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Student choice and lifelong learning in New South Wales: minding the gap between rhetoric and reality

Key messages

- From 1998 to 2017 the number of government-funded VET students in NSW has remained steady, fluctuating around 450,000 in spite of increased population.
- TAFE NSW share of these students dropped from 84% to 62.4%; Adult and Community providers fell from 22.9% to 4.4%; other registered providers increased from 3.8% to 33.2%.
- The introduction of *Smart & Skilled* had no impact on government-funded student numbers remaining at 423,000 in both 2013 and 2017 against the national trend of loss of students in the VET sector.
- Government-funded students in NSW are heavily concentrated (94.5%) in the top 20 training packages, mirroring total NSW VET activity with 93.6% in a nearly identical list of the top 20 training packages out of the 60 in existence.
- From 2004-2017 NSW VET delivery has been progressively shifted from remote and regional areas to the major cities and their nearby surrounds in line with the national trend. *Smart & Skilled* continued this trend with major cities and inner regions gaining 10,000 students (+8.7%) and outer regions, remote and very remote losing 6,700 students (-8.7%) between 2013 and 2017. Total NSW VET activity indicates +4.2% of student in metropolitan areas compared to +0.5% in the other areas.
- Indigenous student numbers have increased in a linear fashion almost every year from 1998 (13,300) to 2017 (36,900). This is likely to do with changes of self-identification in the national census counts and is concentrated in the major cities and inner regions.
- While not as extreme as the national change, the pattern of shifting training from the most disadvantaged members (-2,300 or -1.0%) to the most advantaged (+2,700 or +2.6%) is also evident in NSW from 2013-2017.
- NSW had 1142 registered training organisations headquartered in the state in February 2019. 98% were based in the major cities and inner regional areas and none were in remote and very remote areas. Out of 972 private, for-profit training providers 91% are located in major cities and inner regional areas and only 10 are located in outer regional areas. (Exception of TAFE NSW is noted post-One TAFE).

Introduction

The mantra of lifelong learning has been an integral element of the vocational education and training policy environment since the seminal Kangan Report (Australian Committee on Technical and Further Education 1974, p. 17) introduced this "new concept" to Australia nearly half a century ago; while noting that "the motives for an individual's choice of vocational education are various and mixed" (p. xxii). At the time of Kangan, student choice was to be exercised by obtaining access to training programs offered by state-based

systems of government-funded Technical and Further Education (TAFE) institutions. Kangan's guiding principles for these new TAFEs contained provisions for accessible recurrent learning throughout one's entire life course including the establishment of community colleges in country areas (Australian Committee on Technical and Further Education 1974, pp. 11-16).

The position of TAFE as the monopolistic provider of non-university, post-school education and training received its first serious policy challenge in the Deveson Report's (1990) alignment with the emergence and eventual introduction of national competition policies into the Australian economy (Hilmer, Rayner & Taperell 1993). As state and territory government agencies, TAFEs found themselves also included in the broader suite of micro-economic reforms introduced by the jurisdictions seeking to withdraw from direct responsibility for service delivery in favour of privatisation and/or contracting out to competitive markets that were believed to facilitate each person's ability to choose the range of services that best meet their needs (Keating 2004, p. 11). The most recent review of national competition policy reiterates that user choice-type public policy settings should make markets work properly; foster diversity, choice and responsiveness in government services; and secure the necessary standards of access and equity (Harper et al. 2015, p. 7). Vocational education and training (VET) was inextricably bound to the notions of choice, access and equity from the time of Kangan. These same elements have also come to be used to promote VET's marketisation.

From the mid-1990s, national VET policy has inexorably promoted schemes "to enhance the choice that clients have between the full range of providers – public, private and industry" because increased competition in open markets was "universally recognised as the most effective way to improve services [and] contain or reduce costs" (Australian National Training Authority 1994, p. 7). The pro-market Productivity Commission (2012, p. 11) describes that in 1998 the User Choice funding arrangement for the provision of off-the-job training to apprentices and trainees was introduced in order "to harness market forces in the allocation of VET services" (p. 57). There has been a "growing trend towards greater student choice and less government planning of supply" (Productivity Commission 2011, p. 74) in response to a "change in participation in VET as a result of increasing labour market emphasis on formal training and lifelong learning" (p. viii). Numerous contemporary reports and prognostications to do with workforce development and VET policy echo Kangan's prioritisation of lifelong learning (for example, Business Council of Australia 2018; Committee for Economic Development of Australia 2018; Halsey 2018; Parker, Dempster & Warburton 2018; Seet et al. 2018). Policies facilitating student choice have been made into a central requirement for reaching the desired state of affairs where all members of society are expected to embark and remain on the journey of continuous self-improvement.

