

# SUBMISSION ON EXPERT REVIEW OF AUSTRALIA'S VOCATIONAL EDUCATION AND TRAINING SYSTEM

25/01/2019

## INTRODUCTION

Universities Australia (UA) welcomes the opportunity to comment on the current expert review of Australia's Vocational Education and Training (VET) system. UA recognises the importance of a robust, reputable VET system for Australia's future. VET offers training and practical skills that equip Australian's for immediate entry into the workforce. Higher education offers students the academic, analytical and technical skills required for long-term professional and academic careers. Both are critical to Australia's economic and social wellbeing.

UA is the university peak body of Australia's universities and therefore has expertise on matters relating to higher education. This submission will not focus on proposing VET solutions but is intended to raise considerations relevant to ensuring Australia's tertiary education system remains world-class, with higher education and VET making complementary contributions.

## BASIC POLICY PRINCIPLES FOR VET AND HIGHER EDUCATION SYSTEMS

VET has been subject to significant pressures following many years of unsuccessful policy experiments, such as VET FEE-HELP (VFH). VET has also been subject to funding cuts – especially at the State/Territory level – and a range of poorly implemented efforts to increase 'contestability' between public and private providers. This has tended to damage the funding of public providers and their capacity to deliver training, especially in the regions and other less advantaged areas. It has also damaged their capacity to fulfil broader community engagement functions that are not well supported in a supposedly market-based system.

It is therefore sensible that Government is actively considering improvements to VET funding and policy. Australia's VET and higher education sectors deserve sensible policy settings to enable education providers to do what they do best. Both educational systems should, among other things, be underpinned by:

- Stable governance and regulatory settings which consider the public benefits that TAFEs and universities offer in their capacity as longstanding not-for-profit entities.
- Policy settings that acknowledge the unique characteristics and drivers of the two sectors and diverse range of providers that operate within each sector. These settings should similarly be flexible enough for TAFEs and universities to adapt and innovative in order to meet the needs of their students, industry and professions.
- Funding arrangements that are predictable and position both sectors to be world-leaders.
- Good, readily accessible information to enable informed choices by students.

## LESSONS FROM THE PAST

The VFH experiment resulted in well documented adverse consequences for students, the VET sector and the Commonwealth's reputation. It is unfortunate – and unfair – that entirely legitimate concerns arising from the VFH debacle have tended to influence thinking about HELP more broadly.

The [ANAO's Report to Government](#) on the performance of the scheme provides a comprehensive list of considerations for future policy makers. It is important to reflect on some of the key lessons.

The importance of policy settings that consider the unique characteristics and purpose of each sector cannot be overstated. The significant differences between the VET and higher education sectors (for example, units of competency vs unit of study, volume of learning, pre-requisites, practical vs theoretical applications, student motivations etc) must always be considered to avoid a repeat of the difficulties of the VFH experiment. Further, any recommendations to significantly change the current policy and funding models of the VET sector should be approached with caution, especially given the short consultation period.

Expertise on the VET sector largely lies with the States and with industry. This should be considered when discussing the appropriate jurisdictional responsibility for the VET sector and the role Commonwealth should play in determining VET policy and funding.

## RISKS WITH RADICAL CHANGES

There has been recent public commentary on jurisdictional responsibility for the entire tertiary sector, removal of distinctions between public and private providers, the availability of income contingent loans schemes and other key matters of funding and policy. There have also been public proposals for a more closely integrated tertiary sector. UA questions whether these discussions have been sufficiently informed using evidence.

Current and historical VET sector problems – inadequate funding, poorly designed policy and obsolete approaches within the sector – can only be fixed by improvements to VET funding and policy.

### **Recommendation**

UA recommends that Government improve funding and policy settings for VET after careful consideration of the unique characteristics and purpose of the VET sector. In doing so, Government must actively ensure it does not harm the funding or policy settings for Australia's successful higher education sector.