



Higher Education Reform Feedback
Higher Education Group
HEReform@education.gov.au

Dear Higher Education Group

TAFE Queensland welcomes the opportunity to provide comment on the *Driving Innovation, Fairness and Excellence in Australian Higher Education* paper as part of the government's consultation on a revised higher education reform package.

The significant educational challenge that is confronting the tertiary sector is well known and the ability to meet this challenge is inextricably linked with Australia's future competitiveness and prosperity. Higher education reform coupled with ongoing reform in the vocational education and training (VET) sector represent a landmark opportunity for the development of a tertiary education sector that is working toward common objectives and provides individuals with the education and training that will support the future economy.

The enclosed TAFE Queensland submission has sought to provide comment on the key sections of the paper where TAFE Queensland can make a strong contribution to the government's objectives and in turn enhance the sector. Central to this is the role that TAFE Queensland can play as a higher education provider that delivers increased access, equity and choice within the higher education system.

TAFE Queensland's proud history in delivering education and training in regional and remote areas and to other disadvantaged communities illustrates the contribution that TAFE Queensland can make to the higher education sector. Importantly, as a high quality education provider TAFE Queensland will deliver this increased choice and access to the sector without compromising the quality of the sector.

I look forward to TAFE Queensland's ongoing involvement in the development of the higher education reform package and should you wish to discuss the enclosed submission in further detail please contact Mr Robert Petherbridge, Executive Director (Strategic Policy and Executive Services) on 07 3514 3603 or by email on Robert.Petherbridge@tafeqld.edu.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jodi Schmidt".

Jodi Schmidt
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Submission to the Commonwealth Driving Innovation, Fairness and Excellence in Australian Higher Education Discussion Paper



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TAFE Queensland Submission to the Commonwealth Department of Education and Training

Driving Innovation, Fairness and Excellence in Australian Higher Education Discussion Paper

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Purpose

This submission responds to consultation on the Commonwealth Government's proposed reform of Higher Education. The submission specifically seeks to address discussion points raised through the *Driving Innovation, Fairness and Excellence in Australian Higher Education* discussion paper. The submission focuses on those areas that are of particular interest to TAFE Queensland.

About TAFE Queensland

TAFE Queensland is Queensland's public provider of vocational education and training (VET). With over 130 years of history and a state-wide network of six regions, TAFE Queensland is the most experienced provider of VET in Queensland. TAFE Queensland offers training through a variety of modes including traditional classroom delivery, distance learning, online tuition, workplace training and a blended delivery method combining two or more delivery modes.

TAFE Queensland is the largest provider of VET services in Queensland with more than 122,000 students choosing to study with TAFE Queensland in 2015-16 and over 89% of students successfully completing their study. A total of 52,000 qualifications were awarded during 2015-16 ranging from statements of attainment to bachelor degrees across more than 600 program areas.

TAFE Queensland is an approved Higher Education Provider and offers the following qualifications under this authority:

- Bachelor of Dental Prosthetics;
- Associate Degree in Civil Engineering

In addition to these TAFE Queensland registered courses, TAFE Queensland offers 19 different degrees in partnerships with university providers the University of Canberra and Federation University. These degrees are delivered at our South Bank (Brisbane) and Coomera (Gold Coast) campuses.

TAFE Queensland continues to aim to be recognised as a distinctive higher education provider that delivers high quality applied and industry aligned higher education. This delivery is particularly focused on providing lifelong learners and disadvantaged learners with the opportunity to contribute to the future economy.

Introduction

TAFE Queensland welcomes the opportunity to provide a submission to this discussion paper and notes the potential for this process to represent a landmark in the history of the sector. Further, the progression of higher education reforms represents a great opportunity for the recently re-elected government to present to the new parliament reforms that acknowledge the significant educational challenge that the tertiary sector is confronted with and the need to be responsive to the changing requirements of students, employers and the economy more broadly.

