



Submission to IPART Pricing VET under Smart and Skilled

April 2013

Women in Adult and Vocational Education (WAVE) is an NGO, the only national organisation with a focus on women and post compulsory education and training. WAVE represents the interests of women and girls in the broad areas of adult, vocational and work-related education and training, and the links between these, employment outcomes and labour market positions. We are a member of economicSecurity4women (eS4W), and well understand how costs around gaining a VET qualification can impact on the economic security of women.

In this submission, WAVE comments on both Pricing and Student Fees. We are very concerned that pricing for qualifications under Smart and Skilled will not discriminate against VET programs in which many women and girls are enrolled, including business and retail courses, as has happened in Victoria. We are also concerned that pricing takes into account the specific needs of many women returning to study and/or looking to embark on new careers. For many women, access courses that are specifically targeted at ensuring they have the skills and confidence to take on further study or look for employment, are critical. Entitlement funding does not necessarily cater for this group of students, who may need to study more than one course at a Certificate level either before taking on further study or making a viable decision about viable paid employment.

We are also concerned that student fees should be based on student accessibility to VET study, not on RTOs making a profit and commercialising large numbers of their qualifications. Unfortunately, there is nothing that WAVE has seen to date from Smart and Skilled in NSW that leads us to believe that this marketised system will provide any more checks and balances than the free market system that applies in vocational education and training in Victoria.

Pricing

IPART asks questions around the base cost or price of qualifications, and WAVE makes the following comments on this issue.

As IPART itself acknowledges, working out a true cost for each VET qualification, is a task of huge proportions. It would be very complicated and very costly, and tend to fluctuate considerably between qualifications, with resultant impact on fees. State Training Services within the Department of Education and Communities does not have the capacity to work out such variable costings, and if it did, the cost to the taxpayer would be enormous. WAVE objects strongly to funding that should be directed to quality delivery of education and training being syphoned off to support complex and arguably non-productive administrative and IT systems.

IPART itself acknowledges the variables involved and the flexibility of pricing depending upon Units chosen, or that the pricing would need to reflect an average cost for an industry area. It is not appropriate for pricings to vary in such a way, as an RTO would not have the knowledge required of base costs, nor what costs they would need to find funding for through other sources such as student fees.

There are undoubtedly simpler models that could be applied such as a range of criteria with weightings, and courses being measured against these. It would be critical to ensure that criteria included equity criteria including the needs of women, how to support them into careers in a wider range of industries, and how to support women to undertake higher qualifications to ensure they are part of the workforce.

Differentiation from base costs will be determined largely by loadings it appears.

Loadings will need to apply for:

- * all equity/student groups
- * regional/remote offerings – location
- * specific course costs including equipment and facilities

and there needs to be consideration of multiple disadvantages, including gender.

Different modes of delivery, unless requiring additional equipment and facilities, should not be used as a loading criteria. Teacher time should be consistent across all modes of delivery.

WAVE acknowledges that delivery to equity groups can involve greater costs due to the additional tutorials/educational support/foundation skills required as part of the costings for delivery to that particular cohort. A percentage loading should apply depending upon the additional educational support required. It is also important that the NVEAC Equity groups should be used consistently across Australia, so that loadings apply for delivery of qualifications to Indigenous students, students from CALD backgrounds, students with disabilities, people from socio-economically disadvantaged backgrounds, disadvantaged women, students in rural and remote locations, and to communities with high levels of disadvantage.

Student Fees

WAVE rejects upfront the accepted notion that under the Smart and Skilled changes, it is very likely that student fees will increase.

1. WAVE believes that with or without entitlements, VET fees should remain low, particularly in the public provider TAFE. The private return of a VET qualification is not generally as high as for a university qualification. At no time should VET student fees be anywhere near as high as university fees, whether the courses are commercial or subsidised.
2. WAVE is concerned that the skills shortage or Government priority list may not pick up on many courses and/or qualifications that women may undertake for a variety of career options, including for small businesses. IPART needs to consider the

consequences that flow when women's groups such as WAVE are not involved in the setting of skills lists and Government priorities, and the particular vocational skills needs of many women are thereby ignored.

