

# GRADUATE WOMEN VICTORIA

*Serving and empowering women through education and advocacy*



## **Submission to the Victorian Government Inquiry into VET Funding (Second Phase Community Consultation)**

Graduate Women Victoria (formerly the Australian Federation of University Women–Victoria) is a not-for-profit organisation affiliated to the Australian Federation of Graduate Women and Graduate Women International (formerly the International Federation of University Women). Since 1921 it has advocated for and supported the right of women and girls to lifelong affordable quality education at all levels. Its original focus was on university education, but the recent change of name indicates its awareness of the increasing importance of high quality delivery of vocational education and training, and the growing need for interconnection and pathways between the different postsecondary education sectors.

We commend the government for recognising the urgent need to re-establish quality and stability in the VET sector and thank you for the opportunity to respond to the government’s inquiry into VET as part of the second phase community consultation. Bearing in mind the request that such submissions be short, we wish to comment and make recommendation on a selection of the 25 questions in the Issues document, especially questions 1-5, although these often intersect with later questions and with the list of matters for possible change being considered by the inquiry.

Question 2 mentions the ‘benefits of contestability’. There is, however, a considerable body of opinion that contestability, as it has been allowed to develop, is a major contributor to the problems besetting the sector.

The main reasons for this are:

- The failure to provide a level competitive field for funding. Insufficient attention has been given to the cost implications of the requirement placed on TAFE not only to be a full service provider, but also to shoulder most of the burden of providing equitable access for disadvantaged and minority group students. As a full service provider, TAFE must provide a level of service not required of private entrepreneurial providers. Its infrastructure and staffing range must sustain a wide variety of programs. As part of its community service obligations, it is required to give equal access to all students and provide them with support, and advocacy services; at the same time it must maintain programs considered important to long-term national and state objectives but not calculated to attract high student enrolments and consequently relatively costly to deliver. Yet it is essential that the widest and most flexible coverage of skills be developed to meet difficult-to-predict and cyclical fluctuations in employment requirements. TAFE is the only VET institution designed to give

effect to this. It is essential therefore to arrest the decline in TAFE funding—of 15 per cent in government operating and capital grant between 20012 and 2013 – and in student enrolments – 33 per cent between 2013 and 2014. This can only be achieved by the government:

(a) continuing the process it has already begun of restoring TAFE funding towards adequate levels; and

(b) reining in the student-deterrent factor of rising cost of courses. The maximum annual fee that a subsidised student would pay for VET in Victoria in 2008 was \$877: today it is common for annual subsidised VET fees to cost many thousands of dollars.

**We recommend that TAFE should be funded to continue its full service provider role (Question 15); that, because of its wide coverage of skills, it is best placed to deliver a suitable VET preparatory year (Question 21); and that the government’s first responsibility should be to spend taxpayers’ money on TAFE before subsidising private for-profit providers.**

- The other main factor in the sectoral problems is the failure to ensure that private providers are monitored and made accountable for the quality of their training and education programs and their responsibility to their students. Matters of concern that have been substantiated in several reports include:

(a) Failure of some private providers to provide courses of adequate quality. Where proven, this should lead to a legally binding requirement to repay all government subsidies and the provider should be liable to prosecution for fraud and breach of contract.

Failure to ensure adequate hands-on practical experience for trade courses is a complaint that has received considerable publicity. The need for this is also a consideration to be borne in mind in the devising and approval of online courses, although these could be a useful resource for delivering at least part of the course to rural students, whose VET needs are poorly met;

(b) High-pressure recruiting methods which lead to students being misled as to the nature and requirements of the proposed course or to enrolling in courses inappropriate to their capacities and situation.

**We recommend that a ‘cooling-off’ period such as applies to some other financial contracts should be applied to student enrolment and its availability widely publicised to limit the effects of unscrupulous recruiting tactics;**

(c) Poor completion rates due to factors such as inadequate pre-enrolment counselling, justifiable dissatisfaction with shoddy course provision and financial stress. Failure to complete is a waste of public money and student time. More seriously, it leaves those numerous students who have taken out loans in order to embark on their chosen course with substantial debt and no qualification.

**We recommend that a funding model based on student completions rather than enrolment numbers should be considered.**

**GWV recommends a more rigorous scrutiny of the initial arrangements for funding a private provider, including requirements for information as to whether there is to be subcontracting of any part of the training and what methods will be undertaken to ensure the quality of subcontracted work. There also needs to be ongoing monitoring of quality and outcomes from funded private providers. Serious failures to meet the required standards of quality and responsible behaviour to students should lead to permanent exclusion of the relevant provider and steps to ensure that they do not re-enter the market via a change of business name.**

Re Question 3, the targeting of funding to particular courses is linked to Question 5, whether labour market priorities should be the primary basis for the level of government investment in training.

Attempts to date to make labour market priorities the primary basis for government investment in training through strategic VET allocation have not been manifestly successful. This is the case whether in channelling students into areas of predicted employment growth or in meeting the demand of employers for labour that is adequately trained for its immediate needs.

