

## Submission to the Senate inquiry into vocational education and training in South Australia

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### Summary

I am an academic who studies vocational education and training in depth in Australia and Canada.

Australia's problems with vocational education are pervasive, covering all states; and systemic, covering funding levels, sources of finance, curriculum, pedagogy, and assessment.

The Australian Skills Quality Authority (no date) reported that it suspended courses offered by 18 providers and cancelled courses offered by 126 providers in 2017. It reported substantial failures of quality and standards in all jurisdictions in 2017 except the Northern Territory.

The Productivity Commission (2017) reported that all states and territories have cut their funding of vocational education and training since 2006, the earliest year it included in its most recent report. The National Centre for Vocational Education Research (2017) reported that in 2016 the Australian Government cut its funding of vocational education and training by 7.2% from its peak funding in 2013, separate from its cuts to vocational education student loans.

Several states have changed their vocational education and training funding programs substantially as they made ill considered attempts to allocate public subsidies to private for profit providers while concurrently removing caps on the number of places they subsidised, and subsequently sought to correct or reverse the excesses that these dysfunctional policies financed.

Many of the problems with Australian vocational education and training arise from the fragmentation of its policy between inputs (funding levels, government grants, student loans, student fees, curriculum), processes (pedagogy, course duration), and outputs (standards, quality, and assessment).

Australian vocational education and training policy also suffers by being fragmented between the Australian and State and Territory governments. This Senate review of Tafe SA perpetuates and exacerbates this fragmentation of vocational education and training policy, as if the South Australian Government's policy and funding of vocational education and training were unrelated to its funding agreements with the Australian Government, vocational education student loans, standards, quality assurance and related issues.

Australia needs to co ordinate its vocational education and training policy:

- 1 between jurisdictions; and
- 2 between inputs, processes and outputs.

To do this Australia should conduct a comprehensive, systematic, public and open review of vocational education and training that involves the Australian and State and Territory governments, which considers funding levels, financing sources, curriculum, pedagogy, assessment, standards, and quality assurance.

## **Author**

I am an academic who has completed a vocational education and training qualification (the Certificate IV in Training and Assessment, RMIT, 2011) as well as a PhD, a bachelor of arts (honours) and a bachelor of laws. I research vocational education and training in Australia (with grants from the National Centre for Vocational Education Research) and Canada (grants from the Social Sciences and Humanities Research Council and Ontario government bodies). I have published a book comparing vocational education in Oecd countries (Moodie, 2008) and several journal articles and book chapters on vocational education.

I have worked at several universities in Australia including Victoria University and RMIT University, both of which offer both vocational and higher education. I am currently an adjunct professor of education at RMIT University and an adjunct professor in the Department of Leadership, Higher, and Adult Education at the Ontario Institute for Studies of Education, University of Toronto.

## **There have been substantial systemic failures in vocational education and training in all jurisdictions**

Just in 2017 the Australian Skills Quality Authority (no date) suspended courses offered by 18 providers and cancelled courses offered by 126 providers. It suspended or cancelled courses and providers in every jurisdiction in 2017 except the Northern Territory:

ACT (Australian Skills Quality Authority, 2017a);  
NSW (Australian Skills Quality Authority, 2017a);  
Queensland (Australian Skills Quality Authority, 2017a);  
South Australia (Australian Skills Quality Authority, 2017a);  
Tasmania (Australian Skills Quality Authority, 2017b);  
Victoria (Australian Skills Quality Authority, 2017a); and  
Western Australia (Australian Skills Quality Authority, 2017c).

The Australian Skills Quality Authority suspended or cancelled courses or providers for substantial regulatory breaches due to failures of quality or standards in curriculum, pedagogy and assessment, as well as improper financial dealings.

## **All jurisdictions have cut funding for vocational education and training**

All states and territories have cut their funding of vocational education and training since 2006, the earliest year reported by the Productivity Commission (2017), the source of the evidence for this claim. This is true whether the base year is 2006 or 2007 and whether the end year is 2015, the latest year reported by the Productivity Commission (2017) or 2014, with the limited exception of NSW, which is explained below.

South Australia cut its funding per annual training hour by 15.6% from 2006 to 2015, which was 1.1 percentage points more than the national average cut of -14.5%. But Victoria (-42.8%) and Queensland (-25.1%) cut their funding by much more (Table 1).

