

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

Organisation: Marrickville Multicultural Interagency (MMIA)
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The Marrickville Multicultural Interagency (MMIA) welcomes the opportunity to submit to the Inquiry into vocational education and training in NSW as we have a particular commitment to supporting post compulsory vocational education that provides opportunities for people from Culturally and Linguistically Diverse (CALD) backgrounds to increase their engagement with further education, employment and the wider community. We believe a fully functioning publicly funded TAFE system is integral to this process. Furthermore TAFE has been crucial to MMIA's role of working in partnership to address issues of community need and in responding to immediate and emerging issues by providing tailor made educational provision.

MMIA is an independent network of government and non-government service providers, organisations and community members working with and supporting people from CALD communities in the Marrickville LGA in NSW. The Marrickville Multicultural Interagency is committed to implementing the Principles of Multiculturalism as they pertain to the Marrickville LGA. MMIA is committed to social justice issues and providing support and action for local CALD communities.

Motivation to study

From our long experience of working closely with CALD communities and individuals from CALD backgrounds the most pressing and consistent motivation people express for seeking information about and enrolling in a vocational course of study is to get knowledge and skills in order to secure employment. This may be a series of courses starting from entry level to higher qualifications or may be enrolling directly into a Certificate III, IV or Diploma courses and depends upon the person's English skills, confidence and existing skills. Where this situation varies is if people have been offered courses well above their capability and given promises of a quick qualification, a job and other incentives (free laptop/ipad) as sadly has been the case with the increase of unscrupulous private providers operating in the local government area.

Location and method of study

TAFE campuses are closing all over the state and we have heard reports that our local college Petersham is likely to close. This will be a great loss to the inner west. Most CALD clients express a desire to study locally. They also prefer face to face tuition so they can improve their English language skills, receive direct support from teachers and use facilities including TAFE counsellors, disability consultants and libraries.

Barriers to participation in vocational education

The main barrier people experience is increasing fees and this has been an issue over the past decade and become particularly problematic since the introduction of Smart and Skilled with its incredibly high fees and very stringent eligibility criteria for entitlements, concessions and exemptions. This has locked out many people from CALD communities from being able to study.

In the case of access courses these were, before Smart and Skilled, fee exempt and were effective entry-level qualifications to Certificate III, IV, diplomas and university. They catered for the most disadvantaged in CALD communities, including people in insecure housing, the unemployed, the working poor, women affected by domestic violence, mature unemployed, people needing to retrain to gain work, social isolation and people with a range of barriers to accessing vocational education and training. Access courses offered opportunities for people to study and removed the one major barrier of fees.

Under Smart and Skilled students who are on a Centrelink benefit pay a concession fee. This amounts to \$80 for an access course, \$160 for a Certificate II, \$240 for a Certificate III and IV (from *Smart and Skilled 2015 Prices, fees and subsidies*, Department of Education and Communities, 2014). Our concern is that people who are on Centrelink benefits can hardly afford to live let alone pay for training and this has become particularly problematic since 1 July 2015 as the new employment providers, Job Active, have not been paying education and training fees for their clients. The NSW Government's newly introduced Fee-Free Scholarships for people who are entitled to a concession rule out those above the age of 30, a significant percentage of our local government area (LGA). Fees are a major barrier for benefit holders to progress to study and paid work as John Falzon, CEO of St Vinnies, points out below:

"You've got an unemployment benefit that has not been lifted in real terms since 1994 - so low that it has become a barrier to employment participation.

This is no way to help people into the workforce. You don't help someone get a job by forcing them into poverty. You don't build people up by putting them down, and that's what this allowance does." (PM, ABC Radio, November, 2012)

Unemployed people who have been registered with a Job Active for over six months have to participate in Work for Dole. The minimum hours for those under 30yrs is 25 hours per week and for those aged 30 - 49 are required to take part 15 hours per week. This leaves very little scope for education and training outside of these hours, particularly for the younger aged group.

