C O R R E C T E D V E R S I O N

EDUCATION AND TRAINING COMMITTEE

Inquiry into impact of the high levels of unmet demand for places in higher education institutions on Victoria

Melbourne – 16 February 2004

Members

Ms H. E. Buckingham
Ms A. L. Eckstein
Mr P. R. Hall
Mr S. R. Herbert
Mr N. Kotsiras
Ms J. R. Munt
Mr V. J. Perton

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witnesses

Ms M. Bluett, President; and

Mr J. Graham, Research Officer, Australian Education Union (Victorian Branch).

The CHAIR — I declare this hearing of the Education and Training Committee open. The committee is an all-party joint investigatory committee of the Parliament of Victoria. It is hearing evidence today in relation to its inquiry into the impact of high levels of unmet demand for places in higher education institutions on Victoria.

I wish to advise all present at this hearing that all evidence taken by the committee, including, submissions, is subject to parliamentary privilege and is granted immunity from judicial review pursuant to the Constitution Act and the Parliamentary Committees Act. For the record, I will ask witnesses to state their full name, position and the organisation they are representing. The committee welcomes Ms Bluett and Mr Graham to what is the final hearing into unmet demand for university places. We are very pleased to have you here and look forward to hearing your evidence. I invite you to start off with a short statement speaking to the inquiry's terms of reference and your submission, and then we will open it up for questions and discussion.

Ms BLUETT — I am Mary Therese Bluett. I am president of the Australian Education Union. I am joined by John Graham, who is research officer with the AEU (Victorian Branch). We have made a written submission. We are certainly pleased to have the opportunity to make this submission and wish the inquiry well in its deliberations and recommendations.

The critical issue for us is around teacher supply, both at primary and secondary levels, but also preschool teachers. We have within our submission pointed to a range of issues of areas of shortage, difference between rural and metropolitan areas, with a particular focus on areas of subject shortfall in secondary in particular. Also one of the issues for us is the masking of the depth of the shortage in some of these areas by the failure of the Department of Education and Training within its survey process to ask the question around the number of teachers who are actually teaching outside their area of qualification or expertise.

We believe particularly in mathematics, languages and information technology that the supply issue is much greater than the figures show because of the number of people teaching outside of their area of qualification or expertise. That is why we have included some data from our own survey last year. I am on the Department of Education and Training's working party into teacher supply and demand and for the past few years I have continuously raised the issue of including a question on people teaching outside their area of qualification on the internal survey, and I have been unsuccessful in getting them to ask that question.

In our submission we point to the position in Victoria where we have the lowest proportion of teachers in training of any state or territory in terms of the number in training as a proportion of the number of students enrolled within school education.

In our submission we refer to the teacher supply and demand report of November 2002, which was the report of that committee to the secretary of the department. What I would like to take the opportunity of doing right now is giving the committee an update, if you like. The November 2003 report was delivered to the secretary last week. It includes an update of some of those issues. As I am sure you have read our submission I might just take you to this update as the final part of our submission.

In short, what this document shows is that many of the indicators here in relation to supply and demand are worsening. The average age profile of the work force has further increased. It is a particularly skewed profile, with a very significant number of teachers in the 45-plus age group, and the next largest cohort in the range of 20–30 years, and the smaller group in between.

In relation to some of the key areas of shortage, the proportion aged 45 years and older is higher than the average, and when you look at technology it is higher again. With that cohort a significant proportion will retire or take early resignation at 54 years and 11 months. For us that heightens concern around the supply in those particular areas and also an urgency in terms of tackling those shortages. Again Department of Education and Training figures show that over 50 per cent of all government secondary schools reported having difficulty in filling vacancies last year. Because it goes across primary and secondary, the greatest number are in languages other than English (LOTE), with over 90 per cent of those positions difficult to fill, and because it remains virtually compulsory it is the area where a lot of teachers are teaching outside of their area of qualification to cover that. Just under 70 per cent of maths vacancies were difficult to fill, and in our own survey that is the area where the greatest number of people are teaching outside of their area of qualification after languages, and principals reported difficulty in filling just under 60 per cent of technology vacancies. Yet when it comes to the number of people engaged in pre-service teacher education in those areas, it is a low percentage indeed, with 7.6 per cent in technology, 6.1 per cent in mathematics and 4.7 per cent in LOTE.

We also include the figures on fixed-term employment and relate that back to our written submission, where our May 2003 survey of over 1000 beginning teachers shows that 43 per cent indicated that they could not see themselves continuing teaching beyond the next 10 years and 21 per cent could not see themselves teaching in 5 years time. Key areas included not only pay but second on that list was the contract system of employment. It then went to workload and class sizes. So the very high proportion of vacancies continuing to be advertised as contract is exacerbating the now very clear view about the retention of the beginning teachers within government school education at the very least, and that is another issue in terms of the totality of the supply and demand issues that are put to this committee for consideration. Once people get into teaching it is a key factor in people remaining in teaching, and it needs to be addressed. I think that is about it. Do you have anything, John?

Mr GRAHAM — No.

Ms BLUETT — That completes our submission.

Ms MUNT — At the beginning of this year we saw that a lot of students were wishing to study teaching, and I would say that the HECS allocated places for Victoria do not seem to have been allocated fairly. Do you have any comment on that impact on our state system?

Ms BLUETT — I think that we are at a point in time where there is a tremendous opportunity. We have seen a turnaround, and I believe that part of the reason that the figures for teacher training places in universities in Victoria are proportionally the lowest of any state is because of very low demand around education some seven years ago when there were cuts to teacher numbers and the government system was seen to be under siege — I do not think that would be an unfair term. Jobs were not there to be had. Those that were were only contract employment and that saw a significant downturn in applications for teacher training places in Victoria. We are now in a position where that has turned around to a large degree and in our view there needs to be a very significant increase in HECS places to take up the opportunity of the greater demand by students who are putting it down as their first preference. I have also received a lot of letters from people who are desperately keen to take up teaching as a career but who are frustrated because in some cases they have been unsuccessful for four years in a row in accessing a university place to realise their career ambition. It is frustrating, and if we could get an increase in positions there is certainly student demand to take up teaching as a career, and that is critical to ensuring a qualified work force in our government schools into the future.

Ms MUNT — We have seen at public hearings, and it has come through quite clearly in regional centres, that once again there is quite significant demand for teaching places in the regional universities that is not being met, and it is the view of the local chambers of commerce and councils that the students who go through their teaching courses in the regional areas stay to become teachers there. So the lack of places will once again exacerbate the shortages that may come up in regional areas, which is another effect of the allocation of the HECS places.

Ms BLUETT — Indeed, that was one of the issues that we put before the department in a submission a couple of years ago. Anecdotally, it is certainly our experience that students from rural areas are more likely to return to rural settings to teach, and they are also far more comfortable at universities based in a rural setting. Particularly in the areas of subject shortfall our survey shows that the situation is much worse in maths and the other areas of shortage in rural Victoria than metropolitan Melbourne.

Certainly an increase in rural university places would ease that particular area of shortage.

Ms MUNT — Maths is interesting because I happen to have been sitting with my children yesterday and having a talk about maths and maths teaching and their point of view as young students was that, because of the lack of maths teachers in the system perhaps as a leftover from seven years ago, lots of students are not engaging with maths and going on to do maths, engineering and technical degrees or further education and then coming back into the system, which is another area of shortage that you have particularly highlighted. I wonder if you have any ideas on how to rectify that. I think there is a small program coming along where people from outside the teaching profession come in and be mentored as a group. Do you have any other ideas on what can be actually be done for this particular area?

Ms BLUETT — I think that there needs to be some incentives for students to take up teaching in those areas. We proposed HECS scholarships as one way to tackle it. Your story is replicated around the place. I actually sit here as a maths and science teacher contributing to the shortage by not being in a classroom, and there is no

doubt that, at the moment, those who are teaching maths outside their area of qualification are, by and large, very experienced teachers, but it is very hard to teach maths unless it is your area of expertise.

It would be like putting me into an art room and expecting me to deliver on exciting and energising students around art. It would be folly, indeed, to put me in that situation. Despite their best efforts, that is the case with many people who are teaching maths. Some of the survey results indicated that there are science people who have a reasonably significant maths background. But we have got examples of people — English teachers and art teachers — teaching mathematics that is not particularly, in the long term, in the best interests of the quality of education. As you indicate, if you have got less people inspired by mathematics, they are less likely to be taking it up at a tertiary level.

Mr GRAHAM — I think the other thing would be some capacity for study leave for people who are teaching maths without qualifications, because some of the research is showing that there is a lack of confidence, which some primary teachers and secondary teachers have got because maths was never a strong area when they went through their original schooling. Then they find themselves teaching maths, so a program of study leave of some type would help to alleviate that.

The CHAIR — I was just having a look at the recent announcement that they have refresher courses for teachers if they come back into the profession. I was just seeing whether the point you made, John, in terms of in service and leave, is something you would like to address now.

Before I go into the shortages. can I just get a general picture of teaching numbers in terms of what you have just tabled and your submissions et cetera. I understand that 62 per cent of applicants were offered a position at university in 2003 with around about 1000 eligible students missing out on a HECS funded place. Of course this year we have more fee for service, which is one of the Nelson policy changes in terms of overenrolment, which does occur in some teaching courses and very similar substitution to those. Do you have any information what has happened this year in terms of students going in or whether more are going to fee-paying places?

Mr GRAHAM — The only figure that I have seen is the one that was in the *Age* and that was the overall percentage of students that missed out and the claim for 2004 was 61 per cent. So, 39 per cent got in and 61 per cent missed out and so that is about 3300 students. I do not know whether there were any subsequent offers in relation to fee-paying students and the relationship between the cut-off score for people who got a HECS place as compared to the cut-off score for fee-paying students — I do not think that information is available at the moment, but it is pretty crucial.

The CHAIR — Yes. Would you think that fee paying would be optional or an honourable thing to get more teachers in? I am sure you will say nothing but I mean it is maybe an option in medicine, but what about teaching?

Ms BLUETT — In our view teaching is one of those areas where we believe there should be a cohort representative of the community, and we do not support the notion of those that can afford to pay taking up those positions. Our focus is clearly on HECS places being the growth area. That gives a much broader access and in terms of the teaching service, of being more representative of society. It is the way to go from our position.

The CHAIR — I understand that this year that if you take out the subject shortages and issue about qualifications, I think this year we have had a fairly smooth start and depending on the time, there has been between 20 and 10 teachers short across the whole state. What I can gather on the evidence we have had is that it might not be a specific general teacher shortage now that, given these figures, you are right about the ageing work force, in particular that the issue in terms of the group you are working with, teacher supply and demand is to ensure that for the next five years and then after that — — is that your general perception?

Ms BLUETT — Yes. We conducted a survey at the start of the school year. We had 26 per cent of schools respond — and this was day two of the school year. They reported 27 vacancies on day two across the state and this was only 26 per cent. The survey went out to all schools and 26 per cent responded. One would assume that those with vacancies would have had a higher desire to respond, so even if we say that 27 vacancies was it, but we also asked them the question about teaching outside their area of qualification or expertise and for every one vacancy there were five schools saying they had people teaching outside their area of qualification or expertise.

Mr GRAHAM — I was going to say the report that came from the commonwealth, and there were several reports last year, plus also the Boston Consulting Report that was done by the government here indicate that once you are reaching 2006–2007, then it becomes a critical shortage particularly in those subject areas but that is right around the country, so building up to what the minister from the commonwealth claimed would be 25 000 teachers short by 2010. It is unclear whether that figure is based on specific information or whether it is a general figure, but it is certainly an indication that things are going to get worse. You can look at the age profile, which shows I think as Mary said, with those critical areas like maths and technology they are an older group, and that is the really sharp end of the shortage.

The CHAIR — I would imagine that the increase in retention rates in Victoria, and the 90 per cent target would have an impact on that for teachers too.

Ms BLUETT — Well it will increase the demand for teachers. Something that is not in our submission, and it is because we do not have figures on it, but certainly on the basis of resignations from the union that cross my desk — and I read all of them — there are very significant numbers. I mean teaching, especially an Australian qualification in teaching, is a very globally highly regarded qualification, and the number of teachers that are leaving the Victorian government school system to teach overseas as the basis of the resignations coming across my desk are on the increase as well. It is not, at least notionally, an attractive proposition to go overseas and teach for a couple of years, particularly in the context of the HECS debt that these people have acquired because their time teaching overseas is HECS free. They only have to pay while they are domiciled in Australia and it seems that an increasing number of them are going over for at least a period of time; they come back here and if they take up teaching they start on a higher salary. We are in global competition for the teaching work force, and you only have to look at the number of international agencies that operate recruiting programs here in Australia to see that that is likely to exacerbate the problem over that period between now and the end of the decade.

The CHAIR — I have personal experience of course of the number of people that do teaching, and of course the fact that they can go to England or overseas — if you travel you can get work. I guess from a personal viewpoint I would not have thought that that is such a bad thing; you know, they bring back the experience of other systems and teaching back into our work force.

Just on the issue of qualifications for teaching and our subject areas, we have heard evidence that increasingly people are doing a joint method in a subject, in skill shortage areas, such as mathematics and science — they might do physical education, for instance, and then mathematics and science as a secondary subject. How do you determine what is inside and outside at a particular level of a person's qualifications? Often they will go through university and do submajors et cetera and I guess, depending whether you are talking about VCE or primary school. It is a difficult question. Do you have a viewpoint on that?

Ms BLUETT — In fact we in our survey, we use the term 'qualifications or expertise'. We do recognise that professionals who acquire either formally or informally, expertise in particular areas and they have the teaching background, can become, if you like while not qualified, quite expert in delivering outside their area of qualification. What we regard as the issue is where you do have, say, an English teacher uncomfortable with their level of expertise in teaching mathematics, but through a whole range of areas — information technology is probably another one — people acquire the skill without necessarily having the qualification. We are not opposed to that.

The CHAIR — Children probably.

Ms BLUETT — Probably, yes — and after a few years of students imparting their wisdom to the teacher in the classroom, they do acquire the skills where they may well be able to do it in reverse.

Mr GRAHAM — I suppose the issue that I have seen in research about this is the depth of learning, whereby if you have studied a particular area like maths at university, you have that depth of learning so that in actual fact you have a greater comprehension of the area of study and therefore are more able to put things into context, more able to answer questions which are out of left field et cetera, all of which builds up that confidence which people need when they are teaching.

I was interested in your point about maths, because the latest figures we got from the VIT, which are in that additional paper we gave you, were that there are still only 6.1 per cent of people in pre-service teacher education courses who are actually in the key learning area of maths. I know in some figuring we did, and it is fairly vague,

but about 16 per cent of the time which students spend in secondary school is in roughly the maths area. So you can look at those figures between the 6.1 per cent — these are the teachers of tomorrow — who are actually in maths and at the same time the demand at the school.

The CHAIR — I guess the previous answer is that people do psychology and they might have to do two years of statistics, so they are probably comfortable teaching levels 7, 8 and 9 in maybe mathematics if they have done economics and they have done maths at year 11 or 12. But if you did not do that, and your last mathematics you studied was year 11, you are probably not very comfortable teaching it at any level at secondary school.

Ms BLUETT — The question though is not only your knowledge of the subject area, it is the methodology of teaching, and the methodology of teaching maths in not only a knowledgeable but in an inspiring way. What we are saying is at that point we should be in a position to at least provide those people with some sort of in-service training to equip them with the methodology of teaching mathematics, not just the knowledge. But certainly people who have a greater confidence around mathematics because they have done it at some level, would take to such courses much more easily that those who had a very low comfort level.

The CHAIR — Just on mathematics, I notice that there are a lot of your subject areas with over 40 per cent of the teachers aged 50 — there are five — that impact on the commonwealth skills in state schools. That is the worrying point. Just on mathematics, which Janice was talking about before, in terms of how do you get young people to do it, it seems to me that you need to increase the level of students doing mathematics at senior levels and at universities so they come through to teaching. Do you think there are issues with the maths curriculum, for instance — that maybe it is not exciting for young people — or do you think there need to be mentoring programs in schools so that maths teachers engage with young people to try and get that enthusiasm to become a teacher of maths, science or information technology? Are there methods which could increase their attractiveness?

