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TAFE organisation and funding in NSW: past and present

by John Wilkinson

1. INTRODUCTION

Technical and further education (TAFE) is important for the development of an economy. Hector Sala and Jose Silva, in their 2011 research paper *Labour Productivity and Vocational Training: Evidence from Europe*, write that:

the more dynamic is the technological pace of an economy, the more human capital is required relative to physical capital. . . Our central finding is that 1 extra hour of vocational training per employee. . . generates 0.55 additional percentage points of productivity growth.¹

In the particular case of Australia, Innes Willox (chief executive of the Australian Industry Group) has written that TAFE institutes “are more than the sum of their courses – they are an important part of our economic. . . infrastructure.”² The Centre for the Economics of Education and Training (CEET), based at Monash University, estimated that:

In the 10 year period from 2006 to 2016 a total of four million people will need to acquire higher education or vocational education and training qualifications to meet expected skill needs arising from employment growth, retirements and skill deepening. . . primarily due to an overall rise in the level of skill and qualifications within occupations. . . Of the four million. . . 2.474 million will be vocational education and training qualifications. . . That is, on average, each year there will be a need for. . . 247,000 vocational education and training completions. . .³

The introduction of the new *Smart and Skilled* policy has elicited a considerable degree of commentary about the nature of training delivery in the years to come, and about the changes to the fee structure that the new approach will introduce.⁴ At the heart of the debate over the new policy is the evolving change in delivery mode for technical and further education. In the second half of the twentieth century, post-school non-university education was delivered by the public sector. By the end of the first decade of the twenty-first century, delivery has increasingly become the province of commercial providers. This has occurred in the context of an overall change in the provision of a number of government services.

This e-brief not only sets out to illustrate the role that post-school/non-university education occupies, but highlights the decisions that have set in motion the recent changes. It also looks at the development of funding for technical and further education.

2. SKILLS AND THE ROLE OF TAFE

2.1 The Nature of a Skill at TAFE Level

According to Gerald Burke and Chandra Shah, “A skill is an ability to conduct a productive task at a certain level of competence.”⁵ Analysis of skills, and classification of skill levels, has been undertaken since the 1920s by the International Conference of Labour Statisticians meeting under the auspices of the International Labour Organisation (ILO). The nature of a substantial number of skills at TAFE Level tend to correspond to Skill Level 2 of the International Standard Classification of Occupations (ISCO – first produced by the ILO in 1958). The latest edition of the ISCO states that:

The knowledge and skills required for competent performance at Skill Level 2 are generally obtained through completion of the first stage of secondary education. . .Some occupations require the completion of the second stage of secondary education. . .Some occupations require completion of vocation-specific education undertaken after completion of secondary education. . .⁶

In Australia the correspondence of skill levels to qualifications is codified in the Australian and New Zealand Standard Classification of Occupations (ANZSCO). ANZSCO assigns qualifications to one of 5 skill levels:

Skill Levels by Commensurate Qualification: Australia and New Zealand Standard Classification of Occupations (ANZSCO)⁷

Skill Level	Commensurate Qualifications
1	Bachelor Degree or Higher Qualification
2	Advanced Diploma or Diploma
3	Certificate IV or III
4	Certificate II or III
5	Certificate I

ANZSCO, in turn, has constructed a classification of occupations according to skill level:

Occupations by Skill Levels: ANZSCO⁸

Occupation	Skill Level
Manager	1,2
Professional	1
Technicians and Trade Workers	2,3
Community and Personal Service Workers	2,3,4,5
Clerical and Administrative Workers	2,3,4,5
Sales Workers	2,3,4,5
Machinery Operators and Drivers	4
Labourers	4,5

2.2 The Role of TAFE in Education

Jennifer Gibb and her colleagues have described the role of TAFE as that of training:

the majority of Australian trade workers. Universities and HE [higher education] providers train most professionals. Managers, technicians and paraprofessionals are trained by both HE and [technical and further education]. . .⁹

Jennifer Gibb's observation is borne out by enrolment figures for the previous year. Around 35% are enrolments for Certificate III (apprenticeship level):

Advanced Diploma	31,200
Diploma	206,900
Certificate IV	316,000
Certificate III	657,200
Certificate II	281,100
Certificate I	101,000

The areas of training covered, in the different levels of attainment, were summarised by Rosalind Carter in 2013:

TAFE NSW offers over 1,200 courses including. . .vocational preparation programs in literacy and numeracy, a wide range of training for apprentices and trainees, professional programs in business, information technology and design, engineering, hospitality, health, community services, bio-medical sciences, nursing, building and construction and many more.¹¹

3. KEY FACTS AND FIGURES

3.1 Enrolments

Figures for the last five years show that enrolments in TAFE and other government providers (in Australia) were as follows:

2009	991,800
2010	1,028,200
2011	1,022,600
2012	1,048,700
2013	1,006,900

In New South Wales, enrolments in 2013 by provider type are indicated below:

TAFE	438,000
Other Government Providers	2,400
Community Education Providers	43,400
Other Providers	94,300

In 2011, 57% of students in government funded post-school/non-university education in NSW were enrolled for courses leading to Certificate I to Certificate III qualifications. 26% were enrolled in Certificate IV and above.¹⁴

3.2 Institutions

According to the website www.training.gov.au (a joint initiative of the federal and state governments), there are the following numbers of public and commercially operated training entities:

Australia: Public and Commercial Training Entities (2014) ¹⁵	
Public (TAFE Institutes)	59
Colleges within TAFE Institutes	1,079
Commercial	3,948

The broad extent of TAFE in New South Wales, in 2013, has been outlined by Rosalind Carter accordingly:

TAFE NSW consists of ten institutes in metropolitan and regional areas in NSW, collectively managing . . . [130] colleges. . . Large metropolitan colleges enrol between 8,000 and 10,000 students per year while smaller colleges may enrol only several hundred students each year.¹⁶

Around 10,000 teachers are employed either on a casual or full-time basis. There are approximately 1,000 commercially operated RTOs.¹⁷

3.3 Funding for TAFE in NSW

As set out by the National Council for Vocational Education Research (NCVER), the components of NSW operating revenues, for 2009 – 2013, were as follows:

Operating Revenues by Category for Government Training Departments (NSW): 2009 - 2013 ¹⁸					
	2009	2010	2011	2012	2013
State Government	\$996.1m	\$1.02bn	\$1.05bn	\$1.16bn	\$1.09bn
Federal Government	\$459.4m	\$506.4m	\$606m	\$544.4m	\$597.7m
Fee-For-Service	\$305m	\$341.7m	\$317.2m	\$301.3m	\$341.1m
Student Fees	\$75.1m	\$76.6m	\$75m	\$78.7m	\$83.5m
Ancillary Trading	\$64.9m	\$57.0m	\$61m	\$52.8m	\$50.3m
TOTAL	\$1.9bn	\$2.0bn	\$2.1bn	\$2.1bn	\$2.2bn

The state government also provides funding to commercial operators to deliver training. Between 2009/10 – 2013/14, the following sums were expended:

Government Funding to Commercial Providers of Training: NSW (2009/10 – 2013/14) ¹⁹	
2009-10	\$224.8m
2010-11	\$289m
2011-12	\$396m
2012-13	\$269.8m
2013-14	\$318.9m

3.4 Contrasting Views on Funding

A comparative picture across states has been presented in the following publications:

National Council for Vocational and Education Research, [*Australian Vocational Education and Training Statistics: Financial Information 2013*](#)

TAFE Directors Australia (2013), [*Maintaining a Commitment to Skills Funding and Meeting Australia's Skill Shortages*](#)

