

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600



5 March 2014

Dear Secretary

I am delighted to have the opportunity to contribute to the Senate Standing Committees into Education and Employment's Inquiry into Technical and Further Education in Australia. The future direction of technical education and training in Australia is undergoing great transformation. The involvement of students, business, industry and other stakeholders is critical to ensuring the future of education and training meets everybody's needs. For young people, who make up a significant proportion of this student cohort, the shape of training and education in future is even more important.

About YACWA

The Youth Affairs Council of Western Australia (YACWA) is the peak non-government youth organisation in Western Australia. We operate primarily as a human rights organisation that seeks to address the exclusion of young people in a rapidly changing society.

Our vision for Western Australia is one that celebrates and engages young people in all aspects of the community. Our role is to strengthen the trust, cooperation, collaboration; professionalism and voice of the non-government youth service sector to better serve the young people of Western Australia.

YACWA aims to provide a united, independent and active advocate for the non-government youth sector and young people that is both supported and respected by the sector and the wider community. Focusing on young people's varied needs at local, State and Federal Government level, YACWA works to engender and enhance positive community attitudes towards young people.

YACWA provides a voice and acts as a role model for the definition and demonstration of youth participation. Our work is governed by four guiding principles of respect, equity, integrity and the celebration of diversity.

Training & Education in Western Australia

Young people make up a significant proportion of participants in Vocational Education and Training (VET) in Western Australia (WA). Data from 2012 indicates that 15-24 year olds account for 47.5% of VET students.¹ VET is becoming an increasingly attractive alternative for early school leavers or those who have disengaged from formal schooling, following the introduction of compulsory participation requirements in WA on 1 January 2008. These

¹ *Key Training Enrolment Statistics 2012*, Department of Training and Workforce Development (WA), 2012, accessed online 20 February 2014. Note that this report is based solely on government-funded training courses. Students who pay fees at private institutions are not counted.

changes require young people to 'earn or learn' until the age of 17, whether this is through VET, high school, apprenticeships or paid employment. Participation in VET in School has increased from 12.7% in 2008 to 15.2% in 2011 as a result of these changes.²

Further, non-government organisations that employ youth workers rely heavily on the VET sector to provide their staff with the skills to work effectively with young clients. A national snapshot of youth work in Australia indicated that a majority of youth workers held VET qualifications, with many going on to further study at the higher education level.³ Over one-third of those with qualifications indicated that these were specialist youth work qualifications. These workers then use their skills to assist and work with some of the most vulnerable young people in our community.

Training and education through VET therefore plays a significant role in young people's lives in Western Australia. Changes to this system will have a great impact on young people's choices and career pathways, as well as their access to support from qualified professionals.

This submission is informed by a Western Australian perspective, specifically the Skilling WA initiative that was implemented from December 2010 and the Future Skills WA component of this. Skilling WA is part of a wider process of training reform under the National Partnership Agreement on Skills Reform. The reform experiences of other states may be drawn on throughout this submission.

The Focus of Education & Training

The role of TAFEs in Australia has historically been to provide accessible training and vocational education to students and to meet the workforce development needs of business and industry. This dual focus ensured that TAFEs were responsive to employers and those who were training to increase their employment prospects. Over the past 40 years or more, TAFEs in Australia have performed this function with skill. Approximately 1.7 million Australians receive qualifications from TAFE institutes each year, with TAFEs delivering these qualifications highly efficiently. Each \$1 that is spent by governments on TAFE funding has an 18% return on investment.⁴

Under the Skilling WA initiative, the aims of TAFEs are subsumed within a broader workforce development agenda. Strategy 4 of Skilling WA states:

*"Provide flexible, responsive and innovative education and training which enables people to develop and utilise the skills necessary for them to realise their potential and contribute to Western Australia's prosperity."*⁵

While the attainment of skills and qualifications is still present, the purpose of this training sits squarely within the state's broader economic growth objectives. The vocational component of education and training has been traded in favour of skilled employees ready to work in areas of skill shortage.

² John Stanwick et al, *How Young People Are Faring*, 2013, Foundation for Young Australians, Melbourne.

