

Victorian TAFE  
*Association*



Response

Provincial Victoria: Directions for  
the next decade

Victorian TAFE Association  
Level 3, 478 Albert Street  
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## VICTORIAN TAFE ASSOCIATION RESPONSE

### *PROVINCIAL VICTORIA: DIRECTIONS FOR THE NEXT DECADE*

#### **PREAMBLE**

Victorian TAFE Association (VTA) welcomes the opportunity to comment on the current discussion paper 'Provincial Victoria: Directions for the next decade.'

VTA members, including four multi-sector Universities and fourteen stand-alone public TAFE Institutes actively partner with industry to deliver training, assessment, advisory and consultancy services to employers, governments, community organisations and individuals in regional Victoria.

Nine of Victoria's public TAFE providers have their operational bases in regional Victoria, including 58 identifiable sites in cities and towns and outreach services in villages and online.

VTA in this response draws on submissions directly from members and on the views of Victorian TAFE providers attending a focus group convened in October 2009.

This response is specifically directed at Sections 3 and 4 of the discussion paper. VTA members may respond individually to the discussion paper to highlight areas of particular interest to their organisations and in particular in relation to Section 5 of the discussion paper. VTA would like to comment though that it is very disappointing that the regional profiles in Section 5 of the discussion paper neglect to mention the significant investments in vocational education and training infrastructure occurring throughout Victoria. All regional TAFE providers have strategic plans to grow their activities in each region and capital works plans to underpin these.

This response is made in the context of Victorian government's policy directions for vocational education and training and in the light of VTA members' experiences as public entities operating in a competitive and increasingly contestable vocational education and training market in regional Victoria.

The revenue base of Victoria's regionally based public TAFE providers in 2008 exceeded \$300m. Regional TAFE providers support an effective full time workforce of approximately 3000 and make substantial investments benefiting regional economies. In 2008 the full time equivalent student numbers enrolling in regional TAFE providers exceeded 100,000 but this represents a much larger number of individuals choosing to gain education and training with public TAFE providers.

Victoria's regionally based TAFE providers are well placed to respond to the discussion paper.

The VTA makes the following recommendations:

**Recommendation 1:** That DIIRD incorporates data sets assembled by the Victorian Department of Planning and Community Development and local sub-regionally based data into the planning data on population growth and population trends.



**Recommendation 2:** The blueprint for Regional Victoria explicitly acknowledges strategies to provide education and training opportunities to encourage workforce participation across the working aged population.

**Recommendation 3:** Regional planning data is used by DIIRD and the Victorian Skills Commission to negotiate directly with regional TAFE providers for the delivery of training where new industries are emerging, skills shortages exist and to develop regional capacity.

**Recommendation 4:** That community service hubs be acknowledged as indicators of community strength in the blueprint for regional Victoria.

**Recommendation 5:** That the blueprint has an unambiguous statement of purpose and intent for the state government to support rural infrastructure and services thereby ensuring a level of built infrastructure in regional towns and a commitment to maintaining community-building services.

**Recommendation 6:** The regional strategy includes actions to support TAFE providers to enable continued access to education and training in regional cities, towns and remote settlements.

**Recommendation 7:** Review areas for action within each of the strategic directions to capitalize on contributions by TAFE providers in regional Victoria.

**Recommendation 8:** The blueprint to be prepared by the Victorian Government features regional and sub-regional plans aligned with local government activities. Sub-regions have distinctive identities that must inform regional planning.

**Recommendation 9:** Action items regarding liveability include contributing to the provision of vibrant educational facilities including pre-school, primary, secondary and post-secondary and pathways to local employment.

**Recommendation 10:** The blueprint explicitly describes the responsibilities of the Victorian Government to financially contribute to community infrastructure in cities, towns, villages and more remote communities.

**Recommendation 11:** An additional strategy is described regarding access to lifelong learning including educational post-secondary/tertiary opportunities or these are imbedded in each of the strategies.



## PLANNING FOR THE NEXT DECADE

Population trends are a critical source of data to guide regional development by federal, state and local governments. Data used for planning purposes must be accepted at the regional and sub-regional levels and variances with local intelligence explained. Qualitative and quantitative methodologies need to be considered for planning purposes to mitigate any skewed information.

