vocational education. Minimally, the attributes of training package development should include understanding how people learn knowledge and skills, for this is the whole point of vocational education.

**Unlikely**

On January 9, 2014 USA President Barak Obama announced his proposal to make approved community college programs free to all students who study more than half time and maintain reasonable passing grades and progress towards their qualification. This proposal follows similar policies in the state of Tennessee under a Republican governor and for the city of Chicago under a Democrat mayor. While Obama’s proposal is unlikely to pass the current Congress, it offers a useful example to Australia since the USA is also a federation in which until Obama’s presidency almost all community college funding came from the states. President Obama’s ‘college promise’ offers a great ideal to which Australian governments should aspire.
IN THE lead up to the state election the NSW Teachers’ Federation and Stop TAFE Cuts supporters have been getting out in their TAFE colleges and communities to talk about TAFE and encourage people to join the Stop TAFE Cuts campaign.

At community forums, events, meetings, and festivals they have been talking about the cuts to TAFE, the implementation of Smart and Skilled and have called for state and Federal Governments to restore funding to TAFE and halt the slide towards privatised training in NSW.

In January, the NSW Stop TAFE Cuts team dropped in to Tamworth Country Music Festival. Tamworth is the home of country music, and TAFE is vital part of country communities around Australia.

The team at Tamworth heard first-hand about how cuts to TAFE are making it difficult for country people to access TAFE education. “When the TAFE in their town is closed down or the course they want is no longer available at their local TAFE, they have to travel to the next town. That could be 100km away,” commented NSW Teachers Federation Assistant General Secretary Maxine Sharkey.

“The festival gives us such a great opportunity because we’re able to talk to such a wide range of people — from other states and territories as well as from NSW,” Ms Sharkey said. “We’re getting people to think about TAFE cuts in relation to state elections and also the next federal election; we’re talking to hundreds of people here”. Students, teachers and community members were all eager to learn more about what is happening to their world-class TAFE system. Even ALP leader Bill Shorten stopped to chat with the Stop TAFE Cuts team.

Festival goers from every state and territory, every age, every background, were more than happy to sign up to the Stop TAFE Cuts campaign.

The Stop TAFE Cuts team will continue to campaign hard in the weeks before the NSW election on March 28.
With almost every Australian owning one or more financial products and taking on greater responsibility for financial decision-making, financial literacy awareness and education is more important than ever. Miles Larbey, Senior Executive Leader, Financial Literacy, at the Australian Securities and Investments Commission (ASIC) discusses how Australia’s corporate regulator is helping VET students improve their money management skills.

What is financial literacy?
Financial decision-making is an essential part of life. If you think about it, we make financial decisions every day — whether it’s how much to put aside for essentials, spend on a holiday, or invest in staff and equipment if we’re in business. It’s also important to be able to manage risk and avoid financial pitfalls. Regardless of our age, life-stage or circumstances, managing money and making financial decisions is intrinsic to every aspect of our lives and the lives of the people around us. ‘Financial literacy’ is about having the knowledge, skills, attitudes and behaviours to make informed financial decisions in support of financial well-being.

As the Australian Government agency responsible for financial literacy, ASIC is committed to helping all Australians better manage their money and make informed financial decisions in support of our strategic priority to promote confidence and trust in the financial system. Of particular focus, is equipping young Australians with the money management skills they need to promote financial well-being — both personally and throughout their working lives.

In 2012, ASIC spoke to Australian apprentices and trainees to gauge their need and level of support for financial literacy training. Feedback confirmed most VET students and their trainers and mentors wanted simple, clear and engaging online learning in key financial areas such as tax, saving and budgeting and superannuation.

ASIC’s Be MoneySmart resource
ASIC’s Be MoneySmart is a training resource developed to help VET students such as apprentices and trainees at TAFE, school or other training organisations gain money management skills which support their future careers in small business or as contractors. The resource offers five online modules and covers the following topics: Saving, budgeting and spending; Personal tax; Superannuation; Debt management and Insurance.

