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## **SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION**

Submission to the  
House Standing Committee on Education and  
Employment

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

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**Submission by the Shop, Distributive and Allied Employees' Association  
House Standing Committee on Education and Employment: Inquiry into the role of Technical  
and Further Education system and its operation**

**Introduction**

The Shop, Distributive and Allied Employees' Association (SDA) is Australia's largest single trade union with over 210,000 members. Its principal membership coverage is the Retail Industry. It also has members in warehousing and distribution, fast food, petrol stations, pharmacy, hairdressing, beauty and the modeling industries.

With approximately 40% of its membership aged 25 and under, the SDA represents and advocates for the training and development needs of those members undertaking apprenticeships and traineeships, of whom there are significant numbers within the retail and hair and beauty industries in particular. Interwoven with its youth membership, approximately 60% of SDA members are women. The SDA also represents and advocates the needs of working women to increase and promote their participation in both the labour force and the VET sector, recognising the mutually productive benefits that flexible work and training arrangements provide.

We welcome this opportunity to respond to the House Standing Committee on Education and Employment's Inquiry into the TAFE system and its operation, an Inquiry which many in the VET sector believe is long overdue. We wholeheartedly endorse the Terms of Reference for the Inquiry which acknowledges the critical role TAFEs have played in the training and development of Australians for more than one hundred years. Further, the SDA acknowledges the critical pathway TAFEs provide to quality training and skills which are increasingly needed to access employment, as well as their key role in regions and in providing access for disadvantaged groups.

The principal concerns of the SDA in regards to the role of Technical and Further Education system and its operation is to ensure that the public provider is adequately resourced and appropriately managed to deliver and improve quality and trust in the national VET system, particularly in regards to the service industries.

We are particularly concerned with how the expansion of a competitive training market and various State Government funding decisions in Victoria, New South Wales and Western Australia have negatively impacted on the operation and viability of the VET system, jeopardising the access, quality, portability and recognition of nationally endorsed qualifications which are identified by industry as both fulfilling critical skills shortages and professionalising the service industries themselves.

Linked to the expansion of a competitive training market and the resultant exponential growth in private training providers, we are also concerned with both the recognition and development of appropriate skills in the Australian economy. This is inextricably linked to the development of genuine opportunities for Australians to improve themselves and increase their life and employment prospects.

## **Response to Terms of Reference**

### **The development of skills in the Australian economy**

Matching skills shortages to quality training and employment outcomes is a critical factor in a robust and transparent VET sector.

The introduction and proliferation of demand-led funding and training is a significant challenge for the workforce and the economy as a whole, particularly where the demand is not driven by industry and leads to the oversupply of qualifications which do not yield actual employment outcomes. The Certificate II in Hairdressing is a case in point here, with high levels of demand by RTOs failing to translate into genuine skills and employment outcomes for students and employers alike. Addressing this particular qualification is an ongoing priority and one which the SDA has raised, and will continue to raise, in the many areas of VET reform which are currently underway.

The SDA has been heavily involved in the development, promotion, implementation and review of nationally endorsed Training Packages, one of the more successful policy interventions geared at meeting Australia's skills and workforce development needs which also underpin the role, efficacy and flexibility of the public provider. However, while Training Packages are intended to reflect industry diversity and dynamism, their impact is lessened when the same consistency is not applied to training and assessment services. For this reason, the SDA supports greater levels of regulation across training and assessment services which are notably lacking in the private training provider arena, to ensure that the development of skills and resultant employment outcomes is targeted and responsive to industry shortages.

TAFEs also play a critical role in supporting and providing the next step from VET in Schools (VETiS) programs, a policy which has capacity to meet Australia's skills and workforce development needs, pending greater investment in the quality of programs, monitoring adherence to nationally approved Training Packages and ensuring, in collaboration with industry, that these programs provide genuine employment outcomes, or employment pathways, for young people. The ability of TAFE institutions to support and enhance the critical and authentic workplace exposure which VETiS programs provide sets it apart from the proliferation of private providers. However, this fundamental element of the VET system is at risk with many TAFE institutions cutting or downsizing their VETiS programs as a result of budget cuts and TAFE reforms across the country. Conversely, where VETiS programs remain, the viability of further training through TAFE after an initial VETiS qualification is increasingly out of reach for many Australians due to the introduction of entitlement-led funding arrangements.

### **The development of opportunities for Australians to improve themselves and increase their life and employment prospects**

There is no doubt that TAFE offers a myriad of opportunities to Australians to improve themselves and their families' circumstances and increase their life and employment prospects. Prior to various State Government reforms, the public provider had a presence in every region<sup>1</sup> and delivered 80% of VET training nationally<sup>1</sup>, with more than 50% of all TAFE Institutes' major campuses located in regional and rural locations.<sup>2</sup> TAFEs are the

## **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**

### *Monitoring and regulating the quality of delivery of services and programs*

The SDA believes that TAFE plays a key role in the delivery of services and programs to support regions, communities and disadvantaged individuals to access training, skills and employment pathways. However, the monitoring and regulation of this delivery is compromised by the lack of a comprehensive data collection across the entire VET sector. In its submission to the COAG *Consultation RIS on Total VET Activity Data Collection*, the SDA endorsed the option mandating the provision of AVETMIS Standard data by all RTOs, advocating that the development of a comprehensive, transparent profile of the sector is a critical, long-overdue policy intervention which would further support the role of TAFEs in the sector.

