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House of Representatives Standing Committee on Education and Employment
PO Box 6021
Parliament House
CANBERRA ACT 2600

LEADWEST SUBMISSION: INQUIRY INTO ROLE OF THE TECHNICAL AND FURTHER EDUCATION (TAFE) SYSTEM AND ITS OPERATION

LeadWest, a regional organisation for Melbourne's west, welcomes the House of Representatives Standing Committee on Education and Employment undertaking an inquiry into Australia's Technical and Further Education (TAFE) system and its operation.

Formed by the local governments of Melbourne's west, LeadWest's objective is to foster and undertake actions that will support sustainable growth and development of the region. We aim to build on the region's social, economic and environmental capacity and to plan and create a sustainable future for the wellbeing of its communities.

Development of a strong skills base in our region is of paramount importance. It provides the platform of increasing participation and productivity. The highest priority for our region is to improve educational outcomes which can support better economic (employment) and social opportunities for the people of Melbourne's west.

Consequently, LeadWest and the range of local governments and other organisations we represent have a keen interest in the TAFE system and the outcomes for students of vocational courses.

At present, LeadWest is particularly concerned by the impacts of TAFE reforms on the communities of Melbourne's west.

LeadWest's submission takes the form of the attached report - *Social Impacts on Melbourne's west of TAFE Funding Cuts*.



LeadWest's Board requested the commission of a report to inform the local governments of Melbourne's west and other interested parties of the potential social impacts of the Victorian Government's TAFE funding cuts on the communities of Melbourne's west.

The loss of TAFE funding is greater in Melbourne's west than in other areas, partly due to demographic factors in Melbourne's west.

Prior to the Victorian Government's policy change, Melbourne's west had been the largest government funded Vocational Education and Training region in metropolitan Melbourne, representing 35% of all metropolitan enrolments. The region had also provided the strongest growth of government funded enrolments in metropolitan Melbourne, up by 54% (or 47,700 enrolments) since 2010.

As noted by the Vice Chancellor of Victoria University, Peter Dawkins, in an article in the Australian Financial Review on 6th July 2012, the value of qualifications and the training provided to achieve them depends on "an informed market". Populations with lower level skills and those from non English speaking backgrounds are more likely to be unfamiliar with the education and training system, and without support and assistance to make informed choices they are more likely to use low value and poor quality training.

The TAFE system has emphasised the idea of developing skills 'pathways' (with a focus on building skills that will deliver long term outcomes for individuals). While a similar service is provided by some of the community-based Registered Training Organisations (RTOs), such as the Brotherhood of St Laurence or Mission Australia, there is little incentive for commercial private providers to do deliver the same. They are only reimbursed for delivery of certificates, not for supporting the building of educational and skills development pathways.

Those low skilled participants who have increasingly accessed training by private RTOs are reported to have often found that they are issued qualifications with minimal training that provide little value in increasing their capacity to subsequently obtain employment.

Victoria's Department of Education and early Childhood Development (DEECD) reports that private RTOs operating in Melbourne's west already have the highest share of the government funded training market in Victoria, accounting for 59 per cent of enrolments in Melbourne's west. The market share for TAFE and Adult Community Education (ACE) providers in Melbourne's west is the lowest in Victoria, accounting for 33 per cent and 7 per cent.



Informed by the report, LeadWest's key concern is to ensure protection of the quality of training. Leaders throughout Melbourne's west want to see our region's education and skills profile improved. Our communities need skills development that will help us successfully navigate structural change in the Australian and Victorian economies and underpin a sustainable economy for Melbourne's west into the future.

We want to see the TAFEs be more flexible, more entrepreneurial, and achieve excellent results, but we are concerned that in Victoria there has been over-reach in terms of the competitive market. Leaving training up to the open market there can be shortcomings; and a more demand-driven and competitive Vocational Education and Training sector doesn't require taking risks with TAFE.

Should you have any questions or desire further information, please don't hesitate to contact me on .

Yours sincerely,

Anton Mayer
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LeadWest