The power to change
Move over, usual suspects: There are bigger, more empowering challenges we must focus on

Rod Camm | September 2019
To fix TAFE’s problems, we need to move beyond the usual scapegoats...

Moving past over-discussed challenges....

1. Poorly funded
2. Inadequate funding of TAFE’s CSOs
3. Impact of the market and rogue RTOs
4. Legacy infrastructure
5. Outdated Industrial Relations

1. Ubiquity of digital
2. Demographic evaporation
3. Fiscal fallout

...will allow TAFE to face real threats and opportunities.
There is a generational ‘disappearance’ in students considering TAFE as an option after schooling

**DEMOGRAPHIC EVAPORATION**

Students are less likely to consider TAFE as a option after finishing school

- **39%** of students don’t see apprenticeships and degrees as equal
- **74%** of students don’t consider an apprenticeship or traineeship when they finish school
- **46%** of students think that schools prioritise higher education over trades

The value proposition offered by vocational education is declining

**Wage premiums relative to Year 12 graduates, 2006-16**

Source: After the ATAR: Understanding how gen Z transition into further education & employment, Year 13 (2017); Is tertiary Education worth it?, KPMG (2018)
TAFEs employ a campus strategy leaving them open to disruption in digital education solutions.

Lifelong learning is expected to be the biggest area of growth in educational hours over the next 20 years.

Education and training per person, '000 hours

<table>
<thead>
<tr>
<th>Year</th>
<th>On-the-job training</th>
<th>University and VET</th>
<th>Formal training</th>
<th>Primary and high school</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>2040</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>19</td>
</tr>
</tbody>
</table>

Higher education has seen substantial growth in online options, not mirrored in TAFE's offerings.

% EFTSL Change in mode of attendance in higher education, 2006-17

<table>
<thead>
<tr>
<th>Year</th>
<th>External</th>
<th>Internal</th>
<th>Multi-modal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>+2.06%</td>
<td>+0.88%</td>
<td>+0.39%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Future Skills to adapt to the future of work, AlphaBeta (2018); Higher Education Information Management System (2018)
Budget cuts driven by deep structural problems are making funding more contestable and volatile

**DECLINING GOVERNMENT FUNDING**

### Government-funded student enrolments by sector, 2003-17

<table>
<thead>
<tr>
<th>Year</th>
<th>Higher Education (Undergraduate)</th>
<th>Government-funded VET</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$17b</td>
<td>$34.6b</td>
</tr>
<tr>
<td>2016</td>
<td>$5.9b</td>
<td>$5.7b</td>
</tr>
</tbody>
</table>

### Expenditure on education by sector, FY06-16

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Higher Education</th>
<th>VET</th>
<th>School education</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>$16.0b</td>
<td>$7b</td>
<td>$5.9b</td>
</tr>
<tr>
<td>FY08</td>
<td>$25.9b</td>
<td>$5b</td>
<td>$7b</td>
</tr>
<tr>
<td>FY14</td>
<td>$45.0b</td>
<td>$5b</td>
<td>$7b</td>
</tr>
<tr>
<td>FY16</td>
<td>$5.7b</td>
<td>$7b</td>
<td>$5.9b</td>
</tr>
</tbody>
</table>

Source: Higher Education Information Management System (2018); NCVER (2018); Mitchell Institute Expenditure on Education and Training in Australia (2015)
Why do we exist and what is our promise to our key stakeholders?
Rebuilding TAFE

- Why do we exist and what is our promise to our key stakeholders?
- What is our key challenge and how will we address it?
Rebuilding TAFE

Why do we exist and what is our promise to our key stakeholders?

What is our key challenge and how will we address it?

How do we meet our customers’ needs?
Rebuilding TAFE

Vision & mission

Strategy

Service delivery to customers

Fee for service
International growth
Industry initiatives
Loan scheme

Why do we exist and what is our promise to our key stakeholders?

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Capability and capacity

Structure

Culture

Governance

Donor initiatives

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Industry initiatives

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How do our people help us deliver?
Rebuilding TAFE

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How do our business supports help us deliver?

Vision & mission

Strategy

Service delivery to customers

Fee for service
International growth
Industry initiatives
Loan scheme

Capability and capacity
Structure
Culture
Governance

Data and analytics
Technology & digital platforms
Physical and intangible assets
External partnerships

Vision & mission

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