

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

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

Traralgon – 8 December 2003

Members

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**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I formally declare the hearing open. This committee is an all-party joint investigatory committee of the Parliament of Victoria. It is hearing evidence today in relation to the inquiry into the impact of high levels of unmet demand for places in higher education institutions in Victoria. I wish to advise all present 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. We welcome to the hearings the City of Latrobe, and in particular the chief executive officer, Richard Hancock. It is the first time we have been to Gippsland in terms of the work of the Education and Training Committee, and it is only the second regional committee hearing we have held. We look forward to the evidence you will give. Perhaps you would like to begin by making a statement and then we will go into questions.

Mr HANCOCK — Good morning, and welcome to Latrobe City. Firstly thank you for the opportunity to present some information to you. I will start by giving you some broad contextual information about the Latrobe Valley because it is relevant to the terms of reference you are working to, and then I would like to talk briefly about two items on your terms of reference, although they are all interlinked in my opinion.

You may or may not know the following information about the Latrobe Valley. The population is 70 000, down from 85 000 in the mid to late 1980s. The privatisation of the former SECV was the most significant contributor to that population decrease. It has stabilized at present, and we think there will be a relatively modest growth rate from here. We cover about 1500 square kilometres, and we have a mix of urban and rural lifestyle and population dispersion within that area. We are the hub of Gippsland. That sometimes causes angst when we say that, but we are geographically in the centre of Gippsland, and we provide important services out to the rest of the region, particularly in health services. We have, based on ABS statistics in 2001, a higher proportion of people with formal qualifications compared with the regional Victorian average. That is an indication certainly of the historical industry mix that we have had in our economy. I do not have latest statistics since 2001, but I have assumed that that trend has stayed the same, although a couple of trends in the work force are related to education and that may change it. The Victorian average for qualifications is 37.9 percent of the population, and we are sitting on 39.3 per cent, so we are above that.

The Latrobe Valley is experiencing quite a growth in building activity with some of the highest growth rates in the state for the volume and value of building approvals, and that was recently commented on in the Building Commission's annual report; so that is a healthy sign for us. Median house prices are increasing, and if any of you follow the Jaidyn Leskie inquiry as we have to — because it is written up in every daily newspaper you can think of — in Moe median house prices have risen by 15 per cent, so there is quite a growth happening there.

Our recent business investment record is looking quite good, and we believe there are a number of very big projects in the wings that are going through various stages of feasibility, and higher education and its availability and flexibility is a critical issue in that regard for the future; so we are interested in the committee's work and any assistance that it can give to the region. We have business interests in the Latrobe Valley from Japan, Europe, the United States of America, and soon, we hope, from China as well. I am trying to get that to happen. We have a diverse business sector, and that relates to education in terms of the skills profile we need for our region, and this business sector composition has changed significantly over the last decade. It has moved away from, if you like, a dependency on the former SECV to a more diverse business sector, which is healthy. Nearly 18 per cent are in retail, 13 per cent are in health and community services, 10 per cent are in education — and that is probably something we would like to see increase — and the remainder are in a number of large industries, particularly around power generation, brown coal mining and also paper manufacture, which we have in the region. So that, in a snapshot, is Latrobe on those terms at this point in time, and we have a number of significant challenges that we are trying to address, and we will over time, all with a strong linkage to a flexible and robust education sector.

I will briefly go through some of the challenges. They are, firstly, and without question, the retention of young people in the education system — that is, secondary, on into tertiary and also vocational education. The retention rates for years 7 to 12 had a peak in 2001, but since that time have been dropping back down to about 1998 levels, so there is clearly some indication there that we need to work hard on those retention rates and understand why young people are dropping out of the traditional education system.

Also the retention rates in years 7, 8 and 9 are also dropping slightly from 100 per cent back into the high 90s at the moment; so clearly there is a trend emerging in that particular group of young people in the Latrobe Valley that we want to work on as well. We have some indication — and others will come in and present to the committee in more detail — that we have a reduction in years 11 to 12 transitions, and then the transitions on to higher education in the Latrobe Valley. That will be partly to do with the range of undergraduate programs that Monash University, Gippsland campus, is able to provide and perhaps some of you, such as Peter Hall, would be aware of the issues we

have had with the closure of the undergraduate engineering program at Monash University. We think that is a significant issue that I do not want to leave unnoticed in terms of your inquiry.

Mr PERTON — Could you repeat that?

Mr HANCOCK — The local campus of Monash University — a large campus, with 2000 or so students — recently made a decision from Clayton, which is the head campus, that they would close the undergraduate engineering program that has traditionally been run in the Latrobe Valley. We have had very strong uptake of that program over time, but because of changes, particularly in the power generation industry, the numbers have probably started to fall away a little. They then made a decision, probably going back about 12 months — and Peter might remember that — to close that program, and not offer it again at this campus, and relocate the students currently engaged in that undergraduate course to Clayton to finish off, which meant a minor relocation of young people out of our area, which is not a pleasing thing to have happen.

Professor Brian Mackenzie will come in later and talk about this, but they have recently decided to teach out. So the students in years 2, 3 and 4 will actually be taught out here at Monash so they do not have to relocate; however, it will not be offered again to a new intake beyond that, and that is a significant issue that I would like to talk about. Certainly there has been some growth in vocational employers, such as Gippsland Group Training, and you will probably hear from it later. The increased apprenticeship uptakes probably are having some effect on that movement from secondary to tertiary, and the group may bring additional information to you about that.

So retention of young people is a significant issue. It obviously has a great deal to do with us seeking to improve youth employment and a number of other social issues that arise from high levels of youth unemployment, which is what we unfortunately still have here, particularly around substance abuse and the dependency on welfare. Youth unemployment here in the Latrobe Valley is estimated to be something like 49 per cent, which is a substantial figure, and cannot be divorced from the education system and process that is currently in operation and clearly is one of the economic and social and community challenges that we have here. That, too, is then related to the ageing population. We are finding a movement of young people from the Latrobe Valley into the metropolitan areas, some of whom wish to take up undergraduate programs in universities that are not offered here by Monash or they do not want to do it by distance through another provider, and that is a significant issue because the population is certainly ageing, which is a trend across regional Victoria, I believe. It puts a strain on local government and the health sector, when that is occurring and there is no refreshing and revitalising and growth in the numbers and mix of skills that we need for the future.

A number of projects we have planned for the future have a number of very specific skill needs — for instance, someone who wanted to do a law or medical degree would have to go to Melbourne to access those programs, and that, in turn, means they leave the area and some never return. That is a trend, from a community perspective, that we would want to do something about. Alternatively, we want to attract young people down here, but we have to have the jobs for them to come to, and that is a significant issue as well. Clearly there is an ageing work force in some of our traditional industries. If you look at the work force profile in, say, the open cut and power generation industries, it is getting older and there are not so many young people in those industries as there were previously, which clearly is an issue that most of the major businesses, particularly in those industries, are starting to focus on hard in the Latrobe Valley. They are starting to think about what can be done to stop that trend from continuing.

Obviously the existence of higher education institutions offering the sorts of programs and flexibilities that we need is critical to addressing a number of those issues, even to the extent that when we seek to attract new business through relocation or establishing a new business opportunity here in the valley frequently we will get asked, ‘What is the education available to the families of the workers who are coming in here?’. Whilst we have Monash University, and we are extremely pleased and grateful that it is here, there is clearly still some shortfall in what it is capable of offering to make sure that we make a very attractive value proposition to incoming investment and business. At the moment we are doing a major marketing campaign to try to shift perceptions of the Latrobe Valley. Minister Brumby came to launch that about two months ago now. For example, we think the existence of Monash University Gippsland campus is a critical marketing attribute and we want to increasingly make people more aware of it, certainly in metropolitan Melbourne, and the offerings that it is able to provide are a significant feature of all of that.

I refer to one of your terms of reference, which is paragraph (a), the relationship between unmet demand and high skill level shortages in the Victorian economy. Looking at regional Victoria, my understanding of regional Victoria is that it certainly has difficulty in attracting and retaining professionals — engineering, medical — across a whole range of professions. Looking at our own situation, that is now clearly affected by the capacity of the existing

Monash University Gippsland campus to offer programs across that range of professions, because if we can offer them here locally we will have more chance of retaining those skills and the young people who would want to take up those opportunities here in the Latrobe Valley. So the decision not to offer undergraduate engineering at Monash University Gippsland campus was a significant issue for us and one that the council and a very wide range of stakeholders in the community were very vocal about. If I think about the future and the future skills profile that the Latrobe Valley will need, clearly we will need — which is why the Monash decision seemed a little interesting at the time — engineering and a range of other skills, because we have significant projects that are going through feasibility processes that may eventuate.

A magnesium smelter is being studied, to be located near the Hazelwood power station, resulting in significant employment opportunities and economic impact. But they will need engineers, they will need semiprofessionals, and I do not believe that they exist in sufficient numbers here in the Latrobe Valley at this point in time, so we may be in a situation of having to import some of those skills here to enable some of those projects to continue.

There is also another very large project going, potentially to be located out at the Loy Yang power station, which would have almost double the construction and operational requirements of the magnesium smelter. Again it will need a range of professional and semiprofessional skills. I do not think we have that skills mix any more, and I think a number of us in the community here are now starting to think very hard about how we will make that happen. It will be with both higher education and also vocational training, but more importantly it will be about getting them to connect. There is a very good example of a connecting entity, if you like, that I will briefly outline in a moment, and I know others will come in and do the same.

I refer to paragraph (f), which is the need at a national level to improve cooperative arrangements between the vocational education and training and higher education sectors. We have a project under way here in the Latrobe Valley which services the whole of Gippsland called the Gippsland education precinct project. It is a formal cooperative relationship between the TAFE, a secondary college, the council and an apprenticeship provider here in the Latrobe Valley that is physically being constructed now, and a great deal of work has been done on that project over the two years that I have been in the Latrobe Valley.

It is specifically aimed at trying to, firstly, develop alternative pathways for young people so they can remain in the education sector or education system, and secondly, give them alternative pathways into vocational or higher education training and education that do not presently exist. I think that will be a significant factor in us addressing some of our youth unemployment issues, and some of all of those flow-on effects that we have. That is a project that I am sure Professor Mackenzie and people from the local TAFE college will come to talk to you about as well. That is a very good example of that connectedness and how that can be used to address not just education but the very wide range of social issues that come from that particular sector. It is critical to our youth unemployment and the social issues that come with that, as I have already said.

I will quickly look at some statistical data about the Latrobe Valley. This is historical data, and clearly the education precinct is orientated towards trying to change this over time. Here in the Latrobe Valley 50 per cent of women aged 25 to 34 years of age left school before they were 17; 53 per cent of men left school before they were 17; 16 per cent of women aged 25 to 34 years who were early school leavers are sole parents. It is estimated that two-fifths of the people of Latrobe City left school before the age of 16; and 70 per cent of people aged 15 years or more in the Latrobe City have no formal education or vocational qualifications.

Clearly those are significant social, community and education system issues that I am truly hoping I have been able to communicate to you in some fashion this morning. From the education precinct, I believe the awareness is now running through local government and through the various providers, including the local Department of Human Services. I mean, they are not dissociated from this; they are actually a key part of trying to get a whole-of-government and a whole-of-community approach to addressing these issues. We are all very aware of these sorts of things now, and very much understand the need to change them for the future.

So while there are some difficult statistics, and we have some significant challenges, I remain very confident for the future of the Latrobe Valley, because I and a range of other people — and I think there is a greater awareness now in the community — are aware of the importance of education to the future of the Latrobe Valley. I think there is now a certain determined mindset to want to do something about that and to understand that we must get together and be connected if we are going to do that. I hope that information has been of some value to you. I am happy to answer any questions that the panel might have.

The CHAIR — Thank you; that was excellent. I am a ratepayer of the Latrobe Valley. Peter, are you a ratepayer?

Mr HALL — Yes.

The CHAIR — So you have two ratepayers before you here. Who would like to start with questions?

Mr HALL — Thank you, Richard, for your presentation; it was excellent. In your view, particularly from your work with the economic development unit in council, do you find that the inability to recruit skilled, professional staff is a real impediment to attracting new business to the area and to retaining existing business within the shire?

Mr HANCOCK — I would say yes to both questions. It is an impediment, and it does vary from case to case. With some of the business investment opportunities we would have, that would not be a factor in the decision-making processes; yet for others, yes, it is a very relevant one. If I think about just the council itself — and we employ about 900-odd people, with a mix of professions in that 900 — we find great difficulty recruiting engineers, and accountants even on occasions, and certainly planners. That to me is a direct link to what is on offer here at Monash University Gippsland campus in terms of our ability to recruit within our own area with some knowledge of our own area.

Certainly, one of the things we are trying to do now is market the Latrobe Valley, as I mentioned before, and be able to say to investors and a broader-based metropolitan Melbourne market, 'If you come here with your family they do not need to go anywhere in Melbourne to access the services and products that we will be able to supply for you and your lifestyle'. I probably cannot quite say that at the moment as far as education is concerned. So it is clearly an issue. I suppose the frustrating thing for me is that they are issues that I cannot directly control. I understand there is quite a system that sits around all of those decision-making processes, so that in a sense is a frustration. So in terms of marketing and trying to attract business, we absolutely stress the positives and are trying to work with what some people would perceive as the downsides, along the lines of what you have just mentioned.

Mr HALL — It is a difficult problem and it exists for all country regions, I suppose, given the fact that not every country region can provide the facilities — the trains, doctors, lawyers, accountants — or I suppose accountants — —

Mr HANCOCK — Yes.

Mr HALL — But planners et cetera, so it is a bit of a problem that we face in regional Victoria.

Mr HANCOCK — Yes.

Mr HALL — My other question is: what is your view about the issue that Gippsland Group Training, for example, which is a major provider of apprenticeship training this year — I believe it has about 600 apprentices on its books — —

Mr HANCOCK — At least, maybe more.

Mr HALL — It cannot actually fill all of its advertised apprentice positions in some vocational areas. I am speaking of Kevin Kennedy and those guys. It seems to me that we have a problem, not only with the training positions that are available but also the willingness for or the take-up rate of those training positions. Is that something that the Traralgon council has looked at?

Mr HANCOCK — It is. I think that goes directly to retention rates. Retention rates of young people, particularly in the secondary system, is clearly a factor here. I am by no means an expert in some of these things, but if you look at the minimum education requirements for a young person to get an apprenticeship it is probably a minimum of year 11 now. It is quite competitive. Young people who are looking for work will see that as an attractive option for them. There is a huge number of young people in the Latrobe Valley who do not ever get to year 11, for a whole host of reasons. Mick Murphy from the local learning and employment network will come and talk to you about some of those issues. Mick and I have been talking very recently about what sorts of programs the city can generate to engage with the young people who just do not even meet the minimum requirement for an apprenticeship. It is a significant issue.

What happens is that if they are not successful in an apprenticeship where will they work? Perhaps they will find casual employment, and the casualisation of the work force is an issue here as it is in many parts of Australia. But if

they cannot meet the minimum requirement, I am not at all surprised that Kevin cannot find enough applicants to fill his vacancies. It is that cycle that is quite difficult. What it means is that things like the education precinct have to come in and understand it is happening and offer alternative pathways to keep young people engaged in education, and to 'transition them' into apprenticeships or higher education in a way that is not currently there. The traditional system does not service some young people, and we are trying hard to think about ways to do something about that.

Mr HALL — Maybe the pathway is through the Victorian certificate of applied learning?

Mr HANCOCK — Well, VCAL will be a critical part of the precinct, and others will come and talk about that. I have been talking to Mick Murphy about VCAL and what it does as well. There is the potential for Latrobe — and we are in camera, aren't we, because I haven't told the councillors this yet — I am working with Mick to try and develop some programs where the city can access a certain type of state government funding, and we may place young people in other businesses in the city, but these would be young people who traditionally would not even get an apprenticeship. We have to break that cycle, and if you look at the neighbourhood renewal areas, the statistics for those would be worse than what I have talked about here because they are truly disadvantaged areas, and education is fundamental to changing that cycle and pattern they are in.

Mr PERTON — What are those areas?

Mr HANCOCK — Within Latrobe City we have four designated neighbourhood renewal areas, and they are state government-funded projects that are aimed at focusing on those specific neighbourhoods where there is a high incidence of crime, youth unemployment and domestic violence, and those other social issues, partly brought about because of the physical condition of the estates or those particular locations.

State government has allocated us a significant amount of money to undertake a renewal program in those four areas. The renewal program is both physical — fix up the houses, put up fences where there are none, improve the roads, the parks — and very much build the communities that are there to be more empowered and able to help themselves. That program is actually going to be recognised at an Australian level this week. We have been awarded an accreditation at a national level for the work being done in those four neighbourhoods, but very much that neighbourhood renewal program has to be linked certainly into the education precinct and some of the other things with the local learning and employment network to give these young people a pathway.

The CHAIR — It is big with employment programs too, is it not it, both federal and state? So unemployed people are involved.

Mr HANCOCK — Yes, in fact a significant part of that program has been to give unemployed people work for about 16 weeks, which is directly related to the renovating of some of the homes in those areas.

Ms ECKSTEIN — Is there a training component as part of it?

Mr HANCOCK — There is both an on and off the job training component in it. It has been tremendously successful. They are all ages, and a lot of these people have gone on and found work since the benefit of the 16 weeks, and I suppose what Mick and I have started to talk about is that although 16 weeks is terrific and we get good benefit, what can we do that is ongoing? The 16 weeks comes and goes quickly. They get a minimum certificate out of that, which is better than what they started with, but there is a need to have 1, 2 and even 3-year programs locking into those areas to give them a real pathway into a meaningful position. So that has been a significant program in which the council has been active.

Mr PERTON — There is a limited pool of resources, and you have set out a wide range of educational problems that impact in your municipality. Let us say we had a magic wand and gave you \$5 million to spend as you saw fit on educational services to be delivered here, what would be your priorities?

Mr HANCOCK — There would be two. One would be to look at the range of undergraduate programs currently offered at Monash to see if there could be some further extension or new offerings as part of that process, particularly orientated to some of the professional skill shortfalls now and into the future; and secondly, to continue to strengthen the work of something like the education precinct to ensure that we are truly engaging with young people who may not engage with that process. It might be that by offering alternative employment and training programs that do not exist, we can break the cycle. It is about generational unemployment and all of the social consequences, so they would be the two main areas.

Mr PERTON — And in the undergraduate programs at Monash, what are the programs you would want?

Mr HANCOCK — Certainly engineering would be a priority. I think talking about local government specifically, town planning would be another one. If you look at regional Victoria and Latrobe City, we are experiencing quite high growth rates. I hope that that will continue, and there are signs that it will. I struggle to have the professional resources in my own organisation to adequately service the demand coming through, so I would certainly be looking at things like town planning, but things like law, even medicine — those sorts of professions that you want in your community to make it a healthy, self sufficient community — they would be the sorts of programs that I would be trying to put in place there.

Mr PERTON — And in your experience obviously you talk to a wide range of people. From the people you talk to, what is the unmet demand for tertiary and further education places in this area?