*Table 1: vocational education and training funding per annual hour in 2006 and % changes in subsequent years, by State*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$ per hour	% change in \$ per annual hour since 2006									
NSW	17.36	-2.0	-6.4	-10.8	-14.1	-15.2	-13.1	-0.9	-8.9	45.3*
Vic	18.82	-7.6	-8.8	-14.9	-21.8	-27.6	-29.8	-36.4	-47.7	-42.8
Qld	19.11	9.2	9.6	9.2	-3.2	-10.0	-5.0	8.1	-22.0	-25.1
WA	19.63	-5.9	-13.1	-14.1	-17.0	-3.7	-10.7	-8.8	-10.9	-5.9
SA	21.8	-6.2	-14.5	-15.6	-17.8	-21.9	-38.6	-39.0	-23.4	-15.6
Tas	20.93	-3.2	-6.8	-4.2	0.1	-4.3	-18.3	0.5	-4.6	-5.8
ACT	22.29	-0.3	22.0	8.8	6.0	-10.0	1.0	-7.9	-13.0	-8.4
NT	32.29	-0.5	4.3	-4.5	-5.3	0.0	-12.6	3.4	-25.6	-12.8
Aust	18.89	-2.4	-5.2	-8.7	-14.2	-16.9	-19.8	-17.7	-27.1	-14.5

Source: calculated from Productivity Commission (2017) Table 5A.43 Total government real recurrent expenditure per annual hour (2015 dollars)

\* NSW

NSW increased its funding for vocational education and training by 2.2% from \$1,937,000,000 in 2014 to 1,979,000,000 in 2015, but changed its funding model which resulted in it reporting 35.9% fewer hours of delivery from 122.5 million hours in 2014 to 78.5 million in 2015 (Table 2), generating an apparent increase in funding per hour shown in Table 1. The Productivity Commission (2017: note (d) to Table 5A.40) explains the change thus:

In 2015, NSW introduced new policies and funding models to align to qualifications. As a result NSW reported a significant decline in hours of delivery in 2015 due to a decrease in subject enrolment activity and an increase in continuing enrolment activity for which no hours are counted. Continuing subject enrolments at TAFE NSW increased from 280 700 continuing subject enrolments in 2014 to 991 600 in 2015. This decline in hours of delivery has affected the performance measure displayed in this table, leading to a significant increase in 2015.

(Productivity Commission, 2017: note (d) to Table 5A.40)

*Table 2: NSW funding and government funded hours of delivery in millions, 2006 to 2015*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$m	1,909	1,910	1,879	1,856	1,912	1,941	2,036	2,068	1,937	1,979
% Δ since 2006		0.1	-1.6	-2.8	0.2	1.7	6.7	8.3	1.5	3.7
Hours	110.0	112.3	115.7	119.8	128.3	131.8	134.9	120.2	122.5	78.5
% Δ since 2006		2.1	5.2	8.9	16.6	19.8	22.6	9.3	11.4	-28.6

Source: calculated from Productivity Commission (2017) Table 5A.42 Total government real recurrent expenditure (2015 dollars) and Table 5A.40 Government-funded VET: hours of delivery (adjusted for course mix).

Table 3 shows Australian Government funding of vocational education and training by Commonwealth scheme since 2012, with Vet Fee Help loans shown separately. The figures are taken from the National Centre for Vocational Education Research (2017: 20). They are in nominal \$, so they are not adjusted for inflation. It will be noted that Australian Government funding for vocational education and training excluding Vet Fee Help loans peaked in 2013. So if the base year is 2012, the earliest year which the National Centre for Vocational Education Research reports in its most recent publication, the Australian Government's funding for vocational education and training was 10.3% higher in nominal terms than in 2012. However, in 2016 the Australian Government's funding of vocational education and training was a 7.2% cut from its peak funding in 2013.

*Table 3: Australian Government funding of vocational education and training by Commonwealth scheme, 2012-2016, in nominal \$ '000*

<b>Commonwealth scheme</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Commonwealth national agreement	1,333,510	1,355,145	1,394,023	1,431,730	1,452,183
Commonwealth recurrent	53,104	59,729	47,434	52,581	73,669
Commonwealth administered programs – Australian Government-funded national programs	52,568	24,861	24,433	43,405	41,884
Commonwealth administered programs – productivity places	291,569	53	0	0	0
Commonwealth administered programs – skills reform	0	408,854	63,580	377,210	366,861
Commonwealth administered programs – other	228,739	498,803	197,705	207,257	243,483
Sub total Commonwealth cept Vet Fee Help	1,959,490	2,347,445	1,727,175	2,112,183	2,178,080
Change from 2012 %		19.8	-9.9	8.8	10.3
Change from 2013 %			-26.4	-10.0	-7.2
VET FEE-HELP loans – students training with non-government training providers	223,684	498,803	1,401,934	2,462,897	1,150,256

Source: calculated from National Centre for Vocational Education Research (2017: 20) Table 6 Total government training departments: notes to the financial statements continued (\$ '000). Note 9: revenue from government.

