



The Committee Secretary
House of Representatives Standing Committee on Education and Employment
Parliament House
CANBERRA ACT 2600

Dear Ms Edson

RE: VISTA Association of VET Professionals (VISTA) response to the House of Representatives' Standing Committee on Education and Employment inquiry into the role of the technical and further education (TAFE) system and its operation.

VISTA is very pleased to be invited to respond to the terms of reference for this inquiry and greatly appreciates the opportunity to do so.

1. About VISTA

VISTA is a self funded Association which connects individual VET professionals with an understanding of current and emerging federal and state VET policy and strategy. VISTA is predominately Victorian based and its membership base of 670 is supplemented with a contact reach to over 10,700 individual VET professionals across Australia.

VISTA is managed by a board of directors elected by members and each of these directors works in the VET sector with an even representation across TAFE, private RTOs, adult community providers, not for profit agencies (NGOs) and independent VET businesses (such as consultancies).

VISTA is not aligned with any political position but takes the view that it is critical for effective VET policy and strategy for each individual VET professional to understand the policy context in which he or she works. Accordingly, VISTA believes that the view of the VET professional is essential to support and advise effective policy and strategy development at all levels of government.

2. Terms of reference for the Inquiry

In broad terms, VISTA agrees with the current terms of reference established for this inquiry outlined in the 3 April 2013 letter from the Inquiry Secretary. VISTA supports the scope of the terms of reference and the framework set to cover most of the key challenges facing TAFE and its operations in Victoria and in other states.

2.1 The development of skills in Australia

VISTA recognises that the development of skills underpins many of the other terms of references. VISTA expects this reference covers the important component of the process of facilitating skill development within the spirit of learning organisations. The key VISTA message to this term of reference is to ensure that the responsibility Vocational Education and Training is supported through education, economic and political drivers framing effective policy and practice.

2.2 The development of opportunities for Australians to improve themselves and increase their life and employment prospects

VISTA interprets this term of reference to focus on the capacity to develop individuals. This term of reference will be challenged by the potential (and real) conflict between the goals individuals set to attain for themselves as distinct to the skills that industry and community require for sustainability and prosperity. VISTA anticipates that analysis of this term of reference will explore the core conflict within a user choice focus as distinct from an identified industry and community need to address particular skill shortages and or emerging skill needs.

2.3 The delivery of services and programs to support regions, communities and disadvantaged individuals to access training and skills and, through them, a pathway to employment

VISTA acknowledges the function of TAFE, since its inception, has been the most critical element in state and federal government's education and training armoury to address the issues of regional support, community support and access by disengaged individuals to skills and to employment. VISTA proposes that recent commercially driven policy and practices has resulted in a disconnect between TAFE capabilities and meeting individual and regional needs. TAFE's capacity to provide learning assisted through disability support, language literacy and numeracy support, and support for job placement have been put under significant pressure with ascent of a commercial driver.

2.4 The operation of a competitive market

The establishment of a competitive market has brought significant improvements in RTO, particularly TAFE operations. In saying this, VISTA alerts to some unintended consequences arising from the commercialization of the VET sector. These unintended consequences lead to inconsistent or unhelpful market manipulation strategies, such as increased compliance and governance imposts or reduced government subsidies, which further impact on the capacity of TAFE, in particular, to connect disengaged people or deliver to high cost training needs markets.

The constructed competitive training market, as operating in Victoria, currently limits total market information to be available to VET professionals on the basis of commercial confidentiality. In particular this point refers to information on the total activity, both government funded and activity outside of government funding. This approach limits the capacity of VET professionals and TAFE institutes in

particular to make grounded commercial and strategic decisions based on a solid knowledge of the VET market.

A further, and possibly an unintended, consequence of a fully commercial market is that of changed delivery strategies within institutions, including that of the private RTO's, to ensure return on investment. Strategies when focused on the "profitability" of programs naturally move to those that have a higher return.