VTA acknowledges that population growth is a driver of change in regional Victoria and Figure 1 in the Consultation Paper shows that population growth is concentrated in the major regional cities and that on current evidence young people are attracted to larger regional cities. While this information is useful it should not translate into strategies and plans at the expense of smaller regional towns. Further, a population increase in a small regional town of 1400 people where the base population is 4000 represents a different impact than if that growth was on a much larger base. A better representation might look as well as the trends in population growth in major regional cities and towns. Young people gravitate to where lifestyle, health and education services are located. If these were more readily available in regional towns there may not be the same exodus to regional cities and metropolitan areas. As reported by the Victorian Parliamentary Inquiry into *Geographical Differences in the Rate in Which Victorian Students Participate in Higher Education*, (p142) 33% of respondents to surveys by the Northern Mallee LLEN said they would prefer to stay in the region to study, while a further 18 per cent reported wanting to complete the first year of study locally ([www. http://www.parliament.vic.gov.au/etc/fs\\_inq\\_he.html](http://www.parliament.vic.gov.au/etc/fs_inq_he.html)).

The discussion paper rightly notes the need to sustain high rates of productivity growth in order to improve living standards and references Victorian Government policy initiatives as part of *Securing Jobs for your Future*. The discussion paper refers to the Victorian Training Guarantee entitling Victorians access to post-school qualifications and the Government's skills reforms package to increase the number of people undertaking training in key areas (page 9).

The VTA is cautious about the claims that the market driven student-entitlement model being rolled-out in Victoria will provide the skills and training needed for Victorian businesses and particularly in regional Victorian. VTA still holds the view articulated in response to the Victorian Government discussion paper on Skills Reform *Securing our economic future* (2008), that a demand driven model cannot ensure that skills shortages or regional needs will be addressed. *Securing Jobs for your Future* offers every eligible individual access to government subsidised training in the course of choice. Notionally if 200 people in Ballarat apply to a TAFE provider to undertake education and training in an area of skills surpluses and all meet the eligibility criteria, they will receive government subsidised training yet only 1-2% may find employment in that occupation.

The development of regional workforces must be underpinned by opportunities for people to engage in learning throughout their working life. The acquisition of knowledge and skills may include linear pathways but equally it may be horizontal or tangential. Taking what may appear to be a step back, or sideways, before taking a step forward (non-linear pathways) in the qualification hierarchy is also a legitimate learning pathway leading to workforce participation and/or increased individual workplace productivity. A culture of lifelong learning values learning to make career



changes into new and emerging industries/occupations. VTA endorses the government's intention to increase the number of students in training and to encourage lifelong learning but disagrees with the view that lifelong learning must equate to learning in higher qualifications.

This policy initiative may not deliver the outcomes anticipated in regional Victoria.

The following examples are offered for consideration:

Example 1: Kristy is 26 living in Horsham. She completed her VCE in 2006 and then undertook a Certificate IV Fitness at a local registered training organisation. Employment opportunities in the fitness industry are limited in Horsham but Kristy does not wish to leave this regional community. She notices frequent advertisements for vacancies in nursing and an advertisement for Cert IV Nursing at the local TAFE provider. Kristy wishes to make a career change. Kristy would not be eligible for subsidised funding for this course under *Securing Jobs for your Future*, despite the fact that there are skills shortages locally.

Example 2: Mario (32) completed a Diploma in Engineering and has been working for 12 years in an engineering enterprise in Korumburra. Mario has recently been retrenched and wishes to retrain. He is looking at pursuing a paraprofessional career in food processing in his local area. Employment opportunities exist. Mario is ineligible for subsidised training to enrol in the Diploma of Laboratory Operations or any qualification below Diploma because he already holds a Diploma of Engineering. Mario has insufficient income to pay full fees for this training.

Example 3: Doris, a Koori elder living in Mildura, has been preparing to enter the workforce initially completing a Certificate I in General Education for Adults, Certificate II in Learning Pathways for Australian Aboriginal and Torres Strait Islander Peoples and Certificate II in General Education for Adults. Doris feels confident to tackle more mainstream training and has approached a local TAFE provider to enrol in the Certificate II in Business. Doris is ineligible to receive subsidised training because she already holds Certificate II level qualifications.

Example 4: To build a culture of lifelong learning and Victoria's skills base needs recognition of the importance of government funding to relevant, related learning. Owners and operators of small and medium sized businesses are typically qualified in their area of industry specialisation, such as farmers with Diploma/Bachelor Degree qualifications, but need specific business acumen in vocational skills such as computerised accounting and business management. The Certificate IV in Business is a valuable complementary qualification for operators of small to medium sized businesses yet under the eligibility criteria described in *Securing Jobs for your Future* government subsidised training is unlikely to be available to this cohort.