Gerald Burke, Peter Noonan, Sarah Pilcher and Andrew Wade, [*Expenditure on Education and Training in Australia*](#) (Mitchell Institute, Melbourne, 2014)

Peter Noonan, "[*VET Funding and the Role of TAFE*](#)", paper presented to the TAFE Directors Conference, Sydney, 1-2 September 2014

4. EARLY DEVELOPMENTS: NSW

Britain brought to Australia (along with other institutions) the British system of imparting trade skills. Masters took on apprentices who (at least during the 1800s) had to serve an apprenticeship of 7 years. At the beginning of the twentieth century, in NSW, apprentices were only a small proportion of all employed young men. Thorsten Stromback has written that, in 1906, "there were 2,130 apprentices and improvers. . . [comprising] only 20 per cent of all boys employed in factories."²⁰

During the second half of the 1800s education (to complement training received at work) began to be provided by technical colleges. By 1880 there were 79 technical colleges in NSW.²¹ In 1889 a technical education branch was established within the NSW department of public instruction. Three years later, the Sydney Technical College was established. Through the early decades of the twentieth century technical education grew steadily and then, with the expansion of Australian manufacturing, to support the 1939 -1945 war against Germany and Japan, accelerated through the increased demand for people with trade skills.²² By that time the length of time served in an apprenticeship was 5 years, and the arrangements for training have been described by Brian Knight as follows:

Apprentices typically spent a day a week at a technical college. . . [on an overall level] apprentices usually spent 80% of their time learning on the job and 20% undertaking formal training at a technical college.²³

In NSW, to meet the increased demand for training, the McKell and McGirr Governments increased expenditure on technical education by more than 200%: from £625,944 in 1940 to £2,174,612 in 1950. The McGirr Government (in the late 1940s) transformed the technical education branch into a separate department of technical education. By then the new department covered an enrolment of 65,000 students.²⁴

Between the late 1940s and the early 1970s, NSW enrolments in technical education accelerated: to over 200,000. National enrolments totalled nearly 600,000. By the late 1980s there were 107 technical colleges in the state.²⁵

Students, seeking post-school education, could also attain this through further education. W.F. Connell wrote that further education “was applied to. . .education offered by institutions, such as evening colleges, for individuals who had left school.”²⁶ Just as the British apprenticeship system has been re-established in Australia, so was the British approach to further education. W.F. Connell added that:

Evening colleges in New South Wales, which, in a changed form, had survived from the nineteenth century, began to become popular adult education centres in the 1940s. In the 1950s they expanded considerably. . .In 1960 there were forty-four evening colleges. . . [with] 33,000 [enrolments]. . .activities ranged. . .[from] stock-market activities. . .[to] the woodwork shop.²⁷

5. AUSTRALIAN POLICY LANDMARKS

5.1 Whitlam to Keating

In the first half of the 1970s the Whitlam Government established the Australian Committee on Technical and Further Education (ACOTAFE). Three significant policy innovations emerged from the report. Firstly (as recommended by the committee) technical education and further education became combined (institutionally) as technical and further education (TAFE). Secondly, Whitlam abolished fees for TAFE students (as he did for university students).²⁸ Thirdly, as also recommended, the federal government embarked on an expansion of funding for TAFE. Between 1975 and 1980, according to W.F. Connell, “federal government [specific purpose] grants to the states [for TAFE], at the estimated December 1980 cost levels, steadily increased from approximately \$100 million to \$173 million.”²⁹ The states still contributed most towards funding TAFE, but the federal contribution now amounted to around 20%.³⁰

The following Fraser Government supported, as Andrew Spauld has written, “the expansion of technical and further education.”³¹ With the increase in expenditure, both at a state and federal level (as mentioned earlier), enrolments correspondingly increased. In NSW, enrolments reached 325,000 in 1982 and increased to 402,000 by 1986.³² Robin Ryan has remarked that this was:

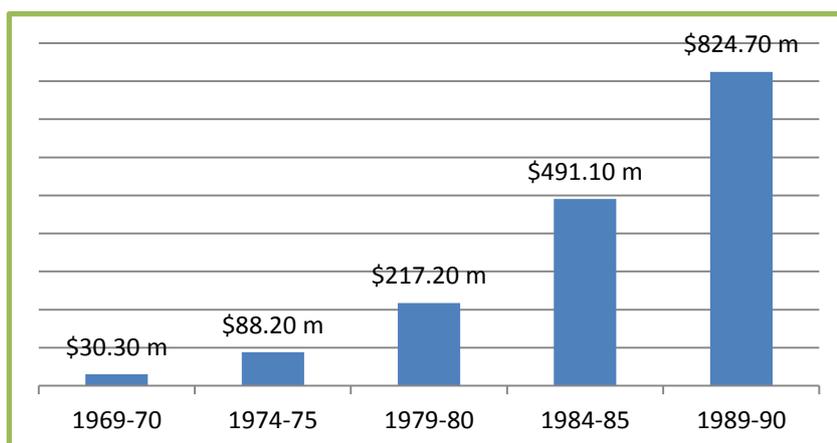
the Golden Age of TAFE, which occupied a 15 year period covering the Whitlam, Fraser, and the first two Hawke [Governments]. . .from 1973 to 1988 numbers enrolled in TAFE programs [Australia-wide] increased from an annual figure of 430,000 to 952,000. . .³³

In NSW, in particular, the management review (appointed by the NSW department of education) reported that by 1990:

TAFE in New South Wales has become by far the largest and most complex post-school educational institution in Australia.³⁴

Between the late 1960s and the late 1980s, there was an exponential increase in expenditure on TAFE as illustrated in the graph below:

Expenditure on TAFE NSW: 1969/70 – 1989/90 (in 1989-90 dollars)³⁵



Parallel with the expansion of technical education, skilled trades workers gained an enhanced capacity to bargain for higher wages. John Phillimore wrote that:

The . . . education and training . . . system was also strongly influenced by the industrial relations system. Apprenticeship training was . . . focused on single trade skills (protected by craft unions). . .³⁶

The Hawke Government (after gaining office in 1983) set out to constrain the capacity of trade unions to bargain for wage increases on the basis of skill: an objective to be realised through award restructuring. This, in turn, implied altering the alignment of TAFE in the position of the craft unions. Achieving this would be done by altering the nature of skill delivery: from skilled trade transmission (in conjunction with TAFE) to skill delivery on the basis of government and/or industry determined competencies (deliverable either by TAFE or by commercial operators). As Ann Kelly and Jean Searle remarked, “Central to the [Hawke Government’s] policy was the . . . replacement of ‘time-served’ apprenticeships with a competency-based approach.”³⁷

More broadly, the Hawke Government was focused on controlling expenditure. A manifestation of this policy was a reduction in the federal government’s contribution to technical and further education. This is indicated in the following table, contrasting NSW and federal funding:

NSW and Federal Funding of TAFE: (1985 – 1989)³⁸		
	NSW (Recurrent/Capital)	Federal (Recurrent/Capital)
1985	\$428.1m (76.9%)	\$98.9m (23.1%)
1986	\$456.6m (79%)	\$95.8m (21%)
1987	\$507.0m (77.8%)	\$112.6m (22.2%)
1988	\$563.4m (80.2%)	\$114.4m (19.8%)
1989	\$654.1m (84.8%)	\$99.4m (15.2%)

Eventually, in regard to technical and further education, as Tom Dumbrell has written, this stance of fiscal restraint would see federal governments withdraw “from some areas of direct [publicly provided] service provision” and move towards “contractual arrangements with [public or private] providers”.³⁹