Ms BLUETT — There is potential for that, and I noted in Minister Kosky's blueprint reform agenda the notion of teachers sharing and learning from teachers and the focus on professional development being moved away from the keynote-speaker sort of big show to sharing expertise that is out there in the profession. Mathematics has come a long way; it is no longer taught in the way that I in part taught it when I was last in a school. There is a lot more facilitating across the profession and sharing the expertise that a number of maths teachers have, and perhaps even building that in as part of a mentoring program for any retraining or support program for people teaching outside their area of qualification.

The CHAIR — I have a question which goes to the issue of higher education courses directly, and to the shortage of specialists. We have heard lots of evidence and received submissions about how Victoria does not have its share of new places and positions, even though it is a highly developed industrial state. You have raised issues of subject shortages; the ageing work force, which reinforces that for future years; and the profile-setting process that the commonwealth engages in when it sets the number of places universities have and in which faculties. That has been an issue with the commonwealth, and I understand Minister Nelson wants a bit more commonwealth power in terms of where the course load — that is, the HECS places — are allocated. I wonder if you have had any experience in what is going wrong here over and above the numbers of the commonwealth fund load. The commonwealth has the skills shortage data and the work force data from the states, so why has it not in the last few years at least been negotiating with universities to increase the teacher course numbers, the number of places in teacher education, and particularly those in the specialist areas? Do you have a viewpoint on that or any experience?

Ms BLUETT — It is very difficult to understand Minister Nelson's thinking around this. The Australian Council of Deans of Education has for over a decade been pointing out these very issues in submissions to the federal government and has met with either not being listened to at all or its warnings have been ignored. I cannot understand the thinking of Minister Nelson when he is provided with the sort of data that has been given from governments over a period of time, and why he has not tackled what is such a key area, other than the notion that the market sets its own level. In education the cycle of oversupply and undersupply has quite critical implications for the quality of education of our students. We need a thoroughly planned provision around the number of teachers in trainings. Rather than a market approach, there needs to be a strongly interventionist approach and cooperation between the state and federal governments on this particular issue so that we have a planned provision around the number of teacher training places and a focus on the areas of shortfall as part of that.

Ms MUNT — I have one final question. I am looking at your figures here. They say that 54 per cent of teachers are over 45 years old; 57 per cent of teachers who have maths as their key learning area are over 45; and

that 62 per cent of technology teachers are over 45. The figures also say that of the new teachers coming through 7.6 per cent are in technology and 6.1 per cent are in maths. That leads me to ask you if you have a view on 54/11 as the retirement age for teachers.

Ms BLUETT — It is an entitlement of teachers. We do see and there should be encouragement and support for those people to return to teaching, and it is already happening in these shortage areas in particular. Often principals are put in a position of knowing that they will not in the short term be able to replace a teacher after having someone resign, and then re-employ them on a contract pending the advertisement and filling of that position. That is a reality. I am not sure whether you are going to the issue of whether that entitlement should be removed. Of course with people who are in the new scheme that is not a focus, but it is going to impact on the overwhelming majority of people who are in that 45-plus age bracket.

Ms MUNT — I am referring to two matters. There is the issue that 54/11 will impact greatly on these areas of expertise.

Ms BLUETT — It will.

Ms MUNT — Also, many people have a lot to offer for many years after 54/11, particularly if they are very expert in these areas, so those are the two parts to my question.

Ms BLUETT — Many of those can be encouraged to return to teaching, maybe after a break for R and R, because a long career in teaching can take its toll. The enormous skills that many of those teachers have may be used in providing a mentor support network for many of those people who are still in schools. I do not know but I suspect that with the degree of devolution that the department may not be as interested as it may have been in the past in having some of those people come back and be available on a regional level to run programs to support those in schools or people with a high level of expertise and many years of teaching experience of teaching in these areas becoming a resource that can be shared.

The CHAIR — Thank you for your contributions. I dare say we have strayed onto our second term of reference, on teacher education. There are a number of points, and we look forward to hearing from the Australian Education Union when we start that inquiry.

Witnesses withdrew.

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Witness

Mr A. Rimmington, Senior Policy Adviser, Employment, Education and Training, Victorian Employers Chamber of Commerce and Industry

The CHAIR — The committee welcomes Andrew Rimmington from the Victorian Employers Chamber of Commerce and Industry. Some of our terms of reference relate to skills shortages, and university levels and places are of critical importance to industry in Victoria and to our various export capacities as well as to personal opportunities to engage in work, so we certainly welcome VECCI to this hearing. Could you state your full name and title and make a brief presentation? After that we will open up for questions.

Mr RIMMINGTON — My name is Andrew John Rimmington. I am employed as the senior policy officer at VECCI in the employment, education and training area. That role is only a recent one, so I am certainly getting across these issues and policies from an industry perspective, but I have worked both in commonwealth and state government, in private registered training organisations and in the higher education sector, so I suppose I have a well-rounded background.

In terms of making a presentation to you, the two key terms of reference I would like to address comments to are (a), which concerns the relationship between unmet demand and the high level of skill shortages in Victoria; and (b), whether unmet demand has potential negative impacts on Victorian industry. In preparing comments for today I did circulate an outline of the committee hearing and the terms of reference to all Victorian Employers Chamber of Commerce and Industry (VECCI) members. I have to report though that the response was not overwhelming, but that is not necessarily reflective of the lack of importance that employers place in this area.

In terms of the issues of concern, primarily with some large and smaller companies that I have been dealing with of late their focus is really around the skill shortage area which has a direct link perhaps to VET issues, and I think in the minds of many employers perhaps that the issues of graduate recruitments are not of immediate focus. The sorts of comments I have had passed to me about supply of graduates has been more related to quality at interview rather than an inability to actively attract, recruit or appoint. In that context perhaps I would like to draw some comments about the issue linking to school shortages. Whilst recognising as you travel around Victoria that there are quite marked skill shortages in professional-related areas they may or may not be directly linked to the supply issue in terms of graduates, particularly in regional centres, where it is always hard to attract people in a whole range of areas: business, accounting, science and engineering types of areas. Many of those issues relate to the personal aspirations of young people who might relocate to Melbourne and also the salary — remuneration differentials. Anecdotally I could comment that, for instance, in the accounting area, with one or two years experience graduates in regional centres could be expecting to earn $10 000 or so less than they might for comparable work in the Melbourne area.

Ms MUNT — The difference may be less than they would have to spend in rent in the Melbourne area.

Ms RIMMINGTON — Yes, there are all sorts of life balances, I suppose, and cheaper cost of living in some regional centres.

I have just returned to Melbourne from 20 years in Bendigo so I am quite familiar with many of the issues that industries have over a long period of time which have primarily focused on the inability to attract people in traditional trade areas, advanced skills areas such as welding and those types of occupations, as well as the problem of attracting business graduates or other graduates to those centres, particularly in the medical health areas in areas of specialisation. There appears to be whole range of factors impacting in those particular sectors. One point I could comment on is the fact that universities in regional centres have often significantly overenrolled in an effort to provide a greater uptake of positions. I worked at the Bendigo campus of La Trobe University and had a lot of dealings from a careers perspective with graduates across the business, arts, health sciences area in nursing and also across the education faculties. Many of those students came from within the region and quite a number also came from Melbourne, surprisingly enough, based on ENTER score entry points.

Another point I would like to comment on in terms of the issue of unmet demand versus skill shortage is that, as I understand it, there is still quite a significant percentage of first-year enrolments in higher education — in excess of 40 per cent I believe — of students who either withdraw or defer after first year. Whilst I acknowledge that statistics demonstrate that of that cohort somewhere in excess of over 60 per cent do return and complete a qualification within seven years of that initial departure, it may not necessarily be in the area of first choice. My work in the careers area did focus primarily on many young people who accepted a place in a course that was not necessarily their first choice and the offer and acceptance of a place was by dint of whatever their ENTER triggered for them. Often therefore quite a large number of students were in courses they were dissatisfied with; many perhaps had poor knowledge or understanding of what the challenges in the particular courses were. Quite a number, for instance, did not want to become accountants, wanted to do a bachelor of business course but did not

realise that the topic Business Studies 1A was in fact an accounts subject. Often they would say, 'I do not want to study accounting', it just happened to be a compulsory unit that had to be done. That triggered a whole range of negotiations around looking at career choice and transferring to other degree disciplines and so on. So there are those sorts of factors that also have an impact.

I am aware of the VET in demand studies that have been done and conducted through VLESC and also looking at priorities for allocation of government funding across the VET sector. I think one of the things we have been very successful at as a community is that we have striven over the last decade to increase retention to year 12. Parents, communities and students have a natural expectation that they will gravitate to a post-compulsory course offering at higher education, often without any real thinking, analysis or determination of how that might align to what their skill sets might more naturally align to, and as we have driven toward that end goal the other side of the equation has been an enormous unmet demand in the VET system.

VECCI has been very active over the last year in engaging with small and medium enterprises, both in regional settings and across Melbourne, through the industry liaison agent project funded by the Department of Education and Training. Of several hundred employers that we have contacted, one of the resounding messages that have come through is the inability to attract young people into traditional trades areas. In fact those employers have basically disengaged; they can advertise and often they do not even get applications. One of the roles that we are undertaking is to work more closely with those employers and local networks like schools and so on to try and address that issue and turn around the perceptions and understandings of what those areas have to offer. There has been significant change both in terms of technology, and the demands and needs of industry in those areas. Often those realities are not understood by either teachers or students.

One of the comments made by several of the employers I have talked to in terms of this dilemma and the balance between VET recruitment on the one hand and higher education qualification on the other, particularly in metals manufacturing, is that many employers would prefer to take on someone through a traditional apprenticeship and then perhaps over time support them through postgraduate qualifications, either advanced diploma level and perhaps later on picking up subjects and conversion through university to obtain an engineering qualification, for instance. So that is one pathway option that many young people do not necessarily understand, nor do they perhaps recognise that in undertaking and achieving a career goal that way they can minimise the level of HECS debt, for instance, they might have. Nor, I think, is there a great understanding of the salary options within many of those traditional trade areas, where an average can be anywhere from $60 000 to $80 000, depending on skill or the advanced training that those people might have. So this is an issue, I suppose, of the dichotomy.

Is the unmet demand a significant issue? Yes, I certainly think it is. The balance of that, though, is the skill shortages that may or may not be linked to the professional areas — some of the areas you have obviously talked about this morning, teaching and so on. But certainly from an industry perspective there is concern about attraction across both areas. One of the comments that has been fed back to us, not only from graduates, apprenticeship recruitment or recruitment through traineeships, has been linked to the employability skills framework and the sorts of, if you like, generic skills — the personal skills, the problem solving, communication, and those sorts of areas — which are still seen by many employers as an area of concern in terms of the lack of apparent maturity that young people have in those sorts of areas. Comments passed on by another one of our members, which is a major, national company in the retail sector, Coles Myer, are that its view is that it has a very strong commitment to the VET system and now offers, through the Coles Myer training institute, qualifications from the certificate level I right up to masters degree offerings. Its comments mirror those from the engineering sector, where the preference is to get a young person to recruit and train up and progressively develop them into managerial type roles and support them with other higher education level qualifications as they continue through their working life.

The topics are very broad. I suppose another area I would like to comment on relates to the terms of reference: the cooperative arrangements between education sectors. I think as we move forward from here and strive to lift the skills base, address the skills shortages and so on, there does seem to me to be a need to try to drive a greater level of flexibility between the different levels of providers in terms of higher education and TAFE, adult and community education (ACE) and other private RTOs. The issues there, I think, pertain to recognition of prior learning and the skill sets or past qualifications that people may have, and the ability to link those arrangements together and support people to go through further training where previous effort can be recognised through credit transfer arrangements and so on. But that, I think, by necessity will require a higher level of cooperation, perhaps, or systems or processes to help facilitate that. The work the state government is doing in terms of the credit matrix

approach could be useful here. I am being cautionary in the sense of not endorsing that model of recognition per se, but certainly indicating at this point that that type of model may in fact — —

The CHAIR — Content.

Mr RIMMINGTON — Yes. Make those credit transfer arrangements simpler, and therefore encourage more people to engage in further study and qualifications training.

Mr Chairman, perhaps if I just leave it there.

Ms MUNT — It seems to me that the issue of unmet demand is fairly critical in the tertiary sector. We went to Bendigo and spoke to local employment groups, which were very concerned about the effect it could have on regional areas. You said you had just come from Bendigo. I wonder if you could expand on that a little for me — how that will impact on business?

Mr RIMMINGTON — Certainly. In the three years I was at Bendigo campus at La Trobe University — it took about that time — the year I left was the first year that a bachelor of pharmacy was delivered at that campus. That came about through many years of lobbying by pharmacists in the region who were greatly concerned about the inability to attract new graduates in smaller country towns and with the ageing work force impact — obviously pharmacists are getting older and moving towards retirement. A lot of the research does in fact show that if you can offer those specialist sorts of courses in regional settings and recruit local people you generally have a much higher retention rate. That has come to pass, I think. Certainly my knowledge of the education faculty there too is as a centre of excellence in education delivery. Primarily the students came from regional settings and then endeavoured to return to locations close to home to take up placement. I know particularly Bendigo has a strong community-based link, and also in current times is looking at alternative models of delivery and where the campus should realign — remain with La Trobe or look at stronger alliances with other regional providers. I think there is always that tension between a Melbourne-focused university as opposed to the needs and aspirations of regional delivery. Certainly, as I indicated earlier, there have been a whole range of areas related to tertiary qualifications that just are not being delivered in regional settings or employers are struggling to attract graduates in. I suppose that is the tension between cost of delivery and viable cohorts in any particular offering to be able to meet that sort of need.

Ms MUNT — There is the ripple-on effect, too, upon the economy of the strength in numbers of the local educational institution. In Bendigo I know that it is a major employer, and that ripples right through the community. It also keeps parents there because their children might attend the campus.

Mr RIMMINGTON — Exactly.

Ms MUNT — The other question I have about unmet demand is about the students who are not successful in going onto that tertiary study who also flow down, up or across to the VET programs. They do not necessarily wish to be there, or they may stay in TAFE and move back to another tertiary institution or come through the TAFE and through to a tertiary institution. Most of those students, of course, would not then be going into industry with those technical qualifications but different ones when they move on to other institutions. Do you have a point of view on that?

Mr RIMMINGTON — Yes. Certainly there were a number of areas where there was a strong interchange and linkage with Bendigo Regional Institute of TAFE as the major TAFE provider. Bendigo delivers a bachelors degree in visual arts/graphic design, so there were many students who, if they did not get into a first-year place would go to the TAFE to do first year, either a certificate or associate diploma there, to build up their skills and then reapply. There was a strong recognition between the two institutes to give credit transfer arrangements. And there are a couple of other courses in that sort of area that there were close links with. But in the broad I suppose my experience of the university in those sorts of arrangements was that they were mainly in the business faculty area, where there was a strong commitment to offer places to mature age students in undergraduate degrees across a bachelor of business — or in fact a bachelor of arts. But also there was a very strong postgraduate delivery of graduate certificates that articulated into graduate diplomas and then masters programs. That had a high level of attraction, mainly I have to say for people who were already in employment but hoping to advance through gaining those sorts of qualifications and recognition. I think the point might be that there needs to be greater flexibility in those articulation arrangements.

Ms MUNT — I come from a long line and a proud family of people who have done apprenticeships and are tradespeople, and they firmly believe that the only useful people in the whole world are tradespeople.

The CHAIR — Who do they say about you?

Ms MUNT — I am a complete waste of space. I have talked to my local companies — I have a very big industrial estate in Braeside — who echo what you say — that they really want tradespeople. If they find a good tradesman, in no time at all he is the managing director and they have lost their tradesperson. I was wondering if you have any ideas on how to attract young people to apprenticeships and trades and make my family happy.

Mr RIMMINGTON — One of the companies I have talked these issues through with is Skilled Engineering. The state manager indicated that as a national company they have 12 000 plus staff, 3000 plus tradesmen and 400 apprentices. Late last year at a board meeting with senior management I think there were 27 people sitting around the board table and every one of them was a tradesman even though they are now chief executive officers and general managers and whatever; through their lives they have gone on and completed degrees, masters programs, graduate diploma certificates, et cetera. The comments around trying to attract young people into the metal trades sort of area and then advance into engineering areas is a theme that that company is trying to promote in terms of getting both parents and young people to understand that by the time you are in your mid-20s or 30s not only can you be a qualified tradesperson and perhaps undertake postgraduate qualifications and be earning in the $60 000 to $80 000 range or better but you can achieve all that with no or minimal HECS debt and therefore be in a much better position in terms of family, home ownership and those sorts of issues.