Mr HANCOCK — It is in the areas I have talked about — engineering, town planning, certainly in law and medicine, and there may well be others. I think there is a range of semiprofessional requirements starting to emerge to which the tertiary sector would provide some input, and if you think about the power stations, things like unit controllers and unit attendants require a certain amount of semiprofessional qualification training. They are getting older and there is nothing in place to encourage the next generation to come through those industries, and I would think that the power generators themselves would talk about that. Partly it is because some of that former infrastructure we used to have here through the SECV, whatever you think about that, created a certain amount of training capacity in the Latrobe Valley that is no longer here, and Gippsland Group Training grew out of the need to reinstate apprenticeship programs here, and there is a need for a host of semiprofessional qualifications and training to be provided.

One of the things we will do probably over the next 12 months, and we have approached the sustainable regions committee, which Peter would be familiar with, is a complete audit of the Latrobe Valley. In a consolidated sense we want to understand our skills profile currently, our hard infrastructure assets we have and then match that with what we think might happen in the future, so do some scenario-based planning. For example, if we get a Latrobe magnesium plant have we got the skills, the work housing to accommodate the workers? Can the education system take on a whole host of new families moving into the Latrobe Valley? And we are talking about those issues, because if we leave it until the project is announced and they are ready to start, it will be too late.

Mr PERTON — Coming to the retention problem, the government is now increasing the fees to TAFE students by 25 per cent. Do you think that will have an adverse impact on movement of students from secondary school to TAFE?

Mr HANCOCK — I think it will. If you look at the demographic of the Latrobe Valley and the ability for those young people to find that sort of expenditure to go into even a TAFE program, it is very difficult. If I think about the neighbourhood renewal areas, they will struggle with that. They struggle just meeting the basic needs of life to exist, in some instances, and I know that is a grim picture but the reality is that those families do, and then to suddenly see that kind of increase in front of them may well be a barrier that they cannot get over in terms of getting into a TAFE program, even though it may be a bridging program into a higher education or tertiary program. So those sorts of decisions have real impacts here.

Mr PERTON — On Friday at the TAFE Vista conference the Victorian TAFE Association CEO, David Williams, said the state government underfunds the Victorian TAFE system by 10 per cent — less than the national average. You would see that as having an adverse impact on your community, would you?

Mr HANCOCK — I would, and if you talk to the local CEO of the TAFE he would make that same comment himself — that he believes it is underfunded from a state government point of view, which I assume forces them in some respects to go and chase funding through other avenues — like fee-for-service delivery. I think they should always have that component, but if the base, the core, is not in a sense sound or is constantly challenged, yes, that is a significant issue. I think it leads to things like fee increases for the sorts of kids we absolutely want in a TAFE program, because we know of the impact that that has for the whole of the community over time.

Mr PERTON — David Williams in his paper on Friday said that Victorian TAFE teachers are the lowest paid in Australia. Does that impact on the recruitment of people in this area?

Mr HANCOCK — Look, I really could not comment on that. I do not know enough about the sector to really say whether that is an issue here. My understanding is that locally — and this could be corrected by others —

it is not so much the teaching resource that is an issue; it is more the engagement with the young people who go into the programs in the first instance. But others may well change that; they are just my own thoughts on that.

Ms ECKSTEIN — To remind me, did you give a figure for the youth unemployment rate?

Mr HANCOCK — It is about 49 per cent.

Ms ECKSTEIN — And that compares to a general unemployment rate of?

Mr HANCOCK — Across the state? No, I do not know.

Ms ECKSTEIN — No, in this area.

Mr HANCOCK — General unemployment here is around 10 per cent, unfortunately dropping.

Ms ECKSTEIN — It is pretty concerning.

Mr HANCOCK — It is. They are significant issues, and education is a critical component in this. There is no question of that.

Ms ECKSTEIN — We have heard about the withdrawal of engineering from other witnesses who have appeared before us. Are there any other courses at Monash University, Gippsland, that might be in a similar circumstance, where perhaps the numbers are dropping so the university is pulling them back to the centre?

Mr HANCOCK — I am not aware of any other programs out there that were in the state, so-called, that engineering was, and I would say there are a whole range of reasons why it was in that state. From my point of view I have some concerns about Clayton controlling what happens at the local campus. I think there is a desire to centralise a lot of programs, and although I do see other signs, there is a new vice-chancellor who seems to have a different perception on this.

Ms ECKSTEIN — But what are those other programs?

Mr HANCOCK — I do not know in detail. Engineering is the one that — there seems to be — —

Ms ECKSTEIN — There is a trend to centralisation, I believe.

Mr HANCOCK — Yes, there does seem to be a trend, and there is a trend certainly of control from Clayton directly into the faculties that we have here at Monash. I think I see the signs that the region is not always thought of in the way I would like it to be, when that is occurring.

Ms ECKSTEIN — One of our terms of reference relates specifically to teaching and nursing. Do you want to make a comment about those areas in relation to this region, and needs and so forth?

Mr HANCOCK — Look, I probably cannot make a comment on those. I am really not close enough to either of those two professions, other than to know that Monash locally seems to have a very strong school of nursing presently.

Ms ECKSTEIN — Do you have any view about the Nelson reforms and how they might impact on — —

Mr PERTON — Fantastic; have you not read the review today?

Mr HANCOCK — Look, my perceptions are only formed based on what I see in the media. I have not taken any opportunity really to have an in-depth look at those reforms. It would seem to me that there does need to be some reform of that sector, and I would like to think it would be reform along the lines that would help us deal with some of the challenging issues that we have. My concern would always be that if those reforms finally present themselves in reduced funding, reduced HECS, to a regional campus like Monash here, then I would be very concerned. But I truly do not know enough about the full extent of those reforms.

Mr HALL — Richard, because we do not have organisations like the Australian Institute of Management or any of the large employers giving evidence to the committee today, and knowing that council is I think a member of AIM and has contact with all those major employers, to what extent do those major employers in the region, including council, encourage young people to access post-secondary education by way of, for example, scholarships and taking on traineeships?

Mr HANCOCK — Look, from a council point of view we would certainly have a number of scholarships and a number of traineeships at any one time, and we are very keen to continue with that. I know that a number of the major generators also have traineeships and scholarships present — with Monash, say, or with the local secondary schools. Those sorts of things are very valuable; you want them. If you look at the power generators, for example, their capacity to fund those is tight; they certainly do not have as much money as you would like to put into those programs — and similarly so does not council. So whilst they are present you would always like more. As the economy here comes back and improves I will certainly want to work towards working with them to try to stimulate some more growth in both of those.

Mr HALL — Is there a nature of bonding with some of those scholarships? Are they bonded and contracted to work for X number of years?

Mr HANCOCK — Generally there would be — for example, I have got a number of scholarships out at Monash, and the scholarships are offered to Gippsland students. At this stage I have not bonded them to stay in the area once they have completed, although in the instance of the scholarships I am offering I will offer them a job at the end of their course, and it varies a little.

The CHAIR — Given the multitude of educational problems in the council, there is obviously a need for huge cooperation. But we have seen that during the establishment of the education precinct that cooperation has often been vexatious.

Mr PERTON — Sorry?

The CHAIR — It can be vexatious, that is right. It has been a long process and the various groups often need assistance in working together. I want your view on that. How do you see a way forward — of getting that cooperation between the employers, the training institutes, Monash University, council and the schools to try to get a package that starts at primary and runs through to increased participation in universities? Is there a big role for council there?

Mr HANCOCK — Yes, I think so. I think there are a number of interventions that need to continue to happen to bring about the sort of cooperation you would like to have between all the various stakeholders that are involved in something like that. But clearly in my mind the council needs to be developing the forward vision for this community and expressing it in terms that the community can actually understand. My experience is that once you help people understand that there is a bigger picture and that there is a longer term and larger goal than just the individual interests of their organisation at stake, that is a way of starting to work up a level of cooperation that is not necessarily already present when you start to deal with these people. I think one of the challenges for this council, and indeed for the whole community, is to be really clear about the future of the Latrobe Valley and to express that in clear terms so that we have a target to reduce youth unemployment, so that we have a target to improve our retention rates, and to communicate that very clearly to the whole of the community so that people understand that they are contributing to something that is bigger than just their own organisation.

I think the precinct now is moving ahead quite well. I think there were some difficulties earlier on, but it is certainly coming ahead now, and we are working through the physical construction process. A lot of the academic programs are now starting to be well thought through and to be brought together. In my mind the test for the precinct is how well it will go and engage and what the processes are around that engagement process with young people who traditionally will not be there to begin with. That is certainly something that I see the council has a role to play in.

The CHAIR — Excellent. Secondly, just on cooperation, I noticed some of the changes that are in the higher education package that went through the Senate last week. There is money for accommodation scholarships for poorer students in rural areas, there are some equity scholarships, and there is some money for students from disadvantaged backgrounds — small amounts. Will you be working with Monash to make a case on that?

Mr HANCOCK — Yes, we will. The interesting thing about some of those programs is actually knowing about them. I am constantly surprised, unfortunately, by the lack of information that is sometimes present in the community across a range of sectors about what packages and programs and funding assistance there may be from either the state or federal governments. Certainly with Monash and those other providers, yes, we need to get together to put some very well-thought-through and comprehensive cases to access some of that funding.

The CHAIR — My last question will be brief. What about the fast rail? Have you done any forward projections in terms of higher education about how that will impact? Do you think it will make the area more

accessible to professionals from Melbourne, or will it have the other effect — of students going back down to Melbourne?

Mr HANCOCK — I probably see all of those happening. I think the biggest debate about the fast rail project is about which town it will stop in. I do not think that has resolved itself yet, either. I can see it having an impact on people potentially coming and residing in the Latrobe Valley and working in Melbourne, as it will give them access back. I would like to think that we can attract students out to the quality campus that we have in Gippsland by using the fast rail. I have not done any specific projections around that myself, but that is clearly something we would be looking at as part of the infrastructure audit I was talking about a little while ago.

The CHAIR — It is part of the plan?

Mr HANCOCK — Yes, it is part of that overall mechanism.

The CHAIR — Thank you very much, Richard, for that information. We look forward to hearing from you and would appreciate you forwarding any educational plans to the committee. We look forward to the next time we come to see how things are developing.

Mr HANCOCK — Thank you.

Witness withdrew.

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

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

Traralgon – 8 December 2003

Members

Ms H. E. Buckingham

Mr N. Kotsiras

Ms A. L. Eckstein

Ms J. R. Munt

Mr P. R. Hall

Mr V. J. Perton

Mr S. R. Herbert

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witnesses

Mr M Murphy, Executive Officer, Baw Baw-Latrobe LLEN;

Ms L. Wilkinson, Executive Officer, Gippsland East LLEN; and

Ms T. Hambleton, Executive Officer, South Gippsland Bass Coast LLEN.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I welcome the local learning and employment networks (LLENs) to the committee. Perhaps you would like to start with a statement.

Mr MURPHY — Welcome to Gippsland. Before we start on the process, the notion of a local learning and employment network has been a really appropriate step in terms of identification of issues, and also identification of what is missing. A LLEN is a partnership within a local community which addresses issues around transition of young people from school to work, or from school to post-school education, higher education being obviously a component of that. One of the points we will raise with you is the availability of real data, particularly around higher education and around completion. Obviously enrolment data is relatively easy to come by one way or the other, but completion of higher education courses is something that is still missing.

While we do our best in that area, and it is not with a lack of cooperation, particularly from local higher education providers, systems generally are not there to be aware of completion. A lot of statistical information is collected around postcode of residence, and clearly from a regional perspective young people in particular, in even listing their postcode on enrolment and ABS data will either list home and/or temporary home, or a relocated home — that is, home being where they grew up or where a parent is located. A temporary home is often a home for study purposes, and there are obviously advantages and disadvantages of listing that temporary home as an address from various points of view, and many young people relocate on a permanent basis as well.

Higher education in the region is obviously serviced, first of all, out of the Monash Churchill campus, as a predominant deliverer of higher education in the area. It is an excellent campus, particularly given its history. It developed over the years as a centre for engineering in the early days, and as you would be aware, had a number of transformations before it became a campus of Monash. It is an enormous contributor to the local economy, not only because of its product as in skills but in fact the campus is one of the largest employers in the area in its own right, so its significance in a regional area is quite profound. There are other aspects of higher education delivered out of, shall I say, outpost services of other institutes based elsewhere as well.

I would say that one of the issues around Churchill being one of many campuses of Monash is that there are times when we feel that we are an outpost as well for decisions made in Clayton. That is not to say we are a forgotten outpost, and local staff and local administration very much stand up for Gippsland and its rights, but you have probably been aware of issues over the last few years, particularly around engineering, which have caused significant concern in the region. While there have been changes in that end result, they are not necessarily changes for the better, but certainly the outcome was far more satisfactory than what was initially proposed to take place in terms of the closure of engineering. However, what we do find, and more so from the remote regions, is that access to all higher education courses, whether it be at Churchill or otherwise, is a difficult thing for people in regional areas. One of the reasons is around cost. I know this committee is not necessarily looking at commonwealth policy in relation to cost of higher education, but from our point of view it is not even a hidden cost but an additional cost for regional people associated with access, transport and obviously relocation.

Many young people at 17 years of age post-school are not quite ready to pick themselves up, relocate to Geelong, Ballarat, Melbourne, Canberra or Sydney and make that sort of cut. I am speaking anecdotally — and this is the difficulty with completion data — we see what is a larger number of regionally based kids exiting their course of choice in the first 12 months, and that may well be due to the increased pressures associated with relocation or travel or access. There are a couple of categories of those kids who drop out. There are those who drop out and come home with their tails between their legs and view themselves as failures, having lost an opportunity, which may not have been their own doing; and there are others who drop out but do not come home because they do not want to be viewed as failures but who in fact put themselves often in a higher risk category by not coming home. While the number in that category is not necessarily great, their circumstances can be quite significant, and certainly it is a concern of mine and of a number of other people in the community — that is, kids who make the break post-school but do not make the grade, often socially rather than academically, although there are obviously academic pressures as well.

So that is my great issue in relation to access to higher education. While some of it is available locally, the larger proportion of young people need to travel elsewhere. It is interesting when we do look at some statistics to see that in the central Gippsland area, which includes the shires of Wellington, Baw Baw, Bass Coast and South Gippsland, and the City of Latrobe, but excludes East Gippsland, about 4000 young people attend universities. About 1600 of those attend Churchill. The proportion who want to remain locally, particularly in the first couple of years of their study, is quite high, yet the availability locally is not necessarily as high as it could be.

Therefore some young people are choosing courses because they are local rather than courses because that is what they really want to do. Again data is not readily available from universities, but it would be interesting to look at tracking young people through university, particularly those who start courses locally in regional areas, as to where and how they finish. What happens in many cases is that young people choose a course locally to start with, end up a year or two older and wiser — and I would like to think richer but in this day and age perhaps not — before they make more informed choices that are socially more beneficial in terms of transferring to other courses in other places.

The really important thing is to recognise that Monash in particular, and Churchill, or a regional university, supports a community not only by providing skills to its local industries but by supplying skills to its young people that in itself become a product of a region. That skill is as exportable as any manufactured goods. I would like to see Gippsland, particularly with the development of the Gippsland education precinct, as being a centre of excellence of higher education. There are a couple of other issue around qualifications and recognition of qualifications and matching that with other parts of vocational education and training, and secondary education in the state as well, but there are greater access issues from East Gippsland and South Gippsland than even I face in Latrobe.

Ms WILKINSON — Yes, I was going to say that my region, which is the local government areas of East Gippsland and Wellington, are certainly different from the one Mick is dealing with here. We see a different pattern of engagement in education and/or training post-school. The access is an absolute issue. At the moment we have no campus of a university in that area. We have a partnership arrangement with RMIT, and East Gippsland Institute of TAFE, which offers nursing and business, and there will be an increased presence of RMIT once the Bullock Island project is up and running.

We used to have a much greater presence from Monash Churchill, which has diminished in the last few years, which I think is disappointing. When I looked at the statistics that came out of the On Track calls that were made at the beginning of the year, there were certainly some offers made. When you look at the percentage of offers that were made to students, particularly in Bairnsdale and Sale, the take-ups are significantly less than the offers made; and then you look at the TAFE uptake and that is significantly higher than that for higher education. You probably need to examine some of those figures to look at what impact that is having on TAFE.

Something that disturbed us when we were doing the On Track Connect calls post those initial phone calls was that there were a number of students whose ENTER scores were not as high as they had hoped. They had not got final round offers. If they had a plan B they had not taken that up; and they were certainly not in a position to — they were in a depressed state, largely. Lots of them thought they were absolute failures with no future and were not even looking at where they could possibly go. Higher ed had been cut off. They had seen their future completely destroyed, and they did not see any other pathways as valid at that point. We are certainly looking at some ways we can address those issues.

I would like to follow on from Mick in terms of those clear pathways between a number of post-school pathways. Part of our role as a LLEN is to diminish those silos of education so that everybody is talking together, but I have to say that the higher education sector stays completely in its own silo. I would urge government to engage in some conversations with higher education so that we can actually improve that dialogue and improve those pathways. Certainly there have been some examples of where universities have had conversations with TAFE institutes and provided some pathways — Monash Frankston is one of those and Monash Clayton is another that have managed to do that in some areas, and I think there is a real need for that.

Something that is also significant in Gippsland East is that we find there is a high level of deferrals. I think that is indicative of the cost. One of the colleges down our way estimated that to send a young person to university in Melbourne would cost a family between \$15 000 and \$20 000 a year. When you look at the average income in our area, that is certainly out of the reach of the majority of our families. I do not know what solutions there are for that, but it is certainly something that is an access and equity issue for many of the families in Gippsland East. I might hand over to Tina to continue.

Ms HAMBLETON — Many of the problems for South Gippsland Bass Coast LLEN are similar to the ones Linda has particularly been talking about. There is no university presence in either of those two shires. It means that students either go to Monash Churchill or go to Melbourne. In the last round of offers, 143 offers were made to females and 81 to males, which is a fairly small percentage of the number of students finishing secondary school. I have no data on whether those were actually taken up, or more importantly, whether those who did take up their offers actually completed their first year. There are a lot of factors, especially in the Bass Coast area.

Although the statistics show that it is a high-income area, there are pockets where there are quite depressed incomes, and people in those areas are the ones that are more likely to have children. The actual income of Bass Coast is reflected by the number of retirees rather than the actual small families that are there.

In 2001 I believe, according to some data, that 595 young people from our area were enrolled in university courses. The largest number were at Monash generally; I have no breakdown between Monash in Gippsland and Monash in Clayton. The next highest number were at Deakin, and one wonders whether that was for distance education. Linda raised the issue of access, and there is no transport route if you live in Bass Coast. It is the same in Leongatha at the present moment. So young people are dependent on having their own vehicle or having some means of staying in the area, and the costs become prohibitive. Like Linda, I have had anecdotal evidence of those people who have returned home and felt that they have failed because of all the things that young people have to cope with — moving away from home, having one, two or three part-time jobs and having to be self-sufficient. Those things create a difficulty. It is of concern that our data also shows that the level of education, according to the 2001 census for our area, was very skewed with people who had left education at the age of 16. Whether that will continue in the area, one can guess. But it is a problem that we do not have many leading professional people in the area. If our young people have to go away and do not come back, the level of knowledge in the community is reflected in the community itself.