TAFE Queensland brings extensive reach in both physical infrastructure and scale of delivery of education and training to the higher education sector. This Queensland wide reach is illustrated by figure 1 showing our 56 delivery locations throughout the state. Figure 1 also illustrates the wide spread of TAFE Queensland's student cohort, which are from a range of backgrounds and socio-economic groups. TAFE Queensland has a long and proud history of delivering education and training to disadvantaged communities, including indigenous communities. The foundation of our delivery model is providing a supportive learning environment and achieving high quality completion and employment outcomes for disadvantaged learners.

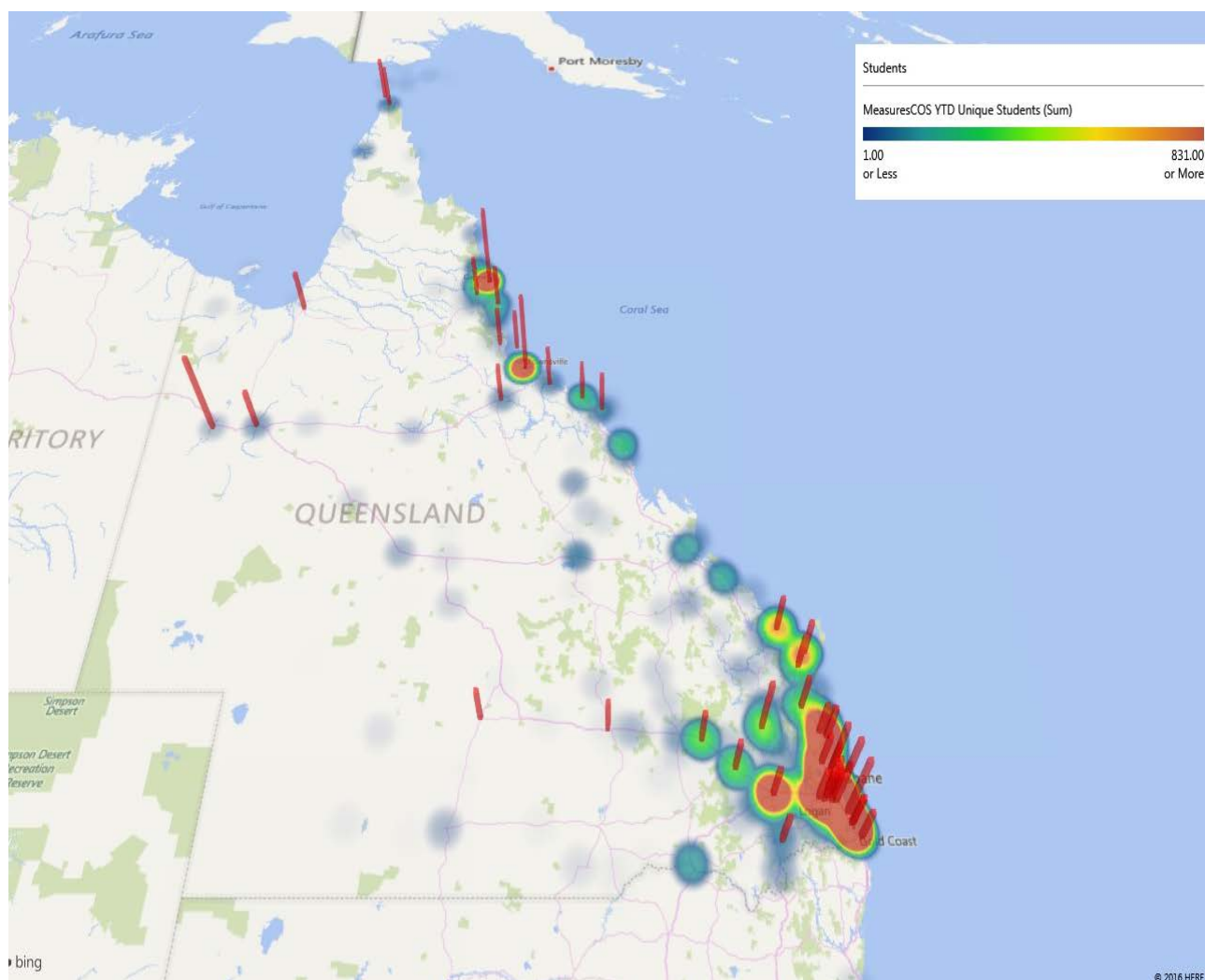
In addition to this tradition of providing disadvantaged students with access to life changing education and training, TAFE Queensland provides students with an alternative pathway to accessing higher education. TAFE Queensland is already delivering higher education qualifications that are applied, industry aligned and provide a non-traditional pathway for students to access higher level qualifications.

