

House Standing Committee on Education and Employment

Committee activities (inquiries and reports)

Inquiry into the role of Technical and Further Education system and its operation

I make the following submission to the Inquiry with particular reference to the term of reference: 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.

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The present submission arises from my work as patron of a Mildura-based community service organisation Mallee Family Care. Through community research I have assisted that organisation and Mildura Regional City Council to identify and respond to local social problems.

Background

Residents of the Mildura region have every reason to be concerned about the reduced funding available to technical and further education throughout Victoria. I will show how that is so from three vantage points: First, I want to comment on the communal effects of the cuts on Victorian regions with a particular eye trained on the area administered by the Mildura Rural City Council. In the course of doing so I will cite some statistical evidence and I ask you to bear with that for a few minutes in the interests of adequately backgrounding the impact of the cuts. Second, I want to question the basic purposes of the technical and further education sector and its importance to community wellbeing. Third, I wish to consider the impact of the cuts on current social initiatives in the Mildura region.

Communal effects

First, throughout Victoria the effects of the cuts go beyond the career ambitions and training pathways of individuals, important though those things are. They have major implications for the wellbeing of communities. Taking an overview of more than 700 postcodes across Victoria, the social indicators that can be used to calculate the degree of general wellbeing of communities are closely inter-woven.^{i[1]} So much so that education levels, work skills and participation in employment, level of income, the rates of disability, indicators of child care and observance of the law, among other measurable attributes, tend to operate like a constraining web in unfavourable circumstances, or like a trampoline thrusting people upwards in more favourable circumstances. This is not an occasion for statistical technicalities but across the state's communities, to sustain the web analogy, a small number of *dragline* strands exert an especially powerful influence – positive or negative – because they are closely interwoven with many others. To be specific these cross-members bracing the structure of either a well placed *or* disadvantaged Victorian community are: a completed or shortened school education, the presence or absence of work skills and post-schooling education or training, income level, the observance or breaching of the law, and the proportion of local residents of working age engaged in the workforce.

I must acknowledge that no single attribute determines community wellbeing in an all-powerful way. That said, if you look at the statistical evidence on Victoria's communities, then deficiencies in education and training (shortened school education, Year 12 incomplete, and no post-school qualifications) are at or near the very top of the list of characteristics of disadvantaged communities. Low family income is also prominent. Now it happens that Mildura's overall 'disadvantage score' has improved progressively in a series of studies of broadening scope since 1999 but there remains much scope for improvements in the strength of what I have called the cross-members of the community's structure of well-being. For example, on the factor of leaving school before the completion of Year 12, Mildura stands 7% of the way down the list of 726 Victorian postcodes ranked from the least to the most participating. Moreover, the *Mildura Social Indicators Report 2008* shows that "just on a third of the municipality's 17-24 year olds have not completed Year 12 and are not attending school, university, or TAFE."^{ii[2]} Limited school education within the general population is 20% of the way down the list of Victorian postcodes and the absence of post-school qualifications and low family income are roughly at the same point. Based on where offenders usually live (not where they commit their offences), and using the stringent criterion of gaol admissions, the Greater Mildura area is in the top 2% of Victorian localities with respect to offending.^{iii[3]}

This is a profile of a community that should pull 'all stops out' in encouraging its citizens of all ages to strengthen their education and training. That would be true of other similarly placed communities but is profoundly more so when, unlike any other place of my acquaintance, the Local Government has explicitly stated, and begun acting upon the goal of building Australia's most mutually supportive and resourceful community. Providing encouragement, not adding barriers, should be the order of the day. The Victorian Government should be doing everything practicable to overcome the declared skills shortage and as part of a national plan, helping to lay the foundation for Australia's continuing prosperity after the mining boom ends. The factor common to achieving these economic goals – there are others that I will touch upon – is the restoration of technical and further education funding to at least its previous level.

Purposes

The Victorian Government is perfectly entitled to periodically review the appropriate purposes of the Technical and Further Education sector, to ask: What is it? Is it a place in which many young people unable to function well in a school feel they are treated as an adult and do better accordingly? (I have certainly seen tangible evidence of that outcome). A place to pick up work-related skills not taught in school? Is it a safety net for those who, for varied reasons, failed to pick up a basic education at an earlier stage? Or is it a means for adults to change direction in their working lives, or pick up a credential to advance their career?