The confluence of national competition policy and New Public Management principles (Hill & Hupe 2002, pp. 110-1) in an attempt to improve quality, increase user choice and reduce costs fitted comfortably with public choice theorists' view of the potential benefits of governments managing contracts instead of delivering services (Self 1993). As a result, public funding for VET has substantially decreased, partly as a result "real efficiency improvements" (Noonan 2016, p. 13) and a major decline in student enrolments from 2013 (National Centre for Vocational Education Research 2018c, table ten). The intention of reducing TAFE's monopoly of provision has also been achieved with a steady increase in

provision of VET by other registered providers as shown in table one indicating the national percentage of government-funded students enrolled with different provider types.

| Table one | 2004 | 2009 | 2013 | 2017 |
|--|--------------------|---------------------|----------------------|---------------------|
| TAFE and other government providers | 78.8 | 76.9 | 55.6 | 52.3 |
| Community education providers | 10.7 | 8.9 | 7.3 | 5.7 |
| Other registered providers | 10.1 | 13.5 | 36.2 | 39.9 |
| Source | (NCVER 2005, p. 8) | (NCVER 2011, p. 15) | (NCVER 2014b, p. 17) | (NCVER 2018a, p. 5) |

For New South Wales, the pattern of shifting government-funded student positions from public and community provision to the private, for-profit training providers has followed an inexorable pattern from 1998 to 2017 with only minor deviations. TAFE student numbers decreased from 389,900 to 263,900, the community education sector lost 87,800 students to 18,600 while other registered providers moved from 17,800 to 140,600 (National Centre for Vocational Education Research 2018c, table ten). This represents a reduction of students of some 41,000 in spite of the state's huge population growth. In terms of market share TAFENSW went down from 84 to 62.4 per cent, community education dropped from 22.9 to 4.4 per cent while other registered providers increased from 3.8 to 33.2 per cent.

This paper will explore the results of more than two decades of bi-partisan policy consistency (Zoellner 2013, pp. 144-8) aimed at increasing the amount of choice available to consumers of marketised VET services as an important mechanism in the encouragement of Australians to increase their commitment to lifelong learning. The introduction of training packages in 1999 allowed VET qualifications to be commoditised in order to facilitate the operations of training markets (Wheelahan 2015, p. 127). Pre-training package 1998 will be used as one comparison point for the examination of national data sets on enrolment patterns in these training products as well as student characteristics of those enrolled in the national training system. If the implementation of consumer choice in the various state and territory competitive VET marketplaces has facilitated increased commitment to lifelong learning, it should be expected that increased numbers of students are studying in a wider range of occupations with improved access to the more than 4,000 training providers operating in the training market (National Centre for Vocational Education Research 2018b, p. 5). The performance of New South Wales (NSW) will be compared to these national trends.

Background and method

New South Wales (Department of Education and Communities 2011, p. 4) took a longer period of time to develop its program to marketise Australian VET than Victoria with its "Victorian Training Guarantee" (Department of Innovation 2008, p. 10) and South Australia's *Skills for All* policy (South Australia Government 2010). All states and territories were progressively responding to the contemporary policy and financial driver of increasingly open, competitive markets specified in the National Agreement for Skills and Workforce Development (Council of Australian Governments 2008, p. 7) which resulted in each state and territory implementing what was commonly referred to as a 'guaranteed' choice of

publicly-funded formal qualification while ensuring "the effective operation of the training market" in return for substantial federal funding. This policy course remained consistent with the Australian National Training Authority's 1990s proposition that "increased choice makes the VET system more responsive to learners, individual firms and industry" (ACIL Allen Consulting 2015, p. 13).

In developing the *Smart and Skilled* initiative, NSW believes that it took a much more measured approach to implementing its entitlement model than the open-ended funding commitments in the early versions implemented in Victoria and South Australia (General Purpose Standing Committee No. 6 2015, p. 16). It was proposed to expand the existing provision of a student entitlement to a government-funded training place from 15 to 24 year olds to a much broader range of the population. Some moderating issues taken into account included the level of student and employer financial contributions, availability of student loans, budgetary constraints and aligning student demand with industry skill needs (Department of Education and Communities 2011, pp. 4-5). This carefully managed introduction of the entitlement saw NSW go against the national trend of reducing the number of government-funded students between 2013 with 422,900 students and 2017's slight increase to 423,100 students (National Centre for Vocational Education Research 2018c, table ten). The introduction of the student entitlement made no difference to total student participation in the national training system in NSW.

In addition, the provision of the student entitlement was developed alongside the extension of "contestability for the funding of publicly-funded vocational education and training" in order to provide greater choice for students and employers (Department of Education and Communities 2011, p. 8). Increased marketisation of VET delivery was envisaged to be positive because "the contestable training market has made an important contribution to training participation" in NSW (p. 9). Specific attention was given in the planning for *Smart and Skilled* to consider matters of access and equity; some of these considerations included:

- setting targets to "increase attainment levels by women, Aboriginal students and students in rural and regional NSW by 2020" (Department of Education and Communities 2011, p. 2)
- greater efforts "to increase access to training for more of the population" (p. 3)
- looking at "new ways to assist disadvantaged learners to acquire the skills they need to gain sustainable jobs" (p. 4)
- making sure "that those who live in rural and remote communities do not miss out on the learning they need" (p. 4)
- encouraging "local training to meet local needs" (p. 3) and
- using community service obligations to meet the needs of disadvantaged groups and "to ensure access for those in remote areas" (p. 9).