The TAFE sector offers the opportunity to complement as opposed to compete directly with public universities through the provision of applied learning to support the ongoing transition of the Australian economy. Many of the communities currently serviced by TAFE Queensland are expected to be heavily impacted by disruption in the economy and associated changing skills demand. TAFE's strong links with these communities will be valuable in upskilling and reskilling these communities.

From an economic viewpoint TAFE Queensland provide the Australian Government with the opportunity to leverage its existing educational infrastructure footprint to increase access to higher education in regional areas. Additionally, TAFE Queensland's commitment to academic excellence is illustrated through its pre-existing academic governance arrangements, which enable it to scale up its delivery of higher education qualifications, while maintaining quality.

In addition to the key contributions that TAFE Queensland can make to the higher education sector, achieving policy and funding equity between the higher education and vocational education and training (VET) sectors is critical to ongoing policy reform. The development of a sector that provides students with consistency in treatment and financial access needs to be the foundation of a post-secondary education system that will be flexible and responsive to future skilling needs.

Figure 1: TAFE Queensland Delivery & Student Locations



Principles for Reform

TAFE Queensland’s submission has been guided by a set of overarching principles, which align strongly with the Australian Government’s key objectives of increasing choice and access to higher education to enable Australia’s ongoing economic transition. Additionally TAFE Queensland acknowledge the need for the system to be sustainable in the long term and continue to provide a return to government and the broader economy.

Key principles supporting this submission include:

Principle 1: TAFE Queensland and other high quality components of the VET sector have the potential to be a vehicle to increase access and opportunity, particularly for disadvantaged learners (indigenous, regional/remote and learners from low socio-economic groups) to higher education;

Principle 2: TAFE Queensland's significant presence in regional Queensland presents an opportunity for the Australian Government to efficiently invest in higher education in regional and remote areas;

Principle 3: To meet the current and forthcoming educational challenges posed by economic transition higher education reform needs to increase consistency in both policy and funding approaches to the higher education and VET sectors.

Response to Paper

Opportunity and choice

Whether to provide subsidies for all undergraduate courses at all registered higher education providers, noting that growth in enrolments has continued to increase at non-university providers despite the absence of Commonwealth funding

TAFE Queensland is an ideal educational provider to facilitate increased student opportunity and choice within the higher education sector. TAFE Queensland's 56 delivery locations provide geographical and demographic reach for the Australian Government to efficiently leverage to increase access and opportunity in higher education.

As discussed TAFE Queensland already delivers higher education qualifications across a range of disciplines. This model illustrates the opportunities that can be provided to students to undertake higher education outside of the traditional public university model. TAFE Queensland's delivery of higher education provides a point of difference for students, particularly in relation to:

- Accommodating disadvantaged learners; and
- Applied/Industry integrated education.