Similarly, the SDAEA has made a submission to the *National Career Development Strategy Green Paper*, reiterating its support for policy which addresses the critical need for informed, responsive and harmonised career development mechanisms across the VET sector.

Finally, the introduction of the National Regulator is a welcome step towards ensuring greater transparency and quality in the VET sector and thus strengthening the delivery of targeted services and programs to support regions, communities and disadvantaged individuals. However, these reforms which ostensibly seek to improve the quality and accessibility of training are at serious risk of failure when considered in the current landscape of demand-led training, entitlement models of funding, the exponential growth of private providers, savage budget cuts in three states and the closure of TAFEs across the country.

### *Improving access to training, skills and employment pathways for women*

Women's participation in training and development opportunities is a critical issue for the SDA, with a large proportion of its membership being female, part-time employees. While it is true that some women prefer part-time work in order to manage caring responsibilities, the reality that in the service industries, particularly retail, fewer full time jobs are being offered, and the opportunity for permanent part time work is diminishing. Diminishing permanent work then leads to fewer training and development opportunities, which then places at risk ongoing skills development and career progression is then at risk for many women.

Lack of qualifications is a barrier to women too. Women are more likely to work in low skilled jobs such as cleaning, TCF and hospitality. Coupled with this is their low-paid employment which will impact on finances, thus impacting on their ability to meet the rising costs of further training at the VET level or higher education level.

Traditionally, the entitlement to publicly funded vocational education at TAFE offered an accessible, beneficial opportunity for women to undertake flexible and portable training. However, ongoing VET reforms present increased barriers to training for many women, be it insurmountable increases in fees for VET qualifications, the incurring of further debt to undertake training under HECS-style loan schemes, or the very reduction of actual courses on offer. The Victorian TAFE Association's study of the Victorian budget cuts further revealed the extent

programs is a critical step in addressing this challenge; by ensuring that these VETiS programs are based on nationally approved Training Packages and provide genuine pathways to employment for young people, the challenge of youth unemployment and disengagement from the world of work can be better addressed. Further and more specifically to this submission, TAFEs provide a critical service in ensuring the quality of VETiS programs and their linkages with and transitions to further VET opportunities. However, the introduction of entitlement models of funding and rising tuition costs at TAFEs across the country threatens the progress of further education, training and employment after an initial VETiS qualification.

### **The operation of a competitive training market**

The SDA does not believe in any way that the Victorian model of freeing up Government funding for private providers has enabled a more competitive training market. It has certainly enabled an exponential growth in private providers, many of whom who have significant undermined the quality of training and assessment now available in the State, not to mention jeopardizing the skills and employability of hundreds of students. Without adequate, rigorous regulation of all private providers' course offering, training and assessment, the sustainability of a quality, competitive training market is in serious doubt.

Further, the SDA does not believe the national introduction of entitlement funding contributes to a competitive training market. The introduction of the entitlement model of funding and the resultant (rising) costs of tuition fees incurred when future training or re-training is needed, may in fact lead to reduced enrolment and participation in the training market, once students and workers begin to experience the reality of having used their 'once-only' Government entitlement.

The SDA's primary concern for the VET training market is and always has been about ensuring quality and portability of nationally endorsed qualifications. The proliferation of private training providers are stretching the already poorly regulated sector, undermining the quality of delivery of nationally endorsed qualifications, and threatening the portability and opportunity of future training for thousands of VET-qualified Australians.

### **Those jurisdictions in which State Governments have announced funding decisions which may impact on their operation and viability.**

There has been significant and justified community outcry across Victoria, NSW and QLD in regards to recent funding decisions which have slashed the operations of TAFEs in those jurisdictions.

Budget cuts across the three states exceed \$1.2 billion - VIC \$300 million, NSW \$800 million and QLD \$80 million. These coincide with rising numbers of campus closures, reduced course offerings, astronomical rises in tuition fees and significant job losses, not only in the three aforementioned States but additionally in WA and SA. Ironically, these States signed to the April COAG Agreement offering the states and territories an extra \$1.75 billion in funding to boost their training sectors. It is manifestly incomprehensible how State Governments can reconcile the ways in which these two processes will support the VET sector and the role of TAFE within it; the outcome must

- Victoria Uni: 78 courses will be removed including those in Events & Tourism, with significant reductions in Sport & Fitness and Hospitality.
- William Angliss Institute: VETiS will not continue without additional support.

For a public institution which has a long and proud history of offering second chance education and re-training to a diverse range of Australians, and, in some cases, the first opportunities to develop skills, training and employment pathways for the most marginalised people in society, these funding decisions are dire. For the regions, communities, local economies and individuals they have supported for so long, the ramifications are far, far worse.