Since Smart and Skilled was announced many of the TAFE sections that offered access programs (TAFE Outreach, Foundation Skills and Multicultural Education) have been deleted or greatly reduced in size and very effective staff with years of quality experience made redundant. This loss represents a major deficit in provision of access courses and intellectual capital across New South Wales resulting in a major loss for CALD and other disadvantaged communities.

A huge barrier to CALD individuals is the Smart and Skilled ruling that people with overseas qualifications at certificate IV level or above are not eligible for a subsidised fee for access courses or certificate III. This is the case regardless of whether or not their qualification is recognised in Australia, if they have English language and literacy needs, require the confidence and local skills or whether or not they have worked in the field of their overseas qualification. Currently there is no mechanism by which people with overseas qualifications can have these assessed in NSW.

Excessive Vet Fee Help debts are also a deterrent to people enrolling as are barriers such as a lack of and the cost of childcare and other caring responsibilities.

An additional barrier students have reported is of a bureaucratic nature, with students having to get a USI (Unique Student Identifier - a federal government requirement), provide proof of their Centrelink benefit and/or in the case of a person with disability a letter from a

GP or psychologist proving their disability. Additionally people with a disability who are not on a DSP (Disability Support Pension) have to meet with a TAFE Disability Consultant who signs their exemption form. Before Smart and Skilled was introduced there was a relatively simple enrolment process.

Public versus Private and Industry

MMIA believes that a fully functioning publicly funded TAFE system is integral to meeting the vocational education and training needs of the community. The massive decrease in the funding of TAFE over the past decade has reduced the capacity for TAFE to cater to the needs of CALD communities and people experiencing barriers to participation. Prior to Smart and Skilled this occurred due to ill-conceived contestable funding agendas which had negative consequences on people throughout the state who incurred considerable debt and for those who completed qualifications found them to be not recognized by many employers.

Since the announcement of Smart and Skilled TAFE Management's response to the resulting greatly reduced budget has been to close campuses, delete whole vocational sections, centralise courses in large colleges and delete many access and equity programs. Over the past decade TAFE has also introduced degrees that we believe are not TAFE core business. Unlike university degrees they are not government subsidized and instead priced on a cost recovery basis resulting in degrees costing students more than twice the cost of a commensurate degree at a recognised university. We believe that TAFE be a pathway to university for those wishing to study beyond Diploma or Advanced Diploma qualifications.

Linkages with schools

In 2015 there has been a decline in the number of school students participating in TAFE studies due to Smart and Skilled eligibility:

"To be eligible to be subsidised to undertake a Smart and Skilled program, an individual must ... For example to be eligible to enrol in an Entitlement Full Qualification, a student must be 15 years or over, live or work in NSW and have left school. The student must then meet the eligibility criteria for that program – that they do not hold a Certificate IV or higher." (*Smart and Skilled Fee Administration Policies, Version 1.2*, Department of Education and Communities, May 2015).

This policy effectively locks students out of TAFE unless they have totally disengaged from school. This is major barrier to students who wish to co-enrol in TAFE to complete preparatory vocational study in a trade, employability skills or other area and particularly affects young people who are kinaesthetic learners. Young CALD students who do fit the above Smart and Skilled requirements need to pay fees as generally they are not in receipt of Centrelink benefits and thus not eligible for a concession or Fee-Free Scholarship, an additional barrier to gaining vocational skills, qualifications and securing a trade.

Co-enrolling school students in Year 9 and 10 in TAFE would help address the issue of work readiness recently reported in the The Australian Financial Review that school leavers are not ready to get a trade in electrotechnology:

"A key industry body employing electrical apprentices says that school leaver quality is not high enough to train young people in electrotechnology without catch up courses. Suresh Manickam, CEO of the National Electrical and Communications Association, said the lack of improvement in high school NAPLAN results, revealed in new figures published on Wednesday, underlined the problem facing employers. "The quality of

school leavers is not where it should be," he said." (Tim Dodd, *School leavers lack sparkie potential*, The Australian Financial Review, 6 August 2015)

Development of skills in the economy

TAFE is crucial to the development of skills in our economy and in our local communities, and is the first point of call for most people in our LGA wanting to develop skills for further education and employment. For many of our residents it is difficult to access mainstream education, they need access courses that provide specialist support as they gain the confidence, strategies and skills to move on to higher qualifications. Those residents who wish to study Certificate III or higher courses face strict eligibility criteria and very high fees, generally locking them out of education.

