

TAFE SA PARLIAMENTARY REVIEW – 27th OCTOBER 2016

Regional Development Australia Limestone Coast welcomes the opportunity to provide a submission into the Statutory Authorities Review Committee’s Inquiry into TAFE SA. This submission was developed with input from Regional Development Australia Limestone Coast Board, staff and a number of community stakeholders that have relationships with TAFE SA.

REGIONAL CONTEXT

The Limestone Coast has for many years benefitted from the contributions of TAFE SA to skills development in the workforce across the region through operations in various towns. Over time the needs of various industries have evolved with the rural production and agricultural landscapes increasingly impacted by efficiencies in processes and emerging technologies. Consequently, the needs of such industries for skilled labor have also evolved.

The higher education landscape has also undergone significant change with digital technologies being employed to provide on-line learning opportunities and to increase the range of course choices for learners. This has occurred at the same time as competitive market ideologies suggest that new providers will operate in the thin markets of regions. However, courses are contracting across the Limestone Coast with operations in Millicent and Naracoorte in jeopardy of closing.

The role of TAFE SA in the Limestone Coast has been as an enabler with significant contributions to education participation rates through opportunities to learn and to reskill as the job market changes. Before addressing the terms of reference for the review, it is appropriate to consider how TAFE SA has changed in its role and function over time and in what ways the operational structure and course offerings meet the needs of the community it serves. The current TAFE SA reputation, operational efficiencies, course choices and quality perspectives are a reflection of policy decisions that have been made over a number of years and the review terms of reference imply a current focus. The RDALC notes that many stakeholders speak of a past and present viewpoint of TAFE SA operations suggesting a decline in TAFE SA contributions to the community over time.

In regional communities such as the Limestone Coast, there is a need for credible and affordable training opportunities to be offered locally. This requires appropriate resourcing and a commitment to ensuring equitable access to learning opportunities that are relevant to the communities being served.

TERMS OF REFERENCE

Pursuant to section 16 (1) (c) of the Parliamentary Committees Act 1991 (SA) ('the Act'), that the Statutory Authorities Review Committee inquire into and report on TAFE SA. In accordance with section 15C (a) of the Act, the Committee will consider:

- (i) The need for TAFE SA to continue in existence;
- (ii) The functions of TAFE SA and the need for TAFE SA to continue to perform those functions;
- (iii) The net effect of TAFE SA and its operations on the finances of the State;
- (iv) Whether TAFE SA and its operations provide the most effective, efficient and economical means for achieving the purposes for which TAFE SA was established;
- (v) Whether the structure of TAFE SA is appropriate to its functions;
- (vi) Whether the functions of operations of TAFE SA duplicate or overlap in any respect the functions of operations of another authority, body or person; and
- (vii) Any other relevant matters.

(i) The need for TAFE SA to continue in existence;

Regional Development Australia Limestone Coast supports TAFE SA to continue in existence.

TAFE SA plays a significant role in the provision of skills training and development in the region and makes valuable contributions to the region's overall economic performance. TAFE SA is often the only provider of certain courses in the region and thus represents a significant community resource.

The TAFE system plays a crucial role in initial vocational education for regional young people entering the workforce for the first time, in providing retraining and career change opportunities for workers made redundant, in providing second-chance learning for those who did not succeed at school and in providing pathways for many young people and mature age students. As part of a cohesive approach to raising educational attainment in the region TAFE SA outcomes are given recognition for prior learning (RPL) by Universities and TAFE SA provides an important pathway to access to higher learning opportunities. The community has a need for skills development offered through TAFE SA.

(ii) The functions of TAFE SA and the need for TAFE SA to continue to perform those functions

Regional Development Australia Limestone Coast supports the functions of TAFE SA and the need for TAFE SA to continue to perform these functions with appropriate levels of resourcing to ensure quality provision and reasonable choices for learners.

Stakeholders have questioned what the functions of TAFE SA are and base their viewpoints on long held beliefs that as a government funded operation, TAFE SA could reasonably be expected to contribute to social cohesion and to raise the education participation rates through equitable learning opportunities. Now more than ever it is difficult to access employment without skills or training. In areas where there are fewer jobs and limited opportunities for developing skills due to lack of community infrastructure and resources, TAFE SA often provides an avenue for training and skill development that otherwise would not exist.

