

## EXECUTIVE SUMMARY

The Committee's inquiry into the appropriate roles of TAFE and the extent to which they should overlap with universities was prompted by the Committee's concern that conflict was occurring at the boundaries between TAFE and higher education. TAFE no longer enjoys the protection of being a government monopoly and the only recognised VET provider. In the light of these recent developments it is timely to re-examine the roles of TAFE.

There are demographic factors spurring competition at the interface between TAFE and universities. One consequence of this pressure on universities is a more generous approach to credit transfer for TAFE studies and an increase in the admission of TAFE graduates to university courses.

### TAFE and Reform of the VET sector

About 80 TAFE institutes operate on over 300 campuses around Australia, delivering vocational and personal enrichment programs to more than 1.2 million people per year. TAFE infrastructure is estimated to be worth between \$6 billion and \$7 billion and expenditure on vocational education and training is more than \$7 billion per annum. Just over \$3 billion is publicly funded, of which the Commonwealth provides about one-third.

#### The ANTA board

The ANTA Board is structured to provide an industry view on what is required in vocational education and training. The industry focused approach to VET reform is correct and reform has been well served by the current policy on the composition of the ANTA Board. However, it is possible to inject a provider perspective into the ANTA advisory structure by including TAFE representation while retaining an appropriate and necessary industry focus.

#### **Recommendation 2.1 (paragraph 2.26)**

**The Committee recommends that membership of the ANTA Board be amended so that:**

- **one of the current number of Board Members be chosen, in future, from serving industry members or Presidents of TAFE Institute Councils, or their nearest equivalent according to the jurisdiction; and**
- **an additional Board member be chosen as soon as practicable from currently serving Directors of TAFE institutes.**

**The TAFE Institute Council and TAFE Director members of the ANTA Board are not to be chosen from the same State or Territory as each other and are to be chosen from different States or Territories from the two State Training Authority members of the ANTA Board.**

## **National Training Framework**

The new regulatory arrangements of the National Training Framework should enhance the capacity of TAFE institutes to address the occasional criticism of course content and delivery.

### ***TAFE and competition***

An expected \$198 million worth of publicly funded VET is expected to be allocated on a competitive basis during 1998. These funds are additional to those allocated under user choice arrangements for trainees and apprentices. The impact of competitive tendering on TAFE's market share cannot be reliably established because data was not collected on private providers prior to 1996. However, while the value of training put to competitive tender rose from 1995 to 1996, TAFE enrolments also increased. Third party access to TAFE facilities ought not to be at the expense of TAFE using its facilities to meet social equity obligations, nor should it limit TAFE access to income earning activities.

## **SPECIAL ROLES FOR TAFE**

### **TAFE in regional areas**

TAFE plays an important role in the education, training, and general life of regional communities. The existence of post-secondary institutions in regional areas also reduces the movement of young people to larger centres. In addition to providing vocational education and training to regional communities, some regional institutes of TAFE offer the only local point of access to university study.

### **Second chance education**

TAFE plays a valuable role in the provision of opportunities for people who did not complete their secondary education and who may not otherwise pursue further education. At least 27 per cent of VET students enrolled in 1996 had not completed year 12. Clearly the absence of prerequisites for entry to most TAFE courses is important to TAFE fulfilling its obligations to 'second chance' education.

### **Senior secondary education for school aged students**

Declining school retention rates reflect in part that secondary schools are not catering for the needs of many young people. Learning opportunities for young people need to be as varied as possible. TAFE is an option which will meet the secondary education needs of some young, and not so young, people.

**Recommendation 3.1 (paragraph 3.28)**

**The Committee recommends that the Commonwealth Minister for Schools, Vocational Education and Training pursue, with the relevant State and Territory Ministers, the universal provision of secondary education through TAFE. This should be an option available to school age young people whose needs are not met in a traditional secondary school learning environment.**

**Funding for community service obligations**

Private providers are unlikely to voluntarily meet wider social obligations where these incur higher costs. It is therefore imperative that government specifications for programs put to tender clearly identify the social obligations which the successful bidder will be expected to meet. Community service obligations such as providing second chance education, employment training and education for people with disabilities should be recognised and funded.

**Trade training**

The Committee notes that the number of people commencing traditional apprenticeship training is declining. The National Centre for Vocational Education Research claims that the decline is being offset by growth in trade based *traineeships*. However, it is not clear how many of these trainees will articulate into Certificate Level III and IV courses and therefore whether Australia is still training enough tradespeople. There is a need for improved marketing of the trades generally, and the high quality apprentice training which TAFE in particular has to offer.