To signify the advent of such an approach, Hawke redesignated (the hitherto publicly-provided) “technical and further education” as vocational education and training (VET): to consist of both publicly funded TAFE bodies and numerous commercial operators. In 1989, John Dawkins (Hawke’s Minister for Employment, Education and Training) convened a special meeting of the relevant state and territory ministers to initiate the process. A National Training Board (NTB) was subsequently established in April 1990. The NTB, together with industry, was given the task of developing a framework to classify competency standards (to be known as the Australian Standards Framework or ASF). The standards were to be prepared by 18 Industry Training Advisory Bodies (ITABs): organisations which included representatives from trade unions as well as from industry. ITABs were established at both a federal and state level.⁴⁰

The “contractual arrangements”, referred to by Tom Dumbrell, are termed the “purchaser/provider model.” In this arrangement, rather than the government directly delivering a public service, the government may contract with commercial operators to do so. In Australia this was heralded by the Hawke Government’s establishment of a training costs review committee (in May 1990), and by the committee’s subsequent report (delivered in early October 1990). The committee declared that it:

supports moves to create a more diverse market for training. . . containing a wider variety of providers. . .⁴¹

In late October 1990 the Hawke Government began to lay the groundwork for the changes that are taking place in the present day. According to Glenn Milne, writing in *The Australian*, “Federal cabinet has endorsed proposals to deregulate the technical and further education system, encouraging the private sector to compete for public training funds and lifting the ban on TAFE colleges charging fees.” Dawkins, in announcing the changes, made a fundamental statement on the future direction of policy:

The public training system needs. . .to. . .compete. . .with. . .private providers. TAFE must lose its monopoly position in respect of many aspects of training. . .⁴²

By the early 1990s, with a global recession creating an Australian unemployment rate of 11%,⁴³ the overriding concern of government became that of simply finding people employment. Outside of qualifications obtained at university, qualifications obtained through TAFE were the next best means of gaining employment, as indicated by the following table of figures:

Unemployment Rate by Educational Achievement Level (Australia): mid-1990s⁴⁴	
Higher Degree	3.1%
Postgraduate Diploma	3.8%
Bachelor’s Degree	3.6%
Undergraduate Diploma	4.6%
Associate Diploma	5.0%
Skilled Trade Qualification	6.1%
Basic Vocational Qualification	8.6%
Highest Level of School (Only)	8.9%
Without Completion Highest Level of School	12.5%

Not only was intermediate post-school education generally significant as a pathway to employment, but it was particularly significant as a means by which people from low socio-economic status (SES) could gain employment. Paul Foley, in his study *The Socio-Economic Status of Vocational Education and Training Students in Australia*, concluded (from examining the 2001 census statistics) that:

there is a strong relationship between VET participation and socio-economic status. VET participation rate is greatest in low socio-economic areas (12.7 students per 100 population), which is significantly higher than the national participation rate (10.8%).⁴⁵

In 1992 the Keating Government proceeded further towards the introduction of the “purchaser/provider” framework: establishing the committee of inquiry into national competition policy. The following year the committee issued its report in which it brought to the fore the term contestability, stating that in a situation:

where. . .[there is a] monopoly or the market is otherwise poorly contestable [where the conditions for effective competition are absent]. . . .The committee considers the primary response. . . should. . .[include] restructuring public monopolies. . .⁴⁶

The committee’s recommendations began the repositioning of government: from one directly providing services to the public, to one where it purchased services produced by commercial operatives.

In the same year that Keating established the inquiry into competition policy, he also inaugurated the Australian National Training Authority (ANTA) which, in 1994, took over the activities of the NTB. Simultaneously Keating also concluded, with the relevant state/territory ministers, a National Framework for the Recognition of Training (NFROT). NFROT provided for the national standardisation of TAFE/VET qualifications through an Australian Qualifications Framework (AQF) which formulated the certificate levels (I, II, III and IV), as well as the diploma and advanced diploma, for VET. NFROT additionally allowed for providers of Adult and Community Education (ACE) to offer vocational education and training. As described by John Fien and his colleagues, “the ANTA agreement. . . binds state VET systems to the national training framework.” At the same time, with the co-operation of state ministers, Keating introduced the Australian Vocational Training System (AVTS): founded on the adoption of competency based training throughout the training system. Federal funding arrangements were also altered through the Keating Government obtaining passage of the *Vocational Education and Training Fund Act 1992*. Under this legislation grants to the states, for VET, were now transmitted via ANTA.⁴⁷

5.2 Competition for Public VET Funding: Federal

The Howard Government, after gaining office in 1996, replaced the AVTS with the National Training Framework (NTF). The NTF contained provisions for the introduction of national training packages and for the launch of an Australian Recognition Framework (a set of standards to be used, Australia-wide, for evaluating registered training organisations or RTOs). Training packages, as Lisa Wheelahan observed, have become “the

mandated model of VET qualifications in Australia."⁴⁸ Hugh Guthrie wrote in 2009 that:

Training packages provide national competency based qualifications. There are currently 81 training packages with around 1,592 qualifications in total. Qualifications in training packages can be Certificate I, II, III, IV, diploma, advanced diploma. . .⁴⁹

In 2002 (with the agreement of the relevant state/territory ministers) the Howard Government introduced the Australian Quality Training Framework (AQTF): a set of nationally agreed quality assurance arrangements for services delivered by Australian training providers. The AQTF consisted of standards for RTOs as well as standards for state/territory accreditation bodies.⁵⁰ Three years later, the Howard Government abolished ANTA, replaced the NTF with the National Skills Framework and (at a national level) replaced the ITABs with 11 Industry Skills Councils (ISCs). The ISCs have a direct input into training packages. In 2011 they collectively affirmed to a Senate committee that:

The nationally endorsed qualifications and units of competency, developed and continuously maintained by the ISCs, cover 85 per cent of Australian jobs. In 2009 over 1.1 million students were enrolled in publicly funded training package qualifications. . .⁵¹

The inter-relationship between the ISCs and TAFE, in the case of New South Wales, has been outlined by Rosalind Carter and her colleagues as follows:

TAFE NSW consults with the peak industry bodies in the initial stages of developing courses. The training package is formulated from inputs provided by industry skills councils at a national level. When TAFE institutes seek to include a qualification. . .they are required to demonstrate industry consultation.⁵²

Between 1997 and 2004, the Howard Government increased the federal government component of revenue for technical and further education by about 3%:

Revenue from Government for Publicly Provided Vocational Education and Training (NSW/Commonwealth): 1997 – 2004 (approx.)⁵³		
	NSW (Recurrent/Capital)	Federal (Recurrent/Capital)
1997	\$928.5m (73%)	\$336.6m (27%)
1998	\$916.1m (72%)	\$355.1m (28%)
1999	\$893.5m (73%)	\$331.9m (27%)
2000	\$925.4m (74%)	\$325.7m (26%)
2001	\$872.7m (71%)	\$350.2m (29%)
2002	\$878.7m (71%)	\$365.9m (29%)
2003	\$918.2m (70%)	\$390.7m (30%)
2004	\$942.0m (70%)	\$395.8m (30%)

In the particular area of service delivery, the Howard government accelerated the introduction of a purchaser-provider framework by inaugurating a general application of the principle throughout government. As outlined by Kathy MacDermott:

in 1998, the Commonwealth Employment Service. . .[for example] was replaced as a provider of employment services by. . .the Jobs Network. . .The outsourcing of service delivery. . .pursued a purchaser/provider model, with DEWR (department of education and workplace relations) purchasing employment services. . .⁵⁴