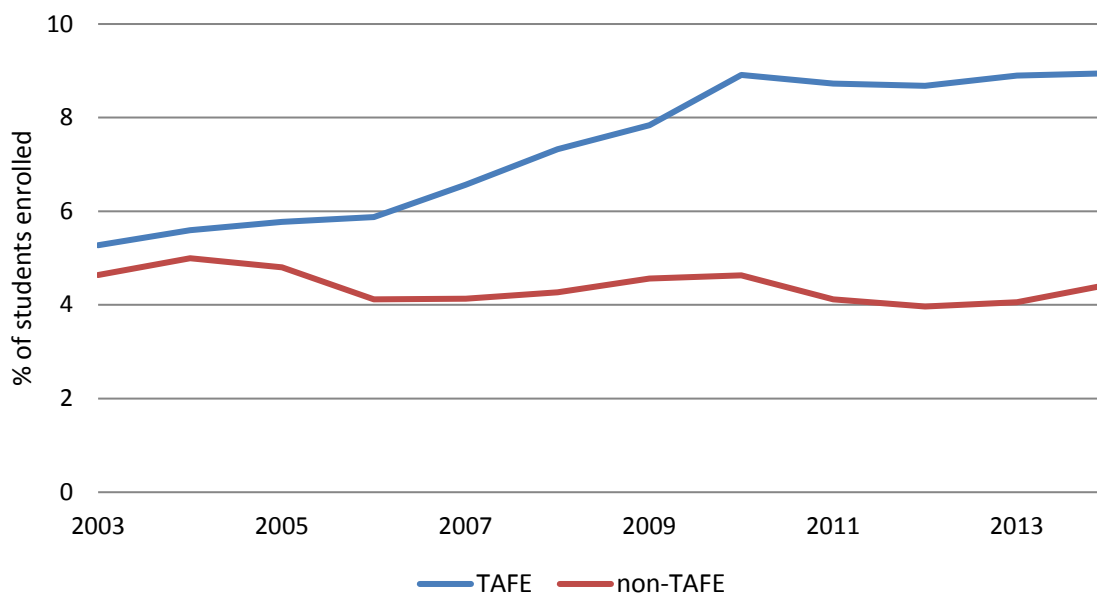
In relation to the first point, the contribution that TAFE Queensland can make to increasing equity and choice are addressed in greatest detail in the fairness and equity section of the submission (below). However, key to broadening opportunity is bridging the gap between disadvantaged components of the community and higher education. TAFE Queensland's existing delivery to disadvantaged learners illustrates the value it can provide in increasing choice and opportunity within the sector.

In relation to the second point, TAFE Queensland's traditional strong links with industry and its applied approach to learning provides students with the choice to undertake education that has a strong focus on servicing the labour market. Within a climate where employment uncertainty and the need to be responsive to skilling needs, this applied approach to learning has increasing appeal to students. Specifically, analysis recently undertaken by the CSIRO and TAFE Queensland (The VET Era report) clearly shows the need to invest in STEM and Communication sub-skills to support economic transformation. The findings of this analysis suggest that Government investment in sub-skills (such as service, negotiation, active listening, technology design, mathematics and computer use), particularly at higher levels (i.e Diploma and Degree levels), will be required to increase innovation within the existing

workforce. Targeting of the available government investment in areas of economic priority may assist in this regard.

TAFE Queensland's work with the CSIRO also illustrates an increasing flow of university graduates into the TAFE sector, as illustrated in figure 2.

Figure 2: Proportion of students enrolled with previous highest education level of Bachelors (or higher) degree level, TAFE vs. non-TAFE (rest of VET) sector. Source: NCVER.



This trend illustrates the growing demand within the higher education market for an applied and industry focused approach to educational delivery. Interestingly, the sharpest growth in this measure occurred during a period of significant disruption in the economy when individuals are wanting their qualifications to be as responsive as possible to the labour market and directly relevant to gaining employment.

In addition to the above, TAFE Queensland's high quality student outcomes, including 87% of students that are employed or in further study post training, illustrate that it has the capability to deliver quality education in large volumes.

The above provides clear support for the extension of Commonwealth Supported Places (CSP) to TAFE Queensland and a key part of the argument for this extension is the fact that TAFE Queensland is a trusted, publicly owned high quality education and training provider, which represents minimal risk to the overall quality of the higher education sector.

In contrast to TAFE Queensland there are a number of educational providers that represent a high risk to the quality of the higher education system should they be provided with increased access to public funding to deliver higher education qualifications. There are clear lessons that can be drawn from the expansion of the VET FEE-HELP market, which have included a significant cost blowout to government that has not been returned to the economy through student outcomes. One of the key issues with the design of that program was the lack of barriers to accessing the scheme for providers, which has led to unscrupulous behaviour by

providers and a deviation from the initial intent of the scheme, which was about providing access to training.

Therefore, TAFE Queensland are recommending a measured approach to CSP expansion. This may include the piloting of providing access to a small number of high quality, low risk, not for profit providers and assess such a process based on clear objectives.