Some of the strategies that we are looking at with that company are to try and more strategically align work experience programs. We are working very solidly with the VQA — VECCI is sponsoring the VCAL awards this year — and we are trying to work with our members and more broadly with industry and employers to strongly align those post-compulsory pathway options to skill shortage areas as well as alignment of VET programs more broadly. They are those sorts of issues to address. One of the ways we are looking to tackle that as a chamber and through our national partner, the Australian Chamber of Commerce and Industry, just from a meeting a week ago is for each chamber and each state to put together a case study — a one-pager of a variety of industry sectors — and make those accessible to schools and young people through web sites and so on just so people can understand that there is a broader range of options other than having applied for university and missed out and being one of the 10 000 or 20 000 people who are left wondering what to do with their lives.

I think by necessity there needs to be a greater emphasis within career development programs within secondary education to perhaps more broadly focus on those issues as well. I am not saying that they are not already, and certainly that is happening, but with the enormous demand and expectation on schools and on career development and post-compulsory pathway options within schools it always comes back to cost and the fraction of time teachers may be given in terms of ability to coordinate or be the careers adviser; I recognise those restrictions as well. I do not think there is any one simple answer, it is a combination of those sorts of approaches.

Ms MUNT — I am involved in my local learning and employment network (LLEN), and we have struggled to get business involved or interested in any way. If that framework is there already it would be good for business to became more involved.

Mr RIMMINGTON — We are working closely with four LLENs right now, for instance, with school-based new apprenticeships. We have written a letter to members in that location enclosing a letter from the local LLEN and trying to broaden members' awareness and understanding of the range of programs out there that might be able to meet their needs.

Ms MUNT — I am aware that business has its own time and money constraints and that makes it difficult.

The CHAIR — I have a multitude of questions but given the time I will limit them. I was interested in your comments about the competition for business between university-trained and TAFE-trained positions or trades. You are quite right that there is a link there but perhaps there are other links. I understand that between 1997 and 2002 — 1997 was significant because it was the year following the federal government cuts to higher education that came out of the 1996–97 budget — there was growth in TAFE-trained AQF6, the advanced diploma courses, of something like 267 per cent. That would indicate that those who are missing out on universities are perhaps going to TAFE and doing an advanced diploma and hoping to articulate back into a university course. There might be other reasons, but I am sure that is part of it. The issue here for industry, and I am after a comment

if you will give it, is that with a limited budget if TAFE is directing more of its efforts to the AQF6 level, the advanced diplomas, to meet the need there, then there is probably less available for other levels of training which want to enter TAFE. Do you have any comment on that phenomenon?

Mr RIMMINGTON — A good part of that growth has been in the business and perhaps retailing and hospitality areas — they happen to be the sectors where the majority of employment has been occurring and probably will continue to occur. It is also a bit like the recent discussions I have had with the department on the current review of fees and charges in the VET system and the debate between the balance of private benefit on the one hand and public benefit on the other and the link to skill shortage areas. The fundamental question I suppose to work through there is, are those areas of growth at AQF6 level in areas that are more naturally aligned to skill shortages and therefore also flowing out of people's inability perhaps to compete to get a place offer at university, or does it also include areas such as I am aware in creative arts where across the state there are 4000 plus people in training for a nominal 700 or 800 jobs, from my understanding having been briefed by the department just last week? How do you then balance those issues of where do the government-funded places get directed? Should people who are undertaking vocational programs at that level that are more aligned to skill shortage areas receive government-funded support? If their training is more aligned to personal development or other related areas perhaps they pay a higher level in terms of course costs or fees and charges or whatever the case may be.

The CHAIR — Just on that point of where the growth has been, I notice the largest growth is in fact in agricultural production and horticulture and in general construction tied to the building and construction industry. It is interesting that engineering is also high in terms of growth in numbers doing advanced diplomas, so perhaps what you were advocating before — people perhaps doing a diploma and then going on to degrees — is actually happening. My point, though, goes more to the fact that in Australia we have a dual funding system with essentially the commonwealth funding higher education and the states funding TAFE, but the outcome of that can distort not only the levels of people doing both courses but also ultimately industry's ability to get the right person to do the right course in the right industry. Do you have any viewpoint about ways we could move out the commonwealth-state interface in terms of funding? It is a big question, but maybe you have thought about it.

Mr RIMMINGTON — It is a big question, given the stalemate in the ANTA agreement prior to Christmas. Our chamber's policy position on this is consistent with that of ACCI, where formally in the joint pre-budget submission to the commonwealth government we indicated that we recognise the *Access Economics* review of the level of additional funding that was needed to fund VET growth, and that is in the order of perhaps $250 million for the forward years, so there are now potentially significant shortfalls in funding. It is also why state governments are having to look at ways to restrict budget growth through the application of caps or restrictions by AQF levels, as is happening elsewhere.

Certainly from an industry point of view we are strongly supporting the view to both state and federal governments that there needs to be additional funding put into the VET system, particularly where it is aligned to meet priority industry needs in employment growth areas. How do we wave a wand and find the additional funding? It comes from the student, the employer or government. It is a difficult one.

The CHAIR — Just going back to the higher education issue, you indicated that in your experience, some of the large number of people who drop out or defer are students who do not get into the course they really want to do — their first or second choice.

Mr RIMMINGTON — I have no empirical evidence, and that is perhaps an area with a need for further research to try to pinpoint that.

The CHAIR — You have had some experience in that; do you have any anecdotal evidence?

Mr RIMMINGTON — In any one year at La Trobe University, where I was a 0.5 fraction, I have seen between 600 to 800 students a year, and the majority of that work has been around graduate preparation. But I would estimate that possibly around 40 per cent of the young people I was seeing had concerns over their career choice and where they were going with their degree, and they were looking at options — deferral arrangements or changing faculties, that type of activity. So it is still fairly significant. The common theme seemed to be either that the course offering was by dint of their ENTER or they thought they may have got a higher ENTER to get them into some other program, and therefore there was lack of clarity about a valid process of assessment of what their career aspirations really were. One of the comments many made when I talked to them about what they had done at school, their use of work experience and all those sorts of programs and efforts that the education system provides,

was that generally it all happened around years 9 and 10, but that by the time you get to year 12, when people perhaps assume you know where you are going in life, there was still a high level of confusion about career aspirations.

The CHAIR — It is an important point for the committee because part of our determination is how to measure unmet demand, and the vice-chancellors association has a methodology whereby they discount anyone who puts in only two preferences. We have heard that that is a flawed methodology, because students who know exactly what they want to study and where they have to go to get their job will put in only one or two preferences. The issues are whether students should in fact put broader choices and not put other people out of a position, whether that is the right way for students to choose, and how demand should be measured, and that is why your comments are interesting.

Moving on, I have one final question. We have competing neighbours — Singapore and a whole heap of other countries — that are increasing their levels of higher education, secondary education and trade courses, and many of our competing countries are doing a major upgrade of their provision of education. The reason behind that is to do with what they believe will be the impact on their state economy and the capacity of their country to compete into the future. Has VECCI done any economic modelling on how unmet demand in universities and TAFE institutions impacts on the economy?

Mr RIMMINGTON — Not in the time I have been with VECCI. We are certainly well aware of a variety of research papers that have direct links to innovation economy and higher skill levels attracting businesses that have high skill levels as well as providing a vibrant mix in the labour market. And whilst a lot of effort is going into the new technologies, by their nature they are not going to be generators of a huge volume of employment. But it is going to be a significant area because of its flow-on in terms of research, skill and development areas.

More broadly, there perhaps needs to be a greater recognition that we have to significantly increase our commitment to funding across the VET and higher education systems to lift skills overall and in so doing, create a more highly skilled, flexible and adaptable work force. Young people today perhaps need to recognise that unlike in years gone by, when they might have aspired to one career for life and then retired, in this current generation they are looking at possibly 10 career changes. It is a matter of ensuring that individuals, industry and employers are able to adapt to that through skill acquisition and higher level training, whether that be VET, trade and/or higher education.

Ms MUNT — I do not know if this has been mentioned or not, but where do you see the most critical skill shortages?

Mr RIMMINGTON — Right now, from the work we are doing, it is across the metal manufacturing areas. It is in those traditional trades — engineering, fitting and turning, sheetmetal work and so on. Just about any company we talk to in those areas is looking for apprentices and cannot find them, and businesses are stagnant and cannot grow. The recruiting of a qualified tradesperson is competitive. Basically they have to compete by offering more funding either to attract someone or to retain their existing staff. Where those companies go to as the next step is a real dilemma, and that is partly why VECCI is actively engaged in those pathway options to try to come in at a lower level and build connections between industry and schools.

The CHAIR — Thank you, Mr Rimmington. The committee has found your evidence and that of VECCI most illuminating. We wish you well and look forward to speaking with you again in other inquiries.

Witness withdrew.

C O R R E C T E D V E R S I O N

EDUCATION AND TRAINING COMMITTEE

Inquiry into impact of the high levels of unmet demand for places in higher education institutions on Victoria

Melbourne – 16 February 2004

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Witnesses

Mr A. Blair, President;

Mr P. O'Reilly, Member; and

Ms J. Goodwin, Executive Member, Victorian Association of State Secondary Principals.

The CHAIR — The committee welcomes the Victorian Association of State Secondary Principals (VASSP) to the hearing. Would you give your name and title? You might like to make a statement first and then we will open it up for discussion.

Mr BLAIR — My name is Andrew Blair. I am president of the Victorian Association of State Secondary Principals, having been a secondary principal in the state for 13 years. My previous school was Mount Eliza Secondary College.

Mr O'REILLY — I am Paul O'Reilly. I am a member of the state committee of the Victorian Association of Secondary School Principals. I am currently assistant principal at Altona Secondary College after a stint in private industry. Prior to that I was principal at Forest Hill Secondary College in the eastern suburbs, at Swan Hill Secondary College, and before that an assistant principal at Bendigo Senior College, so about a dozen years in the principal class.

Ms GOODWIN — I am Julie Goodwin and am on the executive of the Victorian Association of State Secondary Principals. I am currently one of the principal class members at Pascoe Vale Girls College. I have been in that position for about 12 years, and I have worked only in the state secondary sector schools for nearly 30 years.

Mr BLAIR — I guess our interest today might be to initially concentrate on two areas. The first would be what we would perceive as being the impact of the concern around unmet demand on teaching places on Victoria and, in particular, particular subject areas that are problematic within our schools. I will make reference to that issue, using some of the processing evidence that has been established through the Australian Secondary Principals Association (ASPA), and I will outline what processes take place there.

The second area, and I guess a more contemporary view, is around where the unmet demand is heading in terms of young people in schools today, and what impact that is having on aspiration and indeed motivation.

If you are comfortable, what I might do is begin on the first question and hand over to my colleagues for the second. VASSP, the Victorian Association of State Secondary Principals, is affiliated to the Australian body, the Australian Secondary Principals Association, and each year for the last three years ASPA has undertaken a national survey twice a year for schools across Australia on the issue of teaching supply and shortfall. I guess in a nutshell one could say that the problem has now surfaced nationally as being one that is widespread, that is in every state and is biting to the extent that many schools — something like 13 per cent of schools — across Australia this year are killing programs on the basis of their lack of capacity to attract teachers. So when a survey is undertaken, for example, in March of this year one of the key questions will have to be, 'What programs are you not running as a result of being unable to attract teachers?' and therefore it cannot just any longer be a simple question around lack of supply. It has to be about lack of provision as a result of lack of supply.

The issues around which subject areas are hardest hit are ones around mathematics, around what we would term technology, both the softer and harder technologies, ICT, and I guess the traditional manufacturing trade areas of electronics and the like, and also in physics, and perhaps the hardest of all, languages other than English.

In LOTE there are significant problems Australia-wide in terms of attracting teachers because there are insufficient numbers of LOTE teachers being trained, and indeed, probably an aside but one that might eventually become the province of this committee, there is no national policy around provision. Is it time in this country, for example, that we had a capacity to train in, say, half a dozen core languages other than English rather than the full suite?

I think in Victoria currently there are 29 languages taught. I am not suggesting that will not ever be the case, but that unless we throw energy behind a national policy which consolidates the number of languages and we ensure that those training opportunities and places are funded, our capacity to put in place sequential language development programs in languages other than English is I think very limited.

In terms of the overall picture in the ASPA surveys, it would be reasonable to say that there is going to be a considerable period of time where there will be serious shortfalls in teaching supply. The problem is exacerbated by the average age of teachers in our state, which I think in the secondary sector is now heading towards something like 48. I think for the first time in Victorian education history the average age of teachers is now older than the parents of the students they teach. I think there are going to be significant numbers of those people retiring as a result of the revised superannuation scheme, and there will be a lack of capacity to fill those shortfalls because of the issues around the lack of tertiary places through the unmet demand issue.

I note that this government has introduced a bridging program where this year we will be developing some incentives for other professionals to return to teaching through programs which will enable them to train at schools and universities while being paid a kind of bottom-of-the-scale teaching salary. It is a step in the right direction, but I believe there are only 20 of those places being funded; to fill them they are very hard to staff for schools and/or subject areas. It is a step in the right direction. There are those programs which have been highly successful in the United Kingdom, where you will see professionals being trained at schools and signing contracts to remain at those schools for three years beyond their initial training in cooperation with the university that works with them. The difference in the United Kingdom versus here in Victoria is that in the United Kingdom all training is actually happening on site in schools whereas here the model will be that people, I think, will be 0.6 at schools and 0.4 at university.

The CHAIR — Is that over and above the teaching establishment?

Mr BLAIR — I think those training spots in the United Kingdom would be above entitlement.

The CHAIR — Because they are training, I suppose.

Mr BLAIR — Yes. In this instance, I believe, in the Victorian setting these will be like graduate scholarships. There are obviously some industrial issues around it. As I say, it is a step in the right direction, but it will be interesting to see what the take-up rate is like. I do not know whether it will be sufficiently attractive for people to take it up. I guess the other element in all of this is the capacity of schools in remote areas across this state to attract teachers full stop and the difficulty for those schools to recruit and have a complete and comprehensive curriculum program as a result of undersupply.

We also have — and again it is an aside, but in part it has impact for us — the issue of interstate registration. Schools on the border in Victoria need, for example, to travel to South Australia to attract teachers, and we have some problems around supply through registration procedures between the Victorian Institute of Teaching and the South Australian arrangements. Those kinds of reciprocal arrangements will need to be worked on quickly to enable a national spread of teacher registration.

Finally, in regard to the data that I am alluding to, we have had returned across Australia of some 600 schools and therefore it would be reasonable to say that the issue of teacher supply is major for schools across this country, and the federal government's moves towards increasing the cost of HECS places, increasing the number of full fee-paying places and I think clearly perhaps vice-chancellors not providing sufficient teaching places within the matrix of courses available within Australian universities has a serious impact for the young people in this country, and that impact will not go away quickly.

Ms GOODWIN — Mr Blair initially referred to the impact it is having on young people who are being retained in their schools up to the end of year 12, which is part of this government initiative. Attendance and retention has been a very prime focus for schools, and I think overall they have been doing that very well and retaining their students. What is impacting is that the kids who perhaps in the past may have filtered out of the school system at years 9, 10 or in 11 are being kept at school with various types of courses, and getting into schools, but still going nowhere. So the problem has been moved up the line, I guess. Those sorts of kids are sitting there and being retained at school until year 12 and getting an ENTER score, but they are not to getting into any sort of course. I think you will find that will work as a disincentive to students, who will say, 'What is the point of staying? I might as well try to pick up this or that or just disappear out the door'. So it is going against the initiative, and one of the main focuses of this government of retaining kids at school, which I think is a very good initiative.

However, the lower-end kids with the lower ENTER scores are the ones who perhaps need more opportunities in terms of TAFE courses and trades; they are the very ones who are missing out. Those kids who are getting places at universities who have come in from both the private sector and the state sector who might have missed out on their ENTER score are able to pay to get a university place. Those kids who have been retained at school at the lower end but still getting ENTER scores, and still very good ones at that, who would have or could perhaps be further trained at TAFE, are not getting that opportunity. I think you will start to see that while the government has the initiative of retaining kids right up to year 12 the kids themselves will get turned off. They will think, 'What's the point? Unless I am going to come out and I can get some training specific to a particular career, where am I?' I think that is an issue that needs to be addressed quite distinctly.