Development of opportunities for unemployed people and mature workers biii

MMIA members have worked in close partnership with the TAFE Multicultural and Outreach sections over several decades and this has resulted in a great increase in individual and community capacity resulting in CALD students progressing to mainstream TAFE courses and employment. The Multicultural Education Coordinator positions have now been deleted in Sydney TAFE. TAFE Outreach and counsellors have attempted to fill this gap but the high fees and stringent eligibility criteria mean they are facing an uphill battle resulting in many mature workers and skilled migrants being unable to access education and training.

These barriers need to be dismantled so TAFE and community workers can assist people from CALD backgrounds to retrain in order to have the complex skills needed by employers in 2015 and beyond.

The effects of a competitive training market and Smart and Skilled

There has been much in the media about the closure of TAFE campuses and huge drops in enrolments across vocational education. We believe this is a direct result of the imposed competitive training market **AND** Smart and Skilled. As data is released reports such as the following are becoming more common:

"Certificate III enrolments plummeted by 18,073 students this year.

The state government's controversial TAFE reforms have driven away more than 30,000 students this year and at least 2500 TAFE staff have lost their jobs since 2012, the budget papers reveal.

TAFE enrolments have been significantly declining since 2012, the papers show, with overall student numbers plummeting by more than 83,000 in just three years. The number of Aboriginal students and students with a disability have also dropped."

(Smith, A and Needham, K. *NSW state budget 2015: TAFE reforms hit students hard*, Sydney Morning Herald, 23 June, 2015)

The great shame about the drop in Certificate III enrolments is that these qualifications lead directly to employment. These courses include all trades and apprenticeships, hospitality, business administration and retail training, all skill shortage areas.

MMIA is concerned that at a time when education and training is vital for a strong economy and many industries need skilled workers the state government has reduced funding, imposed/greatly increased fees, restricted eligibility to "subsidised" qualifications and allowed fees for Diplomas to be incredibly high.

The Minister for Skills, John Barilaro, has stated this year that enrolments in diplomas were expected to rise by 10,000 in 2015 implying this increase in higher level qualifications is a direct result of industry demand and government investment in qualifications that directly leads to jobs. We know from working with clients that this is not the case. Diplomas have been forced on people from CALD backgrounds who aren't eligible for lower level training subsidies as well as the unscrupulous practice of some for profit providers pushing Diploma level training as it attracts Vet Fee Help.

Alternatives to Smart and Skilled

We believe that there is a good alternative to Smart and Skilled.

As outlined in a communique from the recent COAG meetings:

“A better trained workforce is essential to grow our economy and create jobs but there is a misalignment between the jobs we train people for and the jobs business needs doing. We must reform the vocational education and training sector so that training helps young people get jobs when they finish, as well as providing real pathways for older workers to transition between careers. Leaders committed to change that will see a more demand driven system, greater engagement with business about their skills needs to deal with emerging industries and new ways to help support students.” (Communique, COAG, 2015)

In this Communique government leaders “agreed to consider a shift in responsibility for VET to the Commonwealth provided States and Territories could elect to remain TAFE providers within a national system.” While we believe that VET needs to be reformed (away from the restrictive Smart and Skilled model) we are not confident that this change of moving VET to the Commonwealth will improve accessibility for people in NSW and opportunities for people from CALD backgrounds to commence training. The change we believe will make a difference is the dismantling of barriers.

In particular the following needs to happen:

- Reduce TAFE fees for all courses so they are more affordable for all members of the community
- Reinstate course fee exemptions for access courses
- Enable CALD students with higher qualifications gained in their country of origin to enrol in courses commensurate to their learning needs and employment goals without having to pay exorbitant fees (this is a major stumbling block and must be addressed by the state government)
- Grant Centrelink recipients fee exemptions (this includes people who are in receipt of Family Tax Benefit A)
- Grant fee exemptions to people on low incomes