Each of the five modules is accompanied by a trainer/assessor guide, student workbooks and an online assessment tool.

ASIC’s Be MoneySmart resource can be used to support the accredited training and delivery of the Certificate III competency Be MoneySmart (FNSFLT301A) as either an imported unit of competency at level, as part of the Certificate III in Financial Services (FNS30111) or for general money management skills programs. Assessors and trainers need not be topic experts as the resource is self-contained and has an online mentor.

The resource is also available as a package for training organisations to include on their learning management system under a free licence with simple reporting requirements.

Making smart decisions about money throughout life is invaluable for VET students who will go on to be self-employed or employ others.

I encourage you to apply for a licence or download ASIC’s free Be MoneySmart modules, student workbooks and trainer/assessor guide at moneysmart.gov.au/teaching

For further information, email ASIC’s MoneySmart Teaching team at moneysmartteaching@asic.gov.au

MONEY MANAGEMENT HELP for VET students
INCE its introduction in 2008, Commonwealth Government funding for VET FEE-HELP has grown at an extraordinary rate – from $25m in 2009 to about $1.3b in 2014 (see Graph 1) As a result, student indebtedness has also increased.

HECS HELP is available for students in Higher Education who are eligible for a government subsidised, also known as a Commonwealth Supported Place (CSP). FEE-HELP and VET FEE-HELP are loan schemes available for students in Higher Education (FEE-HELP) and VET (VET FEE-HELP) who are paying the full cost of their courses. VET FEE-HELP was extended, in 2010 to courses in VET which were government subsidised, and the mandatory loan fee paid by all FEE-HELP students (now 25 per cent of the cost of the loan) was removed for those in subsidised places. Undergraduate students who are eligible for a CSP generally pay much less through their HECS HELP loans, than either category of FEE-HELP student, although elements of the Abbott Government’s proposed radical changes to higher education could change this.

There are some similarities between HECS HELP, FEE-HELP and VET FEE-HELP, but there are some crucial differences. Because all HELP loans are income contingent loans, then repayments are made through the Tax Office when an individual’s income reaches a certain threshold. That threshold is currently $53,345. The philosophy behind the schemes is the same. The argument put by governments is that individuals receive some benefit, in the form of increased earnings throughout their lives as a result of completing a qualification. Therefore, individuals should share the cost of their education with the state. In essence however, governments are looking for ways to shift the funding of education from themselves and onto students. This has significant implications for the community, in particular those sections of the community who are least able to afford the costs of education, and who are often debt averse.

There are some crucial differences between the sectors in their approaches to their income contingent loans. In Higher Education, students eligible for a Commonwealth Supported Place (CSP) take out a HECS HELP loan from the Commonwealth Government to pay for part of the cost of their qualification. Costs of fees for degrees are currently regulated, and the government pays for part of the cost of the qualification, with the student paying the remainder, through HECS HELP if they choose. Currently, university students pay on average 40 per cent of the cost of their degree, and they start to repay that loan, through their tax when their income reaches the threshold. In VET, fees for non-government subsidised courses are completely deregulated – that is, a provider can charge whatever they want for a VET qualification, and a student must therefore borrow the full cost as a VET FEE-HELP loan. In addition, students who take out a
VET FEE-HELP loan for a qualification which receives no government subsidy must pay a 25 per cent administration fee on top of the loan. This administration fee is waived where the qualification receives some government subsidy. Many of the radical changes that the Abbott Government is trying to make to the Higher Education sector would draw it into line with the current arrangements in the VET sector, and the proposal to uncap the limit on the amount of debt that students can take out throughout their lives (currently $97,728 for most students and $122,162 for medicine, dentistry and veterinary science students) would remove the only constraint on the amount that private providers are charging students.