Basically I just reinforce what Linda and Mick have said. Mick is at least on a train line, and probably Linda will be at some stage in the future too.

Ms WILKINSON — We are waiting.

Ms HAMBLETON — Bass Coast is on a limb; South Gippsland and Leongatha may be on a train line sometime in the future. But it is a significantly difficult area for young people who want to go on to higher education.

The CHAIR — Thank you; I will open it up to questions. I am sure there is a lot there that we can get information from.

Ms ECKSTEIN — We have heard previously about the issue with engineering at Monash Gippsland. Are there other courses that may be affected?

Mr MURPHY — I think it is interesting. The other areas that Monash is known for and does well in besides engineering are nursing, teaching, business management and the social professional area. Yet the actual spread of young people participating at Churchill compared to young people from the region participating in other universities is skewed. We tend to get higher ratios of people choosing courses at Churchill on the basis of, 'It's in my backyard'. I can say that, but unfortunately Linda and Tina are saying, 'It is actually over the back fence'.

Ms WILKINSON — Way over the back fence.

Mr MURPHY — On the basis that it is next door and I can attend those courses potentially without relocating, I think that is its forte. Where we miss out as well is the notion of additional or pre-year-12 completion access. While that occurs in the region, it is fairly difficult other than to do so with some sort of physical contact.

Therefore distance prohibits that process as well. While we are on the train line, and even though the introduction of the fast train will improve access to many aspects of life, the reality is that it is not so much whether a train is available, but physically how long it takes. For instance, from the Latrobe Valley to commute to a Clayton campus of Monash or a city campus of Melbourne or RMIT, or any of the other universities is a lengthy journey, and while there are many who do complete that journey — and some people use that time very effectively as study time — it is a lifestyle choice that is difficult to make as opposed to relocation. This is particularly the case when many making that choice have to consider the fact that the distance they would travel beyond the rail head, whether it be in the valley or along the line, can be significant.

In the western end of my region there are young people who commute, and the commuting time, particularly with train travel, is not too bad in terms of an hour or an hour and a half, but that is only the case at the beginning or the end of the day, and one has to take into account the flexibility around university study time and the potential for any part-time work the student may wish to do. It is fairly difficult. I find that a number of young people who enrol in universities outside the region but stay at home will do so for potentially up to a year. Often that is around the choice of courses. So while Monash offers a good variety, there are still a number of areas it cannot do at Churchill.

Ms ECKSTEIN — I understand that, but are there any other courses currently at Monash Churchill that might go the way of engineering, do you believe?

Mr MURPHY — I am not aware of any, and if there are, some cards are being played close to the chest.

Ms ECKSTEIN — I suspect there might be a riot locally! You have all referred to the cost issue. In relation to what has gone through the federal Parliament regarding higher education and the up to 25 per cent increase in HECS fees, would you like to comment on the impact for your areas?

Mr MURPHY — Any increase in cost will be a burden, there is no doubt about that at all; however, the particular cost that we emphasise is the additional cost. HECS fees, for instance, are consistent regardless of where you come from. It is the additional cost to regionally based kids that makes it quite prohibitive. But clearly we have many situations in our communities where participation by older family members or previous generations in higher education is probably slightly lower rather than higher than the rest of the state. The valuing of that education, while parents want that higher education for their families, when you have the HECS process and on top of that potentially up to another \$20 000, it becomes prohibitive. I am certain there will be, with increased HECS charges, families who say, 'The line has been passed. We cannot go down that path straight away.' But it is the additional cost for regionally based people associated with relocation or travel costs that is the additional burden for regions.

Mr PERTON — So the additional \$90 million for 7500 accommodation scholarships targeted for students from rural areas, which is a central component of the package, would be of benefit to students in this area?

Mr MURPHY — It would be of benefit to those who access it, yes.

Mr PERTON — Ms Hambleton, you talked about a very low number of offers being made in your LLEN area. Analysing it, why is that the case?

Ms HAMBLETON — Maybe it is the ethos of, in particular, Bass Coast. Many young children come from fairly disadvantaged families, and they are in survival mode, and education maybe is not such a high priority. I have no explanation for it. When I looked through the statistics this morning I thought it was a fairly low percentage of the students completing year 12, and I do not know why. That is the answer. I have not analysed that data.

Mr PERTON — Does it relate to particular schools or particular areas?

Ms HAMBLETON — That is an across-the-board figure, so I have not analysed particularly one school compared with another. Obviously we have some private schools and there is a high demand for them to go on to university, but across the board it just does not seem to translate to very high figures.

Mr PERTON — Coming back to the problem of Monash and the delivery of courses, the CEO of the council, almost dreaming, said, 'Medicine and law would be good', and I have seen some very good RMIT programs where they are doing remote teaching of nursing to Sale and to Horsham through the use of modern teleconferencing, where a lecturer can talk to a whole class and the like. Has that been undertaken by Monash locally in some of these courses, where maybe there are four or five students who could visit the lecture via teleconferencing rather than sitting in a lecture theatre?

Ms HAMBLETON — I was part of a discussion recently with a number of people from TAFE colleges in relation to a study that was going on, and the general feeling from a number of educators around the table was that it was a very difficult mode of learning, especially if you are talking about 17 or 18-year olds who need a great degree of support and discipline to interact with technology. It was one of the options they were talking about, but it did not seem to be looked on very favourably by the people involved.

Mr PERTON — Have they seen the RMIT process, where the lecturer is seen at full length and he or she sees and interacts with the whole class, because RMIT seems to have very favourable reviews by its students?

Ms WILKINSON — I think RMIT delivery is a mixed delivery, so some of it is done by teleconferencing and some is done locally. You therefore have that mixture, and that would be an element that would need to happen to make it work, particularly in nursing or medicine where there is a lot of practical work as well; it is not just theoretical. With a mixed delivery it may work, but if it were totally teleconference it could be quite difficult.

Mr PERTON — And for East Gippsland, where you have smaller numbers of students, what is your feeling? I think it is unlikely that you will end up with a medical faculty in East Gippsland shire, but clearly there must be classes and the like that can be delivered remotely if the right facilities are constructed.

Ms WILKINSON — That RMIT model has been useful because it started off just delivering the first year of nursing in East Gippsland and then the students moved to Melbourne to complete the qualification, and now we have the full degree being offered down there. Being able to introduce parts of courses is beneficial, particularly in that first year. If students can stay local for the first year, build up some confidence, get some maturity, there is no likelihood of them then going on to complete elsewhere. If they have to move in the first instance, it is a much harder step, and I am thinking particularly of young people from places such as Mallacoota, Cann River and Swifts Creek. They are pretty isolated places. There is an anecdote from some years ago of three Cann River students completing year 12 successfully. They obtained places at Monash Gippsland, but were too terrified to even make the step to Churchill. So it is that level of maturity and confidence that young country kids need to develop, and if some aspect of that first year could be done locally, I think that would make quite a difference, and RMIT is doing good work there.

Mr PERTON — Part of our terms of references is obviously to look at TAFE places and Ms Eckstein asked you about greater flexibility with HECS fees. But the state government has just increased TAFE fees for students by 25 per cent. Do you see that as having an adverse impact on students in your area making the transition to TAFE and staying at TAFE to complete their courses?

Mr MURPHY — Participation in both higher education and TAFE or other VET training, or cost of the courses, has not been a major determining factor. Participation in higher education outside the region and costs associated with relocation most certainly has because it is an immediate cost. A HECS charge of \$25 000 to do a course or \$35 000 is on the never-never; but \$15 000 worth of rent this year in Prahran has to be paid up front.

That is one of the major differences. Likewise, with increased charges at TAFE, I do not know that it will have a corresponding negative effect in terms of enrolment and of the desire to do the process, depending on how it is paid. What I do find though is that Monash Churchill, in particular, has particular skills in relation to non-presentation learning, whether that be on-line or by distance ed. But both ICT and distance ed. are not a replacement for contact learning; there they are a strategy as part of a learning process. The advantage of, particularly, the development of the precinct and the ICT hub associated with it will open up, if it has not already, options in relation to a mixture of ICT and distance learning as well as presentation learning, providing that presentation is not in South Africa, New Zealand or Adelaide, but from Cann River; it is just down the road to Churchill, even if it is only for a weekend process.

So as a separate strategy I do not believe ICT and distance education are a replacement, but they most certainly are a way to value add to the learning process. As I said, I think the development of the precinct and its ICT hub particularly, for instance, around the flexible delivery of nursing courses at Monash and with Central Gippsland TAFE — and I am sure you will hear later in the day from people associated with that process, Jeff Gunningham and Brian Mackenzie — is really quite exciting. It creates examples of pathways that could be extended into other courses, but it has to be done in an environment of expansion rather than contraction.

Ms HAMBLETON — I would have great concern if the TAFE fees were to increase by 25 per cent. Just to site a particular point, the VET course in hospitality at the moment is around \$1000 per student. Some schools subsidise that, and some require students to pay that amount of money. I have already had a request from one school within my region saying, 'We cannot afford to send these children to hospitality at \$1000'. If it increases by 25 per cent, it means that those students are even less likely to participate in that course. In an area like Bass Coast, where Phillip Island is a major user of hospitality, it means that the demand for labour will become higher and people will be imported from outside rather than local people being allowed to undertake the work required. Twenty-five per cent on \$1000 may not sound like a lot, but for a lot of families it is a huge cost.

The CHAIR — The student contact hours component?

Ms HAMBLETON — Yes.

Mr HALL — Thank you, Mick, Linda and Tina, for your presentation today, and well done on the work that has been done through the LLENs right across Gippsland. This inquiry is all about the unmet demand for places in higher education. I wonder whether you have any feeling collectively across the Gippsland region as to the extent of unmet demand for places in higher education for Gippsland students. Michael, you said that something like 40 per cent of the kids — you said the estimation was 1600 out of about 4000 — actually went to

Monash, and you also made some comments about the exorbitant costs of attending tertiary institutions. I as a parent can vouch for that and concur wholeheartedly about the impost that imposes. Given all those factors, do you have any idea of what level of unmet demand there is, and where that unmet demand is focused?

Mr MURPHY — I think there is data that is not available anywhere. Where we look at measuring unmet demand, we are looking at applications to attend that are knocked back. What we have not got collectively is: how many do not apply in the first instance, because they know they do not want to leave the region — at least in this next year or two — or how many apply and defer? And deferment rates in the region are higher than what I anticipate would be an average. Again that information has been available from contract data.

What we do not have in that process is whether that is because of courses being unavailable locally, or because of a lifestyle that cannot be afforded, regardless of the course. So I would not indicate at this point that we have unmet demand for a local institution in a particular area — other than engineering. As I said, the changes made locally in the delivery of engineering through Monash have probably been the greatest concern. While a solution is on the table at the moment for the way in which it would operate, I would suggest that it is only in the manufacturing and engineering area where we need to ensure that we continue to get delivery. But that goes outside of higher ed. as well and looks at the VET sector locally as well. So I would not suggest there is unmet demand for specific courses. There is unmet demand in terms of places associated with costs.

Ms WILKINSON — I was looking at some On Track statistics here, and particularly for Bairnsdale. Almost everybody who put in a tertiary application got an offer, but only 17 per cent took up university places. In Sale there was a similar sort of picture, where 40 per cent got university offers, but only 21 per cent took those places up. There was a higher rate of take-up of TAFE places. I think that paints the picture that it is difficult to do university from places like Sale and Bairnsdale. They are for the two government schools. It is interesting to look at the independent schools, where it is a slightly different picture. Moving to Orbost, it is interesting that the take-up of university places is in fact higher, and even in Yarram too.

It is obviously variable and it is really hard to paint a good picture across the region, but certainly in those two areas there is obviously a reason why young people are not taking those offers. Like Mick, we have a very high deferral rate; that came through on the On Track data. There are probably a number of reasons for that. I think one of them is, 'I will enrol, defer, keep my options open, can't afford to go at the moment, who knows what might happen in the next 12 months, so I will work really hard over the next 12 months to get myself into university, or wherever, next year and support myself'. I think there is probably an element of that. Again it is really hard to pin it down.

Mr HALL — Specifically to Tina, and I suppose to Michael as well, how does the unmet demand for TAFE places impact on the student cohort? For example, I know that in South Gippsland there is very little provision of TAFE. There is no major campus in Leongatha, and I understand that in Warragul, a growth area too, there is a fair bit of unmet demand for TAFE.

Ms HAMBLETON — Yes, I think it limits people's options because they say, 'These are the only courses that are available, therefore I will take them up'. The take-up of apprenticeships and things is moderately high, so I suppose that is an alternative structure, rather than moving into TAFE. But, yes, there are very limited offerings. I have some statistics about the take-up of courses through Chisholm, which services Bass Coast and South Gippsland. People move up to Rosebud and to the other campuses; how they get there and whether they remain there, I do not know. But I think the situation is that in my area you have to move away. There are a lot of options for VET courses. That gives you an edge, and then you move out of the area. That has quite distinct consequences for the economy — the lack of young people and the lack of people who return, having gone away to do higher education — and the enthusiasm and youth that are left in that particular environment become a fairly insignificant part of the total population.

Mr HALL — We seem to be having a fair bit of difficulty in this inquiry getting an employer's view of skills shortages in Victoria, and that is what the focus of this inquiry is all about. You are about the closest we get to an employer group today, as you are able to represent some views of employers, given that you are an education and employer network. What are the employers on your respective boards saying about skills shortages and their impact on their ability to function in the Gippsland region?

Ms WILKINSON — There are some skills shortages that would be specifically associated with higher education down my way. Certainly with town planning, both shires have trouble recruiting town planners, as there is nowhere locally where one can get trained as a town planner without going away and coming back, or someone has to be imported from elsewhere.

Food technology is another area, with growth in some of the food production companies down in Bairnsdale. Again there is no training in food science in Gippsland, so they are the sorts of areas that are not being met at the moment. Whether we would have the critical mass to have training for those areas is the difficulty because you are looking for a handful of people. It is not an easily addressed issue. But what we need to do is let young people know that there are skills shortages in those areas so that even if they go away to study them they know there may be a job to come back to.

Mr HALL — Are they having difficulty in recruiting people in those areas?

Ms WILKINSON — In some areas, yes. There is constant movement of town planners around local government areas, for example. One moves on and there is a vacancy. There is never quite a full complement around the state. It is a state level issue, and food technology is certainly something that the Food Industry Training Board has raised with me as an issue locally.

Mr MURPHY — Even in some areas the teaching qualification can be short, and nursing. But both teaching and nursing are specifically addressed locally as well.

I concur in relation to planning issues, and again there is little if anything done locally in relation to training. Most of the employers are actually referring to work readiness and willingness of young people, and in many cases that is unrealistic. The higher education skills shortages are based around speciality courses whereas Monash tends to be, as is the case with most regional universities, covering broad spectrum approaches rather than specific training such as medicine, town planning and so on. They are not done locally in any regional setting, and to attract those qualifications back to remote areas is quite difficult.

Mr HALL — Is anybody lobbying RMIT to deliver town planning?

Ms WILKINSON — It is certainly on my agenda to talk to them, in terms of delivering other things such as town planning where a mixed mode of delivery might be an option. Town planning has always been a sandwich course where they do some university studies, go out and work in the field for a year, and then come back and do their final year; so there are ways of looking at that mixed delivery and viewing it as a distance education option.

The CHAIR — Ms Hambleton, you indicated that 595-people currently from the South Gippsland-Bass Coast area are enrolled in higher education. What is the whole population of that area?

Ms HAMBLETON — Overall, the two major towns are 6000 and 5000, and then there are scattered communities.

Mr HALL — It is in the vicinity of 60 000 to 70 000.

The CHAIR — Yes, that is a low participation rate. Going back to the point about the figures. We have from VTAC figures showing that East Gippsland and Gippsland have some of the highest unmet demand, according to VTAC, in the state, particularly for school leavers. Regionally the figure is 17 per cent unmet demand, whereas in Gippsland it is 24.7 per cent and in East Gippsland it is 20.3 per cent. I am trying to get my head around the issue of low retention rates in year 12, but also high unmet demand and that takes into account the deferrals. So is it growing? As the region is promoted and education is promoted, is the unmet demand growing in the area?

Mr MURPHY — I believe we are getting to the point of increasing retention to year 12 or its equivalent. Traditionally, and probably rightly, schools see the next step and advise young people that the next step is potentially higher education, or VET, if not employment. But in some ways some of that demand is being created by increased retention as well. I believe the unmet demand is associated with completion of an application through VTAC. We get a number of young people who are choosing that pathway even when their goal is to do something other than higher education. So it is a matter of how we measure it. Equally there is a component that does not apply on the basis of being unable to afford or not wanting to make that lifestyle change, and that data we do not have.

The CHAIR — I also note that the ENTER scores for Monash Churchill are 10 per cent higher than most other regional campuses, which also tends to be an indicator of demand. You have given a basic scenario that says that because of the high cost associated with higher education, particularly travel, accommodation and then your HECS debt, that a lot of people do not access it, but we have very high ENTER scores which indicates demand. Are there socioeconomic groups? Do you find that the more affluent are going on to high education here, or is there any data about which groups within the population are accessing higher education?

Mr MURPHY — I think it is more anecdotal, because you do not measure that on enrolment; but my impression would be that the more affluent sector would see Melbourne or external campuses being more desirable. If you look at ENTER scores for Monash Churchill they are around particular course entries. For instance, when the announcements were made recently that there would be an exemption for teaching and nursing places, that was welcome news in relation to this region, yet we could do with even more places in those two areas, even though they are the bigger parts of Monash Churchill in terms of its enrolments, because of that demand as well. So there are two components — one around whether the demand is for particular courses not offered or whether the demand is real and not met through numbers not being available. If there were more places available to Monash Churchill I believe they would be filled and filled locally.

Ms HAMBLETON — I would think, anecdotally, that the private schools perhaps have a greater take-up or greater number of students going into university, and that is just anecdotal, but there seems to be much more of an ethos to say, ‘That is the next step in your career path’ among the private schools I deal with.

Ms WILKINSON — The data I have here from an independent school in Sale had 63 per cent of its year 12 students enrol in university compared with 21 per cent from a government school in the same area.

The CHAIR — Thank you very much. There are many more questions we could ask, but we must move on. We wish you well in your quest to improve educational rates and outcomes for young people here, and meet industry needs. We will probably come and see you in future inquiry areas.

Witnesses withdrew.

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

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

Traralgon – 8 December 2003

Members

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Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witness

Mr R. Elliott, Latrobe Principals Group, and Principal, Traralgon Secondary College.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — The committee welcomes Mr Ron Elliott from the Latrobe Principals Group.