In my experience it is all of those things and more. We would be in good international company to say that a defining element of the sector's purposes, before doing anything else, is to focus on teaching vocational skills for the benefit of the regional economy as well as the national one. Bodies like the Mildura Development Corporation obviously can help attract the interest of young people to education and training courses that are important to the regional economy and, in company with other community-based organisations, also encourage the provision of new training and education programs to meet emerging needs.^{iv[4]} The higher the number of participants in the workforce, or the more hours spent, the higher the potential output produced and, *ceteris paribus* as we were taught at school, the higher the potential level of GDP per capita. Moreover, higher workforce participation can also reduce the fiscal pressures associated with providing welfare support and serve social inclusion and equity goals of which I will say a little more in a moment.^{v[5]} But first it needs to be recognised that even those who engage with learning but do not go into active employment, or are learning in areas not straightforwardly related to their employment, contribute to their communities in other important ways – such as improved civic political engagement, including volunteering, and better health (including mental health) and reduced crime.

Improving the skills of young people can only be part of the picture. COAG has acknowledged that with an ageing population there will be relatively fewer Australians of working age in coming decades.^{vi[6]} The raising of the retirement age and the pace of technological change will mean that individuals will require training – and indeed career changes in many cases – into their sixties. In that regard I have found a recent Independent Review of the Mission and Purpose of Further Education in Wales most valuable.^{vii[7]} It sets out an important lesson for us: improving skills of young people, while essential, cannot be the sole

solution to achieving high level skills. Improvements in attainment of young people can only deliver a part of what is necessary because they comprise a small proportion of the overall workforce. Demographic change means that there will be smaller numbers of young people flowing into the workforce towards 2020.^{viii[8]} Thus, if skills levels are to be improved, there must be at least as much emphasis upon the ‘stock’ of the existing workforce (whether working at present or otherwise), as upon the ‘flow’ of new entrants to the labour market. This will require planning in the area of workplace learning, but also in shaping the future of the Further Education sector and its provision more broadly.

Concerning governments’ stated desire of increasing social inclusion, learning is an extremely effective way of engaging with adults who have been isolated from both the labour market and other aspects of wider society, and further education has a crucial role to play here. It would make economic sense as well as social sense if premium funding were provided for the recruitment and retention of learners from disadvantaged communities, now well charted and understood by Mildura’s social agencies and local government.

Further education has a crucial role to play in engaging with those individuals with the poorest experiences of compulsory and ‘formal’ education. A local example of this effect has been – prior to the cuts – the growth in confidence of socially reticent, unsophisticated young people of limited formal education undergoing hospitality training accompanied by very basic development of verbal skills. This progress has sometimes facilitated a truer expression of the young person’s abilities leading to new career opportunities. This amounts to a practical realisation of a revered Australian value – the *fair go*, people having the chance to progress according to their talents – and we should not squander precious opportunities of making it a reality. How can declared social values like the ‘fair go’ be reconciled with the fact that government funding for TAFE has been declining over the past fifteen years? A paper from Monash University has carefully calculated the governmental recurrent expenditure per hour of training and found that the level of funding declined by more than 25% between 1997 and 2009.^{ix[9]}

So, the current cuts are part of a longer term national picture. While the recent funding decisions are understandably the focus of attention preceding actions – and inactions – by other governments have helped cause the decline of the sector. Why do governments choose optimistic titles for retrograde policies? A decade ago the New South Wales Government introduced school closures with the placard *Building a better future!* In 2008 the Brumby Government increased technical and further education costs for students and transferred its investment to so-called “new places” under the banner, *securing our future economic prosperity*. At the time the publicly funded *annual hour* of instruction in Victoria was more than 11% below the national average.