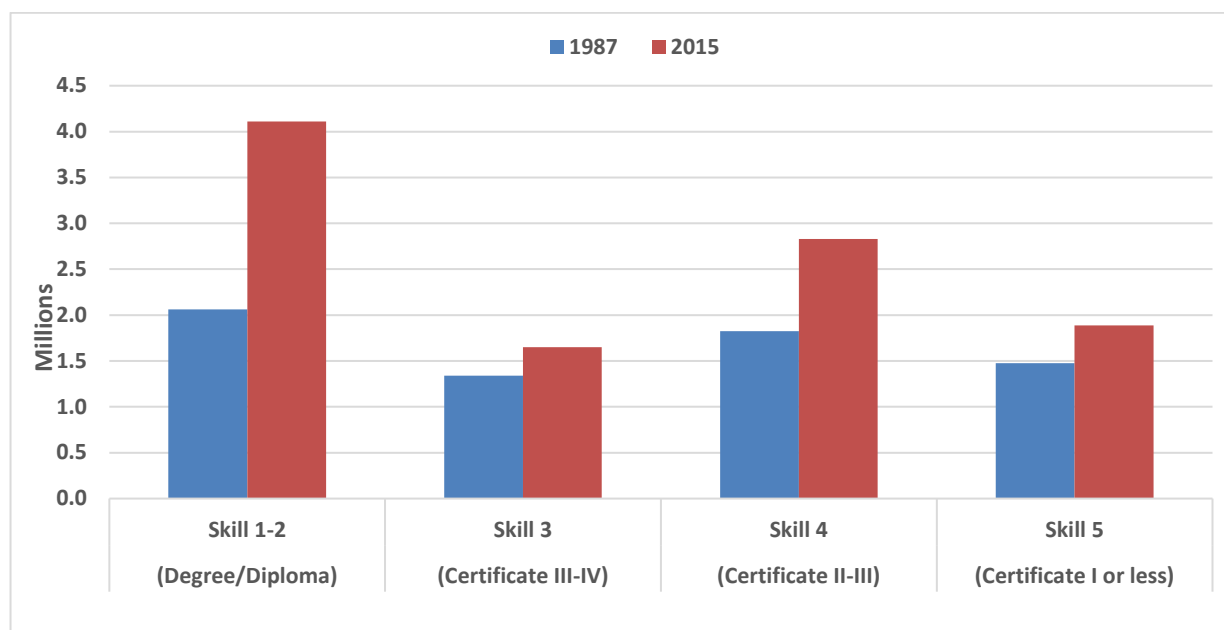
How to expand access to sub-bachelor courses at public universities, whether this should be entirely demand driven or whether it should be limited in enrolment numbers or scope.

Sub-bachelor courses are an important qualification within the Australian Qualifications Framework that provide pathways for students to higher education. As discussed above TAFE Queensland supports access to CSP for both Universities and high quality, publicly owned non-university higher education providers.

However, it is acknowledged that if this does not occur the above question would be considered in the context of only current Table A providers as defined within *Higher Education Support Act 2003* (Cth) being able to access an expanded demand driven approach to sub-bachelor delivery. Within this context TAFE Queensland provides the below.

There has been a range of research undertaken in recent months regarding the changing requirements of the labour market and the need for higher level qualifications to drive economic transition. The importance of the upskilling task is illustrated by recent analysis undertaken by TAFE Queensland and CSIRO, which shows the increasing importance of higher level qualifications. Figure 3 shows the increasing demand within the economy for skills at the Bachelor and Sub-Bachelor levels.

Figure 3: Employment by skill level 1987-2015



The importance and value of non-university education providers, such as TAFE Queensland delivering these programs should not be overlooked in favour of public universities. TAFE Queensland and other non-university providers are uniquely positioned to improve opportunities and access for students from disadvantaged backgrounds to begin their higher education study through the sub-degree pathway.

This access is enabled through smaller class sizes and a supportive learning environment that is mindful of the requirements of learners that are oftentimes taking an alternative path to higher education. Importantly, TAFE Queensland plays a key role in upskilling those members of the workforce that are impacted by changing skilling demand and major shifts in where the jobs are within the workforce.