Examples are emerging of poor matching of students to future opportunities. In its areas of projected growth, the Commonwealth Department of Employment has identified 56,000 predictable new jobs in healthcare and social assistance in Victoria by 2018, with as many as 22,000 in retail. Statistics from the National Centre for Vocational Education Research (NCVER), however, show that enrolments in health-related training packages fell by 1800 students between 2012 and 2013 while enrolments in courses relating to retail services declined by 61 per cent (11,000 enrolments).

A balance needs to be struck between the training of students for immediate market employment and the training of students for adaptability to changing and developing opportunities and needs in the economy. Only high quality broader VET education can make this possible, and this requires investment in high-quality staff and infrastructure, which is the area where investment of public money should be given priority. 'Training packages' and courses intended to provide industry-specific or firm-specific skills are short-term measures that have a place in the system, but they are not of the long-term value provided by broader educational outcomes and their funding should be assessed accordingly. It would not be unreasonable to expect that employers or particular industries that stand to benefit immediately from the rapid provision of trained workers should contribute to the cost of such training (See Question 6). In return they have a right to expect that the training is indeed of appropriate and effective quality, which requires monitoring of providers and effective action against funded providers who fail to meet this requirement.

**We recommend that consideration be given to achieving better long-term planning through a return to a body with an over-arching long-term responsibility such as the previous Skills Commission (abolished in 2012) or an extension of the constitution and powers of the Premier's Jobs and Investment Panel.**

Re Question 4: Because of its commitment to support lifelong learning for girls and women, GWV has a particular interest in the capacity of women to upskill their qualifications in order to return to the workplace after a period of family responsibilities such as bearing and raising children or caring for elderly parents. We submit that these women are impeded by the two course rule which restricts to a single course the subsidised training available under the Victorian Training Guarantee (2008). In the FAQ page provided for the inquiry, we note the following:

I am an Australian citizen and I have completed a Bachelor Degree from an Australian university. Am I eligible for a government-subsidised training place?

If you were already 20 or over on 1 January, you would not be eligible for a subsidised place in a Diploma (or lower level vocational) course that is not part of an apprenticeship. You may be eligible for a government-subsidised apprenticeship, VCE or VCAL. Contact your provider for more details.

You may be eligible for other forms of assistance including a VET FEE-HELP loan to pay for all or part of your tuition costs for training at the Diploma level and above.

With respect to the final sentence above, the relevant upskilling needed in such a case may well be at Certificate level rather than Diploma and so the applicant's needs are not met, even if she/ he be prepared to take out a loan.

Evidence gathered over years in the Group of Eight surveys of how university students are faring consistently shows that women students are less well off than male ones and are more likely to be averse to taking out loans. These findings would almost certainly be replicated in respect to VET sector students and relevant to the rate of return to VET were it not that the National Centre for Vocational Education Training rarely factors in gendered differentials as access barriers in VET.

Aversion to debt is a more pressing factor for returning older students since these women need to access income as fast as possible if they are to make provision for superannuation and meet their housing needs. Their situation is exacerbated by evidence that suggests that the most severe cuts in course-targetted funding have been in courses containing higher proportions of female students.

The Productivity Commission has frequently pointed to the benefits of to both the economy and the individual of getting women who have left or never entered the workforce into employment. It is surely better to invest money in their training than to risk the probability of their long-term welfare dependence.

**We recommend that the single course eligibility provision be relaxed when the original qualification was obtained more than ten years earlier; is of little relevance to the course now proposed; and workforce participation has been non-existent or undertaken only on an irregular, casual and low-paying basis. While we believe that this would affect mostly women but it would also be relevant to males affected by lengthy periods of caring responsibilities or ill-health.**

### Summary of Recommendations

**1. That TAFE should be funded to continue its full service provider role (Question 15); that, because of its wide coverage of skills, it is best placed to deliver a suitable VET preparatory year (Question 21); and that the government's first responsibility should be to spend taxpayers' money on TAFE before subsidising private for-profit providers.**

**2. That a 'cooling-off' period such as applies to some other financial contracts should apply to student enrolment and its availability be widely publicised to limit the effects of unscrupulous recruiting tactics.**

**3. That a funding model based on student completions rather than enrolment numbers should be considered.**

**4. That there be more rigorous scrutiny of the initial arrangements for funding a private provider, including requirements for information as to whether there is to be subcontracting of any part of the training and what methods will be undertaken to ensure the quality of subcontracted work. There also needs to be ongoing monitoring of quality and outcomes from funded private providers. Serious failures to meet the required standards of quality and responsible behaviour to students should lead to permanent exclusion of the relevant provider and steps to ensure that they do not re-enter the market via a change of business name.**

**5. That consideration be given to achieving better long-term planning through a return to a body with an over-arching long-term responsibility such as the previous Skills Commission (abolished in 2012) or an extension of the constitution and powers of the Premier's Jobs and Investment Panel.**

**6. That the single course eligibility provision be relaxed when the original qualification was obtained more than ten years earlier; is of little relevance to the course now proposed; and workforce participation has been non-existent or undertaken only on an irregular, casual and low-paying basis.**

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