Another point I want to make is in reference to teacher supply. It is all well and good to say there are not enough places for teacher training. I put a question mark against the quality of that teacher training. I have a personal example of a student who is doing a specific course to be a secondary school physical education teacher. At her university she has been told she is not guaranteed of a teacher training year because that university has had to cut its costs. While she is one of the statistics of training to be a teacher, in fact, what she has been told is that once she is in second year at university she is not guaranteed a teacher training year. It is a bit of a nonsense, which bemuses me, and one that I will continue to pursue.

There are myriad issues here, but I think the most pressing one from my view as one working in a school is that the kids are staying at school, and I think schools have picked up that challenge. However, it will seem to them that their efforts have come to naught, because in essence that we want the students to do is to move on to some training that is useful so that they will find a career. I can see in that whole technical trade area there are lots of areas that we will have shortages in. Those very kids who perhaps would have gone into those areas, where do they go? Secondary schools cannot train them in trade sheet metal or any of those other industries. They have to be able to go somewhere to get that training, and that is a real concern.

Mr O'REILLY — I might just pick up from the point of view of a small school in western suburbs that is very much focused on, I guess, a national vocational agenda, and over the past few years it has moved from just the academic focus of the VCE to develop a range of vocational education and training (VET) courses and from last year has been a pilot school with VCAL — the Victorian certificate of applied learning.

We cater for a whole number of students. The majority of our students do not aspire to university entry. The few that do are generally successful. But for a large group of them — the ratio of students who are chasing TAFE places versus university places is three to one — I see a flow-on effect here, in that there is a reduction in the number of places available or there is an increase in the number of students missing out on university places. That must surely put pressure on the options available for TAFE courses for students like many of our own cohort who have low ENTER scores but who have been very successful in developing social competencies, engagement in school, retained in education, working towards achieving the government's target of 90 per cent retention in year 12 by 2010; yet those students, particularly those at the lower end, who are remaining in school but would have had the option of the perhaps lower-level courses before them, are at risk of being squeezed out as those whose first aspiration was university or perhaps a more prestigious TAFE course move back down to find something that their cut-off score will enable them to access — squeezing out the very group that we are trying to retain in education and to whom we are trying to suggest there is a career path and pathway into further training and work.

So it not only disadvantages the majority of students in our particular cohort in the west but it also threatens to undermine the national vocational agenda, because surely at this end as well as those students who are at academic schools who have aspiring university entrants — and my daughter is in a state girls school which has a high academic university flow-on — will be discouraged with the increased ENTER scores required to gain university places. You hope that they do not conclude, 'Is it worth pursuing all this secondary education and working so hard through the VCE?' when they read headlines saying that 17 000 or 22 000 miss out, or whatever the figures may be. The group of students at our school who it has been difficult enough to engage in school anyway — and there are all sorts of issues, which is why we use the flexibility of VCAL, where you work outside normal classrooms, work placements, modified courses so they can do courses which focus on developing their personal skills — are now in a bind where the opportunity will be squeezed because of the movement down or the back flow. That will affect them, and it will affect Victoria's ability to support the whole national vocational agenda.

The CHAIR — Thank you. With previous witnesses we discussed the fact that the advanced diploma level 6 went up 262 per cent between 1997 and 2002 in terms of the numbers of students doing it. Certainly I do not think that the funding has gone up that much. Turning to your point, I would think that a lot of that directly relates to students in Victoria and those that cannot get into university and who go into TAFEs and TAFEs then trying to meet that demand. So offering 262 per cent more courses or opportunities has an impact as you go down the level, and more students who want a more genuinely vocational course get into those courses. So it is an interesting point that you make.

Mr BLAIR — It would be fair to say that Victoria has got the rough end of the stick in relation to vocational per capita funding. We see that in our school sector, where this year with the Department of Education and Training we have put in place what we see as a more equitable funding model. But in some cases our young

people in schools are paying up to $1000 or $2000 for an education and training course as a component of their VCE. In essence what I am saying is that if you put that in combination with a very transparently unreasonable deal in terms of tertiary places in Victoria relative to the rest of the country then the young people in this state are being treated rather poorly. Indeed, I think we will soon have some evidence around what that might mean in terms of their aspiration levels in continuing their education.

Ms GOODWIN — Obviously there is the whole notion of an education giving everyone an opportunity to make the most of their lives, and it is the one opportunity for kids from schools like mine and like Paul's — and I have only worked in the northern suburbs of Melbourne. It gives kids who have come out of socioeconomically disadvantaged backgrounds some opportunity to make a better career for themselves than their parents have had and yet it is that very cohort that is being disenfranchised again. The impact that it has on their morale cannot be underestimated.

Ms MUNT — I agree with everything you say, and I think it is very evident that we seem to have got the short end of the stick. Our terms of reference are about unmet demand, and it seems to me that the unmet demand is going to have this flow-on effect right through the system. I feel for the secondary schools because they work very hard to bring the students through the system and then they are not hitting a glass ceiling, they are hitting an iron ceiling, and it will only get worse. I am particularly very interested in what you just said about socioeconomic disadvantage because I think the effect upon them is going to be magnified because those are the students who cannot afford to pay the HECS and the costs associated with that. Education is a prime way to improve their lives. I do not have any questions for you because you have just about covered everything and I agree with what you say.

The CHAIR — I have a couple of questions — —

Mr BLAIR — We would like some advice about what to do about it!

The CHAIR — You will have to wait. We would not want to prejudge our own inquiry. I congratulate you on your excellent presentation to the committee. It was factual and fairly succinct but to the core of the issues as you see them.

I have a couple of quick questions. On the teacher education placement, you alluded to the issue that there are some courses that you think will not have placements, and we have had evidence that one of the problems for both teaching and nursing, in terms of the university's positions and in terms of the profile process is that they are highly expensive courses because of the placement costs. The money they get from the commonwealth usually does not in any way cover the placement costs that they have to pay. So the point you make about some universities thinking of scrapping that is interesting. I understand that the Department of Education and Training will be looking at teacher education just as the committee here is, and we would like to hear more about it when we start our second inquiry on that issue. Have you any comments about the placement costs from a principal's perspective?

Ms GOODWIN — We take a lot of training teachers at the school where I work. We are one of the few schools prepared to because the remuneration you get from the university to take on the students is a pittance in terms of the extra workload created for teachers. However, I come from a school where the teachers see it as a personal development exercise, and that is the culture of the school. So they are quite happy to take them on, but I take your point. A teacher gets a nominal amount of money as remuneration for taking on a trainee teacher and that is one issue that needs to be addressed. The particular student I am referring to is training as a secondary physical education teacher; the course is specific to that, so she is doing a PE degree. One would have assumed that the fourth year — which is the teacher training component — would be automatic, but it is not any more. Those students have to apply to VTAC at the end of their degree to try to find a university where there are enough places for a teacher training year. That seems nonsense because those students in that degree course are in the statistics of the number of teachers being trained, but in fact they are not guaranteed that years teacher training. I have only just become aware of that anomaly, and it would seem a bit of a nonsense but obviously universities are cutting back where they spend their money. How demoralising is that for those kids who are training supposedly on this particular course to be a PE teacher? They think, 'I can get through my three-year degree and I will pass it, but if I do not get a teacher training place, what is my degree useful for?'.

The CHAIR — Not to mention the job position if you go well in the school and the principal tries to get you.

Ms GOODWIN — It is nonsense but obviously universities are cutting back because only so many dollars have been allocated. So there are quite a few anomalies and that particular course is obviously hitting on Andrew's initial comment about teacher supply. We need young teachers in the state system. We have a cohort who are about 48 years of age but it is not healthy for state education. You need a range of ages in education. You need experienced teachers, you need middle-age-range teachers and you need young, fresh teachers coming into the system. It is really important.

The CHAIR — Is that a role model issue for young people?

Mr BLAIR — I guess there is the point I made before, which is that the current average age is now older than the parents of the kids who they are teaching.

Ms GOODWIN — Unless you have a blend of staff it is very difficult. You have to keep your older staff motivated. There is another bag of issues about staff and the quality of staff in schools, and how valuable the dollar is that the government is putting in to pay those experienced teachers. They can become stale. One of the greatest ways to keep them on their toes and fresh is to have new young kids on the block with new ideas, rejuvenating the enthusiasm and the morale of teachers. The government is putting a lot of money into paying teachers, but there is no sense if they are all stale, bored and boring.

The CHAIR — That is because the state government pays the teachers wages, but the commonwealth government pays for university places.

Ms GOODWIN — But my point is that you have got to have young staff. You have got to have a blend of ages in teaching. What is going to happen is that we will not have that blend.

Mr BLAIR — One of the key issues here is the transportability of teaching degrees. There is data coming through about the number of people who enter teacher training and the number of people who actually take up teaching positions, and then there is the issue around the number of people who stay in teaching for up to three years. The transportability is an interesting issue when you take on board the issues of generations X and Y and whether or not this is going to be a life-long career for them. There is a whole lot of evidence about young people taking up teaching positions, doing them for three or four years and then heading overseas and continuing their teaching. They have a universal qualification, which is terrific, but the problem is that there are not enough of them to cover the demand in a supply sense for schools.

We often talk about, and Julie has alluded to it, the quality of teacher training. There are huge differences between the quality of output from Australian universities in teacher training. The last Australian Secondary Principals Association (ASPA) survey had responses from something in the order of 800 young teachers in their first three years of secondary teaching across Australia who provided input about the relevance of their teacher training at various universities across Australia and whether or not that was useful or an encumbrance to them when they got into schools and into classrooms.

The CHAIR — Andrew, we will be looking forward to a submission from you when we get to the quality of teacher education inquiry.

Ms GOODWIN — The ante has been upped on the accountability of teachers in secondary schools and the quality of what they deliver. Obviously the same thing needs to happen in universities.

The CHAIR — I have some questions on some of the points you have made. I am familiar with Altona, and I certainly am familiar with Pascoe Vale Girls College. I taught at what is now Box Forrest Secondary College, which was Glenroy Technical School, around the corner a bit.

Ms GOODWIN — Over the road.

The CHAIR — They are different constituents, but it is the same area.

Ms GOODWIN — The same socioeconomic area.

The CHAIR — It has always been a good school, your school, Pascoe Vale Girls. What do you do? You were talking about how heartbreaking it is for a young person who has spent six years towards getting into a diploma program or, more often, a degree program. They study like anything, work hard, do everything right and

get a very good ENTER score. If we had got scores that high when we went through, we would have been very pleased. These kids miss out because the demand is driven so much that the places have not kept up, and they miss out by a matter of a few marks. What do you do for those young people? It must be an incredibly disillusioning thing in a lot of cases after six years of study.

Ms GOODWIN — It is.

The CHAIR — Do you have any post-school counselling?

Ms GOODWIN — Absolutely!

Mr BLAIR — One of the things that I think has been very useful in this state, although not everyone agrees with me, is the On Track process, which is about ensuring that student destinations are tracked well beyond their year of exit. One of the issues that I think we can pick up on is the capacity of local learning and employment networks to seriously be major players in helping young people who are yet to find an education, employment or training place beyond their year 12 exit, and to actually build local opportunities in a way that perhaps we have not thought of before. I am encouraged by their development, and I sincerely hope that the government will continue the impetus behind this process, but there is a suggestion that it may not.

Ms MUNT — It was interesting because VECCI came and spoke about how its local members are getting involved, and I think that is very positive. I am very involved in my local member group, and it is a struggle to get local business involved. That should be part of the focus now — broadening the base in the area.

Ms GOODWIN — I want to take up your point. It built resilience in the type of academic girls who have gone to university who have missed out. They are in the 90s with their ENTERS, which is fantastic, but the particular course that we have set them for and they have set their sights on — 'I can do this like anyone. It does not matter where you come from or what school you have been to' — have missed out by decimal point whatever. Last year our school captain could have got into a course if she was paying, but she missed out on a HECS place. She was devastated, and we thought 'Well, blow this!'. She did not get into her particular course because her parents could not afford it, and she was in the 96s. In the past she would have got into this particular course.

She is now doing a course that is not quite that, but we have worked out a little jigsaw puzzle of how she can get to where she wanted to be in the first place. It is harder for her than for someone who has probably got 90 and been able to pay. That is a real test of resilience. That kid has now thought, 'Well, blow this! I have worked my backside off. I have come in from a socioeconomic setting where my parents cannot afford to pay, but I am still going to get there'. Probably she will be better off as a person contributing in society in the long run because she will be much more resilient and will not give up.

There are other kids at the lower end who did not get into TAFE courses. Like every school, the school is chasing up each kid to get them employment, and our school resources are being used to do that. Those kids know that we are not giving up on them, even though our responsibility finished last December. Our particular school is chasing each and every one of those kids up to make sure they are not at home watching *Days of Our Lives* or doing nothing, that they are in some gainful employment. Halfway through the year there is a mid-semester change TAFE entry, and sometimes kids are enrolled in these TAFE courses and do not last the distance. There are always openings coming up. I think it is building more resilience in our girls in particular.

Mr BLAIR — One of the absolute ironies of this program, the On Track program, being supported by a thing called MIPs — that is, managing individual pathways — Is that as your school performs better in retention terms the resource that you are provided to undertake the MIPs process is reduced. So in looking at unmet demand it might be interesting to look at the resource level required within the Victorian government school system to deal with young people who do not obtain a place, and what that means in terms of our capacity to provide that resource beyond their exit if, for example, our retention rate has increased. I am simply arguing, and it is easy to argue from where I sit, for continued funding for a MIPs program to provide the degree or level of serious conversation with young people in the lead-up to their exit and beyond.

The CHAIR — I have one further quick question. It relates to a question that Ms Munt asked about 54-11 and exiting teachers. We heard and we know that a lot of them come back. We also heard that the percentage of contract teachers has increased over the last year or so. It relates to unmet demand in teaching and whether there is enough capacity in the work force after they leave or attraction back to meet the demand for teaching over and

above what is trained in the university. Are we finding that a lot of the people — and I am just having a guess; I might be wrong — even at 54-11 might come back in a contract position and often will teach perhaps for a year or a couple of subjects or very different sorts of arrangements than the norm?

Mr BLAIR — There is a significant growth in those people returning to the classroom beyond their retirement and whilst there may be a correlation — and I am not certain there is sufficient research around to prove it, but there may well be a correlation — between lack of numbers of people wishing to enter teaching as a result of contract employment the funding models of schools means that principals have no option but to provide a percentage of contract positions on a year-by-year basis. To do otherwise would be financially irresponsible.

The CHAIR — That is what I am trying to get to — the capacity to meet future teaching needs by teachers coming back into the work force notwithstanding your point about young people.

Mr BLAIR — Capacity versus advisability are two very different things. I personally have a view that we need to be making teaching as attractive and as available as possible to young people to work with young students rather than middle aged people working with young people. There is clearly an issue here around making certain we have got the capacity to develop contemporary relationships with them, and it is a whole lot harder.

Ms GOODWIN — I think that is a band aid solution to justify ,'Well, we have not got these older teachers who have retired because there was a loophole in superannuation', to use that as the, 'Yes, there are enough of them out there' point— I think it is a band aid approach. While some of them, yes, have come back and been terrific contributors, I think that is a small percentage of them.

The CHAIR — Most of them have a well-earned retirement.

Ms GOODWIN — Yes. You do not prop up any other industry by, 'Well, we will fill all the gaps with the old retirees' and certainly education is one of the most crucial careers you could go into and should not be viewed in that light at all.

Ms MUNT — We are looking at people who have had a lot of experience, perhaps they can be absorbed into the mainstream.

Ms GOODWIN — Yes, there is a certain value in that.

Ms MUNT — The students also need to see experience and wisdom.

Ms GOODWIN — Absolutely, I could not agree more.

Mr BLAIR — But that is not the whole answer.

Ms GOODWIN — No.

The CHAIR — Thank you very much to the Victorian Association of State Secondary Principals for the very illuminating discussion. It has been very useful for the report, and I think there are a lot of issues which will be useful to further address in our second inquiry into teacher education. Thank you very much, good luck with your schools.

Witnesses withdrew.

C O R R E C T E D V E R S I O N

EDUCATION AND TRAINING COMMITTEE

Inquiry into impact of the high levels of unmet demand for places in higher education institutions on Victoria

Melbourne – 16 February 2004

Members

Ms H. E. Buckingham
Ms A. L. Eckstein
Mr P. R. Hall
Mr S. R. Herbert
Mr. N. Kotsiras
Ms J. R. Munt
Mr. V. J. Perton

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witnesses

Mr T. F. Smith, National Executive Officer, Australian Council for Private Education and Training;

Mr P. Campbell, Executive Director and Principal, Melbourne Institute of Business and Technology; and

Ms C. Halleen, National Marketing Manager, Australian College of Natural Medicine.