In response to a major review of *Smart and Skilled* following its first year of operation and a separate parliamentary inquiry into the condition of the state's vocational education and training system, the NSW Government outlined the "next phase of the *Smart and Skilled* reform" to "ensure the contestable training market prospers alongside TAFE NSW" and to maintain the situation where "students can now choose the training provider that best meets their needs" (Department of Industry 2016, p. ii). The access and equity considerations also remained prominent in the revised reform policies as the state government committed to

"prioritise training in thin markets" and "fully support disadvantaged students" (Department of Industry 2016, p. iii). *Smart and Skilled* would continue the marketisation of VET because "students are given the opportunity to choose how, when and where they train at a government-approved provider" at a fixed price (Department of Industry 2016, p. 1). A key theme of the new directions included "improving access and choice for students" (p. 2) and built upon policy changes introduced in 2015 that are claimed to have "enabled greater access and choice for students; a balanced distribution of funding and training across the state" (p. 3).

Drawing upon the National VET Provider Collection the high level trend analysis reported in this paper has been undertaken to determine if the promotion of lifelong learning through the introduction of choice in competitive training markets has produced the intended benefits and outcomes such as those articulated in New South Wales. This national data set was introduced in 1994 in order to capture consistent statistics on a variety of aspects of the emerging national training system. The collection was only able to report on government-funded activity (National Centre for Vocational Education Research 2018c, overview) until the introduction of first Total VET Activity reports for all formal training conducted in 2015 (National Centre for Vocational Education Research 2016). Detailed data extracts that are used in this article are presented in separate documents.

Because of data modifications to improve comparability in the national provider collection, for example, reporting on student numbers instead of units of competency achieved in each training package, 2004 has been chosen as the earliest year for the multi-year comparative analysis of the more detailed student characteristics presented in this paper. This date also corresponds with very high levels of usage of training packages; this is significant because these curriculum replacements facilitate the operations of the VET market by creating a product that can be monetised thus establishing a financial price for learning (Wheelahan 2015). 2009 has been chosen as the next comparison point because it marks the introduction of the most extensive open VET market yet seen in Australia with the Victorian Training Guarantee (Department of Innovation 2008) and the introduction of the VET FEE-HELP market (Department of Education and Training 2016). This serves as an early market point in time.

2013 is the next comparison point as the impacts of the Commonwealth Government's removal of subsidies for a large number of apprenticeships and traineeships commenced the steady decline in government-funded students that continues currently from its high point in 2012 (National Centre for Vocational Education Research 2014a, p. 18). 2013 is also when the demand-driven Victorian reforms had been implemented, the heavily market-driven *Skills for All* initiative was in full operation (South Australia Government 2010) and similar moves towards marketisation through the Certificate III Guarantee program were adopted by the Queensland Government (2013). This year also serves as a pre-*Smart and Skilled* point in time in NSW. Finally, 2017 was chosen as a comparison point as it offers the most comprehensive up-to-date data from what might be described as a 'mature training market' for both government-funded training and early trend data on total VET activity (TVA).

Results

Prior to describing the comparative results some contextual information opens this section by drawing upon national statistics on government-funded training from prior to the introduction of the original 36 training packages in 1999 (National Centre for Vocational Education Research 2002, p. 10) and comparing them to the latest 2017 data from the contemporary national training system's approximately 60 training packages by using historical time series data (National Centre for Vocational Education Research 2018c). It is also worth noting that during this period from June 1998 to June 2017, Australia's estimated resident population increased by 132 per cent or just under 6 million persons (Australian Bureau of Statistics 2018).

Between 1998 and 2017, the total number of government-funded students in VET system fell by 21.6 per cent or 328,000 persons to just under 1.2 million (National Centre for Vocational Education Research 2018c, table one) which reflects a 27.2 per cent (516,000 persons) decrease in program enrolments (table eight). TAFE and other government providers lost 54 per cent of their 1.16 million students in 1998 while community education providers demonstrated a relatively greater loss with a 71 per cent drop to 68,200 students in 2017 (table ten). Other registered providers increased by 314 per cent to 475,000 students in the same time period (table ten). The decrease in government funding to the VET sector to below levels allocated in 2005-06 has been well-documented (for example, O'Connell & Torii 2016, p. 3). With population growth providing a one-third larger potential market, it appears that the various state and territory governments' 'entitlement guarantees' have not produced the desired commitment of the Australian population to lifelong learning by accessing the national training system. On the other hand, the introduction of greater range of providers through the creation of a VET market has been accomplished.