Low cost programs, such as some non-trades programs become far more viable as class sizes can be increased and on-line and self-paced strategies can be employed. These strategies are not always suitable for competency based training in areas that are more suited to a "hands-on" delivery and assessment. Programs of this nature disadvantage the very cohort which has been attracted to TAFE as they are not necessarily academic learners in preference to the practical learning of VET trades training.

Increasing class sizes in many of the trades programs have high occupational health and safety risks associated and as such limits the RTO's capacity to do so. The consequence of this is not to offer programs that are perceived to be expensive programs.

This is evidenced in Victoria where RTO's both Private and Public have rationalised their programs to only those that are seen as viable, not as seen as essential for Australia's skills development. This can be seen in the dual sector organisations particularly, where higher level programs such as Diplomas, Advanced Diplomas and Associate Degrees are seen as the "cash cows" and some of the traditional trades programs have been removed from their profile.

Rationalisation is not seen as a bad thing. There are merits in reducing the number of training providers offering training in some specialist high cost programs as identified in the Ramler Report (May 1997) "The Review Committee identified significant issues that required resolution, especially in relation to; the duplication and overlap of training provision across the Melbourne metropolitan area in high cost, technical training areas." However given that in a commercial environment return on investment is important; what RTO will invest in high cost low return programs while others are focused on the economic opportunities and profitability, particularly Private RTO's, who have, quite rightly, shareholders' interests to consider.

VISTA asks that the analysis of this reference will pay particular attention to these unintended consequences of the operation of a competitive training market which serve to reduce the capacity of TAFE (and other providers) to focus on core business and access to the key training and industry market information to allow effective competitiveness.

2.5 Those jurisdictions in which State governments have announced funding decisions which may impact on their (TAFE) operation and viability

It is important that both State and Federal Government policy reflect an investment in skills development for Australia's economic welfare, not in the infrastructure development of organisations that provide education and training. There have been instances where organisations have been increasingly redirecting funding into infrastructure and support areas, including staffing, to the detriment of delivery of training. Currently in Victoria this investment has seen a change from about 28% contribution (some 10 years ago) to nearer 50%, of the funding per SCH that comes into the organization today. It is therefore understandable that the Victorian State Government is driving TAFE institutes to become independently financially viable and operate within a full commercial framework.

But at what cost to training and skills shortages in the technical and traditional trades programs if investment is directed only to those programs that can be delivered at a low cost?

3. Gaps in the terms of reference

The “Education” in Vocational Education and Training

VISTA notes that a key word within the title of the inquiry is not evident within the terms of reference. The word “education” has fundamental importance in the consideration of the function of TAFE. Whilst the terms of reference look at the: development of skills; opportunities to improve themselves; and delivery of services, the basic role of TAFE as an education provider within the Australian education spectrum does not appear.

The reason for this comment is, VISTA believes, fundamental to effective VET delivery in Australia for individual Australian citizens and for Australian enterprises and industry. VISTA believes there are three dimensions to effective VET operations:

- Understanding of VET pedagogy – TAFE and RTOs need to be effective facilitators of learning (in the workplace, in the classrooms or across the range of technological media)
- Understanding the skills required in the world of work – TAFE needs to have staff members who are skilled and have current industry knowledge
- Understanding the business of VET (including an understanding the business of commerce as well as understanding the business of student / client journey)

4. Conclusion

VISTA is very pleased to be invited to respond to the Inquiry into the role of the technical and further education (TAFE) system and its operation. VISTA brings the voice of the VET practitioner / VET professional to the standing committee’s attention and wishes to assert that this voice brings a particularly import perspective to the committee’s consideration for it is the role of the VET practitioner which is critical to the success any governmental policy or strategy.

Accordingly this response has attempted to bring the VET professional voice support the scope of the terms of reference but also add some further considerations to underpin these terms of reference such as developing an evaluation model for the effectiveness of policy change and ensuring there is a focus on the core tensions within emerging federal and state VET policy.

VISTA therefore supports the analysis of this reference and hopes that the inquiry explores State government funding as it applies to TAFE’s expenditure on education and training as a primacy, and towards the development of genuine supporting infrastructure where necessary and appropriate.

Yours respectfully

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