

# TAFE: How a good idea got bugged up

This article is based on a speech delivered by Kim Bannikoff at the Australian Education Union's Federal Conference in February 2013

Fifteen years ago I was working in the Education Department in Queensland. It was the period of time that Kemp introduced the SES funding model for schools that Gonski is now trying to correct. In Queensland the effect of Kemp's reforms was that in the areas where there was growing competition between private schools and state schools, private schools received more government dollars per head than state schools. The Director General described the reforms as "the greatest blow against equity in education that we will see in our lifetime."

15 years later there is a chance that this might be rectified; but it's taken 15 years.

**"This is a story of failure in public policy- how a good idea got bugged up over time and through inattention. The good idea was TAFE."**

TAFE is in a very similar position now. We're seeing a rolling set of reforms and changes to vocational education and training in Australia which amount to the destruction of a sector of education. Australia can't afford to wait 15 years for this to be rectified. The damage to our skills and knowledge base and the quality of our education system will be devastating.

This is a story of failure in public policy – how a good idea got bugged up over time and through inattention. The good idea was TAFE.

For the last 25 years, the Vocational Education and Training (VET) sector in Australia has had an obsession with efficiency and relevance inflicted on it within a policy approach that stated an industry

driven system would assist relevance and the government would drive efficiency.

Let's look at efficiency first.

Over the period, efficiency has nearly always been distributed as increased output, that is, Colleges have done more with the same inputs. However, the inputs have also decreased in real terms over that period by reductions in the unit cost paid by government. New investment, such as any government initiative (say Productivity Places), is always at the new and lower unit cost.

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Since 1997, there's been a 23% reduction in the unit cost of training that Government provides. By looking at what used to be funded in the unit cost of training and what is now funded, you can see what Government has taken out of the unit cost at which it buys training from TAFE Colleges. What stands out is that they are all things that support an educational purpose in TAFE.

What's gone?

- The higher cost of providing Diploma and Advanced Diploma qualifications. In the main, these qualifications are now fee for service.
- Generic competencies - the means through which a broader education is included in vocational education - have gone have been taken out of training packages and are not funded.
- Depth of study in a particular discipline, that is acquiring underpinning knowledge in the vocation that you're entering is not part of the unit cost.
- Program and curriculum development by teachers is not funded because training packages are a required and standard product.
- Colleges are no longer given funding to work with local industry, to undertake market analysis to see what it is that local industry and local individuals want.
- Investment in workforce capability in Vocational Educational and Training, that is, investing in the development of a quality teaching workforce, or investing in the development of program designers, no longer happens.
- And for all the policy transitions that have occurred in the last 25 years, there has never been one sniff of structural adjustment funding for TAFE. Universities, and other sectors of industry get structural adjustment funding when confronted with major government policy changes, but TAFE has never seen a cent. In an environment where TAFE is continually asked to respond to the market and to be more flexible, there has never been a greater need for it.

**“So the price that is now paid by Government reflects this. TAFE has become “just another provider”. Other RTOs, without the cost burdens of the public interest and educational purpose, get the same funding.”**

All these things have slowly been sliced out of the unit cost in the name of efficiency. It is not efficiency at all. It is the removal of educational content from vocational education and training.

So the price that is now paid by Government reflects this. TAFE has become “just another provider”. Other RTOs, without the cost burdens of the public interest and educational purpose, get the same funding.

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So the VET sector, and TAFE along with it, is no longer an education system in the sense that schools or Universities are. They have societal objectives and government provides funding to them and to citizens who attend them in a variety of ways. They discharge obligations we share as a society to young people, innovation, culture, industry and commerce.

Universities and schools are our investment in knowledge and knowledge development. TAFE and VET have been reconceptualised as no longer part of this – just a market driven source of skills. A small irony here is that much has been made of the need for VET to work as a seamless part of the overall education system. The transition from school to VET, the incorporation of VET in school education, the development of a tertiary sector of education are all key policy objectives of government. Very little progress has been made in any of these areas because they are undercut as policy objectives by the excision of educational content and values from VET.

**“The pursuit of relevance has contributed to the removal of educational purpose. Training Packages have meant the deskilling of vocational teaching and learning – for both teachers and students.”**

Let me now go to ‘relevance’ - the question of providing vocational education and training that is relevant to industry needs. The modern icons of relevance are called Training Packages. Training packages are developed by quasi industry bodies and purport to specify what skills an industry sector wants in the qualifications needed for employment in that sector. They’re produced by a process which excludes educationalists. Teachers are not part of, and their experiences are not part of, the process of developing the curriculum that is taught in TAFE Colleges and for that matter, RTOs. Middle level HR managers in major companies are very influential in training package development so they can get their version of what the qualification ought to be, developed at public expense and then paid for through the unit cost that government gives to providers. So what we end up with is a product that is now no more than a cheap set of occupationally based qualifications which look more like a welfare subsidy for individual enterprises than a benefit for the individual student or for broader industry development.

Nor do they return much value back to society for the investment made by government.

There is also discrimination against courses that are developed by providers. The ability of Colleges to provide their own training directly to enterprises they work with or for local community needs is very hard to do. It is regulated out of existence.

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Let's now look at the notion of an industry driven system.