Training package enrolment patterns

By using *Smart and Skilled* as the mechanism to give effect to the state's obligations resulting from the National Partnership Agreement on Skills Reform, NSW was "the last state to implement these reforms" and considered itself to be "at a considerable advantage compared to other states" when it came to implementing an open training market (General Purpose Standing Committee No. 6 2015, p. 17). The approach taken was guided by the belief "that a contestable training market will benefit all sectors of the vocational education and training sector over time, driving up quality and efficiency, and ultimately benefiting students, industry and the economy" (p. 17). This marketisation of VET was undertaken in order to produce "a responsive, agile and equitable national training system that meets the needs of industry and students" in order "to meet the challenges of changing economic conditions" by delivering "greater responsiveness to the needs of students and foster improved engagement with industry" (Council of Australian Governments 2012, p. 2). In particular, the anticipated benefits of a market-driven, responsive training system would see policy-makers "respond to emerging issues" while ensuring that "training outcomes are high quality and relevant to the needs of employers to improve skills utilisation and workforce development" (Council of Australian Governments 2012, p. 3).

The impact of new technologies on the workplace was a theme taken up in the Kangan Report (Australian Committee on Technical and Further Education 1974, p. xxiv) when it noted that "recurrent vocationally oriented education offers the best hope whereby the community can cope with shifting job specifications resulting from technological and social

change". In the mid-1990s the Australian National Training Authority (1994, p. 5) revisited this theme by predicting that the training system would need to respond to "the changing skill requirements of industry, such as the introduction of new technology and processes". The Business Council of Australia (2018, p. 9) is one of the many contemporary organisations repeating the call for education and training systems to be more responsive to business and employers because "digitisation, artificial intelligence and automation have the potential to transform many industries and occupations".

If this long-standing concern with technological drivers of change in skills requirements was impacting the labour market, it could be expected that a broader range of training package enrolments would have occurred and that changes in training package student numbers would reflect the predicted technology-induced changes in the labour market. Nationally in 2004, 84 per cent of all government-funded students were enrolled in the top 20 training packages by number of students (National Centre for Vocational Education Research 2005, pp. 26-7) and this has progressively increased to 92.7 per cent of students in the top 20 training packages in 2017 (National Centre for Vocational Education Research 2018a, p. 17). Total VET activity reports and almost identical pattern of concentration of enrolments in 2017 with some 92.1 per cent of students enrolled in the top 20 training packages which, with the exception of Training and Education, are the same as for government-funded students (National Centre for Vocational Education Research 2018b, p. 19).

It appears that the intended expansion of the range of occupations and qualifications that students could choose from has not been achieved; nor is the VET market demonstrating the new occupational groupings in the 21st century labour market that have been forecast. A common view of the future for workers is that they will need a "genuine commitment to lifelong learning" because "jobs of intermediate value are at high risk" of being replaced by technology, therefore requiring retraining to enable workers "to transition to higher value, more skilled jobs" or moving to the "low value jobs [that] will continue to be performed" (Committee for Economic Development of Australia 2018, p. 119). This is the same outlook provided by the Australian National Training Authority (2003) more than a decade earlier when it was predicting "a sea change in skills requirements" with "a clear trend to higher skill occupations" and "also evidence of the persistence of a group of low skill occupations".

The same 15 training packages were in the top 20 by student numbers in each of the years 2004, 2009, 2013 and 2017 (National Centre for Vocational Education Research 2005, pp. 26-7; 2011, p. 13; 2014b, p. 13; 2018a, p. 17). Due to name changes and the combining of previously separate training packages (e.g., hairdressing and beauty) there have only been minor variations in the range of qualifications offered by providers in the VET market. In fact, of the top 20 of the 33 training packages that were introduced in 1999 (National Centre for Vocational Education Research 2000, p. 19) 17 of them were still in the list in 2017. The original Australian meat industry, telecommunications training and workplace assessment (later renamed as training and education) training packages are not in the 2017 list, but have periodically re-appeared in the top 20 in the intervening years.

In New South Wales, the convergence of program enrolments into the top 20 training packages is even more pronounced. The 2017 Total VET Activity (National Centre for Vocational Education Research 2018b) indicates that out of more than 767,000 enrolments some 93.6 per cent are in the top 20 training packages. For government-funded students

even less diversity is shown with 94.5 per cent program enrolments being in the top 20. In addition, 18 of the top 20 training packages are included on both lists in more or less the same order with Furnishing and Resources & Infrastructure being included in the government-funded group and just barely sitting outside the TVA list having been replaced by the Public Service and Animal Care and management training packages.

In further confirmation of a trend of concentrated program delivery of nationally recognised training, and the consequent reduction in employer and student choice, the top six (out of 13 reported) fields of education have enrolled 73 per cent of the total government-funded students in 2004, rising to 80 per cent in 2013 (National Centre for Vocational Education Research 2018c, table ten). Students taking out VET FEE-HELP loans are even more densely concentrated as "only six courses account for over half of all loans" (Department of Education and Training 2016, p. 22). These results suggest that the anticipated changes in labour market demands for higher and different skills that would provide the rationale for lifelong learning have not eventuated nor has the competitive training market increased choices of career or qualification; arguably student, community and employer choices have been reduced.