**Education and training for enrolled nurses**

Nursing authorities are satisfied with TAFE as a provider of education and training for enrolled nurses and consider TAFE a reliable benchmark against which to assess private providers. However, there are problems with the provision of enrolled nurse education and training. Courses to prepare enrolled nurses for practice vary from state to state and articulation arrangements between nursing courses at TAFE and university are frequently unsatisfactory.

**Recommendation 3.2 (paragraph 3.70)**

**The Committee recommends that the Minister for Health and Family Services, in consultation with State and Territory Ministers and nursing authorities, establish a uniform standard of preparation for enrolled nurses throughout Australia.**

**Recommendation 3.3 (paragraph 3.73)**

**The Committee recommends that the Minister for Health and Family Services and the Minister for Employment, Education, Training and Youth Affairs, in consultation with their respective State and Territory Ministers and nursing authorities, seek to establish a uniform national agreement on credit transfer from TAFE to university and from university to TAFE for nursing education.**

## **TAFE'S EMERGING ROLES**

Australia is experiencing change that is having a significant impact on the roles of TAFE. Changes including technological advancement in production and communication; intensifying international competition; labour market change; and developments in education are creating new roles for TAFE.

### **Distance education**

The availability of distance education is increasing. New delivery technologies, including the internet and interactive teleconferencing, create new roles for TAFE. These include developing material for the new media; acting as a broker for courses which will be available from other providers via the internet and other emerging electronic delivery; and supporting students undertaking courses.

### **Vocational education and training in schools**

The proportion of young people completing year 12 is decreasing having risen steadily during the 1980s to a peak in the early 1990s. The availability of a variety of course options throughout secondary school is one important way for making school more attractive to students who may currently feel alienated. As such, it may also improve school retention rates. The Committee therefore strongly recommends the provision of vocational education in schools commencing earlier than year 11.

Often the best way to deliver VET programs in secondary schools is through arrangements which enable schools to access qualified TAFE instructors. There are, however, significant barriers to making these arrangements. Secondary schools need to be appropriately funded to meet the costs of VET courses. Ideally, schools should have the funds and administrative autonomy to enter into arrangements with TAFE institutes to deliver VET programs to their students. Ideally, schools would purchase VET services from TAFE on behalf of their students.

**Recommendation 4.1 (paragraph 4.30)**

**The Committee recommends that the Commonwealth make available to secondary schools specific funding which enables them to purchase VET training through TAFE. Where this is not practicable, VET in schools program funding should be supplied to schools to provide their own VET.**

**Recommendation 4.2 (paragraph 4.31)**

**The Committee recommends that the Commonwealth increase the funding commitment for VET in schools programs to ensure that the initial per capita figure is at least maintained. It should also adopt a funding mechanism that maintains real per capita funding irrespective of fluctuations in demand for VET in schools.**

**General studies in TAFE**

It is in the long-term interest of industry to have well-educated employees who possess appropriate general and interpersonal skills as well as industry specific skills. However, industry has been reluctant to make the longer term investment concentrating instead on the development of its immediate workforce needs. The Committee would like to see the incorporation of more elements of general education in VET so as to train more 'rounded' TAFE graduates for industry, society and personal development.

**Research in TAFE**

TAFE could become more involved in collaborative research partnerships with the research arms of universities. The Committee would like to see a greater proportion of research funding granted to joint initiatives by TAFE institutes and universities for research into practical everyday problems.

**Recommendation 4.3 (paragraph 4.38)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs pursue with State Education Ministers the removal of barriers to TAFE institutes entering collaborative research ventures with universities.**

**Recommendation 4.4 (paragraph 4.39)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs ask the Australian Research Council to give further consideration to appropriate collaborative research projects and to report on these to the Minister within six months.**

Currently, neither higher education nor VET statistical collections offer any real indication of the scope of this collaboration and further research is required on the costs and benefits of this activity.

**Recommendation 4.5 (paragraph 4.45)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs raise in the ANTA Ministerial Council the need for better information to be obtained on the extent of higher education/TAFE research collaboration including a cost benefit analysis of such activities.**

**New TAFE enterprises**

Some TAFE institutes are seeking to operate new enterprises, such as employment services and group training companies, which would complement their existing focus on employment based training. In some jurisdictions there are barriers to TAFE undertaking these activities. These obstacles make TAFE less competitive with private providers who are free to offer these services.