This has been the mantra for government for 25 years. 'Industry driven' has framed the way policy decisions have been made and the governance of vocational education and training. Industry driven has been the common term through this period, but it's taken a number of different forms. In 1987-1991 it was genuinely tripartite. Employers, the union movement and Government worked together and addressed the key issues. Under ANTA in the early nineties, it changed to industry leadership. Government took a back seat. When ANTA was abolished and national responsibility for VET moved to the Commonwealth during the Howard years, industry leadership became employer leadership as the unions and employees were marginalised. Finally the leadership bit was dropped as well and it simply became employer control over a series of processes like developing Training Packages. Now, the involvement of employers and employees is purely advisory.

However, whatever the form that 'industry driven' has taken over the years, since 1991 it has tended to obscure a proper consideration of whatever industry is looking for from the training system. No one in that time has ever really listened to industry or let what industry actually says get in the way of a good ideology. Industry leaders – employers and employees - have always said they want broadly educated workers who can think, who can go on learning on the job and can independently apply their skills and knowledge in different and changing work contexts. Employers have always noted the difference between the skills they need to make a quid in their production processes and the skills and knowledge and attitude of the workers they actually want to employ. They usually place a higher emphasis on the second. Yet we've been methodically moving towards a model which excises education and that broader context from training qualifications.

If Australia is to adequately prepare our young people for an active economic, social, political and cultural life in the global economy, if we are to generate the high quality workforce we need to maintain our way of life then we need a vocational education sector which marries what industry needs on one hand to what we need as a society from our education investment in quality vocational learning.

Is the current system able to do this?

The skill development and training needs of industry and society are met through a national market. Participation by providers in the market is through a revamped regulation system which is far from national and based on approval to deliver a product. If you are registered as a training organisation, whether a TAFE College or a private provider, you're not registered to provide an education, you're registered to provide a set of training packages – a standard and highly prescriptive product that has had the educational content and value stripped from it. This is not a regulatory system aimed at developing quality, this is a licensing system. As one State regulator said recently when describing where they were up to in implementing the new system, "At this point we don't know what quality training is, what it looks like, how to describe it or how to measure it." Refreshing but tragic honesty.

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The current funding model in vocational education and training is an entitlement and efficient price. Young people, subject to certain rules and regulations, have an entitlement to a certain amount of training and when they pick up that entitlement Government provides an efficient price to the provider, public or private, to provide that training. So what's missing from the price? The policy papers used by the Commonwealth Government and the Victorian Government recently to identify a fair price assert that a fair price should include a components for the public interest (meaning there is a benefit to the public which should be recognised in the price) and social goals such as quality assurance for students; provision of training in remote and regional areas; provision for less advantaged students; high cost areas like high-technology areas and areas of high social disadvantage; and, workforce development for industry. Yet none of these are costed or included in the unit cost of a fair price. The so called fair price is calculated only on the historical cost of teachers and the materials used in the teaching process.

What we end up with out of the current funding model is a price that pays for the training package product only. Private RTOs can deliver the product at that price, and some of them do that very well. But they're not actually asked to do that much. They're not asked to provide the full range of educational and student services or graduate student with an in depth knowledge of their discipline. They're asked to provide a quite limited product and that's what they do. What's happening now is TAFE is being forced to do the same.

The result of all of this has been a funding model which has basically excised education from the product. It acts in concert with the regulation of the national training market to destroy public institutions by denying them a role, and not funding a role, for them to work in a wider way than just meeting the narrow skills needs of particular occupations.

What we need is a shift in public policy, to rebuild public education institutions. We need to stop talking about VET and start talking about TAFE again. TAFE is not a subset of VET. VET, as it's currently defined and practiced in Australia, is just one thing that TAFE Colleges do. And it should not be seen as their raison d'être and it should not be seen as their flagship product. That is the shift in thinking that has to be engineered. We need public education institutions that go back to having a full service function, that have the capability to underpin productivity, growth and innovation, that have the ability to work directly with industry at all levels - sectors, enterprises and local economies. TAFE Colleges need to once

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again become respected public educational institutions that prepare graduates to participate in very different economic, social and cultural workplaces to those which young people entered 30 years ago.

I would like to close with a comment on the recent decision by the Victorian government to inflict massive funding cuts on TAFE Colleges. Victorian Colleges have been subject to four major reductions in funding over the last 20 years. They've suffered the efficiency approach - a 23% cut in the unit cost of funding. The second level of cuts in Victoria was the progressive removal of social goals from the unit cost. For example, allowances for remote and regional students or an allowance for workforce development training for an industry has been taken out of the unit cost as well. Thirdly, under the Brumby Government, came the introduction of entitlements. It led immediately to a substantial loss of market share for TAFE Colleges. They also lost fee-for-service contracts with industry as that training was transferred to the public purse. Industry picked up a massive subsidy of training that it used to pay for.

With those three things behind them, Victorian Colleges then got the king hit - on average a 30% reduction in their budgets. This has removed their ability to operate as an educational institution. It removes the value they add to the VET sector – providing educational value and a full service function for disadvantaged groups. These changes aren't happening as abruptly in South Australia, New South Wales and Queensland. They're happening in different ways but they are happening. Exactly the same story is unfolding.

I don't think what happened in Victoria was an accident. To see it as an over-zealous, efficiency obsessed government looking for a savings in tight economic times is wrong. They knew what they were doing. They were turning TAFE Colleges into RTOs – just another provider on a level playing field. They were saying "TAFE is a 40 year old Labor experiment which hasn't worked and we're going to kill it." That's what their decision was based on. Obviously the next Victorian election is a critical one, but the issue is about restoring a missing sector of education, it's not about an argument over excessive budget cuts. Thanks very much.

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