The expansion of sub-bachelor programs needs to be approached with caution and should be mindful of the important role played by non-university providers already. Specifically, TAFE Queensland recommends that both enrolments and scope should be limited. In the case of enrolments TAFE Queensland suggests that demand should be capped so there are no unintended consequences or adverse impacts on demand for VET at AQF level 5 and 6 qualifications, that is, Diplomas and Advanced Diplomas.

There is a potential that open access to sub-bachelor degrees exclusively at public universities could create a disincentive for students to study at the sub-bachelor level within the VET sector. For reasons discussed above, this would be a poor outcome for the Australian economy and would create another disincentive for students looking to undertake sub-bachelor education in an area that has strong links with industry and is in demand within the workforce.

Additionally, TAFE Queensland proposes that scope be limited to sub-bachelor qualifications which are from low market entry disciplines and where generic skills are the focus as opposed to specific industry standards. VET Qualifications are industry driven and lead to industry approved standards of performance. Sub-bachelor courses are not a substitute and unlimited access to these courses could have a negative impact on the industry led system of VET at this level of qualification.

To provide an example in the area of nursing where the VET Diploma is the qualification endorsed by industry for Enrolled nurses. A sub-degree at AQF level 5 or 6 designed by the higher education sector would not necessarily meet the very specific requirements for industry placement, industry standards and industry outcomes that have been developed through the national accredited VET system.

Fairness and Equity

In order to ensure that we are achieving the best outcomes for disadvantaged students, the Government will, in the context of finalising legislative reforms, be evaluating the HEPP. The evaluation will seek to determine:

- ***the outcomes achieved by the programme;***
- ***who has benefited from its activities, with particular reference to all disadvantaged groups, including people from regional and remote Australia;***
- ***whether the programme provides good value for money; and***

- ***what changes may be required or more effective alternatives (such as scholarship type models provided for in the original 2014-15 Budget reforms) to increase higher-education participation and success by people from disadvantaged backgrounds into the future***

TAFE Queensland does not currently have direct access to the Higher Education Participation and Partnerships Program (HEPPP) and as a starting principle it is recommended that any reform of the HEPPP examines a model that is inclusive of the VET sector and utilises the existing reach that the sector has throughout regional Australia.

TAFE Queensland and other high quality VET providers present the Australian Government with an opportunity to support its stated objectives of increasing fairness and equity in the sector on a number of fronts. TAFE Queensland and the VET sector more generally has been engaging disadvantaged learners in significant numbers throughout its history.

This engagement with disadvantaged learners is shown in analysis by the Productivity Commission, which illustrated that in 2014 representation by disadvantaged groups in the VET sector as the following

- **Aboriginal and Torres Strait Islanders** had a 17.2% participation rate in government funded courses compared to 8.2% for non-indigenous people;
- **People from remote and very remote areas** had a participation rate of 8.5% compared to those from major cities (5.3%).
- **People with a disability** had a participation rate of 8.4% and 8.2% did not state their disability status, suggesting that participation may be understated for this group.

At a TAFE Queensland level our significant regional presence places us in a strong position to improve access to higher education. Our existing engagement with disadvantaged learners and the existing support structures that are in place, including high quality student outcomes illustrate this ability. In 2015-16, TAFE Queensland enrolled 6,869 Aboriginal, Torres Strait and South Sea Islanders, representing 5.6% of our overall student cohort and within our North region, which covers North Queensland, this cohort represented 20% of all students in 2015-16. In addition to this TAFE Queensland has strong engagement strategies with other disadvantaged learners, particularly engaging learners from lower socio-economic backgrounds, who in many instances, are the first in their family to be undertaking post-secondary education.

TAFE Queensland also has Australia's leading vocational education scholarship program with over half a million dollars in industry-based scholarships to help students meet their career goals. The TAFE Queensland scholarship program provides students with \$5,000 to support their education and includes an access and equity category that provides support to disadvantaged learners from a range of backgrounds including Aboriginal or Torres Strait Islanders, people with a disability, long-term unemployed, carers and so on. This program is further evidence of TAFE Queensland's commitment to disadvantaged learners and its experience in working with these groups.