In the mid-1990s, amongst students who were enrolled for post-school (but not university) qualifications, 82% were enrolled in TAFE colleges.⁵⁵ Competitive tendering for publicly funded VET was originally introduced in 1995 by ANTA while the Keating Government remained in office: \$21 million provided by the authority.⁵⁶ The Howard Government substantially expanded this type of funding through the policy of “User Choice” under which employers could nominate whether they wanted their apprentices to go to a government run training operation, or one conducted commercially.⁵⁷ As Damon Anderson and his colleagues have written:

In 1998 over \$240 million was paid for delivery to. . .[non-TAFE providers] such as private providers. . .for the year 2000 about \$440 million, or over 10 per cent of public VET funds, were to be contestable by public and private providers. . .⁵⁸

In 2007 the Rudd Government gained the agreement of the Council of Australian Governments (COAG) to a National Agreement for Skills and Workplace Development (NASWD). Rudd’s NASWD incorporated new federal arrangements for transmission of funds to the states. Gary Banks and his colleagues have written that:

In November 2008, COAG endorsed a new intergovernmental agreement on federal financial relations. . .This aimed to replace existing SPPs [specific purpose payments] with a small number of much less prescriptive transfers. . .This agreement ‘rolled up’ multiple SPPs into five broad SPPs covering schools, vocational education and training, disability services, healthcare and affordable housing. . .Each SPP was associated with a. . .[respective] national agreement. . .⁵⁹

The Rudd government also expanded the presence of commercial operators in service delivery. In the National Agreement for Skills and Workplace Development (NASWD), as summarised by Phillip Toner, “Australian governments agreed to make all public VET funding open to competition between public and private providers”. Section 25 of the NASWD declared that, “All parties commit to. . .[enabling] public providers to operate effectively in an environment of greater competition”. Rudd also established a new research and advice organisation: Skills Australia.⁶⁰

Public funding to commercial providers was further extended with the Rudd Government’s conclusion (via COAG) of the National Partnership Agreement on the Productivity Places Program (PPP). The 2008 PPP delivered funding to the states and territories to provide 712,000 additional training places for job seekers over a four-year period. In the case of NSW, \$670 million was made available, between 2008/09 and 2011/12, to enable 175,000 job seekers to gain qualifications. A key feature of the PPP was the delivery of public funds to commercial RTOs. As Andrew Norton pointed out, the “Productivity Places Program. . .[was] open to private providers to act as suppliers of publicly funded education places.”⁶¹ Tom Karmel added that:

The Commonwealth specifies the courses covered. . . Any registered provider delivering the specific courses, and willing to do so at the price set by the Commonwealth, can get on the list of Productivity Places Program providers.⁶²

Parallel to the Rudd Government's conclusion of the NASWD, Julia Gillard (as Minister for Education) commissioned Professor Denise Bradley to undertake a review of higher education. A key recommendation of the Bradley review (later introduced into financial arrangements for VET) was that of an "entitlement" to funding. As described in the review, if the recommendation were to be adopted:

All domestic students accepted into an eligible, accredited. . . course at a recognised. . . provider would be entitled to a Commonwealth subsidised place. . . [in such an] entitlement system. . . recognised [public and commercial] providers are free to enrol as many eligible students as they wish. . . and receive corresponding subsidies for those students.⁶³

More than just recommending such an arrangement for higher education, the review suggested that it be adopted for use in TAFE/VET. Recommendation 44 declared that:

The Australian Government [should] negotiate with the states and territories to introduce. . . [an] entitlement funding model across. . . vocational education and training. . .⁶⁴

Such an "entitlement" has its theoretical origins in the works of economists such Milton Friedman: particularly in relation to separating the administration of education from the receipt of it.⁶⁵ In his chapter "The Role of Government in Education" (in Robert Solo's 1955 edited work *Economics in the Public Interest*) Friedman wrote:

the financing of education. . . [and] the administration of educational institutions. . . could readily be separated. Governments could. . . finance [education] by giving parents vouchers redeemable for a specified maximum sum. . . Parents would then be free to spend this sum. . . on purchasing educational services from an. . . institution of their own choice. The education services could be rendered by private enterprises operated for profit. . . The role of the government would be limited to assuring that the schools met certain minimum standards. . .⁶⁶

Felix Leung and his colleagues have highlighted the particular impact of a voucher or entitlement on competition between providers:

the provision of vocational education and training [in Australia]. . . was [previously] primarily supply-driven, in the sense that public funding was allocated directly to providers in the form of a block grant, based in part on historical enrolments and skill forecasts. In practice this meant a cap on the overall number of publicly funded places, with the allocation of places across students determined by providers. . . [in the case of an entitlement] the funding for subsidised places. . . follows the student, with no overall cap, so that providers must compete to attract students and funding.⁶⁷

In the same year that the Bradley review was released, an OECD review of VET in Australia similarly emphasised the key component of such an arrangement:

[an] entitlement ties funding to the student rather than to the provider. . .it implicitly allows students to buy their services from the providers of their choice.⁶⁸

A year after gaining office in the 2010 election, the Gillard Government established the Australian Skills Quality Authority (ASQA). As subsequently described by the Authority:

[in] 1 July 2011, ASQA assumed responsibility for the regulation of approximately 2,000 providers, as well as the accreditation of VET courses, in New South Wales, the Northern Territory and the Australian Capital Territory. . .Subsequently. . .ASQA assumed responsibility for the regulation of VET in Tasmania as of 15 February 2012, in South Australia on 26 March 2012 and in Queensland on 29 June 2012.⁶⁹

More than just establishing new arrangements for regulation and accreditation, Gillard embarked on the introduction of a voucher scheme. Indeed, as Kevin Rudd's minister for education she had declared that:

We should acknowledge the power of market competition. . .in combination with. . .empowered, demanding users.⁷⁰

In 2012 the Gillard Government, under the aegis of COAG, concluded an agreement with the states and territories (the *National Partnership Agreement on Skills Reform* or *NPASR*) which provided \$1.75 billion over 5 years (\$350 million per annum). Schedule 3 of the agreement declared that:

All jurisdictions are committed to the introduction of a national entitlement to training. . .[which will be] an entitlement to access a government subsidised training place to a minimum of the first Certificate III qualification. . .through any registered training organisation (RTO), public or private. . .[and] available as a minimum to all working age Australians (from post-school to age pension age) without a Certificate III or higher qualification, subject to meeting minimum entry requirements. . .⁷¹

Gillard also replaced Skills Australia with a new body: the Australian Workforce Productivity Agency (AWPA).⁷²

5.3 Competition for Public VET Funding: Victoria and South Australia

Victoria. In 2008, Victoria (with John Brumby as Premier) became the first state government to substantially transfer government funds to commercial training providers, through a new policy: *Securing Jobs for Your Future – Skills for Victoria*. As described by the Victorian Auditor General:

In 2008 the *Securing Jobs for Your Future – Skills for Victoria* policy moved TAFE institute funding from fixed allocations of state funding (input funding) to a model based on student enrolments. TAFE institutes now have to compete directly with RTOs to attract students and are paid in arrears after providing the training. They can also access block funding for some specific projects and initiatives.⁷³

The policy instruments introduced by Brumby, to underpin the policy, included a training guarantee and uncapping the number of government-

subsidised training places. As outlined by the Victorian Department of Education and Early Childhood Development:

From 2008 a significant change was commenced with the introduction of the Victorian training guarantee (VTG). Before the VTG, a limited number of places were allocated to each provider, meaning students could only access subsidised training if they found a provider with a vacant training place. But following the introduction of the VTG, eligible students were entitled to access a subsidised training place in the course of their choice and at their preferred provider. To facilitate this entitlement, the overall number of training places was uncapped and places were no longer allocated to particular providers. Instead, providers were allowed to compete for students and funding followed the student to their chosen provider.⁷⁴

In 2013, Ted Baillieu’s Liberal Party-National Party Government issued a new policy document: *Next Steps for Refocusing Vocational Training in Victoria*. The Baillieu Government recommended that Victorian TAFE institutes should, in the future, function on an individually commercial basis. The report also recommended that (as part of operating on an autonomously commercial basis) each individual TAFE institute should conduct its own enterprise bargaining agreement.⁷⁵

South Australia. In early 2011, Mike Rann’s ALP government in South Australia launched a policy *Skills for All*. According to the Productivity Commission (quoting from official SA government publications) *Skills for All* includes:

An entitlement to a subsidised training place for all eligible South Australians aged 16 years, and over, in identified courses. . .greater contestability. . .⁷⁶

Under the Rann, and succeeding Weatherill, state governments commercial providers significantly increased their share of post-school/non-university training. By 2012, in both Victoria and South Australia, commercial providers had increased their share of RTO hours to over 40%. In NSW, by contrast, the share of commercial providers was just over 10%:

	NSW	Victoria	South Australia
2008	8.6%	12.2%	19.1%
2012	10.5%	47.8%	41.7%

6. NEW SOUTH WALES: KEY POLICY INITIATIVES

6.1 Reintroduction of Fees (Greiner Government)

In June 1988, three months after gaining office, the Greiner Government reintroduced fees for TAFE tuition. Introducing a financial statement (or “mini-budget”), the Premier declared that, “from the 1989 calendar year. . .A \$263 administrative charge will be introduced for higher level and a \$100 charge for all other course enrolments”.⁷⁸

6.2 Establishment of the Vocational Education Training Accreditation Board (VETAB)

In 1990 the Greiner Government established VETAB to assume responsibility for the accreditation of VET courses. Two years later the following Fahey Government obtained passage of the *Vocational Education and Training Act* under which VETAB would also be given responsibility – in conjunction with the NFROT agreement – to register providers.⁷⁹

6.3 TAFE NSW (1991): Advent of a Commercial Orientation

The Greiner Government, after obtaining passage of the *Technical and Further Education Commission Act 1990*, inaugurated the commission (known as TAFE NSW) in February 1991. Not only would TAFE NSW be responsible for the overall administration of technical and further education,⁸⁰ but it would have a new commercial dimension. In introducing the legislation into the parliament, the Minister for further education, training and employment (John Fahey) highlighted the new course for TAFE and emphasised its alignment with the Hawke Government's intentions:

economic constraints. . . [consequent on the global downturn] in the 1990s cannot allow the public purse to finance the same rate of expansion in TAFE as we saw in the 1970s and 1980s. . . The [policy] position of New South Wales has been strongly vindicated by. . . the outcome of the special meeting of ministers responsible for training. . . [by] establishing TAFE as a statutory authority. . . TAFE will have the power to provide services on a commercial basis. . . the powers of the managing director. . . of the TAFE Commission. . . [will however be] subject to the direction of the minister.⁸¹

Section 7(1)(i) of the new legislation enacted the intentions of Greiner Government, declaring that:

the TAFE Commission may. . . enter into commercial arrangements for the provision of technical and further education services and for the payment of appropriate fees and charges for those services. . .⁸²

6.4 Commercial Activities of TAFE (1992)

During the 1980s, TAFE NSW had supplied some services such as custom-designed courses for companies at commercial rates. In 1992 the Greiner Government formalised this arrangement through the establishment of TAFE Plus. As described by the then minister for training (John Fahey), "TAFE Plus. . . is a fee for service operation".⁸³ TAFE NSW had also begun training of international students at commercial rates. In 1995 there were 1,150 overseas students enrolled at NSW TAFE institutes. By 2008, just under 5,000 overseas students were enrolled.⁸⁴

By 2009 fees-for-service (including fees charged, for training, to organisations) formed a steadily increasing portion of the revenues employed by TAFE NSW:

Fee-For-Service Revenue: TAFE NSW (2005 – 2009) ⁸⁵	
2005	\$197.7m
2005	\$228.4m
2007	\$237.2m
2008	\$300.9m
2009	\$305.0m

6.5 Establishment of the Board of Vocational Education and Training (BVET)

In 1994 the Fahey Government established BVET as the state training body to liaise with Australian National Training Authority.⁸⁶

6.6 Changes to the Apprenticeship System (2001): the role of State Training Services (STS)

Three years after the Howard Government introduced “user choice” funding arrangements for apprentices, the Carr Government obtained passage of the *Apprenticeship and Traineeship Act 2001*. The legislation enabled an expanded role for group training organisations (GTOs). GTOs are companies that employ apprentices and trainees and hire them to other companies. In the mid-1990s only around 17,000 apprentices (Australia-wide) were employed by GTOs but by 2000 the number had risen to 38,000.⁸⁷ A NSW Apprenticeship and Traineeship Training Program (ATTP) was established and, as described by Christopher Selby Smith, “The funding of RTOs for training delivered under user choice arrangements in NSW is administered through the . . . ATTP”.⁸⁸ The operation of the ATTP was given to the state training services (STS) directorate (then headed by Pam Christie) within the department of education and training (DET).⁸⁹ As described by the DET annual report for 2001:

The [ATTP] program funds selected group training organisations. . . In 2001, 4,868 apprentices and trainees commenced training in New South Wales with group training organisations funded under the program.⁹⁰

6.7 Adoption of the Australian Quality Training Framework

In 2002 VETAB adopted the AQTF: using the framework’s standards to register training providers.⁹¹

6.8 Increases in Fees (Carr Government)

During the 1990s, there had been gradual increases in TAFE fees. However, in its 2003-04 budget, the Carr Government increased fees by more than 100%. The *Sydney Morning Herald* reported that the Carr Government’s decision would:

lift the cost of a TAFE graduate diploma course from \$700 to \$1,650 a year, while a top-level TAFE certificate course will rise from \$260 to \$750 a year.⁹²

6.9 Strategic Skills Program

A year after its 2005 assumption of office, the Lemna Government introduced the Strategic Skills Program (SSP). As described by the *Annual National Report of the Australian Vocational Education and Training System* or ANR (then produced by the federal department of education, science and training):

[the] Strategic Skills Program [in 2006] provided training to 17,339 students in 1,361 courses that addressed industry skill needs. These courses were targeted at the up-skilling of existing workers, and job-related skills for those with barriers to employment. \$4.2 million was committed for pre-apprenticeship and pre-traineeship courses for 3,400 participants. The focus was on critical trade and non-trade skill shortages.⁹³

As in the case of the Apprenticeship and Traineeship Training Program, commercial providers were allowed to tender. Verity Firth (minister for education in the Keneally Government) advised the Productivity Commission in 2011 that in relation to the SSP:

The NSW department of education and training, through its state training services, funds approved providers to provide training. . . Under the Strategic Skills Program. . . training providers tender a price per training participant per contact hour in a qualification, unit of competency or course.⁹⁴

6.10 Redesign of TAFE NSW Financial Arrangements (Lemna Government)

In 2007 the Lemna Government redesigned the arrangements for public funding of TAFE NSW, setting out the conditions to be met by TAFE institutes in order for the government to purchase their training services (i.e. for the government to fund their training activities). As subsequently summarised by TAFE NSW:

A new system was implemented through which the Deputy Director General of TAFE NSW purchases training from institutes. . . Using a rigorous, evidence-based approach, with independent economic forecasts and advice from industry, government and local communities, targets are set for each institute.⁹⁵

As explained by the NSW Independent Regulatory and Pricing Tribunal (IPART):

NSW Treasury allocates funding (from both Commonwealth and state governments) to the NSW department of education and communities (DEC). DEC then allocates 83% of these funds to the large public RTO, TAFE NSW, to purchase specific output targets (e.g. annual student contact hours, student enrolments, qualifications and completions).⁹⁶

The remaining 17% of NSW Treasury allocated funding, as described by the IPART:

is used to purchase training on the contestable market through the: Apprenticeship and Trainee Training Program (ATTP), and the Strategic Skills Program (SSP).⁹⁷

The components of purchase agreements were later detailed by the NSW Commission of Audit (established by the O'Farrell Government):

- planning – the deputy director general TAFE purchases training
- pricing – the price paid for training is based on an analysis of costs and recognises that high level qualifications, particular industry areas and some student cohorts require greater expenditure than others
- performance – measures and targets in the agreement are reviewed annually
- governance and accountability - the deputy director general TAFE monitors activity and expenditure biannually to ensure that accountability requirements are met and evaluates the institute's success in meeting targets and financial budgets
- failure to deliver – if purchased training is not delivered, institutes return funding which is then offered to other institutes⁹⁸

6.11 Abolition of the Vocational Education Training Accreditation Board

In 2011, in keeping with the ASQA arrangements, the NSW VETAB was abolished and its functions assumed by the national authority.⁹⁹

6.12 NSW Commission of Audit

In 2012 the O'Farrell Government's commission of audit delivered a report on the state's finances. In a section devoted entirely to VET, the commission recommended that:

- TAFE institutes be established as separate corporate entities
- the government provide TAFE institute directors with greater autonomy over the management of TAFE institutes¹⁰⁰

A year later this was officially endorsed in the TAFE NSW *Statement of Owner Expectations*, which stated that:

The NSW government has agreed that TAFE NSW institutes are to be established as separate entities, wholly owned and controlled by TAFE NSW. . .Institutes will be expected to compete with approved private. . .providers for entitlement funding. . .¹⁰¹

6.13 Smart and Skilled

By 2012, as mentioned earlier, the percentage of RTO hours delivered by commercial providers was just over 10%. The majority of post-secondary/non-university training continued to be delivered by TAFE NSW. In 2012 the O'Farrell government launched the *Smart and Skilled* policy.¹⁰² At the same time, IPART was asked to examine price and fee arrangements for government-funded VET under the new approach. Key elements of the policy include not only the adoption of a training entitlement but increases in the fees charged for a number of courses. As outlined in various quarters, including in publications issued by the NSW State Training Services, the new arrangements have the following features:

- The NSW Skills Board (a body, established in 2013, to replace BVET) will oversee the introduction of Smart and Skilled¹⁰³
- From 1 January 2015, eligible individuals will be able to choose government subsidised training for select foundation courses and qualifications (up to, and including Certificate III) from TAFE NSW or from an approved provider¹⁰⁴
- Subsidised courses, available in 2014, will be guided by the 2014 Skills List (which defines the qualifications eligible for government funding)¹⁰⁵
- The NSW Government will set the student fee as well as the government subsidy levels for all TAFE/VET, and these will apply to all RTOs approved to deliver training¹⁰⁶
- Students undertaking a diploma (or advanced diploma) will no longer be eligible for a concessional fee rate. Instead they will be able to borrow from the federal government funded VET FEE HELP scheme. The loans will not have to be repaid until the recipient's income reaches a defined level (\$51,308 in 2014)
- NSW State Training Services will purchase the greater part of the training
- TAFE institutes will tender for student places in competition with commercial providers
- TAFE institutes will be required to operate on a more autonomously commercial basis¹⁰⁷

A year after the launch of the new policy, IPART released a report (*Pricing VET under Smart and Skilled*) in which it summarised the overall impact of its recommendations, on students, as follows:

Around 7% will see a fee decrease. . . Around 36% will face a fee increase of less than \$500 per qualification. . . Around 31% will face a fee increase of between \$500 and \$1,500 per qualification. . . Around 26% will face a fee increase of more than \$1,500 per qualification. . . Looking at the different qualification levels, over 50% of students will face a fee increase of more than \$500.¹⁰⁸

On a more detailed level, the IPART recommended the following range of increases per qualification:

IPART: Recommended Fee Ranges per AQF Qualification¹⁰⁹	
Certificate I	\$700 - \$1,710
Certificate II	\$1,000 - \$2,510
Certificate III	\$1,800 - \$5,260
Certificate IV	\$2,000 - \$6,640
Diploma	\$3,100 - \$10,120
Advanced Diploma	\$3,100 - \$11,990

Comparing the fees that it had recommended, to the those that had existed before, IPART noted in 2013 that:

For example, we estimate that the uncapped apprentice fee in 2014 would be around \$4,100 for a Certificate III in Carpentry and Joinery and around \$5,900 for a Certificate IV in Electrical Instrumentation. This would represent a fee increase of around \$2,400 to \$4,200 compared to the fees that apply under the current arrangements.¹¹⁰

7. SENATE INQUIRY INTO TECHNICAL AND FURTHER EDUCATION

7.1 Majority Recommendations

In December 2013 the Senate referred an inquiry into technical and further education to the Senate Education and Employment References Committee. The committee inquiry was chaired by ALP Senator Sue Lines. The inquiry heard evidence from industry skills councils and from the TAFE Directors Association, as well as from advocate organisations such as the TAFE Community Alliance. The fundamental view, of the majority of the committee, was as follows:

The committee heard no compelling evidence that opening TAFE to full contestability benefits anyone but the private providers. If TAFE has to compete on a cost basis only it will not survive and will be diluted to the point that its assets, in terms of expertise and capital infrastructure, will be lost.¹¹¹

The recommendations of the committee included:

- that resources and funding for the Australian Skills Qualification Agency be proportionally increased relative to the number of private providers entering the market
- that COAG work collaboratively to develop. . .[a] strategy for TAFE that addresses. . .the allocation of adequate resources to enable TAFE teachers and institutions to develop and maintain close liaison with industry and local communities to assist them to meet their vocational and technical education needs
- in light of the substantial increases in fees across the board, the committee recommends that COAG investigate these fee increases¹¹²

7.2 Dissenting Report

Liberal Party and National Party members dissented from the findings of the report. On an overall level, Government Senators pointed out the apparent failure of the majority of the committee to recognise the bi-partisan nature of the policy formulation that had led to the changes currently taking place. The dissenting report declared that:

What the Australian Greens and the Australian Labor Party have done in. . .this inquiry. . .[has involved] taking every opportunity to publicise their highly partisan perspective on the changes to the VET system undertaken by State and Territory Governments from both sides of politics.¹¹³

With particular reference to the increasing presence of commercial providers in service delivery, the Government Senators stated that:

government has a responsibility to ensure that it gets the best value for every dollar that it spends. In many cases TAFE will be most appropriate provider, but other times a private RTO will be the best option. In the Coalition's view, opening the sector up to the market will provide efficiencies. . . which will benefit all stakeholders.¹¹⁴

8. VIEWS OF KEY STAKEHOLDERS

8.1 TAFE NSW

TAFE NSW has essentially endorsed the arrival of *Smart and Skilled*. In presentation, delivered in September 2014, the managing director of TAFE NSW (Pam Christie) declared that:

In TAFE NSW we are realistic about the impact of. . . *Smart and Skilled*. . . and recognise that without transformational change, we won't survive – or at least not thrive and survive in the future.¹¹⁵

8.2 NSW Business Chamber

The NSW Business Chamber supports the government's policy, but with concerns about students' capacity to cope with the new fee structure:

in November 2011, the chamber supported proposals for the introduction of greater contestability of public funding for VET in NSW. . . There is [however] always a risk that significant price increases will have a negative impact on participation. . . Students should, however, be supported by a robust income contingent loan system. . .¹¹⁶

8.3 NSW Teachers' Federation

The NSW Teachers' Federation has reservations about the policy. In a summary of its concerns, the federation states that:

competitive tendering. . . [leads to] tender processes that emphasis price at the expense of quality. . . TAFE NSW should not be allowed to become just another provider. . . [nor] relegated to be the provider of last resort. . . The [proposed] level of fees impacts most on those who have the least capacity to pay. . . TAFE institutes are [already] cutting costs. More casuals are being employed, class sizes are increasing with cuts in course delivery hours.¹¹⁷

8.4 Australian Labor Party (ALP)

In June 2014 John Robertson MP (Leader of the Opposition) and Ryan Park MP (Shadow Minister for Education and Training) issued a joint media release: *Labour to Abolish Baird's TAFE Hikes to Provide Affordable Access to Education and Training*. This presented the following assessment of *Smart and Skilled*:

Under the Baird Liberal government TAFE fees will dramatically increase from 1 January 2015 – pricing many students out of essential vocational education training. . . These massive fee hikes will also lead to long-term skill shortages in many industries across the state. With youth unemployment now 17 per cent in many parts of the state, the Baird government has a responsibility to ensure TAFE courses are affordable and accessible to everyone in NSW.¹¹⁸

In August 2014, John Robertson introduced a Private Member's Bill: the *Technical and Further Education Commission Amendment (Fees) Bill 2014*. The Bill contains the following proposed amendments to the *Technical and Further Education Act 1990*:

29A. Fees for Courses Frozen at 2014 Levels. . . **29B.** Fees for Coursed undertaken by Apprentices and Trainees Frozen at 2014 Levels. . . **29C.** Fees for Courses undertaken by Government Benefits Recipients Frozen at 2014 Levels.¹¹⁹

8.5 Greens NSW

In March 2014 the Greens NSW forwarded a submission to a Senate Employment and Education Committee inquiry into TAFE. In the submission the party first presented a general criticism of commercial provision of vocational education and then put forward a specific criticism of *Smart and Skilled*:

private providers. . . can operate at lower internal costs per qualification. . . [but] do so by: reducing the pay, qualifications and conditions of teachers. . . offering only low-cost courses, leaving the public provider to pick up the more expensive and longer duration courses. . . the roll-out of *Smart and Skilled* will see the complete destruction of the public provider in the state.¹²⁰

In 2014, Dr. John Kaye (Greens NSW) introduced a Private Member's Bill: the *TAFE Changes Moratorium (Secure Future for Public Provision of Vocational Education and Training) Bill 2014*. The Bill contains the following fundamental provisions:

Section 4 (1) The fees payable for courses provided by the TAFE Commission during 2014 or subsequently are not to exceed the fees payable, as at 1 July 2010. . . with adjustments for inflation. . .

Section 7 (1) The Minister is to ensure that the TAFE Commission is the principal provider of technical and further education in New South Wales. . .¹²¹

9. CONCLUSION

The sheer economic importance of skills acquisition will sustain technical education as an institution into the future. Nevertheless profound changes have been introduced into what was once publicly provided post-school non-university training. As a result of responses by both major parties to economic upheavals in recent times, not only have commercial providers been brought into the delivery of technical training but even publicly funded institutions have been compelled to operate like their commercial counterparts.

Substantial questions remain about the outcome of the new arrangements. As highlighted above, technical and further education has been particularly important in providing a pathway into skilled employment for young people from low income backgrounds. In the latest edition of the *Annual National Report on the Australian Vocational Education and Training System* (produced by the federal department of industry), the New South Wales section notes that "In 2011, almost 47% of TAFE NSW students were from

the two lowest quintiles that measure high disadvantage.¹²² Concerns are also relevant about the quality of service that will be delivered by the newcomers to training provision. How such matters will be resolved can only be seen over time.

¹ Hector Sala and Jose Silva, *Labour Productivity and Vocational Training: Evidence from Europe* (Institute for the Study of Labour, Bonn, 2011), pp.3-5.

² Innes Willox, "Making the Training System Work" in the *Australian Financial Review*, 3 July 2012.

³ Australian Government, *Review of Australian Higher Education: Discussion Paper* (2008), p.41.

⁴ See Elizabeth Farrelly, "Quick March out of the Institutions" in the *Sydney Morning Herald*, 5 December 2013; Claire Aird, "TAFE Training Rorts Programs Targeting Migrants" on *ABC TV 7pm News*, 6 October 2014; Claire Aird, "Training Colleges Securing Thousands in Government Funds by Targeting People with Disabilities" on *ABC TV 7pm News*, 18 October 2014; John Ross, "Lost Contracts Set to Hit NSW College Jobs" in *The Australian*, 29 October 2012, p.30.

⁵ Gerald Burke and Chandra Shah, "Skills Shortages: Concepts, Measurement and Policy Responses" in the *Australian Bulletin of Labour*, vol.31, no.1, 2005, p.45.

⁶ International Labour Office (ILO), *International Standard Classification of Occupation: ISCO-08*, vol.I, *Structure, Group Definitions and Correspondence Tables* (Geneva, 2012), pp.5, 12.

⁷ Australian Bureau of Statistics (ABS), *Australian and New Zealand Standard Classification of Occupations (ANZSCO)*, ABS Catalogue 1220.0 (2006), first edition, pp.4-8.

⁸ ABS, *Australian and New Zealand Standard Classification of Occupations (ANZSCO)*, ABS Catalogue 1220.0, first edition, p.21.

⁹ Jennifer Gibb, Shayla Ribeiro and Robin Shreeve, "From TVET to Workforce Development" in Shanti Jagannathan, Rupert Maclean and Jouko Sarvi (eds.), *Skills Development for Inclusive and Sustainable Growth in Developing Asia-Pacific* (Springer, London, 2013), p.119.

¹⁰ National Council for Vocational Education Research (NCVER), *Australian Vocational Education and Training Statistics: Students and Courses 2013* (Adelaide, 2014), Table 4: Students by Major Courses and Qualifications, Australia, 2009-13.

¹¹ Rosalind Carter, *Investigating the Role of a Manager as a Facilitator of Ongoing Informal Work Related Learning* (D.Ed., UTS Sydney, 2013), p.8.

¹² NCVER, *Australian Vocational Education and Training Statistics: Students and Courses 2013*, Table 12: Students by Type of Qualifications by Provider Type, Australia, 2009-13.

¹³ NCVER, *Australian Vocational Education and Training Statistics: Students and Courses 2013* (Adelaide, 2014), Table 2: Students by Training Provider Type and State/Territory, 2013.

¹⁴ Independent Pricing and Regulatory Tribunal (IPART), *Pricing VET under Smart and Skilled – Issues Paper* (2013), p.10.

¹⁵ Senate Education and Employment References Committee, *Technical and Further Education in Australia* (2014), p.1. For TAFE campuses see Productivity Commission, *Report on Government Services: 2014*, volume B, table 5A.4. For commercial providers see "Reports – Report List – RTO Reports - RTO Types (By Head Office Location)" at www.training.gov.au.

