

# **SUBMISSION TO THE PRODUCTIVITY COMMISSION ON REVIEW OF SKILLS AND WORKFORCE DEVELOPMENT AGREEMENT**

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I make this submission as an individual and do not represent any organisation in these opinions. I make the submission as a Vocational Education and Training practitioner in many organisations - private, not-for-profit, TAFE and ACE - over more than 40 years.

## Introduction

Thank you for the opportunity to make a submission to the Commission as it considers the review of this Agreement in a number of contexts.

My submission is very brief. Whilst it does not attempt to address individual items of review by the Commission, it is rather an attempt to highlight the disparities between the way in which governments in Australia implement and fund Vocational Education and Training (VET) in comparison to other compulsory and post-compulsory sectors.

## Philosophical and Ideological Stance of Governments

Other than class distinction, why is vocational education and training treated differently in legislation and resulting funding to the other sectors? Higher education, under legislation, cannot use public money for profit. School education also cannot use public money for profit. Yet governments, both federal and state it seems, are actively agitating for VET to be treated as a market opportunity.

Is it that there are stakeholders who would like to see other sectors similarly treated as a market? Alternatively, are there some characteristics of this sector that suggest it should be treated as a marketable commodity? Whilst international education broadly is seen as a significant commercial product such a philosophy has not characterised domestic education to date.

In putting these questions to the Commission I rely on the following items of legislation.

## Australian Education Act 2013

### Division 1, Part 2, Clause 75

#### 75 Basic requirements for approval

(1) This section sets out requirements for a person for the purposes of subparagraph 73(1)(b)(i) and paragraph 81(1)(a).

Note: Approved authorities for government schools may be taken to satisfy the requirements in this section (see section 76).

*Body corporate or body politic*

(2) The person is a body corporate or a body politic.

*Not-for-profit*

(3) The person does not conduct for profit any school in relation to which the application is made.

**Note the specific exclusion of conduct for profit if receiving funding for school education.**

## Higher Education Act 2003

### Subdivision 16-B

Table A – (lists all 38 public universities in Australia)

Table B – (is limited to four higher education not-for-profit providers)

Table C – (lists two international providers registered under international law specifying neither are entitled to receive a grant under Division 16).

#### 30-1 Eligibility for grants

(1) A grant under this Part is payable, as a benefit to students, to a higher education provider, in respect of the year 2005 or a later year, if:

(a) the provider:

(i) is a \*Table A provider; and

(ii) has entered into a funding agreement with the Commonwealth under section 30-25 in respect of a period that includes that year; or

(b) all of the following apply:

(i) the provider is a higher education provider specified in the Commonwealth Grant Scheme Guidelines as a higher education provider that can be paid grants under this Part;

(ii) the Minister has allocated a \*number of Commonwealth supported places to the provider for that year under section 30-10;

(iii) the provider has entered into a funding agreement with the Commonwealth under section 30-25 in respect of a period that includes that year.

(2) However, a grant is payable to a higher education provider that is not a \*Table A provider only if the grant relates only to \*national priorities.

**Note that this effectively limits public funding to public universities or four non-for-profit providers.**

### **22-7 Revocation of approval if providing education and/or conducting research ceases to be the body's principal purpose**

(1) The Minister may revoke a body's approval as a higher education provider if:

(a) the body's principal purpose is no longer, or is no longer taken to be, either or both of the following:

(i) to provide education;

(ii) to conduct research; and

(c) the Minister complies with the requirements of section 22-20.

(2) The Minister may also revoke a body's approval as a higher education provider if:

(a) the Minister is satisfied that any of the body's purposes conflict with the body's principal purpose of providing education and/or conducting research; and

(b) the Minister complies with the requirements of section 22-20.

**Note this means that if the body's purposes are primarily profit making as is the case in privately-owned commercial entities, higher education provider status is to be revoked. As such, no grants could be made to such a body.**

A significant body of research has identified the detrimental effects of quality and equity of education when it becomes a commodity. Just a very small selection is:

Fisher, D., K. Rubenson, G. Jones and T. Shanahan. (2009). The Political Economy of Post-Secondary Education: A Comparison of British Columbia, Ontario, and Québec. *Higher Education* , 57, 549-56

The Economist. (2013). Capitalists in the Classroom.  
The Economist, <http://www.economist.com/node/21587817>

Yan, T. (2013, April 8) . Ontario announces tuition fees compromise.  
The Varsity, <http://thevarsity.ca/2013/04/01/ontario-announces-tuition-fees-compromise/>

I urge the Commission to review the philosophy and ideology on which the VET sector is regulated and funded and bring it to parity with the other sectors in Australia.

I am very willing to provide further contribution to this review if it is useful.