Mr ELLIOTT — I thought I would just talk briefly to my hand-out from the principals group, and then perhaps you can ask me questions. What I have tried to do in the discussion paper is paint a picture of the cohort of students that we work with in Traralgon Secondary College and in the Latrobe Valley area quite specifically. What it shows is that there is a very wide range of pathways sought by the students, quite different to the private school sector, which has a fairly large proportion of its students heading off into a tertiary education pathway, into a university pathway — and I heard one of the last speakers talk about 60 per cent. You can see from the hand-out that for Traralgon Secondary College and the Latrobe Valley that it is around the 28 per cent to 29 per cent mark who are heading off to university.

The vocational education pathway — the VET in Schools program — is quite extensive across the Latrobe Valley area. At Traralgon Secondary College we can a VCE years 11 and 12 cohort of about 400 students, and at least 50 per cent of those students will be undertaking a VET unit of work. That is fairly significant proportion of students indicating interest in that pathway. The alternative pathway of VCAL next year will have around 12 per cent of our VCE students involved, and next year it is our intention to establish what I am referring to as a satellite VCAL — a group of students whom we will be recruiting, and who do not currently attend school. We will be doing that in partnership with the Berry Street agency to in effect drag some more students back into the education process through the new qualification of VCAL.

The Gippsland education precinct is, in a sense, under way, and it has been delayed by 12 months. It is a little bit difficult to indicate and in effect guess what impact that will have on the range of pathways across the area and on Traralgon Secondary College. The main thing that I want to say is that we have quite low retention rates in the valley, at around 60 per cent remaining on to year 12. What is equally interesting is that we have a high turnover of students. If I use an anecdotal example of this year's cohort of year 12, we had 250 kids enter year 7 six years ago, and only 90 of those students have made it through to year 12. Our year 12 class had about 150 — there were 60 new kids in — but only 90 of the originals that started in year 7 have made it through into year 12. I think that might be an exceptionally low year, and I am assuming that that low number is quite unusual, but that gives an indication that retention is quite a challenge.

Two issues come out of that in terms of the unmet demand for higher education places. One is that if we are successful in improving retention rates, then I think we are going to simply add to the unmet demand. I think if you put more kids through to the end of year 12, there will be more and more going for the higher aspirations and seeking TAFE or university places. The other issue is that, while it is particularly difficult to get university and TAFE places at the moment, it is quite a challenge for the teaching staff in our schools to motivate kids to aspire to a pathway that might be really difficult. If you have a cohort of students who are on the edge of deciding one pathway or the other, and the community perception is that it is quite difficult to get into a tertiary pathway, I suspect they will probably take the easy option and say, 'Why bother? If it is really hard, why put in the extra work?'. There is a challenge for us in this area in the general community valuing of education. We find that among our students we are needing to work constantly to get them to appreciate the value. If we are successful in what we are trying to do, then we will add to the problem. I think that summarises what I have been trying to say in the paper. I will leave it for you to ask some questions.

Mr HALL — It is interesting that of that 250 who started year 7 six years, only 90 have gone through?

Mr ELLIOTT — Only 90 of those kids. I think that is a bit of a bump; I do not think it is quite as low as that. I am going back to check levels for previous years to check that. But we would have a 10 per cent turnover of pupils at the junior campus. We will have 70 students go out in a year, and 70 others come back in. The population of the junior campus, which is up to year 9, stays reasonably constant over a year, but there is movement in and out. So you have quite a changeover of kids. I am aware that some primary schools in the valley have a much higher turnover than that. I think there is a primary school in Moe that might have as high as a 40 per cent turnover. It is a reasonably constant student population, but with people moving in and out. Occasionally we will find families who have gone away and come back 18 months later.

Mr HALL — Does the retention rate figure take into account the fact that kids may have left to gain employment before they have actually completed year 12?

Mr ELLIOTT — No, it does not. It is simply the crude figure of the number of kids who stay on to year 12. It does not allow you to take into account the successful pathways that are obtained by a number of students. I believe there has been an increase in employment in the area, and that a number of young people are

being offered employment opportunities. We are finding that kids are leaving at the end of year 10 and during and at the end of year 11 to take up employment opportunities. If a job comes up, they will grab it.

Mr HALL — Absolutely, and you encourage them to do so?

Mr ELLIOTT — Absolutely.

Mr HALL — Particularly if it contains further traineeships.

Mr ELLIOTT — The careers team and the pathways team, as we call it these days, are constantly supporting kids to take up a successful pathway. It needs to be recognised that employment is a successful pathway.

Mr HALL — Indeed. One of the things I said before, to Richard Hancock, I think it was, is that organisations like Gippsland Group Training sometimes have difficulty in filling their apprenticeship places — for example, boilermaking is not seen to be an attractive alternative, yet there are plenty of opportunities for qualified boilermakers for this region. Is that a factor at the Traralgon Secondary College, and how, through your careers staff, do you try to convey that sort of information to students, that they should think more broadly and get rid of the stigma attached to some occupations?

Mr ELLIOTT — That is not one that is an issue. Engineering is an area that we have no trouble getting kids involved in. I have had contact with a colleague of mine who is the principal at Box Hill Senior Secondary College, and he told me that he has employers coming to him wanting welders and kids who have come out of a vocational pathway in engineering. He cannot get kids to go into the class. That is not an issue here for us. One of the challenges for us is often that kids do not get to finish their VET certificate because they get an offer of employment before they complete it. That is a positive, but it is a negative in the sense that the kid does not finish the formal qualification; they will leave with the job. The careers teachers are constantly trying to monitor where the gaps are and work with the kids to advise them wisely on their choices so that we are not pushing all the kids into an area that has suddenly become over-flooded and has limited opportunities for employment.

Mr HALL — Finally, I want to ask you about the education precinct. Perhaps when the members of the group form a relationship in the education precinct it is at a secondary college level?

Mr ELLIOTT — Correct.

Mr HALL — With only Kurnai College having formal participation in the education precinct.

Mr ELLIOTT — Yes.

Mr HALL — When the education precinct is up and going, how do you think that will impact on Traralgon Secondary College and Lowanna College, for example?

Mr ELLIOTT — If it is truly successful in the spirit of what we had originally intended, then I think there is the potential for Lowanna and Traralgon to lose students to it. If it is going to do its job effectively, it will have the capacity to offer a wider range of pathways, and will consequently drag students away. Now in that interim period, while it is dragging students away and if it is successful in doing that, that could be a bit messy for Lowanna and Traralgon. There has been some indication that we might be getting involved in discussions about specialising in particular areas so that we try to avoid that issue — that Lowanna and Traralgon may be involved in discussions with Kurnai and the Gippsland precinct to look at particular areas where we might specialise.

Mr PERTON — On the second-last page of your presentation you refer to the problem of inadequate funding for VET programs.

Mr ELLIOTT — Yes.

Mr PERTON — I note that the government has announced a 25 per cent increase in TAFE fees, and also I understand that this year many schools had trouble getting the state's contribution in a timely way?

Mr ELLIOTT — Yes, that is a hassle. Big schools like mine tend to carry that until it comes through. In a small school, that becomes a real issue of cash flow.

Mr PERTON — Can you elaborate generally on what is needed?

Mr ELLIOTT — We will operate this year at a deficit of about \$20 000 overall in the VET funding area. What I have had to do for next year is actually remove some classes from the timetable and cash in that time to provide the money to make sure that we can cover the costs. So that is one aspect of it.

You could present an argument that we should be doing that anyhow — that because the kids are going out of the school to undertake their VET programs, therefore that is one less choice they make on our timetable so we should be able to cash in that time. That is a legitimate argument, but the other thing we have done is double the cost. Every kid who does a VET unit will now be paying \$200 a year to help cover the cost. That is only a portion of the cost for most of the VET units with the number of hours over \$1000, and they range significantly in terms of the cost. If there is an increase in the cost of the TAFE units, then that will add to the problem, and when you are working with a relatively disadvantaged group of kids, getting that kind of money from them is quite difficult.

You have probably seen the reference I have had to our school fees — or the levy: we are not allowed to call them 'fees'. Of the voluntary charges that the school has, only 40 per cent of the people pay them. That is a huge disadvantage to a school like this. If you go to a leafy eastern suburbs school, they will charge a fee of \$800 or \$900 and have 100 per cent of their community pay it. So that is a real dilemma for us in having the flexibility to manage the costs associated with the provision of VET programs. Yet there is a cohort of young people saying to us, 'This is a program that we want to have. We really need this program', but the costs involved make it quite challenging on a year-to-year basis for the school to fund it.

Mr PERTON — Obviously this reference is about unmet demand for higher education, and obviously there are competing demands for the dollar. If you had a magic wand and \$5 million to spend on education in this region — early childhood, primary, secondary, TAFE, higher education — where would you spend it?

Mr ELLIOTT — In the Latrobe Valley area?

Mr PERTON — In your catchment.

Mr ELLIOTT — I would spend it in the area of improving the very basic skills of literacy and numeracy to build the foundation that would enable the kids to make some choices as they get to the post-compulsory years. A number of kids do not have the capacity to make a choice about their education pathway when they get to the post-compulsory years because they do not have the foundation skills in literacy and numeracy, so that is penalising those kids to an extent. That is saying that we need to do something within the education system to address that issue, but until we have absolutely got that right and until every kid coming through to the end of year 10 has a really solid basis in literacy and numeracy where every kid can make a realistic choice, not one based on whether he or she can read or write properly, then we still have some work to do. That is how I would be looking at it.

Mr PERTON — And in your cohort of students, where does that problem emanate from? I think the statewide average for year 10 is that 25 per cent cannot do the appropriate level of mathematics and 20 per cent cannot do the appropriate level of English. Is it worse than that?

Mr ELLIOTT — Yes, it would be a bit worse than that; and it varies from school to school and tends to vary from year to year. We are certainly waiting for the Early Years program that has been put in place in primary schools, which has not reached through to year 10 yet. The first cohort of that group might be entering year 7 next year, so we should be starting to see some impact. Certainly there has been quite an amount of funding fed into the junior years of secondary schools, and we have been supported in that way through the Restart program and the Access to Excellence program. Over a three-year period my school will actually receive in the vicinity of \$1 million, so we are certainly working hard on that; but it is an area that we need to keep working on to ensure we build on that.

Ms ECKSTEIN — I was interested in your comment that increased unmet demand will result from the increased retention of students to year 12.

Mr ELLIOTT — As you put a high proportion of students through to year 12, I think you will get a higher proportion wanting to pursue higher education. By 'higher education' I mean university or TAFE. There are two aspects to what we are trying to do. One is to get a higher proportion of students through to complete year 12, and the other is to raise the level at which they value education. The more value they put on education, I believe the further they will want to go with their education. The research is starting to suggest that there is a much higher probability of having ongoing employment if you complete year 12. So eventually we will get that message through to students. But what time will do, I believe, is push that further up the spectrum.

Ms ECKSTEIN — And make it harder for them to access places?

Mr ELLIOTT — Yes.

Ms ECKSTEIN — So in terms of access, we have heard this morning that we need a greater range of courses available through places like Monash Gippsland. There are also the issues of costs and certain skill shortages in the area — town planning is one, teaching, and nursing in some areas. How would you see our progressing these issues?

Mr ELLIOTT — In terms of addressing the skill shortages?

Ms ECKSTEIN — Addressing the skill shortages and meeting the aspirations of the students as well.

Mr ELLIOTT — One of the key things is to be able to provide as broad a range of courses or pathways locally as possible. Given the socioeconomic environment that the students are coming from, the cost of moving away to undertake further education will be beyond the resources of many. I can tell you an anecdote about a young person who was invited to take up a place at Monash University in Melbourne: the family simply would not allow that to happen because they could not afford it, and this was an extremely talented musician. That is an anecdote — it is not, in a sense, data — but it is tragic that there is even one like that.

Our presumption is that it is a much wider issue than just the one person. Therefore providing a range of courses and pathways that will be attractive to a range of students is vital. Monash University is working with the local schools on the provision of foundation courses that are pre-university courses. It has been excellent in providing that range of pathways. A number of students take up the foundation courses and are successful in those, and that leads them into university courses the following year. So that is a really good, effective program in supporting young people who aspire to further education.

Ms ECKSTEIN — I am also interested in your comment that some kids do not complete a VET qualification because they get into employment. Of course employment is a very legitimate option for them, but it would be nice for them if they could do both.

Mr ELLIOTT — The school-based new apprenticeship program is enabling that to happen. That is a program that is growing at quite an accelerated rate across the state, and certainly here in the Latrobe Valley it is. We will have between 15 and 20 students involved in it. Are you aware of what the school-based new apprenticeship program is?

Ms ECKSTEIN — Only very generally.

Mr ELLIOTT — It enables a young person to be employed as an apprentice, to do the training associated with that apprenticeship and to do three days a week at school and obtain their VCE, so that at the end of their apprenticeship they end up with a VCE, employment, and a qualification associated with the apprenticeship. It is a really good program, I believe.

Ms ECKSTEIN — As I say, it is important to enable those kids who do gain employment to also complete their qualification in some way or other.

Mr ELLIOTT — Absolutely.

Ms ECKSTEIN — That may be one — —

Mr ELLIOTT — That is certainly one pathway.

Ms ECKSTEIN — There might be a night school option, or distance ed. option.

Mr ELLIOTT — That has to be encouraged for those young people who do take up employment prior to completing a particular qualification.

Ms ECKSTEIN — The last thing is that I am very interested in the considerable mobility in your school and in some other schools. Are people physically moving to another area, or are they moving to non-government schools?

Mr ELLIOTT — It is a whole range of things, but mostly they are moving to other areas.

Ms ECKSTEIN — They go to other country towns?

Mr ELLIOTT — Interstate, and so on, yes. It is quite substantial. And 10 per cent is relatively small, I understand, from talking to other principals.

The CHAIR — Ron, you obviously track across the principals group where the aspirations are of young people. We have heard that there are about 4000 people around here in higher education, but there are only about 1600 in the Churchill campus. Do you think there is a desire among young people to stay here locally and study, or is there a desire to go to Melbourne? What sort of feedback do you get across the secondary schools?

Mr ELLIOTT — It is very hard to generalise in answering the question. I think there is quite a spread. There are many young people who complete year 12 who love the adventure of breaking the ties and moving away from home for the adventure of going to uni. There are others who prefer to do their study at home, and then there are those who are restricted by financial constraints. So I think there is a wide cross-section of reasons or answers to your question. I think it is pretty hard to give one generalisation.

The CHAIR — Fair enough. We are out of time, so thank you very much for coming along and giving evidence. We look forward to looking at the progress of what is happening in the valley and in secondary schools. I dare say we will see you at future inquiries.

Mr ELLIOTT — Thank you very much.

Witness withdrew.

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Witness

Mr J. Gunningham, Chief Executive Officer, Central Gippsland Institute of TAFE.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — The committee welcomes Jeff Gunningham, the CEO of Central Gippsland TAFE. We note that you have distributed a paper to the committee. Would you like to speak to that and outline anything in the terms of reference?

Mr GUNNINGHAM — Sure, I will refer to it in passing, but I think the Victorian TAFE Association has already submitted that item as evidence at a prior hearing in Melbourne.

I thought I would talk about my institute; you know who I am. We have at the moment — it depends on what day you count them — on average of between 10 500 and 11 000 students at Central Gippsland Institute of TAFE, which we fondly refer to as GippsTAFE. There are about 310 staff, and again that fluctuates. We have campuses across central Gippsland — at Morwell, Newborough, Warragul, and down into South Gippsland at Leongatha. We even have a campus in town, at Chadstone, and also a small presence in Adelaide and Sydney on a specialised fee-for-service activity. The total operating revenue for GippsTAFE is around \$25 million, of which about 70 per cent comes from the state government. I am just giving you a picture of basically the way we are.

I would like to briefly comment about two specific terms of reference, paragraphs (d) and (e) — the ones that relate to TAFE and vocational education and training in general. I would like to make the comment that unmet demand in higher education does have an impact on demand for TAFE places. There is no question about that. The difficulty is whether TAFE institutes can respond to that demand. I think that is something that is not easy. If you did not know it, the issue with Victorian TAFEs is that for 10 years or more there has not been any growth funding in Victorian TAFEs, and the TAFEs are finding things very hard indeed. To give you some kind of an idea of what I mean by that, my own institute for next year has just signed off on a resource agreement with the state government, through OTTE — it is actually technically with Victorian Learning and Employment Skills Commission. The council has written to the chair of VLESC saying, 'We have signed an agreement, but under significant duress, because we really are going to find it difficult to make ends meet in 2004'.

I could spend the next 2 hours talking about those difficulties, but I will just give you some kind of an idea. A core funding element for us is the dollars we get per student contact hour. Next year we will be receiving \$9.47, which is 16 cents less per student contact hour than last year. To put that into a national context, two years ago, which was the last time I got any data for the national scene — sorry, three years ago almost, by the time we compare it with 2004, the average funding rate for TAFEs across the whole of Australia was \$12.68. If you compare \$12.68 with the figure I have just said, it is a massive 25 per cent difference. So we are unfortunately residing in the most poorly resourced TAFE system in the whole of Australia.

I speak with some accuracy, because I have spent most of my professional career in the Western Australian TAFE system, so I have worked in a much better funded system. Having said that, I would also say that I have the pleasure of working in the most entrepreneurial and commercial TAFE system in Australia, there is no question about that, and one where there is far more innovation on the ground than in any other TAFE sector. It is very much driven by the fact that it needs to go out and earn a dollar. That means that it is very difficult for TAFEs in the state of Victoria to respond to additional demand, because they just have not had any growth funding for well over a decade. The reason for bringing that paper along today, although I was informed on Friday that you may well already have it, is that the Victorian TAFE Association, which is a unique body in Australia — no other state or territory has one of those — put a lot of effort into gathering information and evidence, if you like, to put to government. That paper was written particularly for consumption by the Minister for Education and Training, Lynne Kosky, because she put to the TAFE CEOs some months back, 'Give me something to take back to my colleagues; give me something that I can discuss with the expenditure review committee; give me something I can talk to my colleagues in cabinet about; and most importantly, give me something I can hit the Treasurer over the head with'. That is why it was done. So far we have had little response. In fact the silence has been deafening. We are a bit bothered about that, because we believe we have mounted a very considerable argument that shows that there is an issue to address.

Locally we are trying to do things differently in the Latrobe Valley, and I heard the comment made about the Gippsland education precinct. The main reason I came across the Nullarbor was to participate in that project. I guess you know a fair bit about it, so I will not bore you to death on all of that. But it is a unique project in tertiary education in Australia; it really is exciting, because for once we are focusing on the needs of the young learners in the Latrobe Valley, particularly all those young people who are disengaged from the system. We are in a part of Victoria — a part of Australia — that has the lowest retention rates in the whole of Australia, and that is a disgrace. The Gippsland education precinct is a genuine attempt to address that. What is unique about it is that it is not just a co-location model, where you plonk a school next to a TAFE, next to a university. It is about true integration across

the sectors. It is something that just does not happen in Australia, and we really want to address that. So we feel we are at the cutting edge of changing the way we approach tertiary education in Australia.