The CHAIR — I declare this meeting of the parliamentary Education and Training Committee reconvened and open, and I welcome representatives from the Australian Council for Private Education and Training.

The Education and Training Committee is an all-party joint investigative committee of the Parliament of Victoria. It is hearing evidence today in relation to the inquiry into the impact of unmet demand for places in higher education institutes on Victoria. I wish to advise all present at this hearing that all evidence taken by the committee, including submissions, is subject to parliamentary privilege and granted immunity to judicial review pursuant to the Constitution Act and the Parliamentary Committees Act.

Mr SMITH — Thank you, Chair, for the invitation to the Australian Council for Private Education and Training to appear before the committee today. With your agreement, Chair, I would like to table a short statement that I will speak to.

Chair, the witnesses today are myself — Timothy Fitzjohn Smith, national executive officer for the Australian Council for Private Education and Training — and also Mr Peter Campbell, the executive director and principal of the Melbourne Institute of Business and Technology and Ms Catherine Halleen, national marketing manager for the Australian College of Natural Medicine.

As the largest of the industry associations in the post-compulsory education and training sector, ACPET represents 550 members who offer annually in excess of 3500 accredited courses from certificates to postgraduate degrees to 100 000 Australian and overseas students.

Our members provide teaching and administrative jobs to approximately 10 000 Australians in urban, regional and country towns and country towns across Australia. This sector has a $400 million gross turnover and the multiplier effect of our economic activity impacts on a wide range of other service providers.

I am the National Executive Officer of ACPET and my colleagues are Ms Catherine Halleen and Mr Peter Campbell. Mr Campbell is a member of our Victorian executive committee and executive director and principal of the Melbourne Institute of Business and Technology. MIBT is one of the largest private providers in this country. Ms Catherine Halleen is the national marketing manager for the Australian College of Natural Medicine. ACNM delivers accredited degree courses to over 1100 students in Victoria and Queensland. At this point, Chair, I convey apologies from Tony Zalewski who we did notify to the committee would be giving evidence today. Mr Zalewski is in fact giving evidence in another jurisdiction so he cannot be here.

ACPET is cognisant of the high level of unmet demand for higher education places in Victoria and understands that in comparison to other States and Territories, Victoria has traditionally had a stronger commitment to and demand for higher education. This commitment and demand is in part due to the nature of the states' industries and the size of the manufacturing sector in Victoria but also increasingly due to recognition that a high-performing economy demands a high level of skill and knowledge from its community.

An effective response to this high level of unmet demand requires cooperation and equity across the full range of public and private education providers, not just the self-accrediting public universities. In this regard ACPET is supportive of developing new arrangements that recognise and capitalise on the strengths of private providers of both higher education and vocational education and training courses (VET).

The economic and community benefits of more fully utilising and engaging private providers in the overall strategic direction for higher education and VET would be substantial. This could be done without compromising an existing high standard of higher education provision in this state or commitment to quality, and at the same time could also offer disadvantaged groups additional access, with government financial support, to higher education often through a VET course.

For many people in the community, the smaller, caring environment of the non-university higher education private providers would be more welcome and produce better outcomes than the large campus environment of public universities. Historically, there has always been an undesirably high student dropout rate during first-year university. This is not the case in higher education private providers, namely because of their nurturing environment and students' higher motivation levels.

It should also be noted that whilst considerable economic and community benefit is gained from having international students attending our public universities, such benefits could be maintained by greater encouragement of international higher education provision by non-university higher education private providers. This would be a positive for the Victorian community both financially and socially and would relieve pressure on university systems, which would then enable expansion of provision to young Victorians. This inquiry is important because it provides the opportunity to not only look at new ways of managing the growing demand for higher education in Victoria, but to draw attention to the size and scope of the private education and training industry in this state. We thank the committee for the opportunity to appear and give evidence.

The CHAIR — Thank you. Are there any further statements from your colleagues? No! We will go to questions.

Ms MUNT — I am the new kid on the block so I am trying to get some sort of understanding of your institutions, what they actually do and how they are funded. Could you give me some idea of that? You run courses, do you, or if you could just give me a breakdown?

Mr SMITH — Yes, certainly. ACPED itself is a company. We are established under the Corporations Act. We operate in all states and territories, as I indicated in my opening statement, but we are an industry association. We represent the interests of private providers of post-compulsory education and training. All of our members, and there are nearly 600 across the country, have one thing in common: they are not owned by the government, they are not funded by the government, and they are not controlled by the government. They are all private providers of post-compulsory education and training. By 'post-compulsory', which is a term in fact that the minister here first introduced, we are talking about people who are past the compulsory schooling age.

We cover three broad areas: higher education — there are over 100 providers in this country delivering courses at degree level and above, fully accredited courses; we have members in the vocational education and training area — sometimes people talk about TAFE , but TAFE is simply the public provider arm of vocational education and training, and the latest statistics indicate that up to 45 per cent of accredited vocational education and training in this country is delivered by private providers and TAFE delivers 55 per cent, so it is almost half and half. That is a significant statistic. Then there is another area, which is very important for our economy here: our members are very much involved in ELICOS, the teaching of English as a second language to overseas students.

Ms MUNT — And how do you fund those programs?

Mr SMITH — All students generally pay tuition fees; there is one exception to that, which I shall explain in a moment. About 70 per cent of our members derive their income from tuition fees levied on the students for education and training. They all deliver courses that are accredited by government, by various state and territory governments.

Ms MUNT — Those tuition fees are not HECS, I take it?

Mr SMITH — These are fees that students pay up front. Our submission goes to the very issue of the need for some form of student loan support for students in private colleges, private institutions, who are undertaking accredited courses. The commonwealth government has announced the new FEE-HELP scheme which we think is a significant contribution to enable higher education students to make a choice of provider. But that only applies in higher education area; in the VET area, of course, there is no student loan scheme.

Ms MUNT — Have you experienced an increase in demand this year because of the high levels of unmet demand that are being experienced in other tertiary courses?

Mr SMITH — Would you like to make a comment on that?

Ms HALLEEN — I believe there has been increased enrolment for our courses. I have found from other colleagues in other colleges that that has been the case for them as well.

Ms MUNT — In any particular areas?

Ms HALLEEN — On behalf of the Australian College of Natural Medicine, our degree courses have been far more popular than our VET certificate courses have been in the past.

Ms MUNT — Do you have an ENTER score requirement?

Ms HALLEEN — We do not. We require students to come in for an interview in which case their academic needs and abilities are assessed at interview level.

Mr CAMPBELL — The Melbourne Institute of Business and Technology runs three diploma courses in addition to a foundation year. The diploma courses are the first year of Deakin University's bachelor degree. We do this in small-group teaching. We have three areas: commerce, computing and mass communication. Probably about 85 per cent of our students are overseas students and our numbers have been increasing rapidly over the last six or seven years. However, we also take in Australian students. We set an ENTER score of 60 for Australian students coming into our diploma, which approximates a lot of the non-metropolitan campuses of universities for those courses. In the case of the computing area, I think it is recognised that the enrolments have dropped substantially; the demand not only in Australia but also in Britain et cetera has gone down. At the same time the media communication area has increased. In the commerce area we have found a little bit of a drop. That is actually due to Deakin University lowering its ENTER score requirement for a fee-paying place; they have eaten into our market a little bit.

Ms ECKSTEIN — What is the range of fees students would pay for various courses? Obviously it varies.

Mr CAMPBELL — I can tell you about ours: the overseas students would pay $13 000 for a diploma and the local students, $11 000. Quite often the parents make a decision that they will send the students to us rather than them repeat their year 12 or go to a country campus where they have to pay not only HECS but also living-away-from-home expenses. Sometimes it can work out a lot better that they are actually progressing and if they do very well at the end of their first year, say with a 70 per cent average, they might wind up with a HECS place in the second year on. However, they have to compete on exactly the same basis as any student going into first year at Deakin.

Ms ECKSTEIN — Is it a frequent occurrence that people will come to one of these institutions and pay and then move on into a HECS place?

Mr CAMPBELL — Yes. We had last year about 200 Australian students, this year it is probably going to be 150 — that is across a number of courses.

Ms ECKSTEIN — I am familiar with some courses but you can give me an idea of the other areas, apart from the ones you two represent, that are covered by the providers?

Mr SMITH — Maybe with the Chair's agreement I could table a list of the accredited higher education private providers in this state and then make a brief comment on the wider dimensions of that. While the document is being circulated, it is important to bear in mind that a significant proportion of our members, probably 30 per cent, deliver courses that are government-funded — this is in the VET area — training programs and they compete for that funding through a competitive tender process. The document that just been tendered is a list taken from the department's web site. It is a list of accredited courses which under the act must be judged to be comparable in standard and academic merit to those offered by universities. These are all accredited private providers.

The CHAIR — Are these providers operating in Australia or just Victoria?

Mr SMITH — These are all Victorian except for the Australian Catholic University. This is from the Office of Training and Tertiary Education (OTTE) web site, and I assume the Australian Catholic University is listed there because at the end of the day the ACU is a private company, although its major funding source is the commonwealth government. All the other providers there, most of whom are our members, deliver courses at degree level and above; some of them deliver professional doctorates. The Australian College of Natural Medicine, which Ms Halleen is employed by, has 1100 students across the country doing degree courses in homeopathy, acupuncture and naturopathy. How many of those would be in Victoria?

Ms HALLEEN — Probably about 600 of those students.

Mr SMITH — The mix is very catholic, with an emphasis on the small C. Most of those colleges would charge fees. Next year the students will be eligible for the income-contingent deferred payment student loans scheme that the commonwealth is introducing. Our concern is that that does not exist in any form or shape for VET

students in either public TAFE or private colleges. So many of our members now have individual articulation arrangements with universities to provide for students to gain credit or advance in a university program.

The introduction of the two-year associate degree on the Australian qualifications framework is something my organisation lobbied hard both to the Victorian government and to the commonwealth government. We expect will see a significant increase in the number of students enrolling in private-provider colleges to undertake higher education courses. The associate degree is a two-year higher education course and will be eligible for the commonwealth government's new FEE-HELP scheme.

In terms of meeting the unmet demand here in Victoria for higher education, there is a real opportunity next year for young Victorians and mature-age people to be able to enrol in a higher education course. They can do that in three ways. They can do that by: enrolling in any of these higher education private providers; taking advantage of the commonwealth government's new FEE-HELP scheme so the issue of resources is not a problem for them up-front — they can choose the provider and then meet their financial commitments at a later stage; there is the opportunity of articulating through from a VET program offered by the many registered training organisations which are our members or they will be able to enrol in the new associate degree two-year higher education courses, subject to those courses being accredited here in Victoria by the office of higher education.

Mr KOTSIRAS — I am sorry for coming in late, I do apologise. What is the average drop-out rate for first-year students across the private sector?

Mr SMITH — I will refer that question to Mr Campbell because he is very experienced in tertiary education: he was at Monash University for 15 years and has been in the private sector so he has a good feeling for both sectors.

Mr CAMPBELL — The drop-out rate in the private sector is very low. Students have generally made a commitment, quite often they are paying fees, the family is supporting them and it is not just like what used to be called a free place — even though you are paying HECS it can be deferred and you do not have to pay it until you earn a certain amount of money. In the universities I think one of the problems is the unmet demand is actually greater than we think or is evidenced by the number of people who do not get tertiary or higher education places — that is, so many of them do get places but they are not the places they want. They get a preference and it might be no. 8 but it is nothing to do with what they are aiming to do. I think it has been traditionally for 30 years or more than a lot of students get into the wrong course, they are not interested and that is why the drop-out rate is high in first year.

Mr KOTSIRAS — Do you have any data which might indicate where students are coming from? Are they students who are unable to get into a higher education course or is it their inability to get into a TAFE course? Do you get most of your students because they are unable to get into an university course or into a TAFE course?

Mr CAMPBELL — We get a lot of students who miss out on metropolitan campuses for the course they desire, who could and have been offered places on regional campuses of universities but choose to come to us. They might have quite a respectable ENTER score but do not want to move out of Melbourne. So there are other factors at play as well. It is not just about being able to get into a course, it is about where the course is and which particular course they are interested in.

Mr KOTSIRAS — Is there anything the state government can do to encourage or assist students to enrol in private education?

Mr CAMPBELL — The first thing is that it should be recognised that there is a private education sector. Quite often when you read reports in newspapers or hear someone talking about unmet demand, the complaint is that they did not get into university or the TAFEs, and there is no mention at all of the private sector, so there is an awareness creation problem. We need the public to be more aware of the nature of courses and how they articulate, if necessary, or the nature of some courses that are not even offered by universities. Quite a lot of the degree courses are not offered by the universities.

Mr SMITH — Just to supplement Mr Campbell's response, Mr Kotsiras, with one example, the Australian Institute of Public Safety just down here in Flinders Street has over 300 students doing degrees in criminal justice and all elements related to crowd control and public safety, and the events that occurred in the city not so long ago highlight the importance of there being proper training and accreditation in that area.

Mr KOTSIRAS — Mr Campbell, you are on the government innovation board?

Mr CAMPBELL — No.

Mr KOTSIRAS — No? Sorry.

The CHAIR — We will start with the list you have circulated.

Mr SMITH — The government's list.

The CHAIR — The government's list, sorry. Are all these off-line courses — fee-paying, turn-up-and-study courses?

Mr CAMPBELL — Yes.

The CHAIR — They are not online?

Mr CAMPBELL — No, they are not. Well, I am not sure about the Australian Catholic University. They would get HECS-funded places. Most of the others are.

The CHAIR — I'm just going to the core of your statement.

Mr SMITH — I could comment, Chair, that in terms of this list — excluding, as Mr Campbell says, the ACU, and I do not quite know why it is there — all these courses would be fee paying in one form or another. There would be no HECS involved in any of these.

The CHAIR — Yes. When I look at them, if I take out the Christian or religious courses which are specific for their clientele, and if I look at a higher education degree — you know, a bachelor as opposed to a post-bachelor or diploma level — only a few are provided in terms of the higher education provision. I am not saying there is anything wrong with that, I am just trying to get back to the basis of this inquiry. So if you take the Australian Catholic University out, we have your institution — the Australian College of Natural Medicine — we have a bachelor of music; we have some science degrees — bachelor of security operations and criminal justice at the institute of public safety; we have Marcus Oldham College, with a bachelor of business and agricultural practice; and I think that's it. No, sorry we, have the Oceania Polytechnic Institute of Education, bachelor of architecture; we have the Southern School of Natural Therapies, bachelor of health science, naturopathy, and I think that is about it in terms of degree courses here in Victoria. Does that sound about right? I might have missed one or two.

Mr SMITH — It depends what you mean by 'degree'. If you are talking about higher education, where you see 'diploma', they are higher education diplomas.

The CHAIR — They are HECS-funded loan-type places?

Mr SMITH — They are higher education accredited courses. And in terms of discipline areas, Chair, you will see, as I said before, the ACNM has 500 students here in Victoria alone; the Australian Guild of Music Education has a recently accredited program, and there would be about 30 students in that; there are a lot of business programs and business courses here; engineering; and the Southern School of Natural Therapies has about 200 students there.

The CHAIR — I am not saying they are not very good courses, and we have seen that in another part of a different inquiry. We have seen that level V and VI associate diplomas, for instance, have grown 262 per cent in the last few years. But in terms of unmet demand, I am just trying to get down to the core of what would be the equivalent of a HECS-funded loan place in higher education. I am just trying to work out how much is currently being done by the private sector. Do you get my drift?

Mr SMITH — Yes. Not as much as should be done, Chair, and the single greatest obstacle is, of course, the capacity to pay, because private providers are, by definition, commercial in nature. Even the Bible colleges and the theological colleges have to pay their own way, so they charge the students some money, or they might have endowments or whatever, but there is no government money. A student, when choosing a course, will naturally enough want to be guided by how much they can afford to pay, and at the moment the limitations on enrolments are not the system's capacity to grow but simply a student's capacity to pay.