³ Elizabeth Reimer, *National Snapshot of Youth Work 2013*, Australian Youth Affairs Coalition, Sydney.

⁴ Jeff Gunningham & Dr Ruth Schubert, 'Does TAFE have a sustainable future?', *The Australian TAFE Teacher*, Spring 2013, pp.5-9.

⁵ *Skilling WA: A workforce development plan for Western Australia*, Executive Summary, 2010, Department of Training and Workforce Development (WA), East Perth.

This is reflected in the Major Goals of the state action plan *Training WA*, which provide targets for student numbers and workplace training.⁶

The result is that TAFEs are now expected to focus solely on contributing to the state's prosperity and workforce numbers, rather than providing vocational education and training opportunities in the most accessible way possible. The effect of this on Western Australia's long-term prosperity will be significant, as students conclude that certain TAFE courses are beyond their reach and decide to disengage with training altogether. Rather than increasing participation and opportunities, Future Skills WA is likely to have the opposite effect, particularly amongst those who would most benefit from training.

The Competitive Funding Model

In the past, TAFE institutes have relied heavily on public funding to meet their core expenses, such as facilities and staff wages, and to deliver public goods, such as student support services, access and equity schemes and community engagement initiatives. Known as 'full service provision', these components of public TAFE institutes were provided through additional government funding that recognised the status of TAFEs as public institutions with a responsibility to their local communities and the general public to provide a quality and accessible service.

Under the new 'demand-driven' models being implemented in each state, including WA, this funding is effectively removed as public TAFE institutes are placed in competition with private training providers for government tenders to deliver courses that attract subsidies. The impact of this new system on formerly non-profit TAFE institutes has been catastrophic in other states. Public TAFE institutes have been forced find savings through cutting courses, others have closed campuses, and many have made staff redundant and increased the casualisation of their workforce. It is likely to have severe repercussions in Western Australia also.

Of particular concern to YACWA is:

- The need for TAFEs to restructure to become competitive with the private sector and the consequences of this for staff and students;
- The increased workload created by the restructuring process, tendering for government subsidised courses and meeting efficiency targets;
- Continued community expectations to deliver high quality accessible courses to all students, without the additional resources to do so; and
- The impact on important community engagement initiatives as TAFEs is forced to become 'competitive'.

Inadequate public funding has a number of flow-on effects for students and staff including:

- An incentive to take on 'low-cost' students, which in reality reflects students with lower support needs
- Increased fees for some courses
- Increased costs for learning materials and other non-course fees
- The removal of access and equity provisions, in the absence of core funding to provide these
- Fewer qualified and experienced teaching staff
- Delivery of courses in the cheapest way possible, without regard for quality

⁶ *Training WA: Planning for the Future 2009-2018*, 2009, Department of Education and Training (WA), East Perth.

- Non-teaching services and staff have been particularly targeted in staff redundancies, resulting in a greater workload for teachers and instructors.

YACWA notes that the application of an Efficiency Dividend to learning and student support programs in the Western Australian Education Sector in 2009-10 and 2012-13 is a concerning example of cost saving under tighter budgetary conditions. The non-monetary value of these types of programs, particularly in improving retention rates for at-risk students, is considerable. Conversely, the cost to the economy and the state government of these students disengaging is much higher than the per unit cost of an on-campus support service.

Similar Efficiency Dividends have been applied to administrative and operations costs at TAFEs in the past. These vital support functions, when taken away, give teachers less time for teaching and, inevitably, produce poorer outcomes for students and employers.

Public funding to TAFE institutes must reflect the purpose and expectations of TAFEs in the community. This includes provision of public goods and a commitment to guaranteeing access and equity for students, particularly rural and regional students in WA. The imposition of the competitive funding model on TAFE institutes by the state and federal governments requires that joint State-Commonwealth transition funding is provided to each institute to assist them with the process of adopting this model.

Fees & Subsidies

The significant increase in course fees that is associated with the Future Skills WA entitlement scheme means that some students will face far greater costs for their training. Those that participate in 'priority courses' – those that are deemed in demand by industry – will receive a fully subsidised place, while those who choose to participate in other courses will be paying course fees that are significantly higher than they used to be.

