

**Submission
No 250**

**INQUIRY INTO VOCATIONAL EDUCATION AND
TRAINING IN NEW SOUTH WALES**

Organisation: Yfoundations

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Yfoundations Submission

Inquiry into vocational education and training in NSW

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Summary

Youth Specialist Homelessness Services (YSHSs) have a perspective on VET that is extensive, long-term and concerned for the practical outcomes of the education for young people. Both research and this on-the-ground experience clearly indicate that a strong TAFE system is critical in addressing disadvantage such as youth homelessness. TAFE is valued by the YSHS because it provides:

- Reliably high-quality education
- Significant supports, such as counselling, child-care and career advice
- 'Second chance' education
- Regional access to education

All of which contribute to producing good outcome from the education and training for disadvantaged young people.

There is also a role for Private Registered Training Organisations (RTOs) where they are engaged with services to address disadvantage. However, Private RTOs that promote low-quality courses to the vulnerable can have a detrimental effect.

Reforms to implement a competitive training market are damaging the VET sector's ability to address disadvantage. New policies that recognise and support TAFE's role in addressing disadvantage are required to ensure TAFE continues to be able to engage homeless young people. Policies (such as registration requirements for endorsement by, and to have collaboration with, local service providers) are also needed to encourage community embedded Private RTOs and to discourage practices that disadvantage the vulnerable.

About Yfoundations

Yfoundations is the NSW peak body for the Youth Specialist Homelessness Services (YSHS) sector. Our mission is to create a future without youth homelessness. The organisation represents young people at risk of or experiencing homelessness as well as the services who provide direct support to them. Our board of management is primarily comprised of managers of YSHS in NSW.

Yfoundations provides advocacy and policy responses on issues relevant to service providers and community members affected by homelessness. Our vision is to ensure that all young people have access to appropriate and permanent housing options that reflects their individual need.

Yfoundations has identified five foundations as integral to the process of ending youth homelessness. The foundations are:

- Home and Place
- Safety and Stability
- Health and Wellness
- Connections
- Education and Employment.

More information about these foundations is available on the Yfoundations' website: <http://yfoundations.org.au/explore-and-learn/publications/the-foundations/>. Our interest in this inquiry relates to the importance of the Vocational Education and Training (VET) sector in ensuring that young people who are experiencing or at risk of homelessness have access to education and employment.

Introduction

Yfoundations is in a unique position to comment on VET. The importance of education leading to employment for young people experiencing homelessness is clear, and as a result vocational education forms a part of many of the young people's case plans. This means that Yfoundations' members, the YSHS, collectively see thousands of young people undertake vocational education each year. All these organisations have a strong interest in this education resulting in employment and independence outcomes. In addition, their contact with the young people they assist is often long term, and even after this assistance has ceased many clients will 'check in' with the workers who helped them.

Thus the YSHS sector has a perspective on VET that is extensive, long-term and concerned for the practical outcomes of the education for disadvantaged young people both in terms of workplace skills and personal development to become independent. Yfoundations has consulted with the sector and this submission presents the insights of this perspective.

It should be noted that the perspective of the YSHS sector is focused on disadvantage. So this submission is largely addressing the terms of reference 1(d) and to a lesser extent 1(b)(iv).

Experience with VET in the YSHS Sector

In the 2012-13 reporting year specialist homelessness services in NSW assisted just over 10,000 young people aged 18 to 25.¹ Research indicates that around two thirds of those young people would have completed some form of educational or training qualification, and that the support of services is likely responsible for the proportion being this high.² This means that the YSHS sector assists thousands of young people each year who are engaging with VET.

¹ AIHW Specialist Homelessness Services (SHS) collection data cubes, <http://www.aihw.gov.au/shs/data-cubes/>

² Paul Flatau, Monica Thielking, David MacKenzie, Adam Steen, Alicia Bauskis and Kathleen Nolan, *The Costs of Youth Homelessness in Australia Study: Snapshot Report 1*, Swinburne University of Technology, 2015, http://www.csi.edu.au/media/uploads/UWA_Cost_of_Youth_Homelessness_2.pdf

Consultation with the YSHS sector shows nearly universal engagement of TAFEs as education providers, and more than half use TAFE exclusively. The attitudes of the sector to TAFEs and Private Registered Training Organisations (RTOs) are very different. TAFEs are in general regarded favourably, being seen as providing reliably high-quality education. TAFEs are also well regarded for having a number of support services that are critical to disadvantaged young people, such as counselling, child-care, and career advisors. More ambivalently, TAFEs are often seen as having inflexible requirements. This can be a positive factor as part of young person's development towards independence is dependent on firm structures and involves learning to meet requirements. However, in the case of the most highly disadvantaged young people these requirements may be unrealistic and more flexible approaches are often required. There was some evidence of TAFEs being able to take more flexible and innovative approaches, often due to individual TAFE staff taking an especially proactive role in student support.