When VET FEE-HELP was first introduced into the sector in 2008, there were restrictions on the courses that could be eligible and which organisations could offer the loan scheme. The 2008 Guidelines for VET FEE-HELP required eligible qualifications to be VET Diploma and Advanced Diploma courses which attracted no government subsidy — i.e. — were full fee for service. In addition, the VET Provider had to have specified ‘credit transfer’ arrangements with a Higher Education provider. Providers had to be body corporates, unless they were organisations established under government vocational education and training legislation (ie TAFEs). They were also required to have education as their principal purpose, and provide tuition assurance for all their eligible courses.

These guidelines, as Graph 1 (page 25) shows, meant that initial take-up of VET FEE-HELP was low. In response, in July 2009 amendments to the guidelines extended VET FEE-HELP to courses which were partially government subsidised so long as the VET provider was in a “reform” state or territory. A designated reform state was one which had agreed to open its VET funding to the private sector. At this time, the only eligible “reform” state was Victoria, which had introduced market reforms of its VET system in 2008 — the Victorian Training Guarantee. Following their sign-up to the 2012 National Agreement on Skills and Workforce Development (NASWD) all states effectively met the conditions which allowed their providers to be VET FEE-HELP eligible.

In other words, the introduction of VET FEE-HELP was the opening of a significant new source of Commonwealth funding for higher level VET qualifications, with the final “burden” of this debt being transferred fully to individual students into the future. It started the process of the states and territories shifting their responsibility for the funding and provision of higher level VET qualifications from themselves, temporarily onto the Commonwealth, but finally onto individuals. In a number of states, this is exactly what has occurred, and it was a powerful and lucrative incentive for the states and territories to introduce market reforms of their VET systems.

As part of the 2009 extension of access to VET FEE-HELP in Victoria, the Commonwealth commissioned a review of the scheme. This was largely because there was a concern about the low take-up rate of VET FEE-HELP. The review found that RTOs were experiencing “significant issues” with the scheme, including issues associated with the application process and meeting financial viability, principal purpose, credit transfer and tuition assurance requirements. These issues, according to the reviewers were impeding the take-up of the scheme by students. Some stakeholders, the reviewers argued, were concerned that many of the requirements which RTOs had to meet in order to become eligible were too harsh, or inappropriate for the VET sector. In truth, some of these requirements had been put in place specifically to protect students and public money, and acted as additional quality assurance measures for this purpose.

A good example of this was the requirement for an approved VET FEE-HELP provider to have a credit transfer arrangement in place with a higher education provider for their VET FEE-HELP courses. Some RTOs argued that this was inequitable, that it reduced opportunities for VET students and effectively that it set the bar too high. In reality, it meant that the course had to be of sufficient substance and merit that other providers, including universities recognised it for purposes of pathways into higher level qualifications, and it meant that such a pathway actually existed — even if students chose not to use it.

A number of revisions in 2012 were necessitated by the introduction of the National VET Regulator Act and the requirements of the National Partnership Agreement on Skills Reform (NPASR). All obligations concerning credit transfer arrangements in order to obtain VET FEE-HELP were removed. The concept of a ‘Reform State or Territory’ was replaced by that of an ‘eligible State or Territory’.

The revisions of 2012 made explicit the connection between the introduction of market reforms through the 2012 NASWD and the NPASR, and the introduction of VET FEE-HELP. In fact, the weakening of the conditions attached to becoming a VET FEE-HELP provider, made it much easier for many more largely private for-profit providers to become eligible, and as the data will show, resulted in a rapid expansion of the scheme after 2012.

VET FEE-HELP has become a lucrative source of income for private for-profit providers in the VET sector. More than 75 per cent of VET FEE-HELP funding goes to private for-profit providers, as depicted in Graph 2. The scheme has grown exponentially, as more and more private providers market their courses as “no up-front fees”, offer inducements to students such as free iPads and computers, or even overseas trips.

It is the significant amounts of funding being allocated through VET FEE-HELP, when combined with the public VET funding being allocated contestably (around 42 per cent of recurrent VET funds) which contributes to the profit margins which private for-profit providers are making out of the VET sector. This is one reason...
What is the difference between HECS-HELP, FEE-HELP and VET FEE-HELP?