The introduction of a student entitlement, market driven funding model for vocational education and training in Victoria will mean that increasingly providers of vocational education and training will be making decisions about course offerings based on cost/benefit analysis. TAFE providers are the public providers of vocational education and training throughout regional Victoria with long established presence in regional cities and towns. TAFE providers have taken the baton to ensure communities throughout regional Victoria access vocational education and training. In a market driven model it will become increasingly difficult to offer training in thin markets both in terms of the diversity of skills training and the frequency of training offered. Where delivery costs exceed funding hard decisions may need to be made.



One approach to ensuring that training is targeted is to create boundaries around training availability to industry groups. A mixed model where some skills training is demand driven and a proportion purchased directly by the government in identified regions and industry areas would better contribute to regional skills needs being met in existing and emerging industries.

The discussion paper notes the continuing challenge to provide education and employment opportunities for young people yet lacks explicit strategic directions to engage with young people and industry to provide employment opportunities. The paper also overlooks the equally important challenge to provide education and employment opportunities to retain older persons in the workforce. Participation in the workforce is a key platform of government. In regional Victoria, where the population is ageing, the blueprint must include actions to build skills required in regional communities to cope with the ageing population including longevity of people in the workforce, health and wellbeing. *A State of Liveability: An Inquiry into enhancing Victoria's liveability* (April 2009), repeatedly emphasizes the positive links between education, liveability and competitiveness. VTA members note too the importance of community hubs providing a range of services from the same locations and suggest the presence of community hubs are an indicator of community strength overlooked in the discussion paper.

**Recommendation 1:** That DIIRD incorporates data sets assembled by the Victorian Department of Planning and Community Development and local sub-regionally based data into the planning data on population growth and population trends.

**Recommendation 2:** The blueprint for Regional Victoria explicitly acknowledges strategies to provide education and training opportunities to encourage workforce participation across the working aged population.

**Recommendation 3:** Regional planning data is used by DIIRD and the Victorian Skills Commission to negotiate directly with regional TAFE providers for the delivery of training where new industries are emerging, skills shortages exist and to develop regional capacity.

**Recommendation 4:** That community service hubs be acknowledged as indicators of community strength in the blueprint for regional Victoria.

**Recommendation 5:** That the blueprint has an unambiguous statement of purpose and intent for the state government to support rural infrastructure and services thereby ensuring a level of built infrastructure in regional towns and a commitment to maintaining community-building services.

## **PROPOSED NEW STRATEGIC DIRECTIONS**

### **Position Regional Economies for Growth**

VTA congratulates the Taskforce's intent to focus more closely on local and regional assets than on external investments and transfers. TAFE providers in regional Victoria, as described above, are major contributors to regional growth and development. TAFE providers are among the Victoria's regional assets not merely in



terms of the economic contributions to regional Victoria but through the outcomes of graduates and the building of regional knowledge economies.

The positive impacts of education in regional Victoria, and particularly vocational education and training, are neglected in the five strategic directions and there is a conspicuous absence of reference to education and skills development in the action items. There is empirical evidence<sup>1</sup> linking educational outcomes with personal income-earning capacity and the flow on effect of higher incomes in generating regional wealth and development. Such evidence should not be ignored in the development of the blueprint for regional Victoria.

The education industry in Victoria is the State's highest export earner and one of the State's most successful industries in its own right. It is therefore surprising that the paper does not appear to recognize and provide appropriate mechanisms to acquire the valuable intelligence which the sector could contribute to regional planning and development. TAFE providers as self-governing institutions are well acquainted with industries' needs. Over the past decade extensive research (qualitative and quantitative) and data analysis have enabled the targeting of training to specific industry needs and within specific locales. Victorian TAFE providers facilitate industry forums to learn from industry the trends and needs within their communities and contribute this information to labour market information. Victorian TAFE providers are privy to networks of employers – small, medium and large – and interact with industry and employers often on a daily basis. The voices of small and medium sized enterprises throughout rural and regional Victoria must not be lost in the quest for appropriate intelligence for workforce development strategies.

The paper also appears to be ignorant of the extent of public vocational education and training in Victorian regional cities, towns and villages as well as partnerships with community providers. As an example, East Gippsland TAFE lists 14 sites on the website ([http://egtafe.vic.edu.au/docs/campus\\_info.htm](http://egtafe.vic.edu.au/docs/campus_info.htm) excluding community, schools and industry partnerships. Wodonga Institute of TAFE supports regional study centres in addition to campus based delivery in North Eastern Victoria. Regional TAFEs have the capacity to work in small towns at great distance from major centres.

