

## Review of the Skills and workforce development agreement

The Productivity Commission's review of the National Agreement for Skills and Workforce Development is primarily about the vocational education and training sector. The Innovative Research Universities targets its input at the questions where the broader tertiary education system is in focus.

1. The need for all Australians to complete school and to acquire tertiary qualifications.
2. That the take up of tertiary education does not suggest unnecessary take up of higher education but that there remain significant sets who do not pursue education post school.
3. The focus should be the learners, with providers supported as necessary to achieve the outcomes desired. This involves recognising the different purposes of different types of providers.
4. Funding only at the point of efficient cost has consequences for systemic responsiveness.

### 1. Planning a tertiary approach

The Innovative Research Universities (IRU) in [Towards a Tertiary Future](#) argues that Australians need to complete school. They then need further qualifications and a means to access discrete, targeted sets of skills and knowledge as their future employment requires.

It is clear that vocational education is suffering from considerable doubts about its purpose and financing structure to carry through its part of the tertiary mission.

The predictions about great change in the nature of work burst open the debate about the relative importance of two competing approaches to education: the immediate gaining of competencies versus the acquisition of underlying skill and knowledge sets. The former is focused on getting you work now, the latter ensures you get it in the future.

Both sectors have aspects of both yet VET tends to the former. Arguments that VET should be a more substantial option for large numbers of successive school leaver cohorts need to address how the education is a foundation for the future, to provide more than the skills needed for the immediate job.

### 2. The take up of both higher education and vocational education is strong but shaped by socio-economic background

The Longitudinal Survey of Australian Youth (LSAY) tracks individuals over time, allowing us to see the take up by younger cohorts. The IRU has used LSAY in [the Take up of tertiary education](#) to look at the differences in educational attainment by socioeconomic status.

The data allows us to break down the 2006 cohort by socio economic quintile into five equal groups from the poorest fifth to the richest fifth. The take up by this group is clear, with 79% completing either a higher education degree (38%), a VET qualification (34%) or both (7%) by 2016.

The differentiation by socio economic background is also clear, with vocational education much more likely for those from poorer households, and higher education more likely for those from richer backgrounds. Just 23% of school leavers from the richest quintile acquired vocational qualifications after leaving school, compared to 47% across the other four quintiles.

Some commentators argue there are too many people doing higher education detracting from vocational education outcomes. They would redirect people from higher education to vocational education.

The implications of such a policy are clear for who it would target: aspirants to university from the highest socioeconomic quintile.

The IRU does not advocate doing this since it interferes with young Australians pursuing their best assessment of their needs. However, it is the logical solution to the problem posed.

### 3. The point of focus is learners, not providers

As part of a broader tertiary system the point of focus for an effective VET sector should be people, the skills and knowledge they aspire to, not providers. The system should support each person acquire the skills and knowledge each needs.

The relevance of a 'level playing field' should be for a person deciding where they want to learn.

Providers are the tool to achieve that. Providers do not need equality, they need a reasonable framework within which to offer potential students valuable education and training.

There are important differences between the TAFEs, the not-for-profit providers and the for-profit providers.

- Like universities, TAFEs are set up for long term. They are the bedrock of the system. Because of their size they offer certainty of longevity but can have a lower speed of adaptability. They provide a breadth of outcomes including extensive community service that their base funding should recognise – it does for universities, it has largely been removed for TAFEs.
- The not-for-profit sector tend to work in a niche market providing a useful suite of additional courses and further training.
- The for-profit providers range from those focused at delivering a credible education for a financial return, sometimes targeting the international market, to those who maximise receipt of government support for students with modest interest in student outcomes. The regulatory system needs to support the former and be tough on the latter. These bodies need a clear exit path.

We should regulate to minimise the risks but also encourage future development. The system must be capable of working with those intending to operate for the long-term through to those with more immediate goals, allowing providers into the sector and guiding them out.

#### 4. Systemic responsiveness – the value of the longstanding players

The contrasting fates of universities and TAFEs over the past decade shows the importance of supporting institutional capability. Despite the notional focus on students and their needs Governments for the public expect universities and TAFEs to support a whole range of other activity and to ensure that all needed education is available, both the breadth of courses and its provision across all parts of Australia.

Funding that is totally driven by notions of efficient cost of delivery undermines this. The estimates of efficiency do not allow for any other service. The university example shows the resilience that comes with funds that use student numbers as a driver but do not tightly hold expenditure to the basis of allocation. By contrast driving down TAFE funding has prevented them being as responsive as desired.

Funding and regulatory systems should recognise the different drivers of providers to encourage good outcomes for the whole set of potential students. This includes using the publicly established TAFEs to ensure all needed options are available to all Australians.

#### About Innovative Research Universities (IRU)

Innovative Research Universities (IRU) is a coalition of seven comprehensive universities committed to inclusive excellence in teaching, learning and research in Australia.

Through its members working collectively, the IRU seeks to be at the constructive centre of Australian university policy making, influencing political developments beyond individual university capacities to do so.

Our membership is Charles Darwin University, Flinders University, Griffith University, James Cook University, La Trobe University, Murdoch University and Western Sydney University.

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