In relation to pathways to higher education, research undertaken by the National Centre for Vocational Education and Research (NCVER) found that the transition of disadvantaged

learners to higher education is more likely to occur from higher-level VET qualifications. These groups include indigenous people, individuals with a disability, those from rural/remote areas and those with a non-English speaking background. This work also picked up an earlier study, of Victorian indigenous students that concluded that success with VET (TAFE specifically) served as a launching pad for consideration of higher education, when previously this had not been considered a viable pathway.

Enabling students to undertake their higher education with the same provider that has provided their VET would increase both the transition between the levels of study and the success rate at the higher education level following transition.

This further supports the amendment of policy and funding settings to enable high quality providers such as TAFE Queensland to play an increasing role in delivering higher education. This role is envisaged to include improving the access and equity of higher education, particularly in regional areas and areas with large numbers of individuals from lower socio-economic groups.

Subject to the financial sustainability savings outlined in the budget, the Government could:

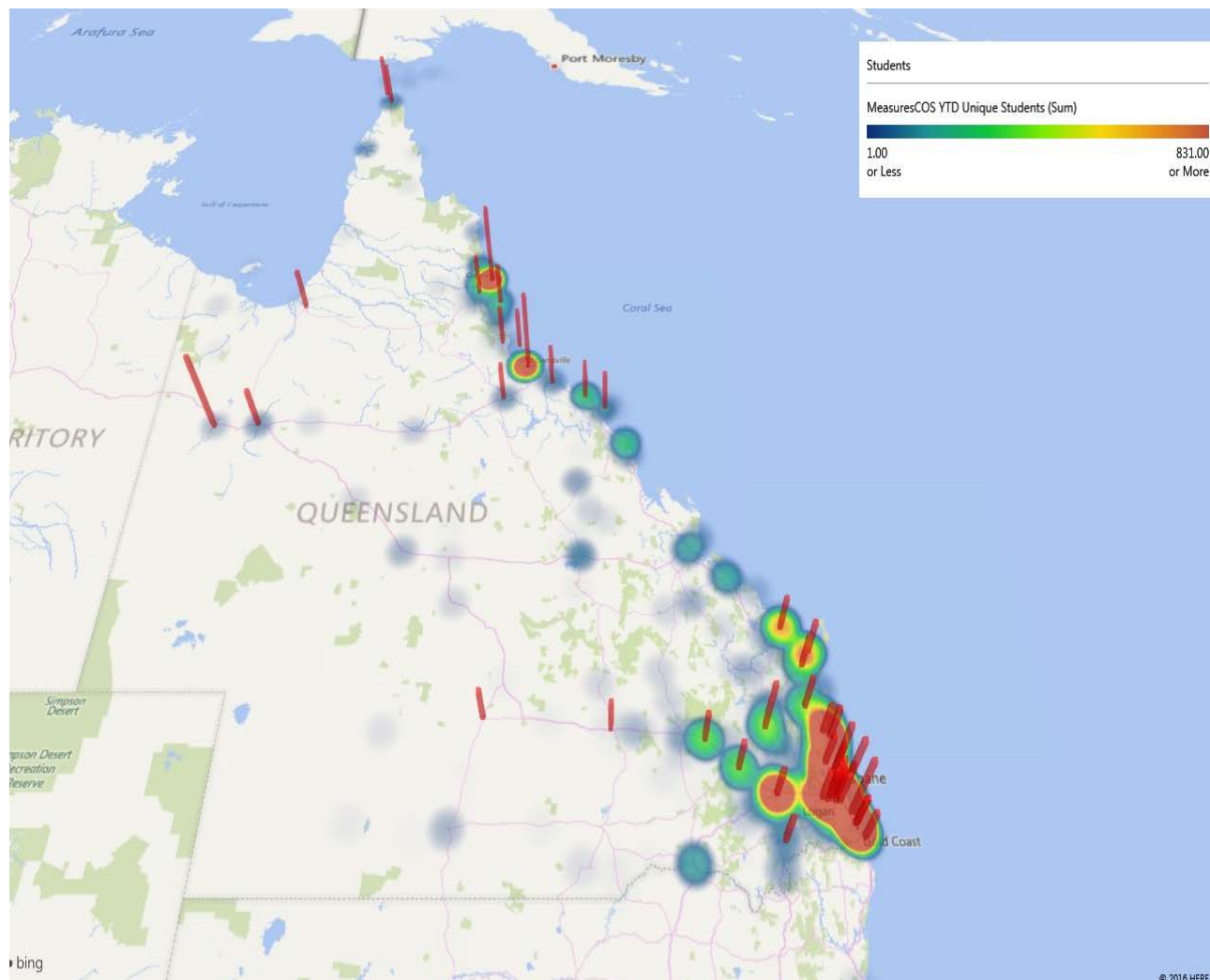
- ***introduce a new infrastructure fund or loan facility to enable regional and outer metropolitan universities to undertake transformative infrastructure investments to assist them in adapting to local market conditions, improve their long-term viability and enhance the student experience***
- ***consider whether any transformative infrastructure should prioritise new physical facilities, establishment of networks and virtual teaching spaces and better utilisation or rationalisation of the existing estate***
- ***assess alternative opportunities from collaboration or use of new technologies to cost effectively enhance access to higher education for students not living near established campuses***