HECS-HELP is only available to eligible students enrolled in a Commonwealth support place studying a higher education qualification. FEE-HELP is only available to eligible fee paying students undertaking a higher education award course. Irrespective of whether a student receives a loan under FEE-HELP or VET FEE-HELP, one FEE-HELP limit applies.

VET FEE-HELP assistance is generally available to eligible full fee paying students undertaking higher level VET qualifications (diploma, advanced diploma, graduate certificate and graduate diploma courses). Irrespective of whether a student receives a loan under VET FEE-HELP or FEE-HELP, one FEE-HELP limit applies.


What are the lifetime borrowing limits?

The FEE-HELP limit in 2015 is $122,162 for medicine, dentistry and veterinary science students (as defined in HESA) and $97,728 for all other students. The FEE-HELP limit is indexed on 1 January each year. The FEE-HELP limit is the total amount available to an eligible person under both the FEE-HELP scheme and the VET FEE-HELP scheme.

This means that any amount borrowed under either FEE-HELP or VET FEE-HELP will reduce your FEE-HELP balance until you have reached the FEE-HELP limit. Once you have reached the FEE-HELP limit (the indexed amount for the relevant year), you are no longer eligible to use FEE-HELP to pay your tuition fees, regardless of whether you have fully or partially repaid your loan.

There is no limit to the amount a student can borrow under HECS-HELP.

Graph 3 shows the 2013 VET FEE HELP payments on a state by state basis.


why the private sector is growing as it is in VET.

VET FEE-HELP was a powerful inducement for states and territories to sign up to the 2012 NASWD, and NPASR. It has effectively encouraged a number of states and territories to remove public funding of higher level VET qualifications. Unless the Commonwealth Government acts urgently, we are consigning a generation of young people in Australia to substantial debts for qualifications which could be completely worthless.

Finally, there is another crucial difference between HECS and VET FEE-HELP that should be highlighted here. HECS was introduced in 1989 on the recommendation of a major national public inquiry into higher education financing, which was chaired by Neville Wran. People were given several months to respond to the recommendations, and there was vigorous debate. In contrast, there has been no national public inquiry into vocational education financing since the Kangan report in 1974 and VET FEE-HELP was introduced and then radically extended, without any public inquiry.

Pat Forward is the AEU Federal TAFE Secretary
Private for profit providers – people have their say...

In November 2014 the Australian Senate announced an inquiry into the operation, regulation and funding of private vocational education and training providers in Australia.

This inquiry is an important opportunity to bring attention to the actions of dodgy private for profit providers. It will focus public attention on those providers who are only in the sector to make money, and who do so at the expense of their students — whilst trashing the reputation of vocational education in Australia.

Submissions to the inquiry closed on Friday 13 February, with the final report expected to be released on 10 August 2015.

We asked Stop TAFE Cuts supporters to share their experiences of private for-profit providers with us, to help in the research for our submission — here is some of what they had to say:

“They didn’t train me, I had to go back to TAFE and retrain so I could be a qualified hairdresser. They took shortcuts throughout the course and missed a lot of vital information. They did not provide the correct training tools or products.” – Samantha, NSW

“I have had students tell me of circumstances where after unsuccessfully applying for a job they are approached by the private RTO attached to the business, and “offered” a discounted training place to do a Certificate II and they “might” get a job.” – Terri, Victoria

“Compared with the training I have done with TAFE, the standard of private educators is substandard. I believe vocational training should stay within the TAFE system where students can receive education that prepares them for work and is fairly priced.” — James, NSW

“They didn’t train me, I had to go back to TAFE and retrain so I could be a qualified hairdresser. They took shortcuts throughout the course and missed a lot of vital information. They did not provide the correct training tools or products.” – Samantha, NSW

“I have had cold calls to my home regarding doing a business course. They really pushed the ‘no need to pay’ etc. This practice of going house to house to sign people up is absolutely unethical. They didn’t offer career advice or ask what level of education I’d had. I feel for the vulnerable that may be enticed with the promise of something for nothing.” – Sofie, Queensland