The CHAIR — Okay. Having said that, in your statement you point out — I am summarising, but I think I have the intent here — that our public universities currently have a number of international students whom the private sector has the ability, capacity and level of quality to take quite easily, which would then enable expansion of the higher education provision to young Victorians. Essentially what you are saying there is that our public universities have the capacity to do more because of the simple fact that they are actually taking a lot of non-Victorian or non-Australian fee-paying international students, and if that capacity were transferred, then more Victorian students could go to university, which would relieve demand. The problem with that argument, as I see it — I am just after comment here — is that that is the case only if you increase the number of loan positions or HECS- funded positions. As you say, the biggest detriment to your growth is the cost, and it is the same for universities in terms of fee paying; so, by your argument, it would seem that if the private sector took on a greater share of the international students, the universities could grow, because they have the teaching capacity, the rooms, the chairs and all the various infrastructure for a greater number of funded positions.

Mr SMITH — That is not our argument. Our argument is — and we have not stated this in writing in our submission, Chair, because there is no point in bagging universities directly — that there is a concern in our system that a significant amount of cross-subsidisation is going on in Australian universities, and Victorian universities are no different. In fact, the Auditor-General's recent report into RMIT made the point that to some extent the boundaries are blurring in universities as to the extent to which the income derived from overseas students is offset by the cost or the expenditure incurred in recruiting those students and to what extent that comes from the public infrastructure in universities provided by the taxpayer. The same could be said of the TAFE institutes.

The difference with our system is that we have an infinite capacity to grow and to service the international student demand. And the students — let's make no mistake about it — want to go to Sydney and they want to go to Melbourne. It is a tremendous opportunity for this state to grow its international education industry. The private sector is ready and waiting to do that. In fact, in vocational education and training, 70 per cent of accredited VET courses in this country are delivered by the private sector — by my members; TAFE delivers only 30 per cent.

We believe there is a similar capacity to service the higher education market, which universities have traditionally dominated. Universities have a right and an obligation to be in there for a whole lot of reasons, but one expects that there must be limits to what you might call the social cohesion of a university, because it has a statutory mission to fulfil, whereas a private provider can have 100 per cent international education students if the demand is there.

The CHAIR — Yes, I understand the argument. I was just trying to clarify how an expansion in the private sector would in fact enable an expansion in higher education provision to young Victorians. I guess I have misread your argument. Your argument is that there is cross-subsidy happening between funded positions and international students, and if you delete that, there would in fact be greater funding capacity to have more Victorian students.

Mr SMITH — And universities would have a greater capacity to fulfil their statutory obligations.

The CHAIR — Notwithstanding the commonwealth policy position of scrapping overenrolments — I guess that is an issue. But nevertheless, let us move on. What sort of capacity is there for franchising arrangements? Does that help with the level of demand — that is, where a private provider may teach a university accredited course? 'Franchise' is probably the incorrect term, but where a private provider has the capacity to offer a course from another university, does that impact on demand at all here?

Mr CAMPBELL — There is a huge potential there. We essentially have a licence, if you like, from Deakin to teach the first year of the bachelor degree, and they monitor and assess et cetera so that there is a quality assurance. But that could be done in more universities. Monash College, which is a wholly-owned subsidiary company of Monash University, is a copy of Melbourne Institute of Business and Technology, and they have students there. Similarly, La Trobe is doing that, and a number of other universities are keen to do it but are not quite sure how to do it. I think if they were encouraged to work in partnership with some private providers, it could lead to an expansion of places in higher education for Victorian students.

The CHAIR — Students can do the first year, so to speak, and then transfer through, so the university can get more throughput — there are always dropouts and that sort of thing — so that works?

Mr CAMPBELL — Yes. Just to give you a little bit of background, for my sins I was chairman of the Monash University timetable many years ago, and I did a study there of the unused capacity of teaching

classrooms, laboratories, et cetera et cetera, and basically you could run another university in the time available. It is for this reason that I think private providers, in partnership with universities, utilising unused resources could be a good way in which the unmet demand could be met.

The CHAIR — One of the problems of unmet demand in universities is that there is a competition between school exit applicants — that is, those who have done year 12, and mature age, those who need to upgrade of who were not ready for it when they left school and for a range of reasons come back. It is a great tension point in our system. At what point do you balance young entrants requirements and mature entrants need to upgrade their qualifications and their skills? What do you find your clienteles are? Is there any kind of drift towards mature age or school entry and school exit? Is there an issue there with the private provision?

Mr CAMPBELL — We have quite a balance. We have students anywhere up to 60 years of age. In fact my oldest student was 78, which was quite a surprise. She did not last very long.

The CHAIR — Was it the technology that defeated her?

Mr CAMPBELL — She was interested in IT. We do have quite a number of mature age students. In fact we find they are a bonus in terms of the teaching environment in that they bring a level of maturity and leadership to a class. We are not frightened at all about taking mature age students.

Ms HALLEEN — It is a very similar situation with our institution, certainly being in the niche market we are in of natural medicine. It has historically been a mature age market that has come through to us, but increasingly it is becoming popular with the school leaver market, so we have very much a balance between mature age and school leavers in our classrooms, which we also find a real advantage for the learning outcomes of those students.

The CHAIR — We thank ACPET for coming here. You have given us a different perspective to what we have heard previously, and we wish you well.

Witnesses withdrew.

C O R R E C T E D V E R S I O N

EDUCATION AND TRAINING COMMITTEE

Inquiry into impact of the high levels of unmet demand for places in higher education institutions on Victoria

Melbourne – 16 February 2004

Members

Ms H. E. Buckingham
Ms A. L. Eckstein
Mr P. R. Hall
Mr S. R. Herbert
Mr N. Kotsiras
Ms J. R. Munt
Mr V. J. Perton

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witnesses

Mr A. Keenan, General Secretary;

Ms C. Hickey, Education Policy Officer; and

Mr F. Thompson, Member, Independent Education Union of Australia (Victoria).

The CHAIR — The committee welcomes the Independent Education Union of Australia and its input. For the record, when you begin, if you could start off with your name, title and whatever other details you need to give, and perhaps, Tony, you might like to start off with a statement and then we will open it up for discussion and questions.

Mr KEENAN — My name is Tony Keenan. I am the general secretary of the Victorian branch of the Independent Education Union of Australia. Cathy Hickey is our education policy officer. We are also pleased to have Frank Thompson here, who is our representative at Melbourne Grammar, and is also the vice president of the Careers Education Association of Victoria, which obviously has an interest in this.

I will not say too much because Cathy and Frank will, I think, have more input of use, other than that we have two interests. Our first interest is representing the views of our members, particularly those in secondary schools, and in particular those who are in areas of responsibility assisting young people into higher education and so on. That would be in particular careers teachers, year 12 coordinators, VCE coordinators, whatever. That is our first area of interest. Our second, obviously, is as an organisation representing teachers — the current situation with teacher places in Victoria, and the looming shortage. So that is what we will talk about. We were going to bring, I guess, the extremes. Harry Dobson was also going to come. He is a member of our association and is careers teacher at Penola College in Broadmeadows. I think the experience of those two schools would highlight some of the issues within our sector.

Ms HICKEY — I also represent the union on the reference group on teacher supply and demand here in Victoria. As you would know, there are various stakeholders on that. Last week, I think, we actually in a way signed off on the report of that committee, which I presume will be making its way to you, if it is not already here — I am not sure whether you are aware of it.

Quite a bit of what I want to highlight comes from that report. The findings of that committee are certainly supported by the experience of our members in schools. Most of that and most of our anecdotal data about supply and demand is in the Catholic sector. There is not a lot of data about independent schools and generally except from the smaller independent schools — which represent a growing area — such as Islamic schools and so forth, which experience difficulties in getting staff and probably reflect the Catholic sector as opposed to the other end of the spectrum, who in our experience do not have such difficulties in attracting staff in particular areas where vacancies exist.

I suppose the first thing we wanted to say was that we are very concerned at the percentage of unmet demand or the underfunding of places in Victoria, particularly as they relate to teaching. I am sure the committee is aware that the number of teaching places that have been cut since, I think, 1996 in Victoria is around 6000, although I think at our meeting last year people were mentioning figures like 8000. So I am not sure, but it is somewhere in between. Particularly for the 2003–04 year, 60 per cent of eligible applicants for teacher training missed out on a place. We understand there are significant numbers of young people actually applying to get into teacher training. There is a significant turning back of applicants who have met that.

I suppose one issue is that the scores have gone up, but the other is that it is actually the demand side that is then suffering from that. Some of the other data that we now understand, I think from the federal government's most recent additional places, is that in Victoria of the 25 000 places that are going nationally, I think we have picked up only 859 from our data sources. Clearly that will in no way match the problems that we have at our end in terms of the underfunding.

At the same time I suppose we are looking at two major issues. One is the ageing teaching force, I suppose, and the rise in student enrolments although, as the committee is probably aware, student enrolments are predicted to rise most significantly in the independent sector with very minimal increase in government and Catholic; there will be particularly reductions in the primary, but in secondary there are increases that balance that out, but in the independent sector the figures to date are something like a 12.5 per cent increase in secondary and 5.6 per cent in primary.

In terms of the teaching force a reasonably large proportion — I think the single biggest age group — is the 45 to 49-years age group. The Catholic sector is slightly under that; 80 per cent of the teachers are in that age group. But even so, in teaching areas like LOTE and PE, where there are shortages, that report actually indicates that a large proportion of LOTE teachers are over 50 years old, and I think in PE a large proportion actually get out of that PE and get into other discipline areas as they age. So those two factors present challenges.

Probably the biggest problem area is the rural and regional problem. They are similar across Catholic and government systems, and particularly most acutely in casual replacement teachers. That really is the crisis point in the Catholic area, and I understand in the government area, and it is having a significant impact on the ability to get anybody in front of classes, particularly to cover replacements for long service leave, maternity leave and sick leave — much less actually personal development (PD). So we are finding that current teachers' opportunities to attend PD are being significantly hampered by that, but for the longer-term replacements like maternity leave and sick leave where you have long-term sick leave, they are big problem areas. It is very difficult to get anybody who remotely teaches in the areas where the short-term vacancy has occurred.

I think certainly that report details — and we concur with it — the high proportion of schools having difficulty. I think 90 per cent of non-metropolitan schools and 38 per cent of metropolitan schools are having difficulties with casual relief. There is no difference in that between the Catholic and government sectors.

I think the other point in terms of curriculum shortage, again, there are similar shortages in technology studies, information technology, maths/science, LOTE — particularly Japanese, Indonesian, German, Italian and French — PE, music and special education. They are certainly affecting provision in schools. Probably in a sense that covers the overview in terms of the experience that we have of our teaching staff in Catholic schools. I might stop there because that data will be available to the committee. I think that provides an overview, and our experience is certainly borne out in those figures.

Mr THOMPSON — From the careers adviser's point of view — and I have had a limited opportunity to consult with some of my colleagues specifically on this — a general feeling is that whilst there has been a significant shift in entrance scores which is obviously a reflection of demand, in areas like education and to a slightly lesser extent in nursing, we have seen those jump significantly. A number of people who would otherwise have got in a year or two ago are not getting in, which is interesting at a time when anyone in the education system can see an enormous shift as people of my vintage start to come towards the end of their time. So that is a real concern for us.

In terms of overall unmet demand, most people working in the careers area are not looking purely at university; they are looking at the whole range of possible outcomes. It will of course vary from school to school. In a school like ours, it is overwhelmingly university, and that is the goal of parents and so forth, although we have increasing numbers going into TAFE and traineeships. At the weekend I was talking to our president who teaches in Mill Park in the northern suburbs, which has a very different client group; probably almost the reverse of what we have. Interestingly, the university that most of her students would be looking at is La Trobe which has probably suffered more than most this time around, possibly partly due to the fact that in the last couple of years it has tended to overenrol and to have unfunded places and it has been told that it will not get any money, so there has been a significant shift in entrance scores there.

I must admit I had some difficulty in getting my head around some of the stuff in the media in the last week or so about just who were all these people missing out. I think they are missing out on university places and in many cases that is significant, but they are picking up other places in other institutions and we have to take the view of the funding of the post-school sector, or the availability of places, as going across the board because in many cases students may benefit from a different and more practically-based approach. I know that many of our students do that and then perhaps move on to university later on. So I think that as well as post-school opportunities into university, there has to be an awareness that for many people a move into university may come in their twenties or even in their thirties, built on a combination of on-the-job and off-the-job training and experience before they are ready to move into that. I think it is important that those opportunities also remain open.

Mr KOTSIRAS — Who do you represent?

Mr KEENAN — All staff except nurses.

Mr KOTSIRAS — Where?

Mr KEENAN — In all non-government schools.

Mr KOTSIRAS — Including Catholic schools?

Mr KEENAN — So Catholic —

Mr KOTSIRAS — Independent schools?

Mr KEENAN — Independent and Catholic schools.

Mr KOTSIRAS — So your no 1 priority would be to the public schools sector and to the Catholic schools — —

Mr KEENAN — Which is a very broad sector.

Mr KOTSIRAS — I would assume that one of your priorities would be to ensure that teacher-student ratios were low enough and that therefore schools should employ more staff and that schools could employ more staff if they had extra money? In your view do you think that the private schools are over-paid by governments? Is there more money going into private schools than into the public sector?

Mr KEENAN — I do not know what it has got to do with this committee, but I can answer — —

Mr KOTSIRAS — I will come to that.

Mr KEENAN — It is impossible to answer. I think there are excess amounts of money going into some schools. We are in a difficult position. We are the only organisation in the state that has to represent and advocate on behalf of the whole non-government sector. The AISV represents independent schools, the Catholic Education Commission represents Catholic schools. There is a Christian schools grouping and an Islamic schools grouping. We are the only one that has to navigate across.

The federal government's funding system, whilst it attempted to address one of the problems of the previous formula, which was funding solely on the resource base of the school and ignoring the parental income, created as many problems. If you look across the non-government sector, it delivered disproportionately high amounts of limited money to schools that were less needy but did not deliver any money, for example, to any country independent schools. For example, hardly any of the Jewish schools got increases; some of the Islamic schools got increases. So it is a long-winded answer. There is perhaps too much money going to some and not enough to others.

Mr KOTSIRAS — In relation to teaching and the number of teachers, you said that there are some shortages in LOTE, mathematics, IT, science and so on. What would encourage students who wish to be teachers to do IT or LOTE or maths and not do a general humanities course? You can have 50 000 new places; it does not ensure that they are in science, IT or LOTE and then you will still come here and say, 'There is a shortage of LOTE and IT teachers'. What is your solution?

Mr KEENAN — One thing that has been working is subject by scholarship. That has obviously been an incentive. They have been geared towards mathematics and technology. As a result of that we have been seeing students going into those disciplines and also recruiting from industry. I think there is an argument with the current pay structures in government and Catholic schools. It is pretty difficult to get industry experience recognised in terms of pay scales. I will give you an example. I was speaking to a graduate of the Australian Catholic University who had double degrees in science and technology and 12 years industry experience in IT. He asked me what he should do, and my advice was to apply to an independent school, not a government or a catholic school, because none of his experience would be recognised. So there are things like that which will certainly attract people in.

Mr KOTSIRAS — Is there a role for schools to encourage students at years 11 and 12 perhaps to enrol in IT or LOTE if they wish to become a teacher?

Mr THOMPSON — I think that is the sort of thing that can certainly be passed on to students as advice. My son finished year 12 last year and he is doing an arts degree and thinking about teaching. I said, 'One thing you should do is keep going with your language because it might be tricky to get a job teaching history or English, but if you can add that you can say that you also teach German and it gives you a bit more flexibility'. I give that sort of advice all the time.

I think where you move away from advice into labour market management is a tricky area. Careers advice is really about trying to find the right thing for the individual student. You have to be a little careful about saying, 'This is where all the jobs are, so this is what you ought to do' because your prime focus is the individual. But taking those things into account, certainly those are things that are said to students. If I go back to when I first started teaching

there were the state school studentship programs which gave some room to do those things. You could say to a potential student, 'Yes, you can have a studentship but this is the area of shortage so one of your major areas of study needs to be this, and you will be eligible for a studentship if you do that'. Some sort of more subject-based direction.

Ms HICKEY — There are two other issues about that. You would be aware that there is a significant growth in the postgraduate qualification — the old DipEd concept. However — —

The CHAIR — I did that.

Ms HICKEY — I did that as well. There was nothing wrong with it!

Mr KOTSIRAS — The trouble with those sorts of people is that they choose something else and then at the last minute they say, 'We will go into teaching'. Isn't that true, Mr Herbert?