3. WAVE is concerned that if a course is not on the Government priority list, fee for service/commercial fees will be charged. This is unreasonable when many people may choose to study in a niche area for which there is still, even if limited, demand in our economy. There should be at least another fee for courses that are not on the skills list but do not have an immediate commercial benefit. There are considerable economic problems in not getting the fee structures correct and in not taking into account what VET students are able to pay for a qualification. When the public benefit perspective is too narrow, then Australia's skills base will also be too narrow for a productive economy.

4. Entitlement funding should be available for more than the first qualification, and should for many people including women and girls classified as being from an equity group, be available for more than one qualification at a particular certificate level. For example, many women who have not been involved in studying for some time may need to undertake a Certificate II women's program such as Access to work and training, and then a vocational certificate at the same level, before progressing on. They should not be penalised for needing to develop and build their skills and confidence.

5. Lifelong learning should be given stronger consideration in proposed Government changes in the VET sector. Governments are giving out mixed messages:

- a. that their citizens should involve themselves in lifelong learning, that mature aged workers should seek to update their skills and remain in the workforce, and that jobs that will exist in the next ten years have not even been created yet; and
- b. that most people will only be able to access one entitlement to subsidised training and that if they already have a higher qualification, albeit that they may want to or need to change careers or gain extra skills, they will need to pay higher fees

Given that fees under an entitlement model will not be all that low anyway, the above issues will be considerable for many people, and have serious consequences for many women.

6. The public benefit of a VET qualification (difficult though it is to quantify) far outweighs private benefit, even in all of its forms. The benefit around earnings is both public and private, economic and social. It is public in terms of a strong and productive economy and private in terms of a fulfilling career. From the perceived benefits of a fulfilling career for individuals are many public benefits to society in general including the contribution to building resilient communities. To separate the two is artificial, especially in determining how much an individual should pay for their studies. When you consider how much governments have put into funding ways to ensure young people stay at school longer and are involved in education rather than receiving unemployment benefits, the distinction becomes even more foolish.

7. There is no quantifiable data about the effect of the level of student fees on student participation. However the anecdotal information generated from students when TAFE fees have been significantly increased, is that many would not have been able to continue courses, or would do so by making considerable sacrifices in other ways. The changing labour market also has considerable fluctuating effects on student participation.

Because it is an access and equity issue, WAVE strongly believes that student fees should remain low for TAFE as the public provider, and should only increase by CPI as is currently the case. This is predictable for both the RTO and the student. TAFE should as a consequence be adequately funded to undertake this public role.

8. Student fees should be the same percentage of the base price. It is important not to increase the cost of higher qualifications in the VET sector to the level that seems to be suggested in much of the current literature, including this IPART Discussion Paper. Given the competition from the Higher Education sector in this area, to do so will impinge on VET's capacity to being competitive and lead to further erosion of the market.

9. WAVE does not agree that additional course charges should be levied on top of fees. Students should not be further penalised because they are studying in an industry area where equipment and consumables are expensive. It should also be noted here that while some (male based) apprentice courses have attracted subsidies for tools, this has not been the case for female dominated courses such as Beauty, where students have high equipment costs. This is an equity issue.

10. Fee and course exemptions should be retained, and fee exemptions should be the same for every qualification. Once again it is an equity issue that students entitled to fee exemptions should not be expected to pay more just because they are studying at a higher qualification level. This is after all a COAG target. Fee exemptions should remain low at a set fee, such as is currently the case in TAFE, at \$100.

WAVE also considers it important to emphasise that in representing the issues for many of the equity groups, but especially women, that we would totally oppose any move to deregulate student fees, and believe that this really would demonstrate Government relinquishing its responsibility to vocational education and training and the needs of its citizens.

WAVE continues to support the view that education is an investment in our country and its people, and should not be viewed as a cost.

For further information, please contact Linda Simon, WAVE National Convenor – linda@wave.org.au or phone 0411550439