Operating group training companies or employment placement enterprises are logical extensions of TAFE's VET role which capitalise on its existing links with industry to benefit both employers and students. The existence of successful employment service ventures at TAFE would help promote TAFE courses as pathways to employment.

**Recommendation 4.6 (paragraph 4.57)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs, in conjunction with State Ministers for education, remove any barriers to institutes of TAFE establishing subsidiary companies or enterprises for the purpose of operating Employment Placement Enterprises and group training companies.**

**Education exports**

Institutes of TAFE have had a relatively limited involvement in international education and training. However, over the past five years Australian TAFE products have become increasingly known and valued in South East Asia and Pacific Rim countries. The Committee endorses attempts by TAFE institutes to market themselves internationally, provided institutes maintain their focus on their core VET activities and the needs of local industry.

**Careers guidance**

Australia has no consistent national guidance program to help people understand and navigate the post-secondary education system. Existing career guidance arrangements for school students and the wider community are lacking, in terms of both the resourcing of career guidance services and the range of information available. Improving the situation by providing an open, comprehensive careers guidance service has the potential to save a vast

amount of time and money, maximise human potential and match prospective students to courses most suited to their needs.

**Recommendation 4.7 (paragraph 4.77)**

**The Committee recommends that the Commonwealth Government fund a universal careers guidance service.**

## TAFE AND HIGHER EDUCATION

There is a growing perception that the differentiation between TAFE and higher education is becoming more blurred, with some TAFEs moving to confer degrees and some universities offering TAFE-like courses. However, these perceptions are influenced more by the occasional ‘border skirmish’ between TAFE and higher education than a major shift by either sector. There is direct overlap in the course offerings of the TAFE and higher education sectors at the diploma and advanced diploma levels and, to a much lesser extent, degree level. However the actual overlap, measured as enrolments, is relatively low.

### **Should TAFE offer degrees?**

Several witnesses from the TAFE sector proposed that TAFE should be able to offer vocational degrees in areas they consider not to be well served by the universities. The Committee does not favour TAFE institutes offering degrees. TAFE’s core responsibility is to meet the needs of industry and students by offering high quality vocational education and training.

### ***Articulation***

‘Articulation’ refers to the flow of students between TAFE and higher education and the system of credit transfer which facilitates that flow. From the students’ point of view, articulation is perhaps the most important issue at the interface between TAFE and higher education. There is a tendency for more students to ‘mix and match’ by moving from one sector to another, in both directions and without necessarily completing an award in both.

Governments, at both State and Federal levels, have an interest in promoting effective articulation between TAFE and universities. Without effective articulation, Governments will fund places and provide income support to students who could otherwise complete their desired qualification earlier.

### **TAFE to university**

Students admitted to university on the basis of their TAFE results perform as well as the general population of students. While the number of applications to universities from TAFE students has risen, the proportion of these students

receiving offers of university places has also risen, improving their relative position against school leaver applicants. However, it is harder for TAFE graduates to gain places in the older, more established universities. This is partly due to the fact that there is more competition for these places but also the attitude and policies of those institutions. Falling demand for university places by school leavers is creating more higher education opportunities for TAFE students. However, these places are more likely to be offered by the newer, predominantly regional universities.

### **Credit transfer**

Considerable effort in improving articulation arrangements has been invested by individual TAFE institutes, universities and the Australian Vice-Chancellors' Credit Transfer Committee. Perhaps the major obstacle to more rapid progress on credit transfer has been the diversity of course offerings in both TAFE and higher education. Even allowing for the complexity of the task, there is considerable evidence that individual universities have been unnecessarily conservative in their approach to negotiating articulation arrangements with TAFE. TAFE institutes are promoting their articulated pathways to students as a way to attract enrolments. Universities should also be making more information on credit transfer available to enrolling students so that they are aware that credit transfer arrangements exist for which they may be encouraged to apply.

#### **Recommendation 5.1 (paragraph 5.25)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs require universities to include in faculty handbooks and other promotional material, information about their credit transfer policies. Such information should include where students can obtain further details on credit transfer available for specific TAFE courses and how to apply.**

### **Dual awards**

Dual award courses which combine study at both TAFE and university and recognise achievement with an award from each are becoming more popular with students. The Committee supports the development of dual awards and other articulated pathways from TAFE to university. There is great potential for TAFE to enjoy enhanced status as an equal partner in the provision of dual award programs. Another advantage is that the vocational emphases on the initial TAFE awards ensures that TAFE is not distracted from its primary purpose as an industry responsive vocational education and training provider.

