Public-Private partnerships in HE & TVET: A report from Australia

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ERI Net Regional Seminar on Public-Private Partnerships in Higher Education & TVET and Youth Employment

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Introduction

• Governments attempting to increase participation in & outcomes from tertiary education
  – Need more with higher level skills
  – Increase private funding & employer funding, efficiency, expansion through markets – controversial

• Rapid change in tertiary education
  – Social & economic change leading to blurring of sectoral divide
  – More jobs now require degrees
  – Emphasise pathways between TVET & HE
  – Public institutions compete with each other & private providers
  – TAFE – public TVET provider, offer degrees to compete
Structure & scope of tertiary education

• Four sectors of education:
  – Schools, adult & community education, TVET, HE
  – TVET not part of school sector (although bigger role in schools)
• Governments share power but
  – Commonwealth funds HE & sets policy
  – States fund TVET with aid of Commonwealth funding
  – Council of Australian Governments – funding agreements & policy
• 37 public & 3 private universities; about 134 ‘private’ HE providers
• 59 TAFE (public provider) 5000 VET providers
• About 90 registered to offer both
• Two new regulatory bodies in 2011 – one for each sector
<table>
<thead>
<tr>
<th>Level</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td>Graduates at this level will have knowledge and skills for initial work, community involvement and/or further learning.</td>
<td>Graduates at this level will have knowledge and skills for work in a defined context and/or further learning.</td>
<td>Graduates at this level will have theoretical and practical knowledge and skills for work and/or further learning.</td>
<td>Graduates at this level will have theoretical and practical knowledge and skills for specialisation and/or skilled work and/or further learning.</td>
<td>Graduates at this level will have specialised knowledge and skills for skilled/paraprofessional work and/or further learning.</td>
</tr>
<tr>
<td><strong>Qualification Type</strong></td>
<td>Certificate I</td>
<td>Certificate II</td>
<td>Certificate III</td>
<td>Certificate IV</td>
<td>Diploma</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Level</th>
<th>Level 6</th>
<th>Level 7</th>
<th>Level 8</th>
<th>Level 9</th>
<th>Level 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td>Graduates at this level will have broad knowledge and skills for paraprofessional/highly skilled work and/or further learning.</td>
<td>Graduates at this level will have broad and coherent knowledge and skills for professional work and/or further learning.</td>
<td>Graduates at this level will have advanced knowledge and skills for professional highly skilled work and/or further learning.</td>
<td>Graduates at this level will have specialised knowledge and skills for research, and/or professional practice and/or further learning.</td>
<td>Graduates at this level will have systematic and critical understanding of a complex field of learning and specialised research skills for the advancement of learning and/or for professional practice.</td>
</tr>
<tr>
<td><strong>Qualification Type</strong></td>
<td>Advanced Diploma</td>
<td>Bachelor Degree</td>
<td>Bachelor Honours Degree</td>
<td>Masters Degree</td>
<td>Doctoral Degree</td>
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<tr>
<td></td>
<td>Associate Degree</td>
<td>Graduation and Vocational Graduate Certificate</td>
<td>Graduate and Vocational Graduate Diploma</td>
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<td></td>
</tr>
</tbody>
</table>
Higher education

- Introduced income contingent loans (ICL) in 1989
  - Government contributed 89% funding in 1981 but 42% in 2010
  - Amount students must contribute varies by field of education
  - Students pay back when income reaches threshold
  - Same principle, but different loans depending on whether public or full fees
  - Public funding only for under-graduate places in public universities
  - ICL for private providers – huge increase
- Less successful in private funding for research
- Demand driven system introduced in 2012
  - Big increase in numbers in recent years, supply outstripping demand
- Eventually will open access to public funding for private providers, but get regulatory framework bedded down
  - TAFE & private providers argue this inequitable
TVET

• COAG agreement
  – Entitlement up to certificate III (skilled worker)
  – Income contingent loan for diplomas – cost-shift to students
• Very complex, state governments vary in public funding for private providers
• COAG agreement – entitlement is
  – accessible through any registered [provider]... public or private, which meets state-based criteria for access to the national training entitlement
• Victoria gone furthest – other states following but worried
  – Enrolments grew by in Victorian private providers by 122% from 2010-2011, & by 310% from 2008 to 2011
  – Cutbacks in May – full service provider funding for TAFE removed, rates cut in 80% of programs, in some by 80% - impact on TAFE & good private providers
<table>
<thead>
<tr>
<th>State</th>
<th>TAFE</th>
<th></th>
<th>Private providers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% students in 2010</td>
<td>% students in 2011</td>
<td>% no. students change</td>
<td>% students in 2010</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>76.9</td>
<td>75.7</td>
<td>-1.2</td>
<td>23.1</td>
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<tr>
<td>New South Wales</td>
<td>80.2</td>
<td>72.4</td>
<td>-9.2</td>
<td>10.2</td>
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<tr>
<td>Northern Territory</td>
<td>66.4</td>
<td>66.8</td>
<td>2.1</td>
<td>33.6</td>
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<tr>
<td>Queensland</td>
<td>70.8</td>
<td>63.6</td>
<td>-9.2</td>
<td>22.1</td>
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<tr>
<td>South Australia</td>
<td>71.5</td>
<td>67.5</td>
<td>-6.0</td>
<td>23.4</td>
</tr>
<tr>
<td>Tasmania</td>
<td>78.7</td>
<td>79.9</td>
<td>-2.8</td>
<td>21.3</td>
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<tr>
<td>Victoria</td>
<td>70.0</td>
<td>57.1</td>
<td>-6.3</td>
<td>17.5</td>
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<td>Western Australia</td>
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Controversies

• Role of the public provider
  – “The key role of TAFE as the public provider in a competitive market was recognised and supported, including its delivery of high-cost technical training, encouraging participation of disadvantaged students and offering services in regional and remote areas.” COAG
  – Important public, economic, cultural resource that is publicly accountable
  – Develop, not just transmit’ knowledge – need institutions – can’t gear up & down overnight

• Quality of provision
  – Scandals rocked VET – international student market
  – Changed migration policies, increased student protections but...
  – Market settings still not adequate to prevent rent-seeking

• Skills Australia – should wait a few years till regulation settled & providers prove their fitness

• Becoming a HE provider much more difficult
Institutional partnerships

- Universities & TAFEs
  - Dual-sector universities important model
  - Co-locations
  - Individual agreements
  - State government brokered agreements
- Universities & private providers
  - Overseas & domestic – provide pipeline
  - Navitas model
- Franchising - growing
- Partnerships between TAFE & private providers less prominent but growing
- Requires commitment of senior management, funding & boundary spanners
- Would help if more alignment between policies, funding, requirements etc of two levels of government & sectors
Role of employers

• AWDA argues need to increase size of HE & TVET, increase individual & employer contributions
• Recommendations contextualised by broader policy concerns
  – Need to focus on demand side as well as supply side
  – Way skills are deployed at work
  – Link government subsidies to workforce development plans
  – Sliding scale of contributions to employers by size
• Better targeting of subsidies for apprentices
• Established a new National Workforce Development fund