Geographic enrolment patterns

One of the four objectives of the 2004-2010 national VET strategy was that "communities and regions will be strengthened economically and socially through learning and employment" achieved by encouraging local planning and innovation to increase "the capacity of TAFE and other providers and brokers" to "take advantage of opportunities for growth" (Australian National Training Authority 2003, p. 13). Similarly, the crucial market-enabling policy drivers enshrined in the national agreement for skills and workforce development recognised that public providers had an "important function in servicing the training needs of industry, regions and local communities" while providing "improved skill and job outcomes for disadvantaged learners and communities" (Council of Australian Governments 2008, p. 6). As noted previously, New South Wales retained this policy intention with clear commitments intended to ensure that marketised VET delivery would increase both the amounts and choices of training options for non-metropolitan students and communities in pursuit of lifelong learning.

In order to determine if these policy intentions have been achieved, the national VET provider data collection's reporting on government-funded students' remoteness status has been compared in the four reference years. The five categories are a measure of relative access to services with major cities having the highest levels and very remote the least (Australian Bureau of Statistics 2012). The following data analysis of government-funded remoteness takes place in the context of a system that contracted by 21.6 per cent from 1998 to 2017 enrolling 328,000 fewer students. Detailed figures are supplied in the separate data tables including market shares for 2009 and 2013 which show similar trends that vary by state and territory.

Nationally, Table two shows the five zones had the following market shares in 2004 and 2017; data in tables two to five are number of government-funded students (per cent of total government-funded students).

| Table two | 2004 | 2017 | Change 2004-17 | Change 2009-17 |
|-----------------------|---------------|---------------|-----------------------|-----------------------|
| Major cities | 838.8 (52.6%) | 728.7 (61.2%) | -110.1 (-13.1%) | (-20.6%) |
| Inner regional | 350.4 (21.9%) | 280.9 (23.6%) | -69.5 (-19.8%) | (-28.9%) |
| Outer regional | 229.9 (14.4%) | 129.9 (10.9%) | -69.7 (-30.3%) | (-48.0%) |
| Remote | 39.1 (2.4%) | 24.5 (2.1%) | -14.6 (-37.3%) | (-40.1%) |
| Very remote | 28.0 (1.7%) | 16.6 (1.4%) | -11.4 (-40.7%) | (-52.3%) |

Not unexpectedly, the metropolitan areas lost the largest absolute number of student enrolments in a shrinking system, but in fact, lost the smallest percentage of persons studying. The further one moves from the major city areas with the best access to services the greater the relative reduction in VET delivery since 2004. The same pattern of change is even more evident in comparing the pre-market introduction of fully contestable VET markets in 2009 with the 'mature market' of 2017, indicating even larger reductions in the market share incurred in non-metropolitan districts.

Due to Australia's federated governance structures, each state and territory has developed idiosyncratic versions of VET policies, delivery mechanisms and markets in response to local conditions and political priorities (Department of Prime Minister and Cabinet 2014). In order to better understand the national data, the three jurisdictions that represent an early, a mid-term and the late mover in the creation of more contestable VET markets are examined next to determine if there has been a uniform impact on geographical enrolment patterns in the face of each government's stated policy intention of ensuring provision of choice and an improved, more contestable training system.

New South Wales (table three) has extensive remote and very remote areas which roughly take in the north western half of the state. Given the state's large numbers of VET students, it would be expected to fairly closely resemble the national pattern due to the influence of the size of its contribution to national data sets. The national shift of training from regional/remote areas to the city is also evident in New South Wales, influenced by reductions in training delivered to outer regional, remote and very remote over many years. In spite of the stated policy intentions to prioritise regional and remote delivery in *Smart and Skilled*, its impact exacerbated the transfer of training to the major cities of the coastal areas centred on Sydney. From 2013 to 2017 the number of government-funded VET students increased in the major cities and inner regional areas by about 10,000 while dropping by some 6,700 students in the remaining three regions of the state.

| Table three | 2004 | 2017 | Change 2004-17 | Change 2009-17 |
|-----------------------|--------------|---------------|-----------------------|-----------------------|
| Major cities | 282.5 (56%) | 266.4 (62.9%) | -16.1 (-5.7%) | -39.5 (-12.9%) |
| Inner regional | 121.0 (24%) | 109.8 (26.0%) | -11.2 (-9.3%) | -17.4 (-13.7%) |
| Outer regional | 79.6 (15.8%) | 38.6 (9.1%) | -41.0 (-51.5%) | -48.6 (-55.7%) |
| Remote | 8.6 (1.7%) | 3.8 (0.9%) | -4.8 (-55.8%) | -6.6 (-63.5%) |
| Very remote | 1.6 (0.3%) | 1.3 (0.3%) | -0.3 (-18.8%) | -0.9 (-40.9%) |