### **University to TAFE**

It is important to understand why former university students enrol in TAFE because this should have a major influence on the type of articulation arrangements which TAFE institutes offer. The needs of university graduates



enrolling in TAFE are likely to be different from those of students who have partially completed a university qualification. Information on the latter group is quite inadequate. There are perhaps as many as 40,000 such students.

A South Australian survey of TAFE graduates confirms the existence of problems in credit transfer or recognition of prior learning for university studies. Of those students who had sought recognition of prior learning many had formed negative impressions of the administrative process and the expense of trying to obtain it. It is not unreasonable for them to conclude that the arrangements exist to discourage, rather than encourage, articulation between the sectors.

### **Statistical collections**

The Committee's examination of articulation between university and TAFE has revealed that there is insufficient statistical information relating to student movement within the tertiary education system.

#### **Recommendation 5.2 (paragraph 5.41)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs:**

- **require universities to collect data on admissions to university on the basis of TAFE studies. A distinction between completed and partially completed TAFE courses should be sought; and**
- **seek to amend the Australian Vocational Education and Training Management Information Statistical Standard to include, and so require the National Centre for Vocational Education Research to maintain, a statistical collection which distinguishes between students entering TAFE with completed or partially completed higher education backgrounds. Such data collected should identify courses undertaken by each group so as to provide a better understanding of their respective needs and career preferences.**

### ***Multi-sector institutions***

Dual sector institutions comprise elements of the TAFE and higher education sectors. There are also examples of independent institutions from different sectors sharing campuses and providing joint programs.

### **Dual sector institutions**

Dual sector institutions provide higher education and VET programs at the one institution. They enrol proportionately more TAFE students in higher education than single sector institutions. However, single sector universities provide more places for TAFE students than dual sector institutions.

TAFE appears to suffer from the lack of a separate identity within dual sector institutions. This was a common reservation expressed in submissions and by witnesses, particularly in Victoria but also in other States. More serious concerns were voiced about a tendency for dual sector institutions to concentrate on the diploma and advanced diploma end of TAFE.

### **Shared campuses**

New educational campuses which co-locate facilities from institutions representing two or more educational sectors on one site are becoming more common. Co-location has a lot to commend it particularly in regional areas where infrastructure savings make both higher education and TAFE provision more viable. Co-location can also stimulate articulation arrangements and encourage the development of more effective dual award programs. Co-located institutions remain financially and administratively independent of each other. This quarantines the funding streams of TAFE from those for higher education. Another advantage is that co-location allows each institution to maintain its external relationships according to its primary mission.

It is time some research was done on the strengths and weaknesses of each institutional model and the risks and benefits each model presents for the provision of programs in the TAFE and higher education sectors.

#### **Recommendation 5.3 (paragraph 5.63)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs commission research into the strengths and weaknesses inherent in the different single and multi-sector institutional models. Such research should include the risks and benefits each institutional model presents for the provision of programs in the TAFE and higher education sectors.**

### **Professional and para-professional training**

The responsibility for preparing people for professional and para-professional occupations has been split between universities and TAFE respectively. Examples exist in the health industry: registered and enrolled nurses; dentistry and para-dental occupations; and medicine and para-medical occupations but others exist in areas such as business studies and engineering. Collaboration between TAFE and universities can achieve resource savings and result in better quality graduates of both TAFE and higher education programs.

The Committee believes that the Commonwealth, State and Territory Governments should act to realise the educational benefits and resource savings available by sharing infrastructure, subject to the outcome of the research proposed in recommendation 5.3.

**Recommendation 5.4 (paragraph 5.74)**

**The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs negotiate with the appropriate State and Territory Ministers to establish arrangements:**

- **which, where there is scope to provide joint infrastructure, favour proposals for capital works for TAFE and higher education where both sectors share or have access to facilities on equal terms; and**
- **where facilities for professional and para-professional training are involved, favour proposals which bring both together on the one site.**

## **FUNDING AND ADMINISTRATION**

The Commonwealth has attempted unsuccessfully to secure the agreement of the States to it assuming full funding responsibility for VET. Whether the Commonwealth should assume the States' legislative powers over both VET and higher education is an issue on which the Committee has not taken sufficient evidence in this inquiry to form a definitive view. The funding source and the division of responsibility between the Commonwealth and State/Territory Governments is not essential to achieving significant industry led reform of VET.