There are lots of challenges. It is probably the most exciting thing I have been involved with, but at the same time I would have to say it has been the most frustrating. I think the vision that Lynne Kosky helped to craft is right, it is appropriate; whenever you speak to the minister, she gets it. Unfortunately I think some of the people we have to negotiate with in town do not get it. It really is difficult to have a conversation with the bureaucrats in the Office of Training and Tertiary Education or the Department of Education and Training about sensitive issues such as how you fund something across sectors. It really is a conversation that is hard to have. For over a year I have tried to have that conversation, and we are still struggling with that.

Paragraph (f) was about collaboration, which is a natural carry-on from what I have just said. There is a definite need for greater cooperation at all levels of education and training — at the state level and certainly at the national level with vocational education and training. It is happening in Gippsland along the lines I have said, but I would have to say we are working very much in a policy vacuum. There is nothing guiding us. We have attempted to get some clarification on what we are trying to produce. We have the general vision statements, but the state government in Victoria does not have a definitive policy statement on what a precinct is. Therefore what we are doing is leading the charge on that score. It has some advantages for us because if it is not defined we can define it and we are doing that as we move through the project, but it is somewhat of an issue. I think TAFES could be a significant means of expanding the provision of higher education, particularly in regional and remote areas.

I would have to say that we could learn from other countries. I am obviously not from Australia to begin with, but I am now a 'True, dinkum di Aussie'. I am originally from Wales, and I watch with interest the kind of things going on there in recent years through the Blair government. They are expanding the provision of higher education enormously in the United Kingdom, and if you look closely you will find that what Tony Blair has done is to expand the provision of higher education through the equivalents of TAFES. Many TAFES in the United Kingdom are doing first and second year degrees in partnerships with universities. I think that is the way to go and what we will be doing with the Gippsland education precinct. I have an involvement with this subject back in Western Australia, and sometimes I think it is the best kept secret because no-one in the eastern states seems to know about it.

When I first came to Australia I spent the first nine years up in the Pilbara. I became the director of Karratha College. We had deals going with the likes of Murdoch University, Edith Cowan University and Curtin University to what they call country contracting. My TAFE institute would be contracted to run the first and second year of a degree course up in the regions in a very cost-effective way. They actually made money out of it, if the truth be told, and that is perhaps why they did it. But we were able to run the first and second year degrees there. We even did some postgraduate diploma work, and people would then gravitate back down to Perth and pick up the programs at the relevant universities, and it worked extremely well. For the life of me I cannot understand why that has not been mentioned in the recent Nelson reforms that have gone through the Senate. It is a cost-effective model. It would allow people to have more opportunities, particularly in regional and remote areas.

I think also there is a natural vehicle for this which you would be aware of — the associate degree has just been anointed by the Australian Qualifications Framework as a qualification that is in the higher education domain, but TAFES can run it as well, so that provides an opportunity to do something interesting. The reason I am saying this is that unless we are careful what you will find is that the universities across Australia will be bulging at the seams with undergraduate students. It is already happening. That is a little bit dangerous because it will distract universities from some of the other things they should be doing, which is about scholarly activity, about research, and I know that later my colleague Brian Mackenzie from Monash will come along and speak to you about this.

Monash University is an example. It is a group-of-eight university. It should be up there with the best of them, and indeed it is, but much of what it does now are things what we could be doing, and that is what the precinct is about. Why on earth does Monash University, a group-of-eight university, involve itself with foundation diplomas or even associate degrees? It is a nonsense. We can do that just as well and in a more cost-effective way. Unless we are careful, the Nelson reforms will do the reverse of what Nelson is saying and instead of producing high-class, world-class universities will breed a lot more mediocrity among the Australian universities. A lot of them are pretty ordinary — you would have to say that. I am speaking with some validity because I have worked in universities in the west.

I do think, just to finish off, that in order to get that kind of cooperation we need a leap of faith into the future. This is a personal view; it does not reflect the comments of my council or indeed the minister, and why should it? But I

do not think we will get any sensible rationalisation between TAFE and high education until there is a nationally funded and federally run TAFE system. That is something I feel passionate about, and you will find there is support for that in every state and territory across Australia from the likes of me. We have an organisation called TAFE Directors Australia, which is based in Canberra, and that is one of their calling cards at the moment; so we are trying to influence policy on that score at a national level. It is something that needs to be considered seriously.

The CHAIR — Thank you very much. I will open it up to questions.

Mr HALL — Thank you for the presentation. As usual, you have given us lots of information to digest there. You spoke about the fact that in the last 10 years or so there has been no growth funding whatsoever. How has that impacted on the unmet demand? Perhaps you could give us a snapshot of what unmet demand you see exists within your catchment area.

Mr GUNNINGHAM — I was very careful with the words. There has been no funded growth — no extra funds coming in from the sector, but there has been growth in numbers. My institution has grown quite a lot in the last, say, five years, probably to the tune of about 15 or 20 per cent. But where the funding is coming from is from extra commercial activity. In order to run GippsTAFE next year 30 per cent of the money has to come from somewhere else, and that somewhere else is commercial, fee-for-service activity or government fee-for-service activity. So we have actually managed to pick up some of the unmet demand in that way. Having said that, we still have a number of areas where we could do a lot more. The ones I mention in particular which have taken off are Warragul, which is on the edge of a growth corridor that has taken off like a house on fire. We are just extending the Warragul campus to the tune of \$1 million. We are hoping to get a second phase extension as well, which will give us more teaching space. Our problem will be putting teachers in front of students there, and we will do the best we possibly can, but we could put a lot more into Warragul if the recurrent funding was there.

Another place that has taken off strongly but not as strong as Warragul is around South Gippsland, and specifically Leongatha, where we are a natural hub down at the Leongatha campus. We have some excellent relationships with Leongatha Secondary School and Macmillan, which is part of the University of Melbourne, and as fast as we put up — sadly, at the moment, demountable — accommodation, it is filled up with students. A practical example is at Leongatha recently, where we ran the bridging course in nursing, which I know is a bit of a hot potato across the country. We have places for 20 students; 120 people applied. I am not saying for a moment that all 120 would have qualified, but let us assume 60 may have qualified. We still would have had to turn 40 away. So we have those kinds of examples.

We try to address it by sensible rationalisation, and it is something that Minister Lynne Kosky wants us to do and we are doing that. Since I have arrived, we have rationalised around some of our activities, we have stopped doing some things, to let somebody else do it that could do it a lot better in order for us to better channel resources elsewhere. An example of that is the Gippsland education precinct, because while they are building a very nice building out at Churchill there is nothing there in growth to recurrently fund it.

Kurnai Secondary College is shutting a school down and moving it. For us to be there we have to find growth or stop doing something here and put it over there. As you well know, if you are a regional member of Parliament, shutting something down and moving it is not easy and is sensitive and we will deal with those issues. The actual school will not be there until 2005, but we will be there in February 2004. We have rationalised our driver training facilities, which were at Newborough, Yarram, in the city and at Ardeer. We have actually done a deal with the Driver Education Centre of Australia for it to take it over, and we did some negotiations with OTTE and retained the contact hours in order to channel to the Gippsland education precinct. That is all okay and we will be able to do some things with that, but it is nowhere near enough.

Mr HALL — Is the 1.5 per cent productivity saving or the decrease in payable base funding in lieu of the increased student fees all impacted upon the course provision that you have been able to deliver in the area?

Mr GUNNINGHAM — Absolutely. It goes straight to the bottom line. The 1.5 per cent productivity is a novel thing, but no other state or territory has to do it except Victoria, and apparently it has been around for yonks — over a decade — it has been around for a very long time and it is about time that it was got rid of. It is just stupid. It might have been a good idea 10 years ago, when TAFE institutes were perhaps a little bit padded, but these days the TAFEs of Victoria are really extremely lean. They have gone through the meat and down to the bone and are just about to come out the other side! They really are tightly funded, and of course that has an impact. For us it is dropping our funding base. The student fees are simply cost shifting; we get no extra money out of that. We are going backwards.

The assumption is — and you have to spot the assumptions in these kinds of debates — that we will be able to go out there and earn an extra dollar to make ends meet. In a place like the Latrobe Valley that is really difficult. Look around you — the place has been stuffed around by experts for 10 years or more. You have an economic region that has gone backwards. It is trying to redress some of those issues in a very genuine way, and there are some good signs that things are getting better. But it is not a place where you can earn a commercial dollar easily, it really is not.

Mr HALL — What proportion of the student fees are concessional fees, and do you envisage any difficulty in collecting the increased fees from your students?

Mr GUNNINGHAM — I will probably have to get back to you on the proportion, but certainly the collection of the fees in this kind of area is not going to be easy. We have a lot of students who take loans from the institute. From our involvement in that, if we provide a loan to a student in need, it is not always easy to get that loan repaid. So using that analogy, our expectations are that it is not going to be easy to do that.

Mr HALL — I agree with you entirely, in the sense of having TAFE institutes delivering first and second-year university course provision by arrangement with the universities. Is it a fact that the universities have been reluctant to give up part of their ground? Are they the main stumbling blocks for this sort of initiative?

Mr GUNNINGHAM — Yes, absolutely. Again, from my experience in the west it was easier to do that there, because there was an imperative, if you like. I was in a region of Western Australia that was a real engine house, not just for Western Australia but for the entire country. At the time I was up in the Pilbara with all the oil and gas and everything, it was producing 3.5 or 4 per cent of the GDP of the whole of Australia. So why should it not have been treated differently? That was our rallying call. So it was not too difficult to engage the likes of those universities — and I have mentioned the Edith Cowan, Curtin and Murdoch universities — in a sensible conversation. There was always argy-bargy about what proportion of the funding you would get; that was always a contentious point, and it still is. Universities do not subcontract and give you 100 per cent of what they get, they give you a proportion. But the proportion is the key, and that proportion — say, 65 per cent or 70 per cent — is probably enough to run the first year of a degree, and sometimes the second year of a degree, in a TAFE institute, because our cost levels are generally lower. But there seems to be a reluctance.

As I have said, not too many other states or territories are actually doing that. One or two institutes in Victoria are involved with those things — perhaps they deal with sector 1s — but there are not too many. East Gippsland TAFE is doing a little bit of it, and that is fairly new. East Gippsland has an arrangement with RMIT to run a degree program on the eastern Gippsland side of things, but they are very few and far between. I think it is probably true to say that the universities do not regard it as their main purpose in life to have those kinds of discussions in the first place.

Ms ECKSTEIN — Has Monash's centralising engineering back to Clayton had an impact in terms of the demand for courses in the TAFE area; and if so, how have you been able to respond?

Mr GUNNINGHAM — It is a good question, because obviously that was quite a controversial issue in the Valley, in particular. It is a little bit too early to say. I have just come from a meeting of the Gippsland education board of management, and one of the things we are doing to try to redress that to some extent is to re-invigorate our diploma in engineering (TAFE) — it has probably been a bit quiet for a few years — to get a pathway into the engineering courses at Monash Clayton so we can start running that diploma in engineering in the Valley. We have a media release coming out next week to promote that as a program and a pathway within the Gippsland education precinct. It is probably a little bit early to see what the effect will be, because the school of engineering has technically sort of gone away, but there is a program coming in to replace it. I am sure Brian Mackenzie will talk more accurately about that later.

The CHAIR — I will just clarify a few of the things you said earlier, before I get to the meaty bits in terms of the higher education provision. You talked about growth funding, but is it not the case that in 2000 several million dollars went across to TAFE in terms of bailout money and that in 2001, I think, the state government purchased the Chadstone campus as a way of transferring about \$8 million — was it not? — extra into — —

Mr GUNNINGHAM — Yes, that was a few years ago. I should explain — —

The CHAIR — There have been several additional fundings outside the normal base funding into Central Gippsland TAFE.

Mr GUNNINGHAM — Yes, but if you want to keep on with that kind of crisis management way of doing business, then so be it — —

The CHAIR — There has been; I just want to make that point.

Mr PERTON — Let the witness finish.

Mr GUNNINGHAM — I would love to talk about it, if I am allowed. I have been at the institute only 17 months. The institute took the commercial decision to buy the old SEC facility in Chadstone. I would have to say that I think it spent far too much on this.

The CHAIR — It was in about 1997 or 1998, something like that?

Mr GUNNINGHAM — Yes, about that, and it was for \$4 million. At the time it was a commercial decision which, if I had been involved, personally I do not think we would have made, because the cost of servicing that loan was horrific and it was pulling the institute down. The then council and the then CEO, my predecessor, went to Lynne Kosky to say, ‘Well, what do we do?’, and the minister generously agreed to pick up the tab. But I think that is indicative of the points I am making. You have a crummily funded TAFE system; that is the core problem. But I would have to say, and I put it on the record, that the minister has just been excellent. I am not sure if I should say this, but I have worked closely with lots of ministers over the years in the west and indeed overseas, and she is one of the few — I need to be careful here — whom I have worked with who knows a fair bit about the business. I would applaud the efforts of our minister, Lynne Kosky; she is doing a good job. I just do not think she is getting enough out of her colleagues in the cabinet or from the expenditure review committees or indeed from Treasury.

The CHAIR — One of the links you alluded to between higher education and TAFE of course goes to the fact that TAFE funding comes through the ANTA ministerial council. There was always a component for growth, but the commonwealth government stopped growth funding I think about 10 years ago. There have been agreements, of course, about putting it into a historical context, because that is where the funding comes from. With the then government at the time, when the growth funding finished there was growth through productivity, which has led to more places for less dollars in terms of the federally funded situation. And of course MCEETYA is for higher education. While there is a federal minister for each of those ministerial councils, we have different state ministers. Do you think it is time to have a look at the total higher education/TAFE funding mix in terms of places through one ministerial council, so we can get a consistent approach in terms of funding the huge growth in TAFE that we have seen in Victoria — which other states have not, of course — as well as what appears to be a huge unmet demand in higher education?

Mr GUNNINGHAM — That certainly was implicit in my final comment. I personally believe that the best hope for TAFE is for it to become a nationally funded, federally run system. Historically — not that I need to go through a history lesson for this salubrious audience! — if you go back to the late 1970s and early 1980s and the Dawkins reforms, you find that the notion of having a nationally funded TAFE system with the same bucket of money as a university was that close. Only one state voted against it, and that was New South Wales — and that is probably still where the problem is today.

ANTA was a compromise. I just do not think ANTA has worked particularly well, although it has been okay on occasions. So if you speak to my counterparts in the Victorian TAFE system — and you can check this out with the Victorian TAFE Association or indeed the colleagues I have in each state and territory — I think you will get the strong feeling that we have lost out by not being federally funded. I think the university sector has never gone back and worried about becoming federally funded, because it was not always federally funded. Even though universities will argue that they have disadvantages at the moment and the Nelson reforms are very much due and necessary, they would not want to go back to a state-funded system where they are open to the vagaries of state budgets. We suffer, and it depends what state or territory you are in — — .

The CHAIR — It is done through national-state agreements.

Mr GUNNINGHAM — It is too complicated. There are too many moving parts.

The CHAIR — You will not get any disagreement from the Victorian government about the need to fund growth in the TAFE sector. One last question: this year the government enabled TAFE institutions to move some of their funds. You commented on there being less money for funding per student contact hour. Is it not the

situation that this year the Victorian government has enabled TAFE institutions to shift some of their base profile funding into innovation and that that has had an impact? Did your institution decide to take up that offer?

Mr GUNNINGHAM — Yes, I think you will find that we were, proportional to our overall revenue base, one of the better institutes to take up that challenge. For years my counterparts in Victoria had been saying that the funding was so constrained and that there was no flexibility to do things, so the minister, through OTTE, allowed that opportunity last year. We were one of the ones that took up that offer. We deflected around \$400 000 worth of student contact hours into innovation, and we did the same this year. But this year, the second time, the department wanted us to reduce it, because they felt we could not afford to do that again. But we went back at them and argued very strongly, based on outcomes for this year in terms of what we were using our innovation funds for, that it actually deflect the same level of funding, and that is what we are doing.

The CHAIR — Has that meant less money for student contact hours, because you have shifted some of it?

Mr GUNNINGHAM — Yes of course it has, if you have taken money away. But if you want to grow the business and change the way you do business, you have to invest in innovation; otherwise, you will just dry up.

The CHAIR — I just wanted to clarify that. It is hard to get a handle on figures, plus or minus, in a system where there are changing internal arrangements. I will just finish off with one last question. In terms of innovation and the ability to do associate degrees — and I assume you are looking at that in the TAFE sector — we have heard that they have cut out engineering at Monash Churchill. Is that the sort of associate degree or innovation that you are looking at putting those extra funds you have shifted from student contact hours towards? Is that the sort of area you are looking at offering here? Is engineering a priority?

Mr GUNNINGHAM — We are not using our innovation funds for that. We are using our innovation funds to provide a more flexible delivery base for everything we do at the TAFE across all campuses. It is working very well. Certainly the associate degree gives us an opportunity within the province of the Gippsland education precinct to do that, but we need to have conversations with Monash University — and again Brian Mackenzie will be along shortly to talk about this. They have plans to do associate degrees, and I have said to Brian — and I do not mind putting it on the public record — ‘Why would you want to do that? Within the precinct, why not let the TAFE do that bit?’. So we need to have that kind of sensible discussion, because associate degrees, with all due respect, are not the core business of a university. There is too much confusion, too much overlap and too much duplication of effort, and that is what the precinct is about — taking out that confusion. Life is not meant to be this complicated as between the feds and the states.

Mr PERTON — You referred to the Victorian TAFE Association earlier. David Williams was quoted in the *Herald Sun* on Friday as saying that the Victorian TAFE funding situation had reached a crisis point. He said:

It is unworkable. The Bracks government provides less than 50 per cent of TAFE funding in Victoria compared with an average of 62 per cent in New South Wales, Queensland and Western Australia.

He then concluded that the state government underfunds the Victorian TAFE system by 10 per cent less than the national average. Is that your experience?

Mr GUNNINGHAM — Yes, that is right. They are the latest figures. I think he says there that the feds are funding 4 per cent below the national average in the same article. This paper that I have tabled today was done with the Victorian TAFE Association. David Williams is the executive director of that association, so when he speaks he speaks on behalf of all TAFEs in the state of Victoria.

It differs from institute to institute. The figures I quoted were comparing what we will gain in 2004 with what the national average was in 2001. Now David may have access to more figures, but the point is that you cannot get away from the fact — the evidence is there — that the Victorian TAFE system is the lowest funded in the whole of Australia — well below the national average.

Mr PERTON — He went to say that Victoria’s TAFE teachers are the lowest paid in Australia. Does that cause you problems in getting quality staff?

Mr GUNNINGHAM — It is a problem getting quality staff in regional TAFEs, full stop. Even if you pay them a lot more money, it is still an issue. It is the case that you have the hardest working TAFE teachers in Australia on the lowest set of conditions of service. But that should be put right in the not-so-distant future, because we have just about finalised discussions on a multiple business agreement that is being discussed as we speak up in Melbourne today. So hopefully that will be put right.