It is concerning that the list of priority courses has been developed in consultation with industry groups clustered within the engineering and mining sectors. There are many other skills shortages in the areas of human services, for example nursing and aged care. However these have not been listed as priority courses and will therefore not attract fee subsidies. The shortages in areas of healthcare and aged care will only worsen as the population ages. A re-assessment of how the priority courses are developed should be a preliminary consideration.

In terms of the current entitlement scheme, it will ensure some skills shortages are minimised in the future and VET graduates are more likely to be employed. However, the scheme may have a number of perverse effects.

Firstly, the cycle of skills shortages and growth industries are subject to change. Offering fully or partially subsidised training in areas of need, with the promise of strong employment prospects, may lull some young people into a false sense of economic security. If young people are choosing training courses based simply on the course costs and their job prospects at the end of it, they may not be making long-term vocational choices. Also, if trainees later choose to re-skill due to a change in economic conditions or dissatisfaction with their industry, they will not be able to access subsidised VET courses as they have already used their 'entitlement'.

Another consequence is that WA students who participate in subsidised 'priority' courses may enjoy strong employment prospects in their home state however, if they choose to re-

locate, their chances of finding work may be quite different. Whether potential students, especially young people, understand these implications is unclear.

The priority courses are strongly concentrated in male-dominated industries meaning that many young women in Western Australia will effectively miss out on the opportunity to study for low or no cost under Future Skills WA. While subsidised courses should theoretically attract more women to study in these industries, we know the reality is that many women will not find these courses attractive due to their own perceptions of working in a male-dominated environment, coupled with social expectations of a suitable career choice. In the absence of any other incentives to attract women to these industries, the subsidised priority courses will be filled with young men who will then go on to earn much higher salaries in the lucrative positions attached to WA's mining industry. Conversely, the lower wages and higher student debts incurred in traditionally female-dominated industries will ensure that young women are entrenched in cycles of lower earnings and wage growth.

Finally, the entitlement model is so closely linked to state economic growth that many worthy courses are effectively excluded from this growth model. The higher fees that certain courses and qualification levels attract under Future Skills WA (for example, Disability Services or any of the Advanced Diplomas) disadvantages those students who may have interests or talents in areas outside of the 'priority' industries. These students face higher course fees, the prospect of student debt and far less support than their counterparts in subsidised places.

Fee increases are likely to exclude many people who had previously relied on VET as an affordable pathway out of joblessness or lack of education. Evidence shows that even the perception of increased costs of study can be a major deterrent to people of low socio-economic background.⁷ This contradicts the State Government's belief that an increase in fees will 'incentivise' VET students to complete their courses. The deferral of the course fees through a VET FEE-HELP loan may in fact not provide incentives but deter those who are debt averse. In addition, the VET FEE-HELP loan is only available for a very limited number of courses and all of these are at the higher level of training qualifications (Diplomas & Advanced Diplomas). Many students will not qualify for either a subsidy or a loan.

The reasons for course dropouts and failure rates should be examined more closely before responding with further fee increases. In YACWA's experience, it is the presence of support (both material and non-material) and role models that influences a young person's likelihood of disengaging from education.

Access & Equity

There are many factors that can make VET an attractive option for those who may otherwise disengage from high school or further education and training. Apart from affordability, these include flexibility, practical learning models, strong support services and accessible campuses. Under the entitlement model, the provision of accessible and equitable learning is under threat from low-cost, growth-oriented courses.

The backgrounds of individuals who take up vocational education and training are varied, however in the case of young people there are some clear demographic trends.

⁷ Centre for the Study of Higher Education, *Participation and Equity*, March 2008, University of Melbourne, Melbourne.

