

'Fallacy': TAFEs reject reform focus

Robert Bolton - Higher Education Editor
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The government-owned TAFE sector has accused the Productivity Commission of relying on market solutions to solve the problems of the training industry when there were "abundant lessons" the market did not have all the answers.

The Productivity Commission's interim report on the vocational training sector was published on Friday and proposes reform of minimum wages, fees and subsidies and greater transparency for students and training providers.

Options proposed by the commission included changing awards and minimum wages to make apprenticeships easier to access.

"We are waiting for the full report [in November] but we're waiting to see what lessons the commission has drawn from the marketisation of training in some states and the debacle in student fees," said TAFE Directors Australia chief executive Craig Robertson.

TAFEs in three states were subject to inquiries after attempts to put them on a more commercial footing led to failures over how money was being spent. From 2009, VET Fee Help cost billions of dollars and hit the reputation of the sector when private companies rorted the system.

Among options proposed by the commission were changes to awards and minimum wages to make apprenticeships easier to access, a single level of subsidies for courses, an expanded system of student loans and greater transparency.

Mr Robertson said the commission seemed to think transparency alone would be enough to ensure better training outcomes, but that was "a fallacy".

"Students are not in a good position to make choices about what industry to work in or what to study. Being transparent about fees and subsidies does not mean students will select the right course for themselves."

Mr Robertson said it was good the Productivity Commission thought income-contingent loans should be expanded. Students doing low-level courses and some high-end diplomas are not entitled to apply for loans, whereas all undergraduate university students are entitled to apply for aid.

Independent training organisations said the report showed the newly created national skills commissioner would be critical to getting the sector on its feet.

The role of skills commissioner, with the job of providing data on skill shortages, was created after last year's review of the VET sector by former New Zealand tertiary education minister Steven Joyce.

The Productivity Commission said on Friday that this role could be expanded to take responsibility for subsidies paid to providers.

The chief executive of the Independent Tertiary Education Council Australia, Troy Williams, said a single consistent set of course subsidies, with loadings to compensate for higher delivery costs in some states or to certain student groups, was a good idea.

But he cautioned differences between the states and territories were one of the main reasons skill level targets in Australia were not being met.

Training industry expert Claire Field said it was good to see proposals for reform of student loans because the Commonwealth had control over these. But it would be harder to reform subsidies – another of the recommendations – because these were controlled by the states.

She said the commission had shown a possible solution: let the national skills commissioner set a nationally consistent methodology for calculating subsidies and allow the states and territories to implement the approach according to local needs.

Reform of training would result in more money being pumped into training because that was how the federal government would get the states to sign up to change, Ms Field said.

Ends.