The CHAIR — Is that part of the enterprise bargaining negotiations?

Mr GUNNINGHAM — Yes. It is a multiple business agreement. We will have one for all TAFES rather than separate EBAs. That debate is going on on the union side and on the management side as we speak, but it is a problem. Given that, and given the difficulties of attracting people to regional TAFES, it is a problem, and it is not easy to get good people. Thank goodness GippsTAFE has a very longstanding staff profile and that we do not have too many difficulties on that score. But I know some institutes are really struggling to get people into key areas such as business studies, IT and things like that.

Mr PERTON — As for the increase in the base fee per contact hour, what impact will that have on you and on your students?

Mr GUNNINGHAM — Which base fee?

Mr PERTON — The 25 per cent increase in the fees for students.

Mr GUNNINGHAM — Again, it is smokes and mirrors. The bottom line issue is what we get in terms of dollars per student contact hour. All I know is that next year we will have 16 cents per contact hour less than last year. You can look at the bits underneath, but you have to focus on the key issue. The key issue is that my TAFE will be getting significantly less next year than it is this year in recurrent funding to teach students, and that is the truth.

Mr HALL — How come?

Mr GUNNINGHAM — Because of the 1.5 per cent productivity dividend and cost shifting and things like that. I am not sure at all times, with all due respect, that politicians — and dare I say even ministers — are really quite clear on what is going on. Things are not always what they appear to be, but you have to deal with absolutes. An absolute in a TAFE is the dollars you get per student contact hour.

You can talk and you can confuse audiences across the place with discussions about this component and that component, but until it comes back to the one thing that really does matter — that is, the dollars per student contact hour — then it does not really matter. It is about swings and roundabouts; we are up and down, but we are getting less. If you tracked that back 10 years, you would be horrified at the difference. You would be horrified!

The CHAIR — Thank you very much. It has been very interesting. We hope to come out and visit some of your campuses in future years as we go about our deliberations. Thank you very much for your evidence, and good luck with your TAFE.

Mr GUNNINGHAM — Thank you for the opportunity.

Witness withdrew.

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

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

Traralgon – 8 December 2003

Members

Ms H. E. Buckingham

Mr N. Kotsiras

Ms A. L. Eckstein

Ms J. R. Munt

Mr P. R. Hall

Mr V. J. Perton

Mr S. R. Herbert

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witnesses

Prof. B. Mackenzie, Pro Vice-Chancellor;

Assoc. Prof. A. Barnett, Head, School of Nursing; and

Assoc. Prof. L. Fitzclarence, Associate Dean of Education, Monash University, Gippsland Campus.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I declare open the meeting of the Victorian parliamentary Education and Training Committee. It 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 the unmet demand for places in higher education in Victoria. I wish to advise all those 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. I welcome the representatives from Monash University. For the Hansard record, could you please state your names and positions. Perhaps you would like to start off with statements and then we will open it up for questions.

Assoc. Prof. BARNETT — I am Tony Barnett, I am the head of nursing at Monash.

Assoc. Prof. FITZCLARENCE — I am Lindsay Fitzclarence, I am the associate dean of education.

Prof. MACKENZIE — I am Brian Mackenzie, I am the pro vice-chancellor of Monash University, Gippsland campus.

The CHAIR — Welcome.

Prof. MACKENZIE — Thank you. Would you like me to start off with a brief statement?

The CHAIR — Yes.

Prof. MACKENZIE — I will make my statement quite brief, because my two colleagues are prepared with a considerable amount of data and well-informed opinions to advise you. I will give a very brief compass from my overview and perspective. The Gippsland campus of Monash University dates in one form or another from 1928, when the Yallourn Technical School was founded in Yallourn. It moved to its current site with the founding of the Gippsland Institute of Advanced Education in 1970; it moved to its present site in 1972. It became part of Monash University in 1990, and continues in that happy role today.

The campus offers degrees in 8 of the 10 Monash faculties. All of the Monash faculties, excepting pharmacy and law, are represented on the Gippsland campus. We have some 2200 students on campus, and about 5000 students off campus, but that is because many of them are part time — it is up to the equivalent of about 4200 effective full-time students. The campus has always had a clear and firm mission of addressing regional needs and regional opportunities. As a result of a thorough review into the campus in 1999 by a subcommittee of the council of Monash University, that regional mission and regional role was strongly affirmed, and I was brought in to attempt to lead the resurgence of its original role, a mission which I have gladly taken on and attempted to run with ever since that time.

One of the great difficulties that we have had in realising and achieving our regional mission and role has obviously been the difficulty in getting students into the places that are most in desire, most in demand. There was a time, in the 1990s, when the campus as a whole was unable to fill the total range of places it had. This time has well since gone and we now find that we have more applications than we can possibly manage pretty much across the board. But even at the darkest times, there was never a shortage of students who wanted to study in both nursing and teacher education. Both degrees have climbed in popularity over the past five years — especially, I would have to say, teacher education, which, during the previous state government, suffered a bit in its popularity. They have both been climbing, and teacher education especially has been climbing in popularity — to the point that education courses are now, as measured in first preferences by students putting in their VTAC preferences, by far the most popular suite of courses on the campus. For the current year there were some 306 first preferences in education and we were only able to enrol 67 students, a ratio of just about five to one. In nursing there was 156 first preferences and we were able to enrol 62 students.

Mr PERTON — Could you repeat those numbers?

Prof. MACKENZIE — Yes. In education there were 306 first preferences this year in the VTAC system and we were able to enrol 67 students in first year. In nursing there were 156 first preferences and we were able to enrol 62. So in education the ratio of first preferences through VTAC to enrolments is almost five to one — in nursing it is almost two and a half to one. The reason the ratios are so positive looking is that the enrolment figures include not only the VTAC first preferences, but also the international students direct applications and so on. I do not have a breakdown of our enrolments at this time, but the numbers would be less than the 67 and 62 I quoted, so that the ratio of first preferences to enrolments from that group of school leavers would almost certainly be worse than five to one. This reflects a very considerable level of unmet demand, which is, I believe, a reflection of two

factors across the board, but are perhaps in some ways factors that particularly apply to regional Australia. One factor is that there is a huge shortage of nurses, as there is of teachers, and so there is pretty well guaranteed work and nursing is seen as an attractive occupational option and one which is likely to have a pretty secure and positive future.

The second factor, although a bit hard to quantify, is I believe an important one — that is, that there is something of a sea change in the attitude towards higher education of people in regional Australia, and there are many people applying to enter higher education now who would not have dreamt doing so 5, 10, or 20 years ago. Among those seeking to do so, a fairly substantial proportion of those whose aspirations in a previous life have been to work in the power plant or as a garage mechanic or as a hairdresser now find that the professional occupation which is most immediately meaningful to them is, in many cases, that of being a nurse or a teacher. I believe therefore we get a higher level of interest in these particular professions from people who are not just new to higher education but new to the thought of higher education. I believe — but I do not have firm figures to back this up — that that change is one which is taking place more broadly in regional Australia than it is in the cities.

Certainly what we can see clearly is that up until now — and it continues to be the case — the participation level of students in post-compulsory education after year 10 is considerably lower in the regions than it is in the cities, and in this particular region of Gippsland overall it is one of the lowest. We are frequently reminded that we have one of the lowest tertiary participation rates and one of the lowest year 12 completion rates in the country, and it is specifically to attempt to deal with those low completion and participation rates that Monash University has recently entered into an agreement with Gippsland Group Training, Kurnai College, and the Central Gippsland Institute of TAFE to establish a one-stop education precinct based upon the Monash Gippsland campus. This is intended to bring together the four sectoral providers to provide much increased pathways, much easier articulation and combinations of courses from the various sectors, so that students will have a much greater range of opportunities. This development, I believe, is an exciting one. I think it will make a real difference in the level of participation, and the message for this committee is that that will make the unmet demand even higher than it is now. We do not have enough places, by a huge ratio, to satisfy the existing demand, and I believe that demand will increase.

The university has not been ungenerous with my campus. It has specifically provided a substantial number of additional places out of discretionary places which I have largely directed in the direction of these two faculties. These discretionary places have gone to both nursing and education in an attempt to meet more of the demand than we had been able to before, but the university is limited in that the total number of places it has in these areas has to be based upon the profile negotiations it has with the federal government each year, and it then has to be allocating these places amongst the various campuses that have programs in the areas. So I believe the university has come to the party to at least a reasonable extent in meeting the needs of this campus, but between the university and the campus, specifically its capacity, we are not able to make more than a small dent in the level of demand which is there. We are hoping very much that with the additional places which are promised as a result of the passage of the Higher Education Support Bill we will be able to get a significant number of them, but I am well aware that other regions have very similar needs, and in many cases an even higher level of unmet demand.

That is all I want to say at the outset. I would be happy to answer questions or you might want to take statements from my colleagues first.

The CHAIR — Perhaps we will do statements first.

Assoc. Prof. FITZCLARENCE — I need a little help with protocol here. I have a prepared document, and I will certainly refer to that, and I have made copies. I will speak to my statement, and then I will pick up issues in questions afterwards.

The first point I want to make is that the faculty of education is a diverse faculty, located at the three campuses — Peninsula, Clayton and Gippsland — and our core business is teacher education, but increasingly there is a recognition of the need to diversify the spread of education programs, and I pause on that word ‘diversify’. What we have done is define education generally and in terms of our understanding of the emerging workplace, the emerging culture, and it is certainly not specifically about school teacher training. That was the case in the past. When I trained as a primary school teacher in the 1960s it was a teacher training program in quite a narrow sense. The way we are talking about education here is a far more diversified program. I have given some examples here — our bachelor of sport and outdoor recreation, our psychology programs and a range of offshore programs in, for example, educational leadership. So we have embarked on a policy of growth through diversification, and I will talk about that as I go through, but I suppose the immediate point to highlight is that there were no

undergraduate teacher education programs offered at Clayton in 1997, and now in 2003 we have 350 undergraduate offerings.

We have also grown our Gippsland program progressively through that same period from 1997 — on average between 5 and 10 equivalent full-time student units (EFTSU) and in that same time Peninsula has remained relatively constant. Our graduate diploma of education, specifically our distance education — the one that is offered from our Gippsland campus — has grown quite dramatically. We are looking at a diversified population there; people who have already completed a degree, who have formerly trained in tertiary education and are returning to study with a formal education qualification.

My second category then is undergraduate programs. What we have endeavoured to do is to raise the ENTER scores and improve the quality of students enrolling in programs. We try to ensure that those whom we enrol stay with us for the duration of their program. I will mention that a little later, but our retention rates have improved quite a lot in a relatively short period. I guess in a way it picks up a point that Brian was just making, that we recognise we are dealing with a new cohort of students — people who have not culturally been prepared with the idea of going to tertiary education. It is not in the history of their families to go into tertiary education, and that has certainly been the case in this region. I am a case in point, as someone who grew up in Morwell in the 1960s and left Morwell at the end of 1966; there was no tertiary education on offer, and like others in my cohort, I moved away.

Going back to our ENTER scores, in 2003 we had no ENTER below 75. The fringe ENTER for primary education at Gippsland was 74.75. The next point is the one I have just made, that we have been able to effect high retention rates throughout our programs. This is a fairly important point in terms of minimal wastage throughout the programming. Previously we have certainly seen a dramatic loss, particularly in the first year in the first semester and at the critical points at the end of first year and second year. But we have been able to demonstrate that we can carry an increasing number of students through our program. As evidence of that I will indicate that the number of students who have been asked to show cause — that is, make an argument as to why they should stay on our program — has also decreased progressively. The numbers to show cause for this year are down 30 compared to the numbers for last year.

We are engaged in the Diploma of Foundation Studies program, which is sort of an integrating program at the Gippsland campus. We take a number of students from that program into our first year courses, and they get an orientation into tertiary education. As I said there, we have taken 15 plus into our second year. They are streamlined into our program. We believe that is one way of tapping excess numbers or demand, and also of providing an equity statement. It is really a means of providing the sort of program to help the type of students I have just been talking about gain successful entry into tertiary education. Unfortunately I think through the 1990s there was a very damaging process whereby people got into tertiary education who, although they might have been qualified in terms of an ENTER score, in terms of their capacity to make that transition many of them were not up to it. So there was extreme frustration and, I suppose, tragedy in many families where people dropped out in those key periods I was just talking about before.

The CHAIR — We may need to progress it a little quicker. I am mindful of the time, and people have commitments.

Mr PERTON — We have all read the paper now.

Assoc. Prof. FITZCLARENCE — Have you got through it?

The CHAIR — Yes. Perhaps you can summarise it.

Assoc. Prof. FITZCLARENCE — I have highlighted the Graduate Diploma in Education, which is the program I talked before about. We have seen dramatic growth in that area. That is catering for a diverse range of students of many different backgrounds, and ages — we are dealing with many mature-aged students, not the traditional people straight from secondary school. Our faculty has, I suppose, developed a policy with regard to the funding model. It is highlighted there under point 4. Although I am clearly not the best person to talk about this, not having developed it, I can speak to the logic behind it.

The CHAIR — We will probably pick it up in questions.

Mr PERTON — While we are on the paragraph, what is the profit margin on masters students? Why are they so heavily subsidising undergraduates? I refer to the last line at the bottom of the page.

Assoc. Prof. FITZCLARENCE — That is a traditional point in the sense that particularly our major program at Clayton was the postgraduate program for masters in particular; there was a huge suite of masters programs. It has also increasingly attracted, and continues to attract, students from offshore. We have been able to do that, I suppose, because of the legacy of our strength in that postgraduate area. I guess there has been a little bit of a trade-off in building on that traditional strength of the masters program. Traditionally Monash education was in the postgraduate specialty area, and it had a particularly good reputation not just in Australia but worldwide.

The CHAIR — I will ask you to conclude, if you would not mind?

Assoc. Prof. FITZCLARENCE — I suppose the point I have been trying to make is about diversification and getting that balance between the quantity and the quality in terms of being able to maintain our students through our program. It is about trying to strike that balance. That is probably the bottom line and would be my punch line.

The CHAIR — Thank you.

Assoc. Prof. BARNETT — Thank you for the opportunity. I will just mention some specific points to build upon what was already presented by myself and Olga Kanitsaki about a month ago. A few weeks ago I had a meeting with the Gippsland directors of nursing, as they represent the employers of our graduates in this region. I met with about a dozen directors of nursing, coming from as far afield as Orbost, Bairnsdale, Sale, Latrobe here, Warragul, Leongatha, Wonthaggi, and Yarram — so around the region — and I put to them that this committee was convening and was engaged in public consultations, and whether they believed there was a shortage of nurses and whether they believed universities should be producing more. Their emphatic and unanimous response was yes, the region was terribly short of registered nurses, and the university should be producing more graduates that the industry needs.

I then briefly asked them what the implications of the shortage were, and they looked at me strangely as if I did not know and said that it would have a direct bearing on patient care, and that you actually had to have a qualified nursing work force to make a difference that matters to patient care outcomes. They were very clear about a shortage, that universities need to produce more, and that the increase in numbers would have a direct impact on patient care.

I refer to the demand for Monash nursing courses for next year, using VTAC figures. We have an enrolment across Monash of about 660 EFTSU, the greater number of heads doing nursing and midwifery courses. The total demand for nursing courses for next year is a little under 2500. We have an intake of around 200 into our nursing and midwifery courses. So again we know that demand far exceeds supply across nursing and midwifery. The demand has increased over the last three or four years. At Monash there has been around a 70 per cent increase in demand over the last four years.

The CHAIR — Sorry, was that 70 per cent?

Assoc. Prof. BARNETT — Yes, about a 70 per cent increase in first preferences — not total preferences, first preferences — which is an even stronger indicator of demand. It means people are putting down nursing as their principal primary choice, as opposed to other sorts of courses.

I have reflected on a couple of issues that were asked in relation to the committee's terms of reference — they are the clinical costs and the difficulty of accommodating increased numbers of places. It is clear that we can accommodate additional places in most universities across Victoria for nursing and midwifery, but specifically in rural areas clinical does present its own unique problems. Students do have a problem in transporting themselves to various clinical agencies, and smaller clinical institutions do require student placements. They see the placement of students in smaller hospitals as important in the overall recruitment strategy. So we face an issue, a bit of a dilemma, over whether to send students of sufficient size and volume to make it worth while financially, compared to the needs of the institutions and their ability to only accommodate small numbers of students at an increased cost. So if there were to be an outcome for the committee that was useful in terms of placements of students in rural areas it would be to come up with a mechanism to assist the placement of students in nursing and, I am sure, in teacher education in smaller venues and smaller sites in rural Victoria, which is a great difficulty for us across the board at the moment.

In terms of the TAFE sector, as Brian Mackenzie has mentioned, one of the exciting developments at the Gippsland campus is the introduction of the education precinct, where we have components of TAFE coming on board on the Churchill campus to deliver some of their programs in cooperation and consultation with the university. We suspect

that this will, as Brian indicated, contribute to demand for nursing courses by the university, but it also strengthens the articulation that we have between the TAFE and our own degree.

The CHAIR — We might open it up to questions at this time.

Mr PERTON — Professor Fitzclarence, you place great weight on this enter score of 75 in teaching. We have heard evidence from other witnesses — although it has varied a little — that there are ENTER scores lower that make students effectively unfit for undergraduate studies. What is your feel on what is an appropriate ENTER score to ensure, as you have said, higher retention through the four-year degree?

Assoc. Prof. FITZCLARENCE — I think we are at the lower limit there with the 75 score, and we have seen ample evidence of this over a period. Going back to the comment I made before about those retention patterns, some students particularly struggle in first year, and there are enough difficulties as it is. The intellectual overloading of people at that time seemed to be too great. I think this policy is very important in terms of assisting in that difficult transition. My feeling is that I would be very loathe to see that figure drop.

Mr PERTON — Your Pro Vice-Chancellor said there is a huge unmet demand — 306 applications for an intake of only 67. But you would say that if the number of places were increased to include more of those students with lower ENTER scores, it would not necessarily be a good expenditure of money?

Assoc. Prof. FITZCLARENCE — I think we would need the program like the Diploma of Foundation Studies that I was talking about before to be used almost as a bridging program. It is very effective at assisting students in studies and also in assisting with life skills within the university. We would have to put something like that in place alongside it to assist in that transition. To build people up to get into university and then for them to have a bad experience is a tragedy for individuals and families, and I personally feel very uncomfortable about that.

Mr PERTON — Professor Barnett, we had evidence from the nurses union — and I do not have the transcript in front of me now, but its assessment was that the greater need in nursing at the moment is places for postgraduate specialisation rather than undergraduate studies. I would like a comment from you on that proposition. Then leading into a similar question that I asked Professor Fitzclarence, with nursing is there also a lower limit to ENTER scores and satisfactory studies?

Assoc. Prof. BARNETT — My latest advice is that the state is short between 600 and 1000 registered nurse positions. I do not think it is short 600 to 1000 postgraduate positions, so my sense is that you would have to provide more graduates into the profession. In terms of postgraduates — yes, there is a shortage of places in selected areas of nursing speciality. This region is terribly short of midwives, emergency nurses and critical care nurses, for example. They are probably the top three.