Queensland (table four) also demonstrates the pattern of reduced training delivery in the far reaches of the state in favour of Brisbane and the Gold Coast. In fact there is little change in VET enrolment market shares in the major cities and inner regional areas compared to outer regional/remote/very remote reductions in the order of 50 per cent with absolute numbers dropping in a similar pattern. In this case the overall shrinkage of the training system was

achieved by removing training choices from those areas that already had the least access to services.

| Table four | 2004 | 2017 | Change 2004-17 | Change 2009-17 |
|-----------------------|---------------|---------------|----------------|----------------|
| Major cities | 124.7 (44.7%) | 124.7 (44.7%) | -4.6 (-3.7%) | -0.8 (-0.5%) |
| Inner regional | 48.4 (17.3%) | 48.4 (17.3%) | +0.1 (+0.2%) | -10.6 (-17.9%) |
| Outer regional | 63.7 (22.8%) | 63.7 (22.8%) | -30.9 (-48.5%) | -28.2 (-46.2%) |
| Remote | 12.3 (4.4%) | 12.3 (4.4%) | -6.9 (-56.0%) | -5.9 (-52.2%) |
| Very remote | 8.9 (3.3%) | 8.9 (3.3%) | -4.3 (-48.3%) | -4.5 (-49.5%) |

By way of contrast, South Australia's *Skills for All* (table five) produced very different remoteness factor outcomes while sharing the national pattern of reduced overall provision of government-funded student enrolments. This was achieved by retaining similar pre- and post-marketisation percentages of training in each of the geographical areas, albeit off a much smaller base than the other two states. It also maintained the already very high concentration of VET delivery in Adelaide.

| Table five | 2004 | 2017 | Change 2004-17 | Change 2009-17 |
|-----------------------|--------------|--------------|----------------|----------------|
| Major cities | 70.4 (63.2%) | 39.0 (62%) | -31.4 (-44.6%) | -34.1 (-46.6%) |
| Inner regional | 17.2 (15.4%) | 7.9 (12.6%) | -9.3 (-54.1%) | -9.6 (-54.8%) |
| Outer regional | 11.9 (10.7%) | 11.2 (17.7%) | -0.7 (-5.8%) | -6.8 (-37.8%) |
| Remote | 4.4 (3.9%) | 2.9 (4.6%) | -1.5 (-34.1%) | -3.1 (-51.7%) |
| Very remote | 2.1 (1.8%) | 1.5 (2.3%) | -0.6 (-28.6%) | -0.5 (-25.0%) |

Total VET activity reporting offers a much larger data set of students enrolled in both government- and non-government funded training, although it is more difficult to analyse trends as only three years' worth of information is available. However, if the introduction of contestable training markets increased the range of choices to regional and remote areas, as promised in the various policy statements, it could reasonably be expected that TVA statistics would show a different pattern from the government-funded information reported above because they capture private provision data. The 2017 TVA reports indicate that 59.2 per cent of student enrolments were in major cities, 19.0 percent in inner regional areas with the remainder in the other three remoteness categories. Between 2016 and 2017 major cities delivery increased by 1.8 per cent while each of the others progressively dropped a larger amount, with remote down 4.7 per cent and very remote reduced by 5.6 per cent (National Centre for Vocational Education Research 2018b, p. 14).

The 2017 TVA geographic distribution in New South Wales shows an even higher concentration of training in the major cities (64.5 per cent) and inner regional areas (19.2 per cent) leaving 8.3 per cent in the other three geographical areas. The percentage of change from 2016 to 2017 was +5.3 per cent for the major cities with small gains in each of the other areas except for remote districts falling by 0.8 per cent. The increased range of non-government providers introduced into the training market through *Smart and Skilled* has coincided with a significantly larger concentration of the numbers of students in training in the major cities than that demonstrated by the government-funded distribution of training options. The anticipated benefits of increased choice which would allow non-metropolitan students to select the provider and services that best meet their needs has been significantly reduced.

Access and equity

In its report on the benefits of contestable markets and related VET reforms that was prepared for the Australian Council for Private Education and Training, ACIL Allen (2015, p. 30) cites the growth rate in the number of Indigenous students in Victoria between 2008 and 2013 as a "prime example" of increased participation of equity and disadvantaged groups in formal training. A similar claim could be made for New South Wales given that the number of government-funded Indigenous students increased from 29,000 in 2013 to 36,900 in 2017 (National Centre for Vocational Education Research 2018c, table ten) in spite of no significant change in the overall numbers of students as noted above. By taking the long term view from 1998 to 2017 the number of Indigenous students has increased in each and every year from 13,300 to 36,900; except for slight decreases on the previous year in 2009 and 2013 (table ten). This result needs to be placed in context of the national population trends for Indigenous Australians. In spite of the overall government-funded training national market shrinking, from 1998 to 2017 the number of Indigenous students has nearly doubled from 44,200 to 84,500 (table ten). In Victoria, enrolments nearly doubled from 3,900 to 6,400 in the corresponding time period (table ten).