- A large proportion of VET students in WA are between the ages of 15 and 19 years (30.6%) and 20 and 24 years (17.9%).⁸ These two age groups make up the two largest cohorts participating in VET training.
- Approximately 5.9% of students have a disability.⁹
- A small cohort (8.0%) is Aboriginal or Torres Strait Islander.¹⁰
- There is no WA data available on CALD background, however nationally 6.9% of 15-19 year olds who don't speak English at home participate in VET. This rate was slightly higher for 20-24 year olds (8.9%).¹¹
- Those engaging in VET or VET in Schools made up approximately one-third of WA's youth population.¹²
- Non-metropolitan enrolments accounted for approximately 36.5% of the total.¹³

Compared to higher education, which has a student body skewed towards higher SES areas, VET has a more even spread across socio-economic demographics. The highest proportion of VET students nationally come from the 2nd quintile of disadvantage within the Socio-Economic Indexes For Advantage.¹⁴

It is clear from this data that the young people who attend TAFE institutes are diverse in their backgrounds and needs. Some are likely to have more complex needs than other students and may come from a background of disadvantage, including low educational attainment and unemployment amongst family members. VET can offer the flexibility these students require to learn effectively. The accessibility of training for these young people is therefore critical to breaking this cycle of disadvantage.

Certain factors will reduce the accessibility of TAFE for students. These include but are not limited to:

- **Financial situation**
This is not limited to a person's annual income but includes other factors that affect a person's capacity to pay for education expenses. This can include parental support (financially or in-kind); the availability of loans, part-time work and welfare support depending on circumstances; other responsibilities (caring or parenthood); and visa requirements that may restrict income from work.
- **Demographic characteristics**
Groups that experience additional barriers to their participation include women, Aboriginal or Torres Strait Islanders, non-metropolitan residents, CALD groups and those with little English proficiency, early school leavers and those with a disability.
- **Geography**
Students in rural and remote areas have limited access to training institutes that are close to their home and are often presented with fewer course options. Living in remote areas creates significant travel or re-location costs in order to access the training opportunities they need to become employable. For some young people, especially those unaware of extra support for rural and regional students, this may result in a decision to forego vocational training.
- **Transportation**

⁸ *Key Training Enrolment Statistics 2012*, DTWD.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *How Young People Are Faring 2013*

¹² *Australian Vocational Education and Training Statistics: Young people in education and training 2012*, data tables Western Australia, 2013, National Centre for Vocational Education & Research, Adelaide.

¹³ *Key Training Enrolment Statistics 2012*, DTWD.

¹⁴ Based on 2006 figures. Christopher Stone, *Valuing Skills: Why vocational education matters, 2012*, Centre for Policy Development, Sydney.

The location of campuses, particularly in relation to public transport, can hold significant weight for students when making decisions on where to study or whether to study at all. Inaccessible campuses can make reluctant or disengaged students more likely to not study at all.

- **Ability**
Students with a physical disability require campuses that provide access and support to enable them to participate fully in education and training. Those campuses that pose barriers to students with a disability may discourage attendance or impede their full participation.
- **Language & culture**
Students from non-English speaking backgrounds, those from diverse cultural backgrounds and those who are Aboriginal or Torres Strait Islander may experience additional barriers to participating in training and education. These students may have to balance cultural expectations with their own goals and many will require extra support.
- **Motivation & support**
The level of external support – both formal and informal – that students have available to them is a critical factor in determining their engagement with education and training. Students who have little support, few role models or a history of negative education experiences may find it difficult to remain motivated and engaged.

Factors that governments and training providers can address to increase the likelihood that young people will begin – and complete – training courses include.

- **Campus location**
Ensuring campuses are accessible for students travelling by public transport is a key consideration to ensure access, particularly for disadvantaged students who may not have access to a car. Several campus locations, shared-space arrangements and special shuttle buses are all options institutes should consider.
- **Learning environment**
Alternative learning models and environments that cater to students with a variety of needs are necessary. In particular, non-pedagogical and informal environments are more suited to students seeking technical education or those who are completing VET in School. Students of ATSI backgrounds are also more likely to be responsive to less formal teaching environments.
- **Ease of access**
The ease of enrolling, completing paperwork and other registration processes and accessing information about study and support is critical to students' likelihood of engaging with training. Technology, transparent information and plain English are all needed to ensure access is as easy as possible for all students. The availability of particular courses at campuses, especially in rural areas, must also be addressed.
- **Fees**
High costs associated with higher education have been a discouraging factor for many students of low socio-economic backgrounds when choosing post-secondary pathways.¹⁵ Presumably, this is also related to the historically high uptake of VET courses by this cohort. The introduction of fees and loan schemes for non-priority VET courses in Western Australia may therefore have a negative effect on disadvantaged students' perceptions of the affordability of training.
- **Financial assistance**
Only some courses and qualifications been approved for a pilot scheme of making VET FEE-HELP available to students with up-front course fees. While it is encouraging to see that the Certificate IV in Social Work and Youth Work qualify for

¹⁵ *Participation and Equity*, March 2008.

the loan, YACWA is concerned that this is only for a trial period until 2016. It is also concerning that courses that do not qualify for either VET FEE-HELP or a government subsidy will have significant fees that will be borne by students.