The competitive environment has seen a number of private providers enter the market offering alternative opportunities that stakeholders have also engaged with. As with any other markets, there are providers of varied efficiencies and qualities. However, alternative operations have no community benefit obligations and provision of services are limited to those that are profitable providing this community with an unbalanced range of choices in provider, often limited to non-resource intensive disciplines. Regional locations typically represent thin markets and this provides significant challenges for any providers.

(iii) The net effect of TAFE SA and its operations on the finances of the State;

The reputational consequences of reduced course offerings and inconsistent stakeholder experiences when engaging with TAFE SA are likely to have consequences for revenue and expenses. Where there are alternative providers) TAFE SA may suffer diminished enrolments. However for courses requiring significant investment in infrastructure there may not be an alternative. While our knowledge of TAFE SA finances is limited, the evident contraction of course offerings and cuts in staffing suggests that student numbers are also declining. This will have impacts on capital costs, expenses and revenues.

For this region building skills and workforce capabilities is an important part of economic development and industry diversification plans. Providing youth employment, reskilling workers for emerging opportunities and providing specialized training for identified needs will generate taxable revenues for both employers and employees. The contributions of TAFE SA to the state's finances may be indirect and require a more socially constructed rather than business case approach to assessments of value to the state.

(iv) Whether TAFE SA and its operations provide the most effective, efficient and economical means for achieving the purposes for which TAFE SA was established;

Many stakeholders referred to an increasingly centralized approach to operations, and have suggested that this has contributed to variable experiences between disciplines. Inconsistent administrative experiences with a 'one size fits all' approach were considered to be a function of operational silos with a diminished appreciation of local market conditions being a common theme. While certain courses received high commendation for their customer service and student support, others were considered to be significantly impacted by funding reductions with consequences for TAFE SA's reputation in the community. It is also noted that there have been cancellations of courses and programs regionally and that this is not complimented by the offering of new courses to replace or build educational choices in the region.

Stakeholders expressed concern that the costs of courses have increased significantly impacting access for those least able to afford education. However, use of alternative providers provides an alternative reference point and suggests that TAFE SA is better value for money as a credible supplier with processes that are more open to scrutiny. In many cases TAFE SA is the only training provider and as a contributor to social cohesion and equitable education access, TAFE SA has an important role to play.

Within the learning context, while digital technologies have significantly changed both course delivery mechanisms and student support services, employment agencies note that for competency based trades the need for access to 'hands on training' is important to employers. For apprentices and young adults, the opportunity to learn locally without incurring the time and expense of travelling to Adelaide is often the difference between learning and not learning. When such workshops are not offered in this region, to attend an evening class means hours of travel, accommodation costs and loss of working hours. This challenges perceptions of equitable access to education.

Perceptions about economy, effectiveness and efficiency are clouded by past and present viewpoints.

(v) Whether the structure of TAFE SA is appropriate to its functions

The local TAFE SA context has seen a withdrawal of senior management with limited decision making capabilities vested in the region. Understanding the economic and employment needs of the region and having a local champion to advocate at senior levels for developing new courses and building rather than contracting operations is suggested as a way of re-engaging with the community that TAFE SA serves.

The lack of consistency in operational functions between disciplines has been noted by stakeholders. The provision of local oversight across all functions with the ability to motivate action and to improve outcomes would do much to restore confidence and reputations.

(vi) Whether the functions of operations of TAFE SA duplicate or overlap in any respect the functions of operations of another authority, body or person; and

The increasingly competitive processes that are common to all government operations suggests that there will be numerous providers of training in this region. In certain disciplines this is true and in other it is not with the lack of alternatives in smaller towns more prevalent. However, alternative providers only enter the market when profits are attainable and have little concern for equity or aspirations to raise participation.

(vii) Any other relevant matters

The impacts of the *Skills for All* and *Work Ready Funding* programs helped certain TAFE SA courses through reduced fees. However, the limitations applied to eligibility for the later program through residential postcodes in this region has provided challenges for public understanding of the intentions such measures are intended to serve.