The CHAIR — No, I went for the studentship.

Ms HICKEY — But in that area, I think that what is now happening with undergraduate HECS — and certainly our tertiary colleagues tell us that significant problems are now being experienced in the areas of shortage like mathematics in respect to the increase in HECS for undergraduate courses, which is a disincentive in itself in terms of those disciplines. But I think the other interesting issue is that of postgraduate teaching qualifications, one-third are not going into teaching and it is one-sixth in graduate programs. A lot of graduate programs are primaries so in a sense there is that balance. That is quite a large attrition rate if you look at it — one-third not going into teaching but then going into other areas. Sometimes they are educational areas but they are not teaching in schools. So in a way there are some complex issues, but certainly we have been concerned that there should be a lot more advertising and promotion of teaching amongst undergraduates in other areas to get them into those programs. But at the end of the day you have to look at the reasons why one-third of them are not going into teaching when they have had a year or two years in the program in some cases.

So there are issues that we believe are to do with still not properly resourced induction programs. I do not think that Victoria has a higher rate than any others — I think one in five is the attrition rate of young people who are beginning teachers. So there is an issue for young beginning teachers in Australia generally in terms of a whole range of not being supported in their work, and it may well be that they are enticed into industry. It will be interesting to see whether the problems that have just been announced today with things being moved to India are going to have an effect on information technology people or we may have a lot of information technology people interested in teaching, but they do appear to be going. I think that is an area of concern — first of all getting graduates into teaching and then actually getting them through into schools and keeping them, I think, is a real challenge.

Mr KOTSIRAS — For whom?

Ms HICKEY — For schools, but also in terms of looking at the kind of resourcing. We have, along with the government sector, in our industrial agreement had some reduction for beginning teachers in terms of face to face, but given the pressures they are increasingly saying that they find teaching difficult, they find managing students difficult, and there are not enough resources. Teachers who are already there mentoring them have no time, in fact, to do their own work load and so there is a lot of stress there. We have a beginning teachers conference, I think next month, which is always oversubscribed and we run workshops in terms of classroom management. In a way it has also become our business to try and support young teachers who are struggling. I think that is a big concern. It is not just in the Catholic sector, we have plenty of people in the independent schools and in many independent schools there is no reduction of load. These schools negotiated it separately in their separate certified agreements, because we negotiate school by school unfortunately.

Mr KOTSIRAS — In some schools you said there is no teacher shortage and other schools, like in an Islamic school, there might be a teacher shortage. What is stopping that school finding teachers?

Mr KEENAN — Resourcing. I will give you an example.

Mr KOTSIRAS — So it is money?

Mr KEENAN — Not just money. I will give you an example. In a whole heap of schools now we have agreements with entrance rates for graduate teachers at $47 000. The Catholic and government entrance rate is $40 000, so you have got a $7000 difference.

Mr KOTSIRAS — You should be happy with that.

Mr KEENAN — We are very happy with that.

Mr THOMPSON — Are the Catholic members?

Mr KEENAN — The Catholic sector is not as happy and then our members of the Islamic schools which are on award rates of $33 000 are very unhappy. There is a huge range. That only exists in Victoria because I guess it is a much more deregulated industrial system. In other states you do not get that variance, but in Victoria, because of the deregulated industrial system, you get that huge variance. So we have beginning rates ranging from $33 000 to $47 000. So those schools that pay well are not just the ones you think of, but they are the large reasonably resourced schools.

Ms HICKEY — I would endorse that as in dealing with the independent schools I coordinate the area, as well as one of my other areas, and certainly in our most recent certified agreements (CAS) over the last year they are disproportionately getting higher increases at the bottom end of the scale. So the older at the top are not getting those increases but the real inaction is the government rates at the top.

Mr KEENAN — No, but still they are a bit above.

Ms HICKEY — A bit above. But in a lot of them where they are more or less the same, the bottom is higher.

Mr KOTSIRAS — So if the pay increased, the more likely there would be more teachers coming up?

Mr KEENAN — You certainly would.

Ms MUNT — We were given a bit of an overview by the Australian Education Union (AEU) this morning of the make-up of the teacher population in the government schools, and I am just wondering if it is the same sort of demographic in the private schools as well. She actually gave us some very interesting figures. The age profile of the work force in government schools is that teachers who are aged 45 and over are 54.2 per cent. In the maths key learning areas, the teachers 45 years or older are 57 per cent and the technology key learning area teachers who are 45 years or older are 62 per cent, which is saying that in the state system there is an ageing work force and the predominance of teachers to teach in the rare categories of maths and technology are also predominantly over 45 years old.

Then we go down to the students who are in teacher training at the moment, and what they are actually learning and the 7.6 per cent in technology and 6.1 per cent in maths, which says there is going to be an increasing problem with the expertise of those teachers coming up if the older teachers are leaving. This relates directly to our actual term of reference, which is unmet demand for teacher training.

If teacher training numbers are contracting and there is unmet demand for young people going in and this is the result coming out and our older teachers are leaving, there is going to be an increasing problem. I was wondering if the demographic is the same in the private system because we are saying there is higher wages. Have you recruited these teachers in these particular areas or is it around about the same?

Mr KEENAN — It is around about the same with a few exceptions. What does not exist for us is the 54-11 problem, so the government sector has a whole heap of people who have an economic incentive to retire at 54.

Mr THOMPSON — A much higher proportion of people over 55.

Mr KEENAN — So we do not have that, which I think over the next couple of years will play out. Other than that, the demographics are pretty much the same. We saw a lot of people move into the non-government sector during the 1990s.

Ms MUNT — I wonder why.

Mr THOMPSON — Well, it was to do with contract teaching. Teaching as a profession is pretty fluid. People move in and out of both sectors a lot. The other thing, which is an uncontrollable thing, which no one ever talks about, is that a lot of young people teach for three or four years and go travelling now. It is now a degree that you can go travelling with and if I was in my twenties and had three years experience, I would go off and teach in Canada or the USA.

Ms MUNT — And you do not pay HECS payments while you are in Canada. But then they come back and they would be a much more experienced adult and much more mature teacher to come back into the system.

Mr KEENAN — Other than that, the demographics are pretty much the same. I will be careful how I say this: we would probably be seeing some schools actively recruiting graduates from certain universities and the measure of that would be the amount of interest in us going to attend and talk to graduate seminars. A lot of the schools are putting a lot of effort into recruiting younger teachers, most obviously because of the salary differential being paid.

Mr THOMPSON — From a sample of one, I can see from the last few years quite frequently a person who has come into the school from a teaching round and has shown particular qualities that have been targeted, shall we say. It has been an enormous benefit to bring young teachers into the school. I guess the schools are also telling us that they want to be in a position to offer more attractive entry levels.

The CHAIR — How do Catholic schools compete? What we are saying is that with limited places, with the number of those particularly on 54-11 dropping out of government schools in the future, that we are expecting demand to increase. The evidence we have heard, although I do not want to prejudge the inquiry, is in line with your argument. The more affluent independent schools will increasingly go after graduate students to fill their teaching requirements. What does that do for the government and the Catholic, particularly the Catholic, schools capacity to recruit enough teachers. Is there an issue there?

Mr KEENAN — Yes, there certainly is. Salaries are exactly on a par with those in government schools in terms of economic incentives, if that is your comparison. Historically they have recruited from the Australian Catholic University, but now these ACU graduates are increasingly going to government and independent schools because ACU is more recognised as a mainstream public university. Recruiting from the ACU is one strategy they had in the past, but as the ACU's scores have gone up it is increasingly operating as a mainstream public university. Fewer of its graduates are going directly into Catholic schools, so Catholic schools are doing it tough and most of the problems facing them would mirror the government sector. It is harder in the country.

The CHAIR — I guess there is a difference between that and the government sector. Maybe you can enlighten me on this: I am not saying that this is exactly the case given that you represent workers, but in the government sector you have general mandatory class sizes so that if you have a shortage of teachers for a short while you cannot have larger classes per se. In the Catholic system I imagine that a teacher shortage could have ramifications directly on class sizes and a range of other issues. I might be wrong, but I put that point to you.

Mr KEENAN — It does. We do have agreements that regulate class sizes, but they are much higher than government schools. With the mainstream independent schools we do not need agreements. They have small class sizes and demand, and parental demand and marketing dictate smaller class sizes.

The CHAIR — My point is that the demand for teaching could have an impact on the quality of education in Catholic schools.

Mr KEENAN — There are schools where we have shortages, such as one in Shepparton. It was having such difficulty recruiting or finding people to cover classes that it was going to offer teachers extra money to teach outside the agreement. We think the agreement is at the limit as it is anyway, but I think the quality of the teaching there would have to suffer over time.

The CHAIR — They would have to teach bigger class sizes.

Mr KEENAN — Yes. With teaching you can do one of two things: you can increase class sizes, or you can increase the teaching load.

The CHAIR — You referred to one issue about how it is not a bad idea to finish school, and perhaps to go out and come back in as a mature-age student. One of the issues we have had a lot of input to the committee about,

and we discussed it earlier this morning, is the fact that with university places there is increasing tension and conflict between school-exit students and mature-age students who wish to come back in. They are exactly the people you referred to. You have a few years off, become a bit more mature, know what you want to do, and then you come to university. It would appear from what we have seen that the largest demand is from mature entrants. In other words, those who are missing out are mature-age entrants who are qualified but cannot get back in because of the shortage. I would think that that would put a fair bit of pressure on the point you made before — —

Mr THOMPSON — It does.

The CHAIR — If you are advising students what to do and what course to take, if there is a capacity for HECS to go up, or for very limited opportunities to get back in, then there is an issue there.

Mr THOMPSON — That is true. For the most part if a student is ready for university — as far as any of us can judge that — and they can get in straight out of school, that is the quicker path. Interestingly I happened to be on a tram coming here with one of my former students. He was heading to RMIT. He had left and done a few other things for a year or so, and he was starting a certificate in the TAFE component of RMIT. He said, 'When I have done two years of this, if I can complete it satisfactorily I will be able to swing across into the degree course and spend one year finishing the degree, and only have one year of HECS debt'. That is coming into people's thinking as well — that is, the whole issue of a TAFE course not carrying a HECS debt. Even if you then want to go on to do a university course, you have already done two years. It is a little more tricky to get in, but if you are able to, the debt at the end is significantly reduced. That is part of the thinking as well.

The CHAIR — I guess that goes on to another issue that you alluded to, and that is the need for a more nationally consistent approach. We have the commonwealth funding higher education and the state funding TAFE. As we have seen in submissions, there is an issue in terms of TAFE funding about whether you skew it to the associate diplomas and the higher levels from where you are able to transfer to a university place in the last year or to the trade areas, the lower certificate areas. We have also heard that there are different problems and requirements with teaching.

Ms HICKEY — Yes.

The CHAIR — Is there a need for a more nationally consistent approach to teaching places, to demand and to what is required such as the funding for TAFE and universities? Have you given any thought to that? It is a broad question, but I will give you bit of flexibility and latitude to answer.

Mr THOMPSON — Certainly the university level is a national system and now students have some sort of consistency about entry levels — I know a score from Victoria is now comparable New South Wales and Queensland et cetera — but that has opened up possibilities for students to move from a school in Victoria to a university in Queensland and vice versa. So there is a need for greater consistency, and there is a need to understand that that process of articulation from other forms of post-secondary schooling into university is there, and that is a good thing. But it does seem to be a bit of an anomaly that one person is paying three years of HECS and another person is paying one for what is basically the same qualification. So, yes, I think some consistency would be welcome.

Ms HICKEY — One of the issues that emerged, particularly in talking to one of our western suburbs people about what is happening for students in terms of TAFE is that there are reports that the proportion of students going on has not decreased into further ed, but the mix has changed quite markedly with more students going into TAFE and fewer into universities. So you have a different mix. They believe that one of the significant issues is the fees, that students are taking up TAFE in that respect. So I think the issues of funding are fundamental in terms of systems, and the national system in universities is not delivering the right numbers, if you look at teaching in terms of what is happening in Victoria. So you would not want to see replicated that kind of underfunding in a national system, which can happen in a state, where you desperately need the places and is doled out by the federal system.

There are issues about what gets dealt with federally, and if it cannot be dealt with in a fair way you have got a significant issue. Certainly if you move to a system of fees, which might be one of the things people see in a national system, then I think that is going to have a marked impact on the really good record we have in Victoria of students taking up TAFE and the work that schools are doing.

One issue that I think is very important is the geographical issue in all of this. There is a real problem geographically in terms of getting students not only into universities but getting teaching graduates into schools as part of their practicum and so forth. As Frank said, schools get those students in on their practicums largely to suss them out. The schools in the far west and north and on the urban fringe, but more in the far north and the west, are not getting the student teachers. The issue of older students really brings that into play, because if they do go there, certainly from our sector, there are no schemes to pay for their accommodation. If they are older they have to uproot families and so forth. A huge area of need is addressing those geographical problems. That needs to start at the university level, by either getting the places there or getting schemes that support them in practicum because they want to stay there.

The CHAIR — Encourage students to go.

Ms HICKEY — Yes. Schools are saying, 'If we can get them here on the practicum, we can show them how wonderful it is to live in rural and regional Victoria, but we cannot get them there'.

The CHAIR — That is a good point. I will finish off with one final question. What is your view on the number of teaching places we have in Victoria? Is there demand for extra? We have seen figures of about 3500 applying last year and there were about 2400 or so places. What actually is the right number currently?

Ms HICKEY — We have to defer to the report!

Mr KEENAN — I think the stuff in the report is pretty convincing as to what the right mix would be. What be really good, and it would be a first in history, is that if the work force planning cycle for teaching actually got into sync with what was needed. Usually what happens is that there is a teacher, then there is a huge panic and a whole lot of money is thrown and places created. Then there are a whole lot disappointed graduates who are not getting jobs. The planning cycle never seems to go with the work force cycle. But all this material is pretty convincing that certainly for the next 15 or 20 years, particularly in Victoria, there needs to be significant effort to recruit and get more graduates from education.

Mr KOTSIRAS — I cannot work out where exactly you fit in with the scheme of things. What is your association with the AEU or are you with the AEU?

Mr KEENAN — No, we are a separate union. We are affiliated with Trades Hall, but not affiliated with the Labor Party, like all education unions. I think we are the eighth largest union in the state with 13 000 members. We get on well with the AEU. It represents its members well; we represent our members well.

Mr THOMPSON — I am married to an AEU member!

The CHAIR — We thank the representatives from the Independent Education Union for coming to this hearing. You have given us a lot to think about, and we look forward to seeing you at future hearings. Perhaps the next one will concern teacher training, which I know you have great interest in, and we look forward to your input to that as we have had it today.

Witnesses withdrew.

C O R R E C T E D V E R S I O N

EDUCATION AND TRAINING COMMITTEE

Inquiry into impact of the high levels of unmet demand for places in higher education institutions on Victoria

Melbourne – 16 February 2004

Members

Ms H. E. Buckingham
Ms A. L. Eckstein
Mr P. R. Hall
Mr S. R. Herbert
Mr N. Kotsiras
Ms J. R. Munt
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Witnesses

Professor G. McMullen, Pro Vice-Chancellor, Academic Affairs; and

Professor M. Emmitt, Dean of Education, Australian Catholic University.

The CHAIR — The Education and Training Committee reconvenes the public hearing and welcomes the Australian Catholic University to our hearing in Melbourne. We note that the university has tabled for members' information a number of papers which will help in the evidence they give.

For Hansard's sake, when you start could you give your name and your position, as that would be useful. Perhaps you would like to make a statement or talk to the terms of reference and then we will open it up for discussions.

Prof. McMULLEN — I am Gabrielle McMullen. I am the pro vice-chancellor, academic affairs, at Australian Catholic University.

Prof. EMMITT — I am Marie Emmitt, dean of the faculty of education, Australian Catholic University.

Prof. McMULLEN — We had signalled that our dean of arts and sciences would be here, but his wife has been taken to hospital, so he is not with us.

Firstly, the university welcomes the opportunity to speak at the public hearing and to highlight some matters of concern to us, and we expect also to the wider community. My comments will address in particular term of reference (c) on the national priorities and term of reference (e) on the commonwealth higher education policy.

I note that the largest increases in demand across the tertiary sector in Victoria have occurred in teacher education and nursing. These are both industry areas recognised by the Victorian government as having significant skill shortages. They also represent the two largest fields of study at Australian Catholic University and also those fields for which we have the largest number of applicants.