Attitudes to private RTOs are more complex. Some YSHSs have good relations with particular private RTOs that are regarded very highly. These Private RTOs are usually engaged with the community, showing a commitment to addressing disadvantage and working with services such as YSHSs to improve their practice in regards to student support. These organisations are able to operate flexibly with YSHSs to deliver innovative education programs. However, many YSHSs expressed frustration at Private RTOs offering low quality and/or irrelevant courses. Many in the sector related their experience of courses where the young people were given qualifications despite little attendance or skill acquisition. The sector was also very critical of the practice of 'bribing' young people to enrol in courses by offering Tablet computers or other incentives. Many felt that disadvantaged youth were being especially targeted for such practices. Experiences like these probably partly explain why more than half of the YSHSs consulted do not engage Private RTOs for their young people. (Also, worth noting is that for YSHSs in some regional areas there is no Private RTO option.)

In general the impression of the sector is that innovative flexible approaches to supporting disadvantaged young people are present in both TAFEs and Private RTOs, but are a minority phenomena in both. The main difference between TAFEs and Private RTOs was that TAFEs provided reliably high-quality education with significant support, whereas Private RTOs were much less reliable; some being excellent and others significantly substandard.

It is interesting to note that these perceptions align with recent research on the efficiency of contracting out publically funded VET. It has been noted that "public provision of publically

funded training is less subject to pressures to diminish quality”, but that there are “some benefits in private provision in terms of greater flexibility”.³

The Effects of a Competitive Training Market

There are concerns in the YSHS sector that recent reforms and funding cuts in the VET sector may have a detrimental effect on TAFEs and make the sector less able to play a critical role in combatting disadvantage. These concerns are based on an understanding of the importance of education in addressing homelessness, and on the YSHS sector’s dependence on TAFEs and negative experiences with many (but not all) Private RTOs.

These understandings from on-the-ground experience accord with research in to these issues. The employment that provides income to obtain and maintain a home is made much more achievable with education. Research comparing job seeker numbers with job vacancies data indicates that for each low-skill job there are around five job seekers, this is in contrast to higher skilled work where the ratio is more like 1-2 job seekers per job.⁴ So it is clear that education provides a critical advantage.

Likewise the strong role of TAFEs in providing education to the disadvantage is reflected in research.⁵ When looking at a number of aspects of disadvantage (e.g. regional, disability, socioeconomic) it is clear that the VET sector reaches disadvantaged groups far better than, for example, the Higher Education sector. It is also clear that within the VET sector TAFEs on average provide for these groups proportionally more than the Private RTOs. And the very positive experiences of some YSHS with particular Private RTOs indicates that there are many Private RTOs performing very poorly in this regard to bring down the average of this part of the VET sector.

³ Phillip Toner, “Contracting out publically funded vocational education: A transaction cost critique”, *The Economic and Labour Relations Review*, 2014, 25(2), 222-239.

⁴ Christopher Stone, *Doing Less With Less*, Centre for Policy Development, 2013, <https://cpd.org.au/2013/05/doing-less-with-less/>.

⁵ Christopher Stone, *Valuing Skills: Why Vocational Training Matters*, Centre for Policy Development, 2012, <http://cpd.org.au/2012/11/valuing-skills/>.

Increased contestability in VET seems to be driving a rapid increase in Private RTOs. Such rapid growth is unlikely to be creating the sort of community embedded Private RTOs that have been found by the YSHS sector to be best at engaging disadvantaged young people. It instead seems to be creating more of the sorts of organisations that promote low-quality courses to the vulnerable. At the same time TAFE enrolments stagnate or decrease, and the Private RTO growth is greatest in courses and regions where the highest profits are possible, leaving the more expensive courses to be run by TAFE.⁶ This is in effect a funding cut, and it compounds on decreases in government spending on the sector.⁷ The result has been closure of regional campuses and the shutting down of 'second chance' education programs; undermining TAFE's ability to address disadvantage.

The effects of a competitive training market have been negative for some of the most vulnerable in our communities, homeless young people. However, this is not to say that the YSHS sector would advocate for TAFE being the only provider. As mentioned, there are examples of Private RTOs that have engaged very well with young people experiencing homelessness. What is needed to best address youth homelessness is a strong TAFE providing the backbone of educational support, supplemented by Private RTOs with particular strengths such as engagement with the community in addressing disadvantage. TAFEs should be sufficiently resourced to continue to provide regional campuses, 'second chance' education, and additional support services such as counselling and child-care. The ability to be flexible and innovative in particular targeted programs in collaboration with services for the disadvantaged should be encouraged in both TAFEs and Private RTOs.

Current reforms do not seem to be creating such an environment and there needs to be investigation of policy that may be able to move towards this. For example, part of the registration process for training organisations might require endorsements from local community services and a history or an endorsed plan of working with community services sectors such as the YSHS sector.

⁶ Ibid

⁷ Community Services & Health Industry Skills Council, *2015 Environmental Scan – Building a Healthy Future: Skills, Planning and Enterprise*, 2015.