“I have heard many stories about the experiences of people being signed up by these providers, and I am not impressed by their underhand techniques. Plus it appears that the qualifications of the teachers are also very low.” – Lyn, Tasmania

“Having worked in childcare for 24 years, I found early childhood educators do not come out properly trained when they have done training at a private RTO.” – Heather, Victoria

“My experience undertaking a Certificate IV was one riddled with incompetence on the part of the teacher and the RTO. There was virtually no teaching at all.” – Monday, Victoria
“Private providers tend to shortcut the assessment process. Some of their assessment methods are highly dubious. Training is often conducted just to satisfy the assessment criteria. Training should holistically embrace all aspects of the competencies.” — Andrew, NSW

“I once emailed just to enquire about a course being advertised and when they rang me they were talking to me as though I had signed up. I had to be quite firm with the person I was speaking to in order to make it perfectly clear I was only enquiring about the course. I thought that was quite predatory.” — Sandra, NSW

“Three of my Certificate II students were told by a representative of a private provider that she could place them in a Diploma level course — no mention of fees! These students didn’t even have a Year 10 equivalent qualification yet and two of them were barely 16. They don’t have the literacy and numeracy skills to handle study at this level and complete the course. This is unethical practice!” — Claudia, NSW

“They are shonky to be kind to them. My son did a bakery course with a private provider while working as a baker’s apprentice. The so called “training” involved three 10 to 15 minute visits to tick off aspects of “training”. No training by the provider, the only training was by the baker.” — Peter, NSW

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NEW SOUTH WALES
MAXINE SHARKEY

TAFE TEACHERS in NSW have had a tumultuous end to 2014 and for those who have returned in 2015, the climate is no calmer.

Due to TAFE NSW imposing a new and untested computerised system in October, many teachers ended 2014 working hours of unpaid overtime, to ensure students would receive correct results. Regardless of our teachers’ commitment, this new system was inadequate and many students have received incorrect or incomplete results. The union has been contacted by students who have been denied a place in university and trainees and apprentices who have not received pay increases due to incorrect transcripts being issued. These concerns have been raised with TAFE management.

Redundancies continued right up to the last day of the TAFE year and beyond. The union was appalled that we had to remind some TAFE managers that it is not best practice to hand letters of impending job loss to employees on the last day of term, particularly prior to the Christmas holiday period. However, many teachers and support staff spent the “holiday” break checking public sector job vacancies, organising their personal finances, and having difficult conversations with family members. Apart from redundancies, we are hearing of unprecedented numbers of resignations, as staff re-evaluate their careers.

Returning to TAFE for the new year, our members found the new computer system could not manage front line staff — not the politicians — who bore the brunt of an unworkable situation. The Union has been assured TAFE has strategies in place to overcome this enrolment debacle. Welcome to Smart and Skilled NSW. Let’s hope enough of our dedicated TAFE teachers persevere until this radical ideology is seen for what it is and is replaced with sensible policy.

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

VICTORIA
GREG BARCLAY

Victorian election result

THE NAPTHINE LNP government became a one term government in November 2014. The attacks on TAFE and the actions of the TAFE4ALL campaign played a significant part in the outcome of the Victorian state election.

The AEU used the TAFE4ALL campaign to raise awareness of Victorians about the impacts of the TAFE cuts heavily over the last four years and more intensively in the lead up to the election.

The ABC Vote Compass results, released just prior to the election showed that almost 80% of all Victorian voters supported increasing funding to TAFE and even 64% of coalition voters wanted more funding for TAFE.

The Victorian Trades Hall Council, the Electrical Trades Union, the Victorian Labor Party and many individual candidates from various political parties all invested heavily in media campaigns highlighting the coalition attacks on the public TAFE system in Victoria.

The election of a Labor government in Victoria will hopefully allow for the rebuilding of the public TAFEs in Victoria, but given that a previous Labor government was responsible for introducing contestability into the TAFE and other providers sector we still have much work to do.