Between the 2006 and 2011 censuses the eastern states and the Australian Capital Territory reported a rapid increase in the number of persons identifying as Indigenous of greater than 20 per cent with this growth having been primarily concentrated in capital cities and inner regional areas, continuing a pattern that commenced in 1981 (Taylor & Bell 2013, pp. 5-7). These levels and locations of growth were repeated in the 2016 census with the southeast of the nation (Brisbane to Melbourne) experiencing the highest growth rate of Indigenous people (between 20 and 33 per cent) counted in the census and they are "increasingly likely to live" in the major cities and inner regional areas (Markham & Biddle 2017, pp. 6-7). It is possible that the reported increase in Indigenous enrolments in New South Wales was less to do with the benefits of marketisation and more likely the result of the rapid increase in the Indigenous population. This data also serves as another source that confirms the increasing migration of training from regional/remote areas to the more populated areas.

As described earlier, both the Kangan Review of TAFE and the Harper Review of national competition policy stressed the significance of access and equity considerations in public policy development and implementation. The National VET Provider Collection also reports on the Socio-Economic Indexes for Areas (SEIFA), which produces an Index of Relative Socio-Economic Disadvantage based on the resources of people and households in a locality (National Centre for Vocational Education Research 2018b, p. 24). Based on their residential address VET students are assigned to one of five equally-sized statistical groups, with quintile one representing those who are most disadvantaged through to the most advantaged being in quintile five. As with the other student characteristics discussed in this paper, the detailed data is in a separate document which compares the changes in VET student numbers in the 2009, 2013 and 2017 reference years as 2004 data is not reported.

In line with an overall decrease in the number of government-funded students in the national training system, each of the quintiles had a significant reduction in the absolute numbers of students between 2013 and 2017. However, nationally the reduction of 136,100 students from quintiles one and two was significantly larger than the loss of 91,100 students from quintiles four and five. In other words, more students from the most disadvantaged areas

suffered a much greater loss of choice and access to training when compared to the most advantaged. Queensland does not follow the national pattern with quintiles four and five dropping by 14,300 students compared to a smaller reduction of 11,600 experienced by the most disadvantaged. South Australia reports the most significant of withdrawal of training from the most disadvantaged two quintiles, with enrolments decreasing by 55,800 compared to only 17,800 lost in quintiles four and five. The situation in New South Wales reflects its maintenance of the total number of government-funded students with the most disadvantaged two quintiles losing 2,300 students in the same time period compared to an increase of 2,700 in the most advantaged two quintiles.

While the absolute numbers are not large, the pattern of reduced provision to the most disadvantaged is demonstrated in NSW in spite of the repeated policy intentions stated in the various *Smart and Skilled* statements. Other commentators have suggested more serious systemic issues have an inordinate effect on youth. "Recent policy changes created an open and competitive VET market, which impacted on how young people access and complete VET courses. These changes have resulted in reduced course options for young people in rural and remote areas and the cost and duration of travel are often prohibitive for this group of young people" which is also a major issue reducing VET participation in urban areas (Youth Action, Uniting & Mission Australia 2018, p. 5 and 40). This same report also notes that although innovative online learning models are encouraged, "some face-to-face contact is vital to help disadvantaged young people build confidence" (p. 5).

Finally, between 2016 and 2017 Total VET Activity reports a reduction of training of -1.8 per cent nationally for students in the most disadvantaged two quintiles, compared with an increase of 3.9 per cent for the two most advantaged (National Centre for Vocational Education Research 2018b, p. 14). Because the SEIFA IRSD is based on geographic areas, these relative shifts in access and choice of training, from the most disadvantaged to those who are better off socio-economically, is likely to also be reflecting the broader shift of training delivered in regional and remote areas to the major cities.

Discussion

There is a "significant disparity" in tertiary education attainment between regional, rural and remote areas as compared to the major cities; "university participation is higher in the cities than in regional and remote areas, the opposite is the case in VET" (Department of Education and Training 2019, p. 5). In spite of the repeated specific reassurances that a contestable market in VET would benefit non-metropolitan areas, the results demonstrate a major failure of policy. The New South Wales Legislative Council (General Purpose Standing Committee No. 6 2015, p. 17) inquiry into VET concluded "that a contestable training market will benefit all sectors of the vocational education and training sector"; but also described that "the committee received compelling evidence that the contestable training market under *Smart and Skilled* is not working for regional, rural and remote communities" (p. 65). Students living in major cities have a variety of post-school options including much greater access to higher education, whereas VET is often the only option for those who are regionally based. "In major cities, around 40 per cent of people have a bachelor degree or higher, compared to 20 per cent in regional areas and less than 17 per cent in remote areas" (Department of Education and Training 2019, p. 5).