Other areas where we know there is a shortage, but where there is less demand because they are less attractive, are in aged care and mental health, which is unfortunate because they are growth industries. So yes, there is demand for postgraduate places, but I believe there is outstanding demand for undergraduate places and registered nurses within the profession.

In terms of ENTER scores, I think most of the research in nursing would indicate that a school level score, be it a grade point average or an ENTER, is a good predictor of performance in first year, but the further you go into a course the more specialised it becomes, and that strength of prediction decreases. So I agree with Lindsay Fitzclarence that a good ENTER will predict how well you go in first year, provided you have good support mechanisms, but the further you go in, the weaker the predictability becomes. An ENTER of about 60 would be quite a reasonably score for nursing, because I suspect there are other factors apart from intellectual measures by ENTER that are important to a profession like nursing. Our preference would be to have all students with an ENTER of 90 because you probably get 99 per cent of them through the course, and that is terrific thing, and half of them again would go on to do honours or PhDs, but there are very capable, willing and acceptable people with lower ENTERs.

Ms ECKSTEIN — Professor Mackenzie, we have heard a lot today and you have alluded yourself to the considerable unmet demand at present that is likely to increase as retention rates at the secondary level increase. If you had extra funding for student places, how many could you take?

Prof. MACKENZIE — Five hundred. But let me tell you what we would have to do with them. The point that my colleagues have made about the ENTER score and the kind of academic preparation it provides is very true, but we need to understand that ENTER scores are not the whole story, and especially they are not the

whole story in rural areas. An ENTER score of 70 means that on a statewide basis you have scored higher than 70 per cent and lower than 30 per cent; so 30 per cent of students would be expected to have ENTER scores of 70 or higher. But in the regions it is much less than 30 per cent of students who have an ENTER score of 70 or higher.

In the regions there is an ENTER score deficit of between 5 and 10 points, reflecting not, I believe, anything to do with natural brightness among country kids because ENTER scores have very little, I believe, to do with natural brightness. Rather, it has a great deal to do with the level of academic preparation, and the degree to which students have an academic culture in their home environment; and that is considerably lower because country schools tend to be less well equipped they tend to have less in the way of specialist teachers, less in the way of specialist equipment, and fewer university personnel acting as parents in the region, and other intellectual sorts.

So country students do not have the degree of academic preparation that is characteristic of city kids, but they do have the capability, given some transitional programs such as our Diploma of Foundation Studies, to catch up in a very short time. We have evidence to show that this is the case. We have been running the program now at the Gippsland campus for the last four years. We took 120 students into this program, but we are now winding it back to about 100 a year because we think that is a sustainable number, and what we find is that those who go through the Diploma of Foundation Studies program have a pretty equivalent success rate of going through undergraduate programs as those who came in with what we call the 'clearly in' ENTER scores from the outside. In other words, a low ENTER is not a life sentence; it simply reflects a temporary underskilling which can be overcome with, in our diploma program, the equipment of one semester of intensive tertiary skilling programs.

Given the necessary kind of tertiary skilling, the introduction to university study and understanding how universities work and so on, I believe the characteristics of our campus are that we could indeed take an extra 500 students. We might have to reduce a bit of the distance education load to do so, but probably not — not if we could have a bit more staff in order to cope with the demand that the students would be providing. We would have to shoehorn them very hard, because we already have pretty heavy usage of our facilities, but we could do it, we would do it — we would run classes earlier in the morning and later in the afternoon and so on. I believe that 500 students, or an increase of about 25 per cent, into the on-campus student load is a reasonable and responsible estimate of how many more we could take and deal with and reasonably expect to have a similar success rate to those who are there now.

Ms ECKSTEIN — We have heard a lot about the need in the area for perhaps a greater diversity of course offerings; town planning is one area that has been mentioned to us repeatedly today.

The CHAIR — And food science.

Ms ECKSTEIN — Food science was another one. What is the capacity of the campus to perhaps diversify into some of those areas?

Prof. MACKENZIE — Town planning can be dealt with as a partial course of study in a course which has other options. We are currently working on developing what we call a Master of Sustainable Futures, which is intended to have some town planning modules. We do not anticipate it being accredited by the Town Planning Association of Australia because it would want the equivalent, at least, of an entire undergraduate course for that purpose, and we do not think — if we were to be shown wrong we could change our views on this — we would attract enough students to make it feasible to put one on.

The same goes double for food sciences. It came here from a university in New South Wales with a food sciences program, and it is an exciting and excellent program but it is incredibly expensive to run. In order to do it you have to have large numbers of students so you can amortise the cost of running the program over a substantial number of people. It is something that we would not be able to get into it unless we were being — how can I say it? — forced to, bribed to, persuaded to, along with a very substantial amount of capital funding to get the kind of pilot plan that is necessary to have a decent food sciences program. It is not a chalk-and-talk type subject; it is one which is just about as laboratory intensive as medicine or veterinary science.

Mr HALL — First of all, Brian, you spoke proudly about the regional focus of Monash Gippsland, and I share the pride that you have. Could you tell the committee what proportion of on-campus students actually come from the Gippsland region?

Prof. MACKENZIE — Yes, I was looking at that just the other day. It used to be — about six years ago, from the first figures I had — that the proportion of students who came locally were about 57 per cent; it is now up

to 65 per cent, and that is in the course of a 20 per cent increase in students overall over that period. So the numbers of students from outside the region have not declined, they have expanded, just much more slowly while the numbers from inside the region have expand very considerably.

Mr HALL — Do you have any local selection priority process?

Prof. MACKENZIE — I do not believe we do. Certainly it is possible to have priority processes whereby you award extra points on selection for local students. I do not believe we have found it necessary to do that. We certainly prefer local students, because we feel we have a particular responsibility toward them, and we have been very happy to see the number of them increasing. But — and Lindsay and Tony can correct me if I am wrong, as these things are managed on a school-by-school basis — I am not aware of any extra weighting that is given for local applicants.

Assoc. Prof. FITZCLARENCE — No, not in our faculty.

Assoc. Prof. BARNETT — We do weight local applicants who have gone through some sort of process more highly. They get an extra couple of points than people from outside the region.

Mr HALL — Good.

Prof. MACKENZIE — There you are, it varies.

Mr HALL — Monash Gippsland has fared very well in the employability of graduates. Do you do any tracking of where your graduate students actually gain employment? Do they tend to stick in the region, or is their employability far and wide?

Prof. MACKENZIE — Unfortunately we do not have good data on this, because graduates are not all that good about answering surveys after graduation. What we do keep track of — fairly assiduously, because we have an extremely tenacious alumni office — is where they live. We find that a very substantial proportion of them — well over half; I think up to two thirds, although it depends somewhat on discipline — do continue to live in what you can broadly call the eastern Victoria region. We take that as strong evidence that these are people who are working locally as well.

Mr HALL — Did you want to add to that?

Assoc. Prof. FITZCLARENCE — Can I just make a comment? I think that if we could do one thing fairly well — and I have argued this way in the faculty of education — we would put resources into proper exit studies to be able to track and work out where people are going, because we just do not know enough about that story. It would certainly help us understand a lot more if we were to do such sustained exit studies. It is a good point.

Mr HALL — The other topic I want to raise is one that has been frequently raised by people both making submissions to the inquiry and using engineering at Monash Gippsland as an example of something that led to skills shortages in regional Victoria. I know the story pretty well about what transpired with engineering, having made a submission, as you know, Brian, in those areas. It is important for the committee to have put on the record your view about the decision for engineering to be changed at Monash Gippsland, and what the reasons for that were.

Prof. MACKENZIE — I would be very happy to put on the record my views on that. My views are quite clear and strong. I believe the process was managed in what could arguably be considered not the best possible way. You can smile at that. There was a huge amount of pain involved, a great deal of aggro and a great deal of community unhappiness. There was an upside to that aggro and pain and community unhappiness — that is, that it galvanised the community and industry locally into a recognition of the importance of engineering at Monash Gippsland, and an affirmation of the extent to which they supported it. I believe we were stronger as a result of that, and I believe the outcome of the whole process has been an extremely positive one — that is, we have reluctantly in many cases, but nevertheless willingly, agreed to close down the mechatronics program and to replace it with a special purpose, especially tailored Bachelor of Civil and Environmental Engineering, which I believe will be uniquely suited to the needs of Gippsland and indeed to many other regions in Australia.

All of the evidence we received from the survey I commissioned at the very beginning of — good heavens, it was the beginning of this year; it seems so long ago — indicated that there was an expectation of an increased employment of engineers amongst all sectors of the economy over the next five years, but that the vast majority of

the increase would be in the three traditional specialties of civil, electrical and mechanical engineering, with the greatest of these, in terms of the amount of increased employability, occurring in civil. It was partly on the basis of that that I argued that if you are going to be restructuring to have a single program, that civil should be the one — failing that, it could be electrical or mechanical, but my own indication was that I thought civil would be the one that would best fit. And for various other reasons besides my advocacy, it was agreed that civil was the way to go, but to be mixed with environmental engineering, for two reasons. One is a trivial one, that the Monash faculty of engineering has a policy that no two departments or schools should offer the same course, and that since there was a civil engineering program at Clayton we should not be running strictly a civil engineering program.

We could overturn that policy, but it was frankly better to put it together with some environmental engineering subjects and to give a course which is unique in Australia, to the best of my knowledge, in providing some environmental perspectives and environmental expertise to the core business of civil engineers. These are things that civil engineers increasingly need to know about and deal with. I think this new course will prepare them better for the forthcoming era of increasingly stringent regulatory mechanisms than any other course around. I am happy with the outcome. I think we have an excellent course and I am working night and day to try to get that word out — we won.

Mr HALL — Is there any net loss of student places as a result of those changes?

Prof. MACKENZIE — The places are expected to be low at the outset. It will take some time to build it up, but my expectation is that within two or three years the number of commencing students in the civil and environmental program will be greater than that in the mechatronics program. The claim has been made to me — and I have not verified it, but I would not be surprised if it were correct — that there is not a single graduate of the mechatronics program working in Gippsland as a mechatronics engineer. The reason is that we simply do not have the kind of advanced robotics-based manufacturing activities in Gippsland that mechatronics teaches you to be an expert in. Hopefully we will have it in the future, but so far it is an extremely narrow niche, and those mechatronics graduates working locally do generally do so as mechanical engineers. Those who work as mechatronics engineers do so in the city. A civil and environmental course will frankly meet regional needs as well as providing a very widely applicable niche offering for students from elsewhere than just about anything else would.

The CHAIR — You mentioned the increase of discretionary places from Monash Clayton into Gippsland — I think you said the figure was 10 per cent. Is that marginally funded places? I was not quite sure what the term ‘discretionary’ meant.

Prof. MACKENZIE — I do not recall the precise context, but certainly in 2001 or 2002 I had a total of some 80 what we call pipeline places — that is, 80 commencing places — that were traditional places so that we could take in 80 every year thereafter and have them continue on to second and third year. Because students drop out, those 80 places work out to slightly over 200 over the course of the three-year program. Those were discretionary places in the sense that they were allocated to the campus, and the courses to which they were to be allocated was for me to determine in consultation with the heads of school here. I did that, and both nursing and education got a fair swag of them. Those are the discretionary places we have had. There were particular reasons why Monash had a number of unallocated places to give away, and we got a pretty good proportion of them. There have not been any of those lately.

The CHAIR — On the issue of marginally funded places — —

Prof. MACKENZIE — Sorry, I did not answer the main part of the question. These were fully funded places. However, fully funded places does not mean you get the full funds; it means you get whatever the faculty gets for those places. While all of the expenses of running the university and indeed running the faculty are taken off in a series of levies, the primary income we get for undergraduate places is through the government funding for them, and much of that funding has to go to pay the vice-chancellor’s salary, the dean’s salary, my salary and all of the perks we have and so on.

The CHAIR — We have heard evidence that, particularly La Trobe, there is a large number of marginally funded places or unfunded places — for want of a better word — in the regional campuses. For instance we were in Bendigo last week, and there was some evidence that in terms of the changes that have been outlined by the federal education minister in terms of trying to reduce the number of marginally funded places they are moving their profile away from those and reducing the number of marginally funded places. What is the situation in the Churchill campus?

Prof. MACKENZIE — The reference to marginally funded places in the current funding scheme refers to those places above the federally allocated commonwealth target which are funded simply on the basis of universities keeping the HECS charge. That, of course, will change and will give back a HECS charge for every place over a certain limit. But I am not aware of any other mechanism of marginal funding. Certainly there has not been any such mechanism in place at Monash. If there are some places at Monash Gippsland at present which are marginally funded in the sense that they are above target and we only get the HECS for them — and we would expect that with the gradual transition from marginally funded places to fully funded places that Monash would be making a strong case for getting a reasonable share of these — and those which were able to be retained, we would expect to be fully funded for in Gippsland.

The CHAIR — So basically as far as Gippsland is concerned, if you do not get those marginally funded place replaced by fully funded places it will not impact on you too much; you would not expect that there would be reduced enrolments?

Prof. MACKENZIE — If we do not get any of those transition places — that is, formerly marginally funded places that will now be fully funded — our numbers will go down and our funding will go down, but only a little bit because it is only marginal funding that we have now. But it is only at most a couple of hundred places in total that we have of that sort. It is not trivial, but it is not huge. It is less than 5 per cent. There has certainly been no proposal or discussion to be pulling back on these marginal places specifically at this or any other campus in preparation for making a submission for getting them turned into fully funded ones. What I can say in regard to the treatment of the Gippsland campus by the university generally is that we have not done too badly over the years and the new vice-chancellor has made a very strong set of statements and given us very strong signals that he regards regional campuses as being one of the jewels in the crown for the university. He is looking for ways to considerably enhance and springboard a development of the Gippsland campus. I am looking forward to seeing what that will turn into. He has convinced me that he means it.

Mr PERTON — Just one quick question, Professor Barnett, you are actually at all three nursing schools, is that right.

Assoc. Prof. BARNETT — Nursing is presently on two campuses — Churchill and Peninsula.

Mr PERTON — Is there any difference between the two schools and their needs in terms of places?

Assoc. Prof. BARNETT — We have a larger volume of undergraduate students at the Monash Peninsula campus, so it is a case of placing a larger number of students. At Gippsland the specific needs are trying to place students across a wider spread of institutions of greater geographic distance, so that creates logistical problems and issues related to resources and students finding accommodation and transport.

The CHAIR — Thank you very much professors.. It has been very useful. We have a number of questions which our research officer prepared of a factual nature in terms of numbers. I wonder if she could make contact and get information from you?

Prof. MACKENZIE — Of course.

The CHAIR — Thank you, and good luck with requesting more places for Monash Gippsland.

Prof. MACKENZIE — Thank you very much.

Witnesses withdrew.

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

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

Traralgon – 8 December 2003

Members

Ms H. E. Buckingham

Mr N. Kotsiras

Ms A. L. Eckstein

Ms J. R. Munt

Mr P. R. Hall

Mr V. J. Perton

Mr S. R. Herbert

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witnesses

Mr T. Pritchard, President;

Mr A. Schlotzer, Acting Executive Officer; and

Mr S. McLoughlin, Education Vice-President, Monash University Gippsland Student Union.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — Thank you very much for appearing. It is good to hear from student bodies, as we have from other bodies. Perhaps you would like to make a short statement relating to the terms of reference and then we will open it up for questions.

Mr PRITCHARD — There has been a decline in higher education opportunities throughout Australia since 1996. It has been a decline in those areas where graduates are most needed — nursing and education, to highlight just two. Unmet demand for first-year university places is not expected to decline under the current government or with the reforms that have been just passed. Students in Australia, on average, spend approximately \$23 000 per year on their education. The number of commencing first-year students fell by 1084 in 2003, and in economic terms this means that Victorian industry would have missed out on at least \$24 932 000. The trend in unmet demand is likely to continue under the current government and also with the current reforms in place.

Across Australia there is an estimated 7500 eligible students who missed out on first-year university places in 2003. The number of commencing undergraduates saw a decline from 161 459 in 2002 to 153 946 in 2003. The results published by the Department of Education, Science and Training illustrate there was a decline in commencing undergraduate students in every state and territory in Australia. In Victoria commencing undergraduate student places fell by 1084, which I have said previously, and the actual figures are 37 690 in 2002, and 36 606 in 2003. Places for commencing nursing students fell from 1777 in 2002 to 1563 in 2003. In 2003 Victoria had 3601 commencing teaching training students. I will go on to specifically say how this affects regional areas. For regional areas such as this — and you spoke before of Bendigo, and I think Ballarat — basically any of our regional areas, it is very difficult, especially in the fields of nursing and education, to not only get these people through university but to also retain them in the industry within the region. We have to keep the places up for these people so we can foster that and try to create that.

The CHAIR — I will open it up to questions.

Mr HALL — Terry, what is your pitch on the changes to engineering? You would have heard what the pro vice-chancellor had to say. What do you say about it?

Mr PRITCHARD — Certainly. Having been involved with this from basically the start, it evolved from bad process, probably some misinformed decisions somewhere, some inter-faculty rivalry certainly was involved, and there were certainly some pre-existing agendas that led to that as well. However, the overriding thing was a viability issue, which is what was given to us by engineering. I can understand where they were coming from, although I cannot figure out which modelling they were using at any given time. The problem here is that we have to weigh up, on the one hand, do we have a good variation of courses on offer in a regional area for students, or on the other, do we simply look at it in financial terms? It is an offset, and it is not an easy differentiation to make for a large university such as Monash. I heard Professor Mackenzie saying that the local community has bonded about this. Certainly it has, but not just on engineering, because people want diversity within their campus so that their children may actually be able to afford themselves an education. It is now recognised that for the majority of occupations that are available a degree is a necessity, not just something to be desired. It says a lot about the changing nature of living in the country in general, where the demands by employers have risen to facilitate that.

But back to engineering: we spoke to engineering on quite a number of occasions and had numerous meetings and put the cases forward. After the university council became involved it was agreed that there would be a review of the review process, and I was party to a part of the panel. A number of options came up. One was the complete closure and removal of engineering. The one that was decided on — and it was decided on in the light that we would rather have something that offered engineering students something rather than nothing at all — sounded as though it might be able to work. So that option was taken. But, of course, that did not address what happened to the existing students from here. Because the whole impetus was to actually remove the 200-odd students from here and transfer them elsewhere — whether it be to Clayton or off distance to Queensland. That was simply not acceptable because it was taking them from here, where they had chosen to study. It is something I have a very firm view on, and I think there need to be certain policies within a university with regard to dislocating students for when this will inevitably occur again at some stage in the future — not just here, but at other universities as well. Their livelihoods have to be looked after as well. The fact is that out of those who had transferred to Clayton the university probably would have lost at least a quarter who simply decided not to continue on, and that is a bit of a tragedy in itself.

We continually worked on trying to see what we could do for these students and also keep it to a workable degree. With the change of the vice-chancellor — and I do have to say that — things suddenly took a dramatic turn and it was decided that the existing students would be taught out at this campus for a limited tenure of two years.