As illustrated in Figure 1, TAFE Queensland's 56 delivery locations throughout Queensland presents the Australian Government with the opportunity to leverage its extensive educational infrastructure to increase access to higher education. It would appear much more efficient to examine the upgrading or extension of existing educational infrastructure, as opposed to seeking to establish new infrastructure in regional areas. Investment in new infrastructure in regional Australia would also have the potential to have ongoing maintenance and upkeep costs and would provide the potential for significant recurrent costs to the government and/or providers.

A concern with a University only approach is that even with the provision of infrastructure support for course delivery in regional areas, Universities may still choose to deliver courses with low infrastructure setup costs. Universities may also choose to compete with existing providers rather than work in partnership leading to duplication of infrastructure and cost. Ultimately this may lead to less choice and offering in regional and rural areas if course delivery and infrastructure costs are not viable due to volume and scale considerations.

TAFE Queensland are also eager to examine collaborative models for the delivery of higher education in outer metropolitan and regional areas and would welcome a further discussion in relation to possible options for improving regional access to post-secondary education generally.

Figure 1: TAFE Queensland Delivery & Student Locations



Affordability

In finalising legislative reforms and meeting the financial sustainability savings outlined in the Budget the Government will consider a range of levels of potential HELP loan fees:

- ***removing loan fees altogether would remove the current anomalies and reduce the cost pressures on fee paying students but would involve a significant cost compared to current arrangements.***
- ***a modest loan fee – 5 per cent, for example – would remove the anomalies for students and providers, while leading to a slight increase in costs for students***

in Commonwealth supported places. This approach would enable the Government to recover a small proportion of the costs of running the HELP scheme – but still only a fraction of the expenses relating to debt not expected to be repaid.

A key principle of higher education reform needs to be ensuring as much consistency as possible is achieved across the post-secondary sector.

There are currently a range of inequities between the VET sector and the higher education sector and one of these is the current requirement for VET students to pay a 20% loan fee¹ when accessing VET FEE-HELP.

This requirement is currently providing a barrier for students to access VET qualifications and is therefore counterintuitive to the original intent of the scheme. Additionally and as discussed elsewhere VET plays a key role in providing education to disadvantaged learners and therefore the application of this fee is presenting a significant barrier to education for these groups.

TAFE Queensland recommend the removal of the fee for students accessing HELP.

¹ This fee applies when students are undertaking a qualification that does not attract a state subsidy

References:

Andrew Reeson et al, *The VET Era: Equipping Australia's workforce for the future digital economy*, (Commonwealth Scientific and Industrial Research Organisation/TAFE Queensland, 2016).

Productivity Commission, *Report on Government Services 2016* (Canberra: Australian Government, 2016).

Tabatha Griffith, *Disadvantaged learners and VET to higher education transitions* (Adelaide: National Centre for Vocational Education Research, 2014).

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