Addressing each of these accessibility and engagement issues requires resources and organisational commitment. Public TAFE institutes have historically made inroads into making their courses accessible to students with different needs. Whether private RTOs will demonstrate the same success and commitment is unclear.

However it's certain that with the removal of 'full service provision' funding, coupled with the imperative of competition in a market model, the ability and incentives for public and private providers to ensure student accessibility will be substantially reduced. The implications of this are ongoing exclusion of disadvantaged groups who may require extra assistance to take up education and training.

The Importance of Youth Work

YACWA notes that Youth Work and Social Work courses are not included on the Priority Industry list for 2014. The increased fees that students of Youth Work and Social Work will face may be a deterrent that, over time, lowers the number of qualified youth workers in the community sector. The consequences of this would be devastating for many vulnerable young people, their families and their communities. Many people in need already struggle to access timely services.

Youth workers can be critical to a young person addressing difficulties with their family, schooling, unemployment, substance abuse, offending behaviour and homelessness. The specialised skills that are required when working with young people are reflected in the high proportion of practising youth workers who hold a specialist qualification in youth work studies.¹⁶ For many, this may be completed at a VET level or their VET studies may lead them into tertiary study later in their careers. Restricting access to these courses will lower the quality of services provided by community organisations to young people, as the workforce becomes de-professionalised.

Higher course fees for VET related to social work, youth work, community development, governance and finance will also have a disproportionate impact on many of our members who are non-government organisations. The lower budgets of such organisations will effectively exclude these organisations from offering professional development opportunities to their staff and ensuring they are in step with current industry practice and knowledge.

The quality of the qualifications delivered may also be jeopardised as private providers enter the market, as has been seen in Victoria. The paramount importance of experienced, ethical teaching staff in the field of social work and human services cannot be overstated. It is our belief that public TAFE institutes have ensured this quality in the past through competitive salaries and conditions, as well as a strong regulatory and oversight framework. Whether these things can be preserved in a market-based VET system is doubtful. The impact on the quality of the support provided to vulnerable people could be catastrophic.

In YACWA's experience, the social and economic stressors facing young people and their families are becoming more prevalent. In turn, demand for services is increasing. The designation of Social Work and Youth Work under Future Skills WA as non-priority areas is therefore misguided.

¹⁶ *National Snapshot of Youth Work 2013*

YACWA recommends the establishment of youth work and community work as subsidised courses based on the consistent and continuing demand for such workers in our economy and their invaluable contribution to the social and economic wellbeing of the state.

Recommendations

YACWA recommends the following initiatives to ensure a quality and accessible training and education system.

- Transition funding from Commonwealth & State governments for public TAFE institutes to transition to the market-based model of funding and service provision
- Re-assessing the development of Priority Courses, with consideration to the social and economic wellbeing of the state
- A continuation of the fee cap on all courses in Western Australia, with increases over time that are not beyond CPI
- The establishment of an access and equity fund for training providers to access in order to provide student support and engagement services
- The inclusion of diversity clauses in funding and service agreements, with prioritisation during the tender process given to providers with diverse staff, strong student support arrangements, accessible locations and buildings and a demonstrated policy of catering to diversity
- Continuation of the Youth Work and Social Work VET FEE-HELP loan trial beyond 2016
- A consideration towards making Youth Work and Social Work priority courses with subsidised fees in Western Australia
- A 12-month and 3-year review of the scheme that includes the community sector – as an employer – and young people, who make up the majority of VET students

Thank you for the opportunity to comment on the future of training and education in Western Australia. I would welcome the chance to discuss our position further.

Yours sincerely,



Craig Comrie
CEO

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