### **Fee concessions and loans**

TAFE institutes charge fees according to schedules set by the State or Territory Government. Fee concessions granted to students are a direct cost to revenue and reduce the institute's income for that year. The higher the proportion of students eligible for a concession the more revenue foregone. The financial impact is compounded for institutes with high enrolments of financially disadvantaged students. The funding model should properly recognise that some institutes face higher costs than others because of their location and/or their student profile. Some institutes may also receive lower revenues because they are required to grant a higher proportion of concessions.

**Recommendation 6.1 (paragraph 6.16)**

**The Committee recommends the Minister for Schools, Vocational Education and Training develop, with State and Territory Governments, a funding formula for TAFE institutes that ensures that institutes and campuses serving low income student populations are not further disadvantaged by disproportionately high levels of fee discounting.**

**Recommendation 6.2 (paragraph 6.17)**

**The Committee recommends that the Commonwealth should provide additional funds on a dollar for dollar basis to State/Territory Governments through the Australian National Training Authority, to assist TAFE institutes enrolling a disproportionately large number of disadvantaged students.**

**Training Innovation Fund**

The Committee supports the establishment of a Training Innovation Fund which would receive dollar for dollar contributions from Commonwealth, State and Territory Governments, industry and the VET providers themselves. The purpose of the Fund would be to finance projects related to education, training and curriculum development in 'sunrise' industries not met quickly enough under existing arrangements.

**Recommendation 6.3 (paragraph 6.22)**

**The Committee recommends that the Commonwealth Government establish a Training Innovation Fund for the purpose of financing projects related to TAFE curriculum development and delivery of vocational education, training and applied research in 'sunrise' industries.**

***Anomalies between TAFE and higher education***

The Committee encountered numerous anomalies between VET and higher education created by different funding and administrative arrangements for the two sectors. The most apparent affect students and multi-sector institutions.

**Students**

Whilst the Committee is not recommending changes to the fees charged in the TAFE and higher education sectors, it notes that higher education students generally pay much higher fees than TAFE students. It is cheaper for a student to undertake the early part of a degree at a TAFE institute before transferring to university. However, length of training and the associated opportunity costs probably offset the greater HECS liability. There are other reasons why students would choose to enrol in a TAFE course and carry the credit into a university degree. The practice should not be discouraged.

**Multi-sector institutions**

The division of responsibility for funding between the Commonwealth and State/Territory Governments creates problems for multi-sector institutions. Dual sector institutions can operate autonomously in respect of the staff they

employ under higher education awards but must answer to the state government for staff they employ under TAFE awards. Frequently, this division of responsibility results in dysfunctional outcomes.

Similar problems exist in relation to the joint funding and accountability of assets in multi-sector institutions. It must be possible to devise financial arrangements between levels of Government that recognise the existence of an asset or the delivery of a service funded from more than one source. The collection of data for DEETYA and the State and Territory training authorities should be rationalised to reduce the burden on dual sector institutions.

**Recommendation 6.4 (paragraph 6.36)**

**The Committee recommends that the Minister for Employment Education, Training and Youth Affairs seek agreement through the Ministerial Council to establish a review of the reporting requirements of higher education and VET institutions with a view to making the systems more compatible and less onerous, particularly for institutions reporting to both.**

**Recommendation 6.5 (paragraph 6.37)**

**The Committee recommends that the Commonwealth Government establish accountability arrangements with the States and Territories which more readily accommodate the fact that joint capital funding of institutions may result in joint ownership of infrastructure.**

## ***Governance***

The administration and governance of the TAFE system and individual institutes have to find a balance between providing institutes with sufficient autonomy to meet local needs on the one hand and ensuring system wide consistency and quality on the other. TAFE also has to be responsive to government priorities in community service and VET delivery.

## **Autonomy**

Responsiveness can best be achieved by maximising the commercial and operational independence of individual institutes. Institutes should be allowed to control and reinvest their commercial revenues provided their proposals are consistent with the priorities established across state systems. This should assist the development of centres of excellence.

State/Territory governments should consider the provision of triennial funding, including some capital funding, direct to institutes. This would enhance institutes' capacity to plan and respond to emerging local requirements and priorities for the development of programs.