In recent decades the principle of ‘competition’ has been elevated to the status of being a ‘good thing,’ a major social value, and there are instances of its application yielding social benefits. After the changes in 2008 the number of private providers of technical and further education in Victoria increased from about 100 to a conservatively estimated 450 but according to the Victorian Registration and Qualifications Authority many ceased business in subsequent years. For example, in 2009 just under 100 were subject to cancellation or suspension.^{x[10]} The national and Victorian authorities obviously attempt to monitor training outcomes and compliance with those measures created to protect the rights of foreign students. However, given the present funding difficulties there is a need for detailed auditing of the resources *actually used* in implementing courses. A former Head of a TAFE Institute in Melbourne has commented on a particular form of ‘double dipping’ that occurs when claims are made for enrolment in early stages of certificate courses when the content is incorporated in later stages of the same program.^{xi[11]}

Minister Peter Hall has told the Public Accounts and Estimates Committee (15th May, 2012) that he cannot guarantee the future of any regional TAFE. Regional TAFEs will be the hardest hit by the Government’s decision to withdraw \$300 million from the sector. Some institutes are losing a third of their income and they have announced drastic reductions in staffing and course closures. I am aware of a proposal under consideration that Victoria University may use Commonwealth funds to collaborate with regional TAFEs in sustaining some of their programs. But this initiative, while commendable, is a short-term ‘stop gap’ measure. Little wonder that the Victorian President of the Australian Education Union (Mary Bluett) declared "Peter Hall has let the cat out of the bag. He has confirmed what we have said all along — that these cuts are so draconian they put the very future of some institutes at risk. Regional Victoria is where the

economy is most fragile, where students have the lowest staying-on rates and where communities need the training and skills to get young people into careers and retrenched workers into jobs. How will that happen without TAFE?"^{xiii}12] She could, of course, have been describing Mildura.

Impact of cuts on social initiatives of the Mildura region

For the sake of completeness let me start with a few basic facts. The changes to funding affect the region's TAFE programs and those of Registered Training Organisations. Sunraysia TAFE has been obliged to shed 24 positions at Mildura and two at Swan Hill and additional voluntary redundancies are being offered. So, apart from the valued contribution to local industry, the first communal loss is that of skilled citizens and opinion-formers compounding the effects of the closure of the CSIRO horticultural research laboratory in 2008 and the loss of personnel who modelled the value of science and education generally in dealing with community issues.

The Chief Executive Officer of Sunraysia TAFE is on the public record as saying the recent budget cuts meant that her organisation would face a loss of \$6.5 million in 2013 if changes were not made to the existing program. Tuition fees will increase for most courses. Although income contingent loans are available for students undertaking diploma and advanced diploma courses not all students are willing to take on debt. The Director warns that increased and differing tuition fees and tightened rules around eligibility will impact most on vulnerable or disadvantaged client groups. Low funded courses such as business and hospitality are unlikely to be offered face-to-face. Ms Scott is to be congratulated for making the best of externally imposed difficulties but the examples that I earlier provided illustrate that many of the secondary benefits of face-to-face instruction and coaching cannot be replicated by detached modes of learning. Moreover the direct relationship between instructor and student can be a powerful motivator of sustained student effort. So, too, can the knowledge that upon reaching the finishing line there are real prospects of gaining employment – as I believe to have been the case with hospitality training in *this* region. Given the current challenges of water shortages and commodity prices, tourism and hospitality are unlikely to diminish in importance to the region's economy.

As a result of the recent cuts Mildura's Registered Training Organisations face an overall reduction in income of around 20%. The preservation of some courses will require an increase in fees begging the question of whether industry will be willing to pay higher fees. With an RTO like All Star Access/Mallee Family Care, specialising in training for people with disabilities, there is not much scope for increasing fees. One general way of reducing expenditures is to increase the proportion of courses taught by casual staff but that creates another problem with which I am familiar elsewhere. Many of the benefits of further education that I have mentioned are hard to achieve when instructors race off to other commitments immediately following a teaching session. They need to be available to answer course-related questions and, equally important, to be a source of encouragement and guidance.

Current social initiatives in the Mildura region

In 2006 Mildura Council took the path-blazing step of creating a special structure to bring together community leaders, experts in different fields and concerned community members to turn research findings into practical remedies for local problems. The days have gone when community service organisations work independently of one another: to meet today's challenges they need to work cooperatively. Council's means of encouraging that passes by the name of the *Community Engagement Governance Group*. The intention is to utilise the latent potentials or strengths within the community. And it has been getting on with the job in practical ways guided by research and the experience of those in the relevant fields. The Governance Group has identified a number of priority areas which are receiving attention. The common theme is that education and training at different levels is vital to the success of these endeavours.