Over 60 per cent of our prospective students for teacher education and nursing courses did not receive an offer in 2003. Further, the ENTER score for the university's bachelor of nursing is the highest of any nursing program in Victoria. By way of example, 389 first-preference applications were received for just 86 HECS places this year, and for teacher education there is a similar status and a similar demand.

Of high priority for the university is the preparation of teachers and nurses to meet needs of rural Victoria. We operate a smaller campus in Ballarat at considerable cost to address this need. Most of its profile is in teacher education and nursing. We would have the physical resources to take additional students at either campus and we are already taking fee-paying undergraduate students to address unmet demand. At the same time as ENTER scores are high the demand for the university's courses is strong and the employment rate of our graduates is consistently high, as evidenced by the graduate destination survey.

We are concerned that despite the high level of unmet demand in Victoria as well as significant overenrolment, the allocation of new fully funded university places to Victoria is proportionately less than to other states. In relation to the allocation of these places we note that unmet demand impacts particularly on equity groups. Generally they do not have access to the same number of school opportunities as those of more advantaged backgrounds. In line with the mission of our university we strongly support implementation principles of access and equitable participation and we see the provision of the extra university places as an opportunity for Victoria to address disadvantage in a targeted manner.

Finally, unmet demand is a significant issue in this state, and I can say that on behalf of a national university. The full potential for Victoria and Victorians remains unrealised when significant numbers of eligible applicants are unable to undertake higher education. Thank you for the opportunity to make a statement.

The CHAIR — Just to clarify, does the Australian Catholic University have campuses in Victoria, Queensland, New South Wales and Western Australia?

Prof. McMULLEN — And the Australian Capital Territory, not in Western Australia. It is the University of Notre Dame in Western Australia.

Ms ECKSTEIN — Perhaps we can explore the overenrolment issue a bit in view of the Nelson reforms and the now fully funded places that were previously marginal. Can you paint a picture of the impact of that in Victoria for your institution, how many students and where, what you are going to do and all that?

Prof. McMULLEN — We are working hard to reduce overenrolment because we know universities will be penalised. In 2002 we had approximately 11 per cent and in 2003, 8 per cent overenrolment. We have just over 3000 students in Victoria, so that gives you an idea of the sorts of numbers we are talking about.

Ms ECKSTEIN — With the reforms and what you expect to get out of them, what will be the impact in 2004 and beyond, and what strategies do you have in place to address that?

Prof. McMULLEN — As you can see we are reducing overenrolments, so each year in planning our profile and what we send up to the commonwealth Department of Education, Science and Training (DEST) we have had to reduce the number of places that we would take for incoming students to get that down to 5 per cent over about a four-year period.

Ms ECKSTEIN — Consequently the tertiary education rank (TER) increases because there are fewer places and there is greater competition?

Prof. McMULLEN — In general terms those two are linked, but not always.

Ms ECKSTEIN — Is it one particular campus — say, Ballarat — or is it across the board?

Prof. McMULLEN — The Melbourne campus is significantly larger than the Ballarat campus and it is more significant in Melbourne than Ballarat.

Ms ECKSTEIN — But it is impacting regionally as well?

Prof. McMULLEN — Yes.

Ms ECKSTEIN — You have already indicated the areas of teaching and nursing. I presume it is impacting there. Is it impacting in other disciplines as well?

Prof. McMULLEN — It is certainly impacting in other disciplines, but it is strongest in teaching and nursing, which is interesting given the work force demands in those areas.

Ms ECKSTEIN — And student demand for those.

Prof. McMULLEN — Certainly with courses like our bachelor of arts or bachelor of psychology there are similar trends, and in exercise science it is particularly strong as well.

Ms MUNT — I am a little confused because we had a presentation before from the Australian Council for Private Education and Training (ACPET) , which gave the committee a list of all the private education providers, and the Australian Catholic University is listed on it.

Prof. McMULLEN — We are a publicly funded university.

The CHAIR — Is it because it you are a private company?

Prof. McMULLEN — We are a company limited by guarantee. That is because the property in the university belongs in fact to dioceses and religious orders, but it is a publicly funded university.

Ms MUNT — I see, because one of the questions I asked ACPET was how these courses were funded and it said all the courses were funded by private fee paying, and it seems to me that yours is actually a HECS university.

Prof. McMULLEN — We have some fee payers because we have demand beyond the DEST profile, but, no, we are definitely a publicly funded university. The only truly private universities, I think, are Bond in Queensland and Notre Dame in Western Australia.

The CHAIR — Notre Dame has some funded places.

Prof. McMULLEN — But it is a private university.

Prof. EMMITT — It is still getting something.

Ms MUNT — In that case, as a HECS-funded university and I would imagine as a university that is interested in students being able to afford to come to it, what impact will the changes to fully funded places have on the university and its student body?

Prof. McMULLEN — I think we have a lot of students who are first-generation university students, whose parents would have been migrants or the like. So I think having to pay more in terms of a student contribution levy would be a disincentive by and large. There will be new scholarships, so hopefully to some extent that will compensate, but it is pretty much unknown territory at the moment. I guess my impression is that families are often very anxious about students starting with a debt, particularly those who have not had the chance to have a tertiary education themselves.

Prof. EMMITT — The other concern of course is that they will be inclined to take on more and more part-time work, which starts impacting on their studies and success rate, which then adds to the debt in many ways.

Mr KOTSIRAS — You have said in your presentation that over 60 per cent of your prospective students for teacher education and nursing courses did not receive an offer in 2003. How many of those 60 per cent had teaching or nursing as a first preference?

Prof. McMULLEN — I would have to get you the exact answer on that, but if you look at the figure I quoted for this year of 389 first preferences for 86 places. In one case I think it was 59 per cent for nursing and I think it was 70 per cent for teaching. I have averaged that to give over 60 per cent, just to give you a feel for unmet demand.

Prof. EMMITT — It tends to be at least in education and teaching that all their preferences will be for teaching generally and they will just go through the different courses.

Mr KOTSIRAS — Let us suppose there were enough places to cover the 60 per cent of students that you are saying your university would be able to take. Would there not be another 60 per cent the year after who will miss out? So my question is: where do you stop?

Prof. McMULLEN — I do not think there are unlimited eligible students. The 60 per cent related to eligible students.

Mr KOTSIRAS — So if the whole 20 000 who missed out in Victoria were to get a place at a university, you are saying that universities would be able to cater for all those students. They would be able to find employment as soon as they completed their course?

Prof. McMULLEN — You are spreading this across the nine or so universities in Victoria now I take it, not ACU?

Mr KOTSIRAS — That is right.

Prof. McMULLEN — From our information, in areas like teaching in rural Victoria the ability at the moment to get qualified applicants for jobs in more isolated schools is very difficult so often people are taking a couple of part-time teachers to fill their gap. It is very difficult to get replacement teachers when you have people away. In areas of nursing and teaching I would say that you could pick up that demand. I am not really able to speak of engineering or medicine or some of the other areas.

Mr KOTSIRAS — That is fine. You said that to pick up some of the vacancies in regional Victoria that even if you got more students to do teaching, it does not mean that those teachers would go out to regional Victoria?

Prof. McMULLEN — We have to work as well to — —

Mr KOTSIRAS — So my question is: what should we be doing to encourage students and teachers — and there will be some teachers out there who are unemployed — to go into regional Victoria?

Prof. EMMITT — Could I say something? In the profession we have been trying to organise more support for students on course to have school experience or field experience in regional areas and in rural schools, but because of the nature of our students in teacher education they usually have part-time jobs and whatever to pay

rent and that sort of thing. So it is quite an expense and very difficult to organise for them to go into the rural areas. But if we can get our students out there, they get to know and understand the environment and it is not something that is threatening to them and becomes much more familiar. So ideally we need some support in placing students in hard to staff areas.

Mr KOTSIRAS — And you think that is the responsibility of the universities?

Prof. EMMITT — No. We need help for that.

Mr KOTSIRAS — From whom?

Prof. EMMITT — From the Department of Education and Training somewhere along the line. If you want support to get things out there, I think we have got to work together on a lot of those sorts of issues, and similarly with maths and science teachers. We have got lots of places we could take them, but we are not having enough students going through school and through universities to do maths and science.

Mr KOTSIRAS — Whose fault is that?

Prof. EMMITT — You cannot just say that it is one person's fault or one area's fault. It is a whole combination of working together. If you look over the years at what has become a really high priority for young people, it has often been business-type courses. It is what we value in society, and we have got to look at that.

Prof. McMULLEN — We have had a huge impact on helping young people to understand the importance of teaching and nursing in the last small number of years by being very proactive, including the state government, in advertising the importance of those careers. We probably have to hone in a bit now on maths, science and IT teachers — —

Prof. EMMITT — And languages, but that is another issue.

Mr KOTSIRAS — Finally, has your university got any data on the number of students who finish their course, and how many of those get employment in the first 12 months?

Prof. McMULLEN — We have the graduate destination survey data, and if you are interested in that we could certainly get that to you.

Mr KOTSIRAS — How many actually find employment within the first 12 months in teaching and nursing?

Prof. McMULLEN — You just want teaching and nursing?

Mr KOTSIRAS — Yes.

Prof. McMULLEN — We could certainly get that to you very easily. It is public data.

The CHAIR — Can I just take you back a bit so I am absolutely clear. The ACU has major areas of expertise and student numbers in teaching. Is that right? What percentage of your total student — —

Prof. McMULLEN — Probably 55 per cent would be in teaching and nursing and then the other 45 per cent in mainly humanities and social sciences. So arts, social science — —

The CHAIR — IT, teaching, things like that.

Prof. EMMITT — Yes.

The CHAIR — So it is a large part. What did you say was your overenrolment?

Prof. McMULLEN — Seven and a half per cent in 2003.

The CHAIR — So at a time when we have a lot of young people wishing to go to schools and become teachers and a whole lot of fairly academically talented people with high ENTER scores you will be dropping your number of eligible students quite substantially?

Prof. McMULLEN — Across the university we have had to cut the number of intakes to get back from this 11 per cent overenrolment.

The CHAIR — So what is that? How many is that? If you do not get any of the 850 by 2005 — —

Prof. McMULLEN — There will be students missing out. For example, in Victoria last year we had 116 EFTSU in fee-paying places and 50 per cent of those were in teacher education. So these are young people who are willing to pay — or their families are. Their cut-off is marginally below the others.

The CHAIR — What is your total number of students in Victoria?

Prof. McMULLEN — Just over 3000.

The CHAIR — So if you cut that back by 11 per cent it is about 300 .

Prof. McMULLEN — Yes.

The CHAIR — I know it does not quite work out, but roughly what do you anticipate getting out of the 850? How does that work? How do you work out how many you are going to get? We know how many Victoria is getting — a miserly 9.4 per cent of the 25 000. How do we work out what your percentage is, or how does the commonwealth?

Prof. McMULLEN — That is a very good question, particularly as the state government has not forwarded on any advice to the federal government on what the Victorian universities have provided to the higher education office. In our submission to the higher education office we argued that because of our particular expertise and high employment rates in nursing and teaching we would certainly like some extra places there. We also put the argument for the sector in general that the Victorian government should target some of those places to equity groups. Now whether we get them or somebody else, we believe that with such a small number — —

The CHAIR — That is not for the state government. The commonwealth does the profile process in terms of allocation.

Prof. McMULLEN — Yes. It has become a bit of a problem because the advice has not been submitted from the higher education office to — —

The CHAIR — It made a submission, did it not?

Prof. McMULLEN — No. Universities were invited to put in a submission. The minister has decided not to forward the advice because of the small number of places. This is quite a tricky issue now. It is back to the commonwealth government, I guess, because Minister Nelson does not have the advice of Minister Kosky.

The CHAIR — I daresay the advice would be pretty useless given that every university would have said, 'We want a lot more than 859 places' I would have thought?

Prof. McMULLEN — That is right when you only have 859 places.

The CHAIR — I am trying to get to the essence of the profile process because what we heard before was that particularly with teaching you know how many students are going through the system — and policy changes on class sizes affect that — and it is an issue not necessarily of market forces but of planned provision — and we know there is a desperate shortage of nurses now. I am just trying to get down to the profile process of how it works with you and how when the commonwealth government comes in and sets a profile for teaching, nursing, et cetera, how can we get to a situation where we have shortages in areas that are clearly defined? It says, 'You should have this many teaching or nursing spots as opposed to psychology'.

Prof. McMULLEN — This is a tricky question because the commonwealth is about to totally change its process from what it has been up till now, where you basically had a given number of EFTSU from the commonwealth, and the commonwealth did not take much notice of what fields they were in. It did back in 1992 or 1993 when it did the weighted model as to what the costs of the various courses were and took a snapshot of the sector, but from now on under the higher education reforms the commonwealth is going to look at it by units as distinct from by course, so it is looking at the units that each university teaches and what proportion they should be teaching. Every university has a meeting with DEST in the early part of this year — I think ours is in April — and

it is a negotiated matter with the universities. It is very difficult to answer that because it is an unknown at this point.

The CHAIR — Do you think its possible for Canberra to micromanage EFTSU as opposed to courses?

Prof. McMULLEN — That is what the legislation says. Whether it is possible remains to be seen.

Prof. EMMITT — From the historical viewpoint, there is a whole range of issues. One is whether different employing bodies can plan, accept and determine if there is a shortage or not. That has taken a long time to happen across Australia, to acknowledge that there was going to be a shortage. The deans of education have been putting out data, but no-one wanted to know about it. That is probably one of the issues. The other bit is that that is at the state level in many cases. We are getting funded and our profile is from a federal perspective, but the commonwealth is not looking at what the states' needs are. That is one of the other issues we get caught in all the time.

The CHAIR — There should be greater national consistency on these things. Are there not ministerial councils? What is happening there? Why have the ministerial councils, state and federal, not sorted it out?

Prof. EMMITT — Under the same reform package the National Institute for Quality Teaching and School Leadership has been established as a body that may provide some coordination that is yet to be exactly defined in this area. As we were waiting to come into the hearing we were discussing how it is particularly challenging for us in teaching education, and nursing education in particular, because of the different state requirements of accrediting teachers and nurses, we ensure that our programs meet all of those, so some more coordination is probably good.

Mr KOTSIRAS — Are you not assuming that if you allocate some money for particular subjects, for example to teaching LOTE, then you are assuming that they are students who would like to enrol in LOTE courses?

Prof. EMMITT — I was not assuming that because before we talked more generally, and I know that with LOTE, maths and science there is a general issue about where they are to start with and what we need to do at the school level as well as at the university level.

Mr KOTSIRAS — That is what I am saying. Even if there were places, it is not as simple as that to make sure that there were students coming through the secondary schools who are going to enrol into IT, LOTE and — —

Prof. EMMITT — Yes.

Prof. McMULLEN — Absolutely! One of the issues for students taking those subjects is that they have paid higher HECS for the science subjects that they do to prepare to be a science, maths or IT teacher, so that has been a particular challenge in those areas starting with a larger debt because you have decided to be a maths or a science teacher.

Mr KOTSIRAS — But the decision to do a course is made at years 9, 10 and 11. How many students think of HECS? With maths and science, because the school was poorly organised in the science area is the child is going to do science or IT?

Prof. EMMITT — No, we need excellent teachers out there in all those areas, and that is where we get caught in a vicious circle at the moment.

The CHAIR — That is pretty interesting. Just out of interest, do you have any preference for Catholics when you take enrolments or is enrolment open?

Prof. McMULLEN — No, neither with staff nor students.

Prof. EMMITT — It is completely public that way.

The CHAIR — My sister-in-law is a teacher who went through the ACU. A couple of years ago I got a cap from you and gave it to her. She was absolutely rapt. Teachers in the Catholic system certainly have an affection for the ACU.

Mr KOTSIRAS — Why did you get one?

The CHAIR — I am not sure why, but it did not catch fire, Nick!

Prof. EMMITT — Just before I go, one thing you might want to think about, particularly for the maths and science teachers and whoever, is the number of people who may be interested in career changes and what we need to do there. That is the next point.

The CHAIR — I thank you very much for coming. The information is very concisely put and informative. I congratulate you on that and for your presentation. This committee will be starting on its second lot of terms of reference, this hearing being the last on the issue of unmet demand. We will be starting on teacher education, and we will welcome the input of the ACU to that inquiry. Thank you very much and good luck to your university.

Committee adjourned.