### **Many states have made big changes to programs with little notice**

Several states have changed their vocational education and training funding programs substantially as they made ill considered attempts to allocate public subsidies to private for profit providers while concurrently removing caps on the number of places they subsidised, and subsequently sought to correct or reverse the excesses that these dysfunctional policies financed. For example, Victoria kept

changing the lists of courses eligible for subsidies, slashed subsidy levels, and changes students' eligibility at very short notice over several years (Ross, 2011; Editorial, 2012; Ross, 2013). There have been similar lurches and reversals of policy in Queensland (Queensland Government, 2013; Ryan, 2014).

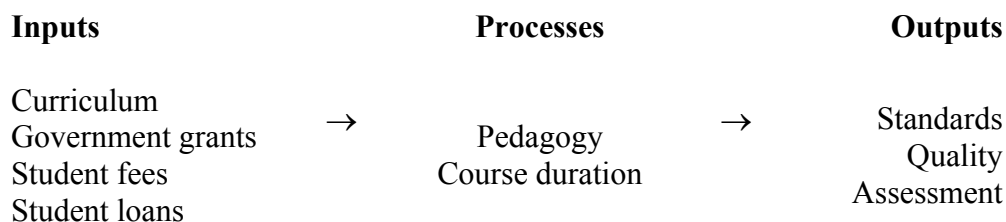
**Big problem: fragmentation of policy by jurisdiction, funding, loans, curriculum, and quality assurance**

Many of the problems with Australian vocational education and training arise from the fragmentation of its policy. In 2014 the Australian Government introduced new standards for training providers and VET regulators (Department of Industry, 2014), but without considering their implications for curriculum, pedagogy and assessment, nor how they may be financed, nor implications for quality assurance. In 2016 the Australian Government (2016) reviewed vocational education student loans, but without considering government grants and other sources of finance, let alone curriculum, pedagogy, assessment, or quality assurance. More recently the Australian Government announced a review of national vocational education legislation (Andrews, 2017) but without considering State legislation nor any of the related issues.

This Senate review of Tafe SA perpetuates and exacerbates this fragmentation of vocational education and training policy, as if the South Australian Government's policy and funding were unrelated to its funding agreements with the Australian Government (Council of Australian Governments, 2012a, 2012b), vocational education student loans, standards, quality assurance and related issues.

Standards, curriculum, pedagogy, assessment, quality assurance, government funding, student loans, and student fees are all inter related. One needs an understanding of what standards should be achieved, how they will be assessed and whether they have been achieved (outputs), how they will be achieved (processes) and how they will be resourced (inputs) (Figure 1). Crudely, one can't expect to maintain high standards with few and declining resources.

*Figure 1: a simplified model of education – inputs, processes and outputs*



Australian vocational education and training is particularly vulnerable to a fragmentation of inputs, processes and outputs because of its excessive reliance on competency based training. The specification of vocational education and training qualifications in training packages is based on the view that it is sufficient for students to demonstrate competence in work skills: there is no need for them to demonstrate that they have followed an approved course for a minimum length of time, nor that their course has a minimum level of resources.

But unfortunately we do not yet have the techniques to specify any kinds of learning outcomes sufficiently fully and sufficiently precisely to rely exclusively on a specification of outputs. Furthermore, competency based assessment for almost all vocational education and training programs is the responsibility of the provider, which have strong incentives to lower standards to lower fees to

attract students. In all other sectors in Australia and in all other countries I know of curriculum and course duration are specified as well as assessment standards.

So the Australian Skills Quality Authority (2017d: 4, 11, 28) recently found that more than a quarter of the 11,677 advertisements reviewed on providers' websites that advertised a duration for training package qualifications had a course duration below the minimum of the volume of learning range specified in the Australian Qualifications Framework, and that 49% of its 1,441 audits found that providers did not offer a 'sufficient amount of training' to meet the requirements of the training package or VET accredited courses.

### **Towards a solution**

Australia needs to co ordinate its vocational education and training policy:

- 1 between jurisdictions; and
- 2 between inputs, processes and outputs.

To do this Australia should conduct a comprehensive, systematic, public and open review of vocational education and training that involves the Australian and State and Territory governments, which considers funding levels, financing sources, curriculum, pedagogy, assessment, standards, and quality assurance. This would be the first comprehensive, systematic, public and open review of vocational education and training since the one any only such review in 1974 (Kangan, 1974).

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