We know from extensive research that people's levels of education and training are linked to mental and physical health, the risk of engaging in crime, childhood accidents, welfare dependence, and the risk of teen pregnancies among other things. The indicator reports show that parts of Mildura have comparatively high rates of crime, one of the highest rates of teen pregnancies in the state, a substantially higher incidence of

childhood accidents compared to the rest of the state, and modest levels of income. Some of the Governance Group's key strategies are based on the idea that improving the level of education and training will have run-on benefits that will favourably impact on the problems identified. Remember Mildura's comparative position on education relative to other parts of the state.

A number of community-level initiatives have formed a multi-pronged effort to remedy the education and training deficiencies. They include securing funding for the Mildura Regional Trade Training Centre Consortium of twelve local secondary schools with two major hubs at Mildura Senior College and St. Josephs College and upgrades of existing facilities and equipment at other participating schools. A task force within the Governance Group is building a program to provide youngsters at risk of disengaging from school with more flexible options and pathways to acquiring skills that will keep them engaged and improve their work futures. An initial demonstration project of flexible learning options for eighty students is being supported by the development of partnerships between schools, training providers and community agencies.

A second related initiative has been the development of a Community Compact or regional education and training plan aimed at "Unlocking Sunraysia's Potential." In my experience what is unique about this plan is the range of signatories who are cooperating in the aim of transforming the region economically and socially – representatives of government authorities, community service providers, universities, TAFE and schools, the police, businesses and interested individuals. There is a specific commitment to assisting the most disadvantaged and disengaged to increase their participation in learning, training and work. Key performance indicators exist for monitoring regional progress in achieving educational and training goals. Then there are specific projects like the Total Learning Centre based in Mildura Primary School which has achieved partnerships between 13 agencies, 26 professionals and more than 20 volunteers to provide services to well in excess of 70 families.

Who in their right mind would wish to 'pull the carpet' on such unrivalled initiatives to promote a community's well-being via education and training. What we have here is a region pioneering the kind of skilled workforce that politicians of all persuasions know to be essential for our future prosperity as well as enriched lives and personal fulfilment for individuals and families. What we have is a region that, if supported, can be a state and national demonstration project of skill development to be emulated by other regions. The Victorian Government must treat Mildura-Sunraysia as an education and training zone of special national importance. It must restore the region's technical and further education funding to the pre-May 2012 level by supplementary funding for a period of sufficient duration to assess the local and national benefits of the innovations being pioneered in the region. As recently stated by an advocate of technical and further education, "This is about our community; this is about the heart and soul of regional Australia..."

ⁱ[1] Vinson, T., (2007) *Dropping off the Edge*, Richmond, Jesuit Social Services

ⁱⁱ[2] Aarons, H., Glossop, B., *Mildura Social Indicators Report 2008*, Mildura, Rural City Council

ⁱⁱⁱ[3] Vinson, T., op cit.,

^{iv}[4] Mildura Development Corporation, (2011) Submission to Parliament of Victoria Education and Training Committee, September

^v[5] Abhayaratna, J., Lattimore, R., (2006) *Workforce Participation Rates- How Does Australia Compare?* Melbourne, Productivity Commission

^{vi}[6] COAG (2006), Council of Australian Governments' meeting, 10 February 2006, Communiqué, Canberra.

^{vii}[7] NIACE Dysgu Cymru; Independent Review of the Mission and Purpose of Further Education, 2007

^{viii}[8] Leitch, S., (2006) *Prosperity for all in the global economy – world class skills*, HM Treasury, December

^{ix}[9] Long, M., (2011) "TAFE Funding and the Education Targets," Monash University – ACER Centre for the Economics of Education and Training, November

^x[10] Victorian Registration and Qualifications Authority, Which RTOs have been cancelled or suspended,

<http://www.vrqa.vic.gov.au/registration/vet/default.htm>

^{xi}[11] Strong, G., (2012, "Rorts and scams that resulted from attempts to privatise parts of the TAFE system now threaten its future," *The Age*, 25th May, <http://www.theage.com.au/national/education/lessons-to-be-learnt-20120524-1z7v0.html#ixzz21mwEzErg>

^{xii}[12] AEU. 2012, "Hall Admits: Regional TAFEs Could Close," 15th May