The Halsey Review into regional, rural and remote (RRR) education (2018, p. 54) concludes that a general review of the availability of training courses and access to training providers in non-metropolitan areas is required and should "take into account the numbers and diversity of providers, quality, costs, regulation and effectiveness of contestable markets in RRR locations". He writes (p. 53), "The conclusion I have reached is that nationally, TAFE has to be put back into the regions, closer to people, places and the heartland of much of Australia's productivity". The reality of the situation is that training providers have retreated to the major cities.

For example, in early 2019, New South Wales had 1142 registered training organisations headquartered in the state (Training.gov.au 2019). Based on their post code, 1009 (or 88.4 per cent) of these NSW training providers are located in the major city zone which stretches from around Newcastle through to Wollongong. 114 providers (10 per cent) are in the inner regions, 19 (1.7 per cent) in the outer regions and none are located in remote or very remote NSW. The 80 private providers in the inner regional areas account for 70.2 per cent of all those registered training organisations. Of those providers located in outer regional areas, only 10 are private providers and they are quite specialised in fields such as mine safety. Overall of the 972 private for-profit providers located in New South Wales only 90 (9.3 per cent) are located outside the major city area. Unless one lives in the metropolitan area, or possibly one of the larger regional cities, where more than 98 per cent of registered training organisations are located, the VET market is not offering the choice of provider that became the foundation stone for the marketisation of VET enshrined in public training policy since the early 1990s.

Likewise, the reduction of training being provided to the most disadvantaged Australians is not achieving the notions of access and equity elaborated in the Kangan Review and used as a rationale for the adherence to national competition policy by the Harper Review. The national pattern of defining student choice was generally reduced to the singular choice of provider in order to enable contestable markets for contracting out of government-funded training. The analysis argued in this paper demonstrates while choice of provider has materialised in the major cities and some inner regional areas, it has not occurred in the other three geographic areas nor for the most socio-economically disadvantaged. In addition, an equally valid range of other student choices have been reduced or ignored altogether in the marketisation of VET. These include choice of career, occupation, quality, location of training, method of study, price, post-school study options and course of study. It is also noted that "state and territory governments have reduced their support for higher level VET qualifications" (Department of Education and Training 2016, p. 27), thus further reducing choice and a natural progression through lifelong learning.

The concentration of student enrolments in the top 20 training packages demonstrates the absence of some of these other choices because providers have to make financial considerations of the costs of delivery and for the majority of providers in the contestable market there is the need to make a profit. This reductive pattern is also evident in the study supported by VET FEE-HELP loans, where providers are decreasing face-to-face teaching in favour of online delivery. This is believed to have been driven by cost considerations and where "only six courses account for over half of all loans" (Department of Education and Training 2016, p. 22).

Conclusion

The results of this trend analysis of student and training package characteristics demonstrate that there are some clear trends emerging from the decade-old, relatively mature contestable VET markets in each of the Australian states and territories. Since the 1974 Kangan Review of TAFE, vocational education and training public policy considerations have inexorably been linked with access and equity in pursuit of lifelong learning goals. From the mid-1990s the importance of these relationships has been systematically reinforced through the collection of nationally consistent statistics that measure how the national training system provides equitable access to training for students in most age groups.

In spite the large increase in the national population and potential market size, there has been an unambiguous reduction in student numbers in the government-funded portion of the training system since 1998. There has also been a substantial decline in government funding as well. While a causal link between student numbers and the availability of public funding can only be speculated upon, it is clear that various state guarantee or entitlement programs have reduced the total amount of government financial support available for lifelong learning and, as well, there has been an increasing concentration of enrolments in a relatively small number of training packages and qualifications inside them. The policy preoccupation with creating contestable training markets in order to give students increased choice of providers has had significant consequences. The singular focus upon increasing the choice of provider has reduced or removed altogether other choices for communities, employers and students. Some of the choices that have been impacted include the location of training, mode of study, courses, range of occupations, levels of qualifications and post-school options.

The results presented in this paper demonstrate that equity and access in support of lifelong learning are increasingly dependent upon where one lives and an individual's socio-economic status. In some areas and for some groups choice has been removed completely, as there are no longer registered training organisations of any sort present in local communities. This phenomenon is not solely linked to relative remoteness factors, as it has also been shown that the lowest socio-economic groups have incurred a disproportionate loss of student numbers engaged in the formal training system. Different state-level policies and programs show that this loss of access and choice is not inevitable. For example, Queensland demonstrated that training could be reduced more heavily for those who are relatively more advantaged and New South Wales has shown that student numbers can be retained even if distributed differently between providers. This also demonstrates that policy choices do have consequences and that the current situation has resulted from the deliberate application of both national competition policy and New Public Management principles that remove governments' direct delivery of services.

The national training system delivered through an open and competitive training market is producing a smaller number of qualified persons in an increasingly narrow range of occupations. While lifelong learning remains an integral part of policy rhetoric, the reduction of funding, access and equitable choices in a wide range of VET-related areas does not facilitate the permanent commitment to self-improvement and skills development that will enable participation in the labour market as it develops in the future.

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