¹⁶ Rosalind Carter, *Investigating the Role of a Manager as a Facilitator of Ongoing Informal Work Related Learning* (D.Ed., University of Technology Sydney, 2013), p.8.

¹⁷ NSW Government, *Response to the Productivity Commission Issues Paper: Vocational Education and Training Workforce* (2010), p.6. See also "Reports – Report List – RTO Reports - RTO Types (By Head Office Location)" at www.training.gov.au.

¹⁸ NCVER, *Australian Vocational Education and Training Statistics: Financial Information 2013*. Table 1: "Operating Categories by Category for Government Training Departments: 2009 – 2013".

¹⁹ See NSW Treasury, *NSW Budget: 2010-11*, budget paper no.3, p.3-27; *NSW Budget: 2012-13*, budget paper no.3, p.3-1; *NSW Budget: 2013-14*, budget paper no.3, p.3-1; *NSW Budget: 2014-15*, budget paper no.3, p.2-1.

²⁰ Thorsten Stormbeck, *By Chance or Choice: The Regulation of the Apprenticeship System in Australia 1900-1930* (Centre for Economic Policy Research, Australian National University, Canberra, 2006), pp.3-4. An "improver", according to section 5 of the *Industrial Relations Act 1940*, was "an employee under twenty-two years of age, not

- being a trainee apprentice, who is serving for the purpose of rendering him fit to be a qualified worker in an industry”.
- ²¹ David Lundberg, [Decentralisation of Public Vocational Training in New Zealand and Two Australian States](#) (International Labour Organisation, Geneva, 1994), p.13.
- ²² Manufacturing’s share of Australia’s GDP rose from 18% in the late 1930s to 30% by the early 1960s. See Graeme Snooks, “Australia’s Long-Run Economic Strategy, Performance and Policy: A New Dynamic Perspective” in *Economic Papers*, vol.27, no.3, 2008, pp.224-225.
- ²³ Brian Knight, [Evolution of Apprenticeships and Traineeships in Australia: An Unfinished History](#) (NCVER, 2012), p.13.
- ²⁴ Tracy Bradford, [Second Chance not Second Best: A History of TAFE NSW 1949 – 1997](#) (PhD Thesis, University of Technology Sydney, 2010), p.26.
- ²⁵ J.L. White, *Educational Accountability and the Need for Comprehensive Evaluation in TAFE* (TAFE National Centre for Research and Development, Adelaide, 1987), p.42; W.F. Connell, *Reshaping Australian Education: 1960 – 1985* (Australian Council for Educational Research, Melbourne, 1993), p.328; David Lundberg, [Decentralisation of Public Vocational Training in New Zealand and Two Australian States](#), p.14.
- ²⁶ W.F. Connell, *Reshaping Australian Education: 1960 – 1985*, p.324.
- ²⁷ W.F. Connell, *Reshaping Australian Education: 1960 – 1985*, p.356.
- ²⁸ Simon Marginson, *Markets in Education* (Allen and Unwin, Sydney, 1997), p.209; Gillian Goozee, [The Development of TAFE in Australia](#), third edition (National Council for Vocational Educational Research - NCVER, Adelaide, 2001), p.27. Clive Chappell has commented that, “technical education. . . [was] the term that was originally used to describe public vocational education in Australia from 1880 to 1974.” See Clive Chappell, *The Policies and Discourses of Vocational Education and Training: and their Impact on the Formation of Teachers’ Identities* (PHD Thesis, University of Sydney, 2003), pp.42-43.
- ²⁹ W.F. Connell, *Reshaping Australian Education: 1960 – 1985*, p.337. Between the late 1980s and the early 1990s, federal government specific purpose payments (SPPs) were provided through the *States Grants (Technical and Further Education Assistance) Act 1989*. See NSW Treasury, *NSW Budget: 1994-95*, budget paper no. 2 (budget information), p.5-64.
- ³⁰ Patricia Jones, “The Commonwealth Grants Commission and Education: 1950 – 1970” in Grant Harman and Don Smart (eds.), *Federal Intervention in Australian Education* (Georgian House, Melbourne, 1982), p.95.
- ³¹ Andrew Spaul, “Education” in Brian Head and Allan Patience (eds.), *From Whitlam to Fraser: Reform and Reaction in Australian Politics* (Oxford University Press, Melbourne, 1979), p.138.
- ³² Allan Pattison (Director General of NSW TAFE), “TAFE and Government Initiatives”, paper presented at the *National Conference on ‘TAFE in Partnership’*, Armidale, 12-15 May 1987.
- ³³ Robin Ryan, *Building a National Vocational Education and Training System* (Institute of International Education Research, Flinders University, Adelaide, 2002), p.89.
- ³⁴ Management Review (New South Wales Education Portfolio), *TAFE’s Commission for the 1990s: Restructuring Vocational, Basic and Adult Education in NSW* (1990), p.6.
- ³⁵ Management Review (New South Wales Education Portfolio), *TAFE’s Commission for the 1990s: Restructuring Vocational, Basic and Adult Education in NSW* (1990), p.297.
- ³⁶ John Phillimore, [Restructuring Australian Industrial Relations: The Limits of a Supply Side Approach](#) (Social Science Research Centre, Berlin, 1996), p.8.
- ³⁷ In 1990, John Dawkins (minister for education in the Hawke Government) declared that, “our wage formation criteria. . . [includes] replacing. . . restricted skill margins”. See John Dawkins, “The Challenges for Australian Vocational Education and Training” in Penelope Curtin (ed.), [Assessment and Standards in Vocational Education and Training: 1990 Conference/Workshop Report](#) (TAFE National Centre for Research and Development Ltd., Adelaide, 1990), p.275. Professor Peter Kell has noted that, “in the mid-1980s. . . the TAFE system was criticised by. . . government as being poorly prepared for award. . . restructuring.” See [From the Billabong to the Mainstream? A Teacher’s Guide to Australian Training and Literacy Policy Developments 1974 – 1998](#) (National Languages and Literacy Institute of Australia, Melbourne, 1998), p.10. See also Ann Kelly and Jean Searle, [Literacy and Numeracy on the Motorway: A Case Study on the Effects of the Inclusion of Literacy and Numeracy Competencies within the Civil Construction Industry](#)

- [Training Package](#) (School of Vocational, Technology and Arts Education, Griffith University, Brisbane, 2000), p.11.
- ³⁸ Management Review (New South Wales Education Portfolio), *TAFE's Commission for the 1990s: Restructuring Vocational, Basic and Adult Education in NSW*, p.329.
- ³⁹ Tom Dumbrell, [Resourcing Vocational Education in Australia](#) (NCVER, 2004), p.15.
- ⁴⁰ Graham Slee, "The Importance of Skills and Standards" in [Assessments and Standards in Vocational Education and Training: 1990 Conference/Workshop Report](#) (TAFE National Centre for Research and Development, Adelaide, 1990), p.5; Gillian Goozee, [The Development of TAFE in Australia](#), third edition, p.68; Steering Committee for the Review of Commonwealth/State Service Provision (SCRCSSP), [Report on Government Services: 2003](#), vol.1 (Productivity Commission, Melbourne, 2003), p.4.4; Robin Ryan, [How VET Responds: An Historical Policy Perspective](#) (NCVER, 2011), p.11. Currently there are 11 Industry Training Advisory Bodies in New South Wales. See "[NSW Industry Training Advisory Bodies \(ITABs\)](#)" on the website of NSW State Training Services.
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