Enterprise bargaining

The start of 2015 sees the continuation of enterprise bargaining across the state in 13 of the 16 TAFEs.

At the end of 2014 TAFE teachers at five TAFEs voted to take protected industrial action in support of the AEU’s position in relation to salaries and conditions. Currently those actions are limited to a series of work bans with possible stop work action.

The AEU’s position in relation to the negotiations has recently been strengthened by a decision of the Full Federal Court in relation to Re: AEU matters.

Clauses that were being pushed to remove from any agreements are now permissible and enforceable.

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

QUEENSLAND
DAVID TERAUDS

LATE 2014 DP Bloomfield of the QIRC brought down a decision that he didn’t have power to refer TAFE EB negotiations to arbitration due to LNP government amendments to the IR Act in 2013. The QTU is appealing this decision. TAFE Queensland then applied to create a single modernised award covering educational and non-educational staff. Despite union opposition the QIRC approved the move referring it to the award modernisation team for January hearings. It’s clear government instructions to employer reps were “press hard against teachers’ pay and conditions”.

A hard fought state election was expected early 2015 with 78 seats held by LNP, nine by Labor and that a returned LNP would push TAFE over the edge. The surprise was a January election called with such indecent haste the Premier didn’t enter his own electorate for six days post announcement.

TAFE members mounted a 26 day Stop TAFE Cuts campaign. Members had voted late 2014 to take industrial action accentuating the LNP’s impact on TAFE. January 29 was subsequently set — two days pre poll. Despite threats and intimidation, TAFE members stopped work for two hours to protest the destruction of the TAFE institution.

LNP TAFE policy was an election issue that played against the government. Labor and Greens actively supported protests and events run to bring attention to LNP privatisation and marketisation policy. Labor leader Annastacia Palaszczuk announced TAFE policy at a rally and announced $34M funding for TAFE programs making it clear that TAFE was an election issue.

Premier Newman became the second Queensland Premier to lose his seat in an election while Saxon Rice, the Minister with responsibility for TAFE, was also removed. At the time of writing it is expected Labor will form government in Queensland.

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

ACT
KAREN NOBLE

Growing membership and connecting members will be key themes for 2015. We need to move on from just a few people attending meetings and even fewer doing all the work. We need to focus on the benefits and collegiality of members.

The CIT Amendment Act 2014 was passed in December and is due for implementation by mid-2015. The legislation affirms CIT’s role as the public provider for vocational education in the ACT. Both student and staff representatives will be included in the new Governance arrangements.

By late 2014 the ACT Government developed its list of skill shortages, priority qualifications and a competitive process for accessing ‘Skilled Capital’ funds. We are preparing for the ‘ballot’ style process
to access the funds. Such a system will now be used for RTDs to ‘have a go’ at getting funds for high demand qualifications.

2015 is the first year for implementation of some significant changes within our Enterprise Agreement. We are represented on a working group finalising a process to determine qualifications equivalence for pay level progressions. The exploration of ‘volume of study’ is perplexing as ASQA information still sees higher education qualifications in terms of years of study — something which has rapidly fading relevance. Assessing the pedagogical and vocational components is also complex and time consuming.

Members will also be involved with processes that phase out our Advanced Skills Teachers (AST) and phase in a new category of Teacher Level 2.

The EA contains a list of duties, other than teaching, that were identified through a series of focus groups. These duties require examination and a determination about their place in teachers’ workloads. This work is to be completed by October 2015.

So, a busy year ahead.

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

SOUTH AUSTRALIA

TONY SUTHERLAND

I T’S THE start of the new year but no joy for TAFESA as reviews on program viability continue and we see further cuts. There are an increasing number of education programs moving to a ‘no new enrolments’ position for 2015 with existing students being provided with a teach-out training plan. The rationale from senior management for these decisions is a result of courses having low numbers and therefore financially unviable. The concern of our members is the lack of consultation and consequently the loss of an opportunity to build student numbers.