The guaranteed provision of high quality TAFE in regional areas is critical to develop skills to fill gaps and build opportunities (page 14) as articulated in the plan. Explicit references needs to be made in the blueprint to the role of vocational education in regional economies contributing to new growth opportunities.

**Recommendation 6:** The regional strategy includes actions to support TAFE providers to enable continued access to education and training in regional cities, towns and remote settlements.

**Recommendation 7:** Review areas for action within each of the strategic directions to capitalize on contributions by TAFE providers in regional Victoria.

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<sup>1</sup> Chapman, Rodriques and Ryan, *HECS for TAFE: the case for extending income contingent loans to the vocational education and training sector*, Commonwealth Treasury Working Paper, 2007-2 April, and Long, M & Shah, C., *Private Returns to Vocational Education and Training Qualifications*, CEET, Monash University, 2008



## Plan for Sustainable Growth

VTA fully supports placement of sustainability at the centre of regional development. Universities and TAFE Institutes as tertiary education providers have the research capacity in regions to identify how to respond to and prepare for climate change. Research that considers the distinctive topography, demography, social, economic and cultural features of sub-regions will provide richer data and more considered planning outcomes. Localized research builds the knowledge base of local governments.

The Victorian Government has already invested considerable resources in the establishment of the National Centre for Sustainability (<http://www.ncsustainability.com.au/>) a collaboration including, among others, Sunraysia Institute of TAFE (principally based in North West Victoria), University of Ballarat and South West TAFE. Sustainable use of land and natural resources must be underpinned by planning that includes provision for training and skills enhancement. The strategy statement should be amended to reflect that 'it is about planning, *education and training* for sustainable use of land and natural resources...' Actions would then include a commitment to provision of specialist industry research and training centres throughout regional Victoria building on the existing network. Access to education and training for sustainability across regional Victoria will build regional capabilities and enable deployment at the local regional level

**Recommendation 8:** The blueprint to be prepared by the Victorian Government features regional and sub-regional plans aligned with local government activities. Sub-regions have distinctive identities that must inform regional planning.

## Liveability

Regional Victoria needs the same wellbeing factors as metropolitan residents: access to transport, health services, education and viable employment. The paper clearly refers transport but overlooks health and education. The strategic directions do not provide a clear basis for action and overlook the critical importance of educational pathways, educational collaborations and the benefits of regional residents being able to access and complete higher level qualifications to add wealth in local communities.

The greatest source of return of knowledge to regional areas is the ability to build skills and knowledge in regional Victoria. Anecdotal information provided to VTA is that if people are educated in a region they will tend to stay in that region or live regionally. This advice is supported in the report of the Victorian Parliamentary Inquiry into *Geographical Differences in the Rate in Which Victorian Students Participate in Higher Education*. Access to and participation in education are key ingredients of wellbeing; a factor continually referenced in *A State of Liveability: An Inquiry into enhancing Victoria's liveability* (April 2009).

Further, mechanisms are needed to sustain/resource community based facilities and offset the cost burden to individual owners of community based facilities. Section 3 of the discussion paper acknowledges that 'small towns and rural areas continue to play important roles and functions as service centres and local points for social and community life', roles also emphasized in *A State of Liveability: An Inquiry into enhancing Victoria's liveability* (April 2009). The five key strategic directions contained in this discussion paper do not adequately refer to these roles but instead



focus on large regional centres. The blueprint must ensure small towns are in the lens of planning and regional development.

**Recommendation 9:** Action items regarding liveability include contributing to the provision of vibrant educational facilities including pre-school, primary, secondary and post-secondary and pathways to local employment.

**Recommendation 10:** The blueprint explicitly describes the responsibilities of the Victorian Government to financially contribute to community infrastructure in cities, towns, villages and more remote communities.

**Recommendation 11:** An additional strategy is described regarding access to lifelong learning including educational post-secondary/tertiary opportunities or these are imbedded in each of the strategies.

## CONCLUSION

VTA supports the intent of the discussion paper and asks that the next steps in preparing the blueprint for regional Victoria considers the contributions of education and education providers to economic growth in regional and sub-regional areas.

The development and implementation of the blueprint requires an integrated planning approach and a commitment from local and state governments to enabling policies and strategies that encourage collaboration.

The new strategic approach proposed in the discussion paper may be beneficial to regional TAFE providers if it is integrated with Working Victoria - Victoria's Workforce Participation Strategy and other regional skills plans such as the DIIRD Regional Industry Engagement Strategy and Regional Action Plans.

VTA looks forward to participating in further consultations and having an opportunity to comment on more detailed proposals that can inform planning by regional TAFE providers.

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