

Re-inserting “community” into Australian Vocational Education and Training

11 May 2016 by Dr Don Perlgut



Leading up to the federal election in July, Australian vocational education (VET) has entered the political debate. In the following article, CCA CEO, Dr Don Perlgut argues that the most cost-effective VET policy initiative is to reinvigorate the community education providers and build on their capacity.

Here’s a mixed metaphor: After years of playing “second fiddle” to the political hot potato of university fees and funding, vocational education and training (VET) has leapt to the front of Australian political consciousness, just as the [2 July Commonwealth Government election campaign commences](#).

The VET FEE-HELP scandal

On April 29, the Minister for Vocational Education and Skills, [Senator the Hon Scott Ryan](#) released the [Government’s Redesigning VET FEE-HELP Discussion Paper](#). Calling for submissions by 30 June 2016 – at the tail end of the upcoming election campaign – [the paper describes the history of this government-funded tuition loan program](#) for diploma and advanced diploma VET courses, requesting feedback on future changes.

Parts of this paper read like a “horror story” of a scandalous public funding program gone mad. A number of for-profit private training colleges have systematically “gamed” the funding system in ways that, although they may have been legal, certainly were unethical and immoral. Shamefully, a number of [private colleges targeted vulnerable and disadvantaged Australians](#) to take out [VET FEE-HELP government loans](#), accessing funds that went directly to the colleges.

Indigenous and poorer students were targeted by unscrupulous private providers. The “average annual growth” of Indigenous students taking out VET FEE-HELP loans was a whopping 649% – from 1,197 students in 2012 to 24,513 in 2015. In “very remote” communities the student numbers (surely all of them Indigenous) increased at an average annual growth rate of 503%, from 96 to 1,544 students. Both of these figures were well in excess of the annual average growth of 134% (page 15 of the paper). The paper continues (page 18):

While course costs have increased for all students ... disadvantaged students accrue higher fees/debts on average compared to their non-disadvantaged counterparts, particularly Indigenous and low socio-economic status students ... In 2015 the average annual tuition fee for Indigenous students was \$19,977 compared to only \$14,328 for non-Indigenous students

(a difference of \$5,649 per year) ... [and] the average annual tuition fee for low socio-economic status students was \$16,193 compared to only \$12,835 for high socio-economic status students (a difference of \$3,358 per year).

Completion rates are also horrifically low: less than one-third for “internal” (face-to-face) courses, and only seven percent for “external” (online) courses (page 20).

To make the situation even more scandalous, [a number of the private colleges have collapsed](#), leaving [thousands of students stranded](#).

VET enters the political debate

So it is not surprising that VET has entered the political debate. In [his “Budget Reply” speech](#) on 4 May, Opposition Leader Bill Shorten listed vocational education as one of the four key areas that Labor would improve on if elected. Declaring that “Labor will make training and skills a national priority” and that “the pendulum has swung too far to private providers”, he committed to “backing public TAFE” and “restor[ing] integrity to the training system, by cleaning out the dodgy private colleges who have been ripping Australians off for too long.”

As the CEO of [Community Colleges Australia](#), the national peak body representing not-for-profit community-based education and training providers, I welcome this renewed commitment to increase TAFE. The decline in TAFE – on both a national and state level, across all political parties – has been a disaster for Australian training (and a boon for a number of private institutions).

In a [recent ABC Radio National interview](#), former Education Minister (and HECS architect) John Dawkins notes that there is a basic difference between university loans and VET loans: “It’s a very different animal when you’ve got the universities on one hand, who are statutory corporations with high levels of integrity, financial and every other kind of integrity,” and the VET system, “where the regulatory regime is different”, enabling access by “some of the fringe dwellers within the vocational education system.”

The vitality and importance of community education

One key factor has been ignored in these national headlines on VET FEE-HELP scandals and TAFE funding: Australia’s VET system has three pillars: public (TAFE), private for-profit and not-for-profit community. Despite years of neglect, haphazard funding and private for-profit competition since the [2008 Ministerial Statement on Ministerial Declaration on Adult and Community Education](#), community education remains a vital part of Australian vocational education. According to [2015 data from the National Centre for Vocational Education and Research \(NCVER\)](#), five percent of vocational education is still delivered nationally by community providers (down from more than seven percent a couple of years before); the figure is even higher in Victoria, where almost ten percent of VET is delivered by community-owned providers.

And these figures hide the real social and economic significance of community education in Australian VET, because the community provider delivery in regional and rural Australia – particularly in Victoria (outside metro Melbourne) and New South Wales (outside metro Sydney) – can be double that amount. The [Regional Australian Institute confirms that](#) vocational education and training is proportionately more important in regions than in capital

cities, because of the nature of the economies, the job skills required, lack of easy access to university education and lower overall educational attainment.

Reinvigorating community education

As Australia enters an era of seeking innovative approaches to skills and economic development, the community-owned and operated education sector remains one of our most valuable resources. The sector brings efficiency, value for money, accessibility, [an ethical approach](#), flexibility, responsiveness to community needs, strong [community connections](#) and diversity. These factors all combine to produce the community sector's outstanding ability to deliver VET, through a number of locations where neither public (TAFE) nor especially private providers are – or wish to be – active.

So my message to the politicians of all political persuasions is this: reinvigorating the community education providers and building on their capacity, can and will be one of the most cost-effective VET policy initiatives you can implement.

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