A flagship program like the AC Arts will see costume and set design programs which are pivotal in providing the development and support of the “in-house production model” close. Consequently AC Arts students will lose the opportunity for students from all facets of stage production to combine their skills and show their ability to work together to produce two major productions a year. For these productions to continue and to enable competency to be developed for students in the production programs TAFE will need to outsource costumes and set design.

January 31, 2015 was the nominal expiry date of the current TAFE SA Enterprise Agreement and although the employer expressly wrote into the current Agreement that bargaining could commence 6 months prior to expiry, they have shown no endeavour to begin negotiations. The AEU has determined to initiate bargaining and has sent a letter to the employer to begin the process.

Finally a new TAFE SA Chief Executive has been announced following the resignation of Jeff Cunninghan in June 2014. Robin Murt is returning to the role he held as Acting Chief Executive during 2012. The union looks forward in renewing their acquaintance with Robin.

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

TASMANIA

REX CALVERT

D ESPITE attempts by Unions Tasmania to negotiate with the Hodgman Liberal Government over a wage freeze for saving a specified number of public servant jobs, the answer was always no.

In response, Unions Tasmania organised a stop work rally in November which was attended by 10,000 public servants. The rally sent a strong message to the Liberals that bullying tactics would not be tolerated. The rallies overwhelmingly endorsed a 12 month wage freeze on condition that:

- The Government guarantee that all savings delivered through the wage freeze are used to reduce the number of public sector jobs that are cut. This will require the wage freeze to be transparently costed.
- The Government agree that the wage freeze is implemented through consent applications to the Tasmanian Industrial Commission.

TasTAFE has marched on with its redesign process. Two versions of a management structure have been circulated with the final version being released in late January. Twenty four FTE management positions have been scrapped; removing one layer of management and shrinking another by 25% with an annual salary budget saving of $2.8 million.

TasTAFE has settled on three distinct teaching divisions where teams with similar industrial backgrounds are brought together. A Division will typically have a Manager at State Executive Service Level 1 as well as a Quality Operations Manager at band 6, a Senior VET Consultant at band 6 and a VET consultant at band 5. There will also be on average, nine ETMs per division. There are a number of other management teams that are responsible for other areas such as scope and quality, libraries, business growth, support services, corporate services, and the Office of the CEO. TasTAFE will also implement a new student management system along the same lines as NSW and Queensland.

Rex Calvert is the AEU Tasmanian TAFE Division President

WESTERN AUSTRALIA

GARY HEDGER

T HE REPLACEMENT General Agreement for TAFE lecturers received in principle agreement in December 2014. It now has to go to a vote of members for endorsement and to the commission for registration. The replacement GA allows for a salary increase of 2.75% (backdated to December 2014) with further increases of 2.5% in December 2015 and 2016. The Union was able to negotiate the replacement agreement without loss of conditions from the current agreement.

Whilst negotiations were occurring the government had a ministerial reshuffle in December 2014 and the Training and Workforce Development portfolio was given to a new minister. This is the fifth minister in five years, which makes it appear that despite the governments’ statements regarding their commitment to training they do not want to have a sustained focus by a minister to sort out the problems that beset the training sector in WA.

This is highlighted by the fact that when TAFE colleges shut down at the end of 2014 they still had not been given the new fee structure for courses in 2015 (the 2014 budget highlighted fee increases and the lifting of fee caps). Whilst this was occurring the Department came up with a new pre-apprentice course structure which saw the removal of 150-200 hours of funding per course. This has caused chaos across the sector. This is a system in turmoil and there appears to be no one in charge at the top.

In the new minister’s (Liza Harvey, who is also the minister for police, road safety and women’s interests) first media statement made light of the fact that the state has 11 State Training Providers and more than 300 private training providers contracted to deliver training in WA.

Gary Hedges is the WA member of the National TAFE Council Executive
National TAFE Day

24 June 2015

Get involved, visit www.stoptafecuts.com.au

TAFE: TOO GOOD TO LOSE

Authorised by Pat Forward, Federal TAFE Secretary, Australian Education Union 120 Clarendon st, Southbank 3006.