Mr HALL — From the student union's point of view, you are pretty happy that the outcome was quite a reasonable one and that what is now in place is a program which might be more sustainable in the long term? That is, the civil and — —

Mr PRITCHARD — I believe it is, but, of course, there are many factors that will be implicated with that. So while I am optimistic, I still have some reservations in certain ways. But as to the overall outcome, yes, it is a good outcome. Naturally we would have loved to have kept the school of engineering alive and well at Gippsland and actually broadened it. The fact is that the numbers were not there to support it. That in itself was going to be a problem to overcome, not just outside the university, but also within the university, given the way it operates and the funding models that are produced. But yes, the overall outcome was quite a good one. Most importantly, the students seemed pleased with the outcome.

Mr SCHLOTZER — Ultimately the student union's concern lies in what future administrations of large universities, like Monash, do with their regional counterparts, like Gippsland. At Monash we have the situation where it is primarily the faculties that control the university, not necessarily the vice-chancellor, and ultimately financial decisions about whether or not a school dislocated from the main campus at Clayton should maintain its viability is ultimately up to an individual faculty, not based on strategic direction or operational direction from the vice-chancellor, who is effectively the CEO of the university.

We are also concerned about the viability of future pathways for students in the Gippsland area. Now our capture area for students ranges from Cranbourne through to Sale, Omeo and out that way. If we do not have educational pathways available to students at Gippsland, they will go somewhere else. So we are effectively cutting off our head at Gippsland if we allow faculties to make financial decisions which are based on modelling for a city campus, not for a regional campus. We admit that a regional campus is more expensive to run because you have to relocate people out here, there are certain expenses that are not necessarily met at a regional campus that could more easily be met at a metro campus, but ultimately when you take on a regional campus like Gippsland you have to also stand by it and say, 'Yes, we concur that there have to be educational opportunities at regional universities, at regional campuses'.

This is our ultimate concern, that if these sorts of trends are allowed to happen in big universities that decide, 'We cannot afford to do this any more, we have to recentralise', then those services are effectively stripped out of Gippsland, and that is what we saw in engineering. Our concern is that we may see that happen with other faculties, and as the current federal government's reforms have now been enacted how that will affect the Gippsland campus. But ultimately we are about the educational pathways. As soon as you start taking them away, it gives students in the area less pathways to progress on to keep their costs down, to stay close to home, and to stay within their relative family units and friends networks. These are the people who support them through university. If we take those resources away and force them into the city, they are less likely to pass.

Mr HALL — Well said. Could I ask you about fee-paying students, both domestic and overseas? I did not get the opportunity to ask Brian Mackenzie about this. How many full fee-paying students are there at Monash?

Mr PRITCHARD — You may have more information on this than I do.

Mr SCHLOTZER — On the last figures I saw it was approximately 10 per cent. It is not significant, simply because there is not the attraction that a metropolitan campus has. That is the bottom line.

Mr HALL — Do you see them as an advantage in terms of maintaining student numbers and therefore the viability of courses?

Mr SCHLOTZER — Not necessarily, no. We see it as an opportunity to boost the numbers at a campus, to maintain critical numbers, but that means that there are less publicly funded places; so it costs more for a student to enter a university at full fees than it does through HECS. By having more full fee-funded places you are actually ending up in a situation where a university gets more monetary benefit out of a full-fee paying student and is more inclined to cut the number of publicly funded places.

Mr HALL — If we could ensure that that did not happen, and that we maintained or increased publicly funded places, you would have no criticism in terms of fee-paying students on campus?

Mr SCHLOTZER — No, not at all. Students are students. It is the methodology by which they get into a university. If they are able to just whack down their \$20 000 or \$30 000 and say, 'I would like to get in', we have

problems with that because there are students in the area that do not necessarily have the financial backing but do have the appropriate academic qualities to get through university.

Mr PRITCHARD — With the Gippsland regional campus of Monash the difference between full-fee paying and HECS paying has a negligible impact on the actual campus. As Professor Mackenzie alluded to, it all goes to Clayton first and then comes back to us, so that actually will substantially reduce what feeds back into the campus.

Ms ECKSTEIN — We have heard a lot today and at other hearings about the costs to students of attending university — the costs in terms of HECS fees, in terms of relocation, rent, maintenance and all of those issues. What impact do you think the up to 25 per cent increase in HECS fees that is being allowed under the Nelson reforms that have just gone through will have on students at Monash Gippsland?

Mr PRITCHARD — The impact may not be immediately apparent, but it will impact on not so much the current students but certainly students considering going into university. Things that are happening around them such as the fluctuating interest rates and the question of affordable housing will all have an impact. So it is not those reforms on their own, but they will have an impact as people start saying, 'Is university an affordable option for me if I want to do this, this and this?'. The general answer will become more and more as time progresses. No — I suppose that is the easiest way for me to answer the question.

The immediate impact for current students is not that huge. It is future students who will reconsider whether they will go to university. You need to bear in mind that when we talk about the increases, there are also additional costs just in materials, textbooks and so on. For the average student that cost can be anywhere up to between \$2000 to \$3000 a year on top of your amenities fees and so on. They all have to be taken into account as well. Those costs will not remain static. They will increase as well. Also the income for students has not increased at all, so we have all of these other increases going on around the area, but the Austudy payment and the Youth Allowance has not increased one iota. In addition, people on Austudy cannot get rent assistance. All of those factors impact as well, so it is not that one on its own, but it is still a pretty big step, and it will make people reconsider.

Mr SCHLOTZER — Also on that point, Monash Gippsland does not have the functionality of determining its own fee structure for courses. That will be decided by Monash Clayton, and Monash has already indicated that it will wholeheartedly take up any increase it possibly can, so we are actually expecting to see a 25 per cent increase in courses from 2005.

Ms ECKSTEIN — So you are expecting the full whack?

Mr SCHLOTZER — Yes. Unless Monash takes a different policy in saying, 'Okay if you are in Gippsland or Peninsula you will not pay as much', then it will be all passed on. Monash has indicated that it will increase fees by the full amount allowed under the Nelson reforms across the board, except in teaching and education, of course, which are not allowed.

The CHAIR — We have Gippsland with high levels of unemployment, low socioeconomic groups of people, and a fee increase coming through, if it gets applied. What does that do to the demographics of students that attend Gippsland? Do you have any information about where they come from? Do you find you are getting more private school students or wealthier students? Do you have any demographics about them?

Mr PRITCHARD — It is a fairly broad mix.

Mr SCHLOTZER — Primarily our students come from low socioeconomic backgrounds. We tend to find that students that come through the private schooling system tend to opt for a city campus with Gippsland as a backstop. So if they do not make it into, say, Monash Clayton or Caulfield or Melbourne University, then they will pick Gippsland as a second or third preference in their VTAC applications. We generally tend to find that the students attending our campus come from low socioeconomic backgrounds, with limited resources, and have experienced the dilemmas that happened when the SECV was commercialised, so that they do have certain feelings about attending a university that is affordable and accessible to them. Generally students will pick Gippsland because it is close to home, it allows them to maintain their part-time or full-time jobs they have made in the local area, maintain their friend networks, stay close to the family and so on.

Mr McLOUGHLIN — Also there has been a tradition at the Gippsland campus previously when it was the Gippsland Institute of Advanced Education of having a large number of mature-aged students, students with full-time employment in the community and studying part-time, and students that study off campus through the

distance education network that Gippsland instituted previously in the mid to late 1970s. That is reflective of the broad diversification of the campus.

The CHAIR — So the fees increase would likely hit regional centres more than Clayton?

Mr McLOUGHLIN — Most certainly.

Mr PERTON — But the HECS fee increase will be applied to presumably law and medicine, as the vice-chancellor has said, and will be unlikely to be applied to regional education or nursing.

Mr SCHLOTZER — Under the new changes it will be against the law for any university to apply any HECS increases to education and to nursing; however, that leaves a whole range of other courses that will have the 25 per cent fee increase. We have also seen, in Victoria, every major university indicate that they will increase fees by the full amount allowed by the government; however, we have also seen places like Ballarat university say that it will not do that because it believes if it increases fees it will not have the pool of people to come to the university and make it a viable place to study. We will see the regional universities increase fees a little, and we will see the city universities increase them quite a lot.

Mr PRITCHARD — That is one of our major problems. Mr Schlotzer just talked about the University of Ballarat. Being a stand-alone university, Ballarat has its autonomy and that is something we lack, being a campus of a major university. That point needs to be continually addressed because there are different things happening, and there has to be a commitment to the local region for a regional campus, regardless of whether it is a stand-alone university or a campus of a major university, and that point needs some major addressing within Monash.

The other point is that we have had a few problems with the federal government, but certainly the Victorian government must also recognise its role with regard to unmet demand. It is a critical factor, particularly given the nature of the precinct and the pathways that are going to be made available. It is in the state government's interest to be contributing in this area as well.

The CHAIR — Thank you very much for your presentation. Good luck with your studies, and with the student union.

Witnesses withdrew.

CORRECTED VERSION

EDUCATION AND TRAINING COMMITTEE

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

Traralgon – 8 December 2003

Members

Ms H. E. Buckingham

Mr N. Kotsiras

Ms A. L. Eckstein

Ms J. R. Munt

Mr P. R. Hall

Mr V. J. Perton

Mr S. R. Herbert

Chair: Mr S. R. Herbert

Deputy Chair: Mr N. Kotsiras

Staff

Executive Officer: Ms K. Ellingford

Research Officer: Dr G. Berman

Witness

Ms C. Brigg, Associate Director Learning and Innovation, East Gippsland Institute of TAFE.

**Necessary corrections to be notified to
executive officer of committee**

The CHAIR — I welcome Ms Catherine Brigg, associate director, learning and innovation, East Gippsland Institute of TAFE. Perhaps you would like to make a short statement about what the institute does and how it relates to the terms of reference, and then we will ask questions.

Ms BRIGG — Thank you. My role at East Gippsland Institute of TAFE is as associate director learning and innovation. It is a role that I have held since July of this year. Prior to commencing in this role I was responsible for the direct management of the division 2 nursing programs at East Gippsland Institute of TAFE. So I have a background in the management of nursing, although I am not a nurse.

I want to speak broadly to the terms of reference and then specifically focus on aspects — paragraphs (c), (d), (e) and (f) — of your terms of reference. I have provided a copy of my paper, and I am more than happy for that to be distributed. Prior to East Gippsland Institute of TAFE's inception in 1986, the community of East Gippsland had voiced its concerns regarding the under-representation of higher education offerings in Gippsland. East Gippsland Institute of TAFE works closely in partnership with the local learning and employment network (LLEN), and recent research undertaken by Richard Curtin has demonstrated that there is a lower proportion of university students in the population in Gippsland East compared with Victoria as a whole. The comparison is 1.1 per cent of university students in Gippsland East compared with 4.1 per cent for the total population of Victoria. In terms of regional participation in higher education, we also have a lower-than-the-state-average participation in higher education; again in East Gippsland we have 1.1 per cent compared to 2.2 per cent for regional Victoria.

Because we have lower participation rates in higher education we have as an institute spent a lot of time thinking about what the challenges are for young people in our community. Although I represent East Gippsland Institute of TAFE, we see ourselves very much as working in partnership with the higher education sector. We very much see that education is about lifelong learning, and that opportunities that people have to commence their learning with TAFE can provide pathways and articulation strategies through into the higher education sector.

In terms of people who want to attend university in East Gippsland, my colleague Sandy Roberts, associate director business and organisational development, and I have recently done some research. Our research tells us that a young person, or a mature-aged person in fact, moving from East Gippsland to study in Melbourne is looking at costs of around \$12 500 per annum. If those who move are in the situation of being ineligible for government subsidy in terms of Austudy, they need to work approximately 1200 hours earning at a rate of \$11.26 per hour in order to support themselves in this study.

We therefore see that our Gippsland students who are forced to move to Melbourne are disadvantaged in terms of their ability to access education, and see our students being compelled to work much longer hours to support themselves if they need to live away from home. We also acknowledge — and particularly as a TAFE provider, where we significantly work with young people aged 15 to 18 years — and are very aware that adolescents develop at different rates, and yet it is assumed that a 17 to 18-year-old can make that transition into higher education. In the instance of many young people in East Gippsland we have found that when they do move they are three times less likely to complete their higher education due to the fact that they are not always mature enough to make that transition. Therefore, from an equity and access and a social and economic perspective, we support the case for additional degree places, particularly in Gippsland.

In relation to how the demand for teaching and nursing places is affected by an insufficient number of HECS places, I am confining my response to comments relating to nursing places. That is where my expertise primarily lies. East Gippsland RMIT and Monash University have worked closely with regional health providers since the 1990s, because we have been keen to ensure the existence of a recruitment pool of qualified division 1 nurses. In 1996 East Gippsland Institute of TAFE, in partnership with RMIT, set about to commence the delivery of degree nursing places from our Bairnsdale campus. That program has been running successfully since 1996, and since 1998 we have had a situation where we have had a 100 per cent outcome of employment within four months for RMIT nursing students based at East Gippsland campus obtaining employment. Approximately 60 per cent of our nursing students in East Gippsland who are studying at our campus in East Gippsland TAFE but are RMIT students have entered university via mature-age VTAC application or gained credit into second year in recognition of their division 2 nursing background. For us that is very significant in terms of providing pathways to people who are regionally qualified via the TAFE college being able to progress on.

The capacity to access degree nursing programs within the East Gippsland region has enhanced the abilities of our local health providers to recruit people from within the region. Because they have studied in their region and been able to undertake clinical placements, that has provided employers with a recruitment pool of graduates from the region. We have seen that program and that partnership as being extremely successful, and have found RMIT to be

very flexible in terms of its willingness to develop a regional partnership with the TAFE institute with a view to providing higher education. We applaud those sorts of initiatives.

In terms of how unmet demand impacts on TAFE, I will say that the pathway from division 2 nursing training with TAFE into a three-year nursing degree program has increased significantly the demand in our TAFE institutes for places in the certificate IV in health nursing, because people are aware that it will provide them with the first year of their three-year nursing degree program. We have offered 20 full-time places per annum, and 12 to 16 part-time TAFE nursing places every two years, and for every three applications we receive we offer one place.

The Victorian TAFE student contact hour price is already around 25 per cent below the national average, and recently we have experienced a further 9 cent per student contact hour cut for 2004. This means we will deliver less student contact hours in 2004, despite growing demand with apprenticeships. That then has an impact on our ability to respond to broader needs within the community; if we are shuffling places toward apprenticeships then we will have less hours and places to allocate to nurses. If you like to think of TAFE and higher education as working in partnership, there are direct implications for us of cuts in TAFE in terms of our capacity to provide pathways to higher education. We are a rather commercially oriented institute, but our current budget requires us to make \$800 000 net profit in commercial to achieve a \$320 000 profit at the end of the year, and we use the balance of our funds to support our recurrent programs.

In terms of East Gippsland Institute of TAFE's capacity to respond to the breadth of training needs across all industry sectors, the diminished capacity to respond means we find ourselves challenged to meet current government policy in relation to increasing the percentage of young people who complete year 12. We find ourselves increasingly challenged to enable adults to take up positions in education and training. In addition we find ourselves very keen to make participation in post-secondary education the norm in our society; however, funding reductions limit our capacity to respond. Recently there has been an increase in the fee costs within TAFE. Our fees have increased by 25 per cent. Twenty-two per cent of that increase will be retained by our own institute and other TAFE institutes in Victoria. What this will mean for us is that we will use those resources to ensure that we improve the existing programs, but it will not give us the capacity to do significantly more.

In terms of the need to improve cooperative arrangements between vocational education and training and higher education sectors, until 1993 Monash was the only campus in Gippsland in a position to provide higher education. Since 1993 East Gippsland Institute of TAFE has forged a very close working relationship with RMIT, it offering the first year of a business qualification, three years of the nursing degree program from our campuses, and most recently three years of commerce and next year one year of environmental sciences.

In 2004 we anticipate that RMIT will be delivering 143 higher education places from our campuses across East Gippsland. We commend such collaborative relationships between TAFE colleges and universities. It has provided opportunities for people in our region to participate in higher education in ways that might otherwise have not been possible for them, particularly for people who are in a partnership with a person with a full-time job in the region. Being able to access training opportunities in their community has meant they have been able to both realise their educational aspirations and also contribute significantly to the society and the recruitment pool within our society. So, particularly in nursing, given that RMIT and East Gippsland TAFE in partnership have produced at least 75 graduates from the nursing program, and given that 60 per cent of those people have stayed in the Gippsland region and become nurses and contributed to the shortage of nursing places, we see that sort of partnership as being quite significant in terms of its capacity to contribute to the socioeconomic future of our communities.

In summary, we are keen to encourage reflection on policy in relation to deferment of higher education places. I spoke earlier about the cost of undertaking higher education. Most universities and higher education sectors have a one-year deferment policy, and yet it can take 18 months to two years to qualify for independent Austudy. One of the things we are keen to talk about here is the issue of capacity to extend deferment. We applaud collaborative partnerships and have valued highly the contribution of RMIT, and we are suggesting that there is potential perhaps for financial incentives to expand partnerships between TAFE and higher education to ensure that the needs of regional Victoria are met in terms of the provision of higher education.

The CHAIR — Thank you very much for the comprehensive paper you have given to the committee. I am sure a lot of the information in it will be useful in our report. I am pleased to see that the Bullock Island centre will open next year. It sounds to be a very exciting and innovative program.

Ms BRIGG — It is.

The CHAIR — I would like to start with the recent changes to division 2 nurses, whereby you can get, what I will call a ‘Super 2’ nursing certificate, to dispense medicine. Are you involved in that process and will that lessen the demand for students during TAFE division 2 and then shifting on to university?

Ms BRIGG — I am familiar with that change, and I understand that it will take effect from next year, and that potentially up to 14 000 division 2 nurses will be required if they are to dispense medication and undertake that training. I am not sure that I am in a position to respond in terms of whether that will diminish the requirements for division 1 nursing because there are a number of industrial issues and they are yet to be resolved, or that is my understanding.

The CHAIR — Will you be offering additional training?

Ms BRIGG — Our capacity to offer that training will be dependent upon additional government funds, or I suppose there is the option of fee-for-service training which we could explore, but one of those two options would be required. We have at this stage set our priorities for 2004, and at East Gippsland Institute of TAFE at the moment they do not include the delivery of the medications unit because just to meet the existing demand for 20 full-time places in nursing plus our ongoing part-time students will see all our TAFE student contact hours allocated for 2004. That is not to say that that will not change in the future.

The CHAIR — You indicated that there is less money for student places in TAFE. I assume that means that the institute has in fact taken up the option of taking some money into your innovation area?

Ms BRIGG — We have indeed.

The CHAIR — Normally that means that that is where the reduction has come, and often those innovation areas are in the upper end of TAFE training, which links closest to degrees?

Ms BRIGG — That is right.

The CHAIR — What are you spending and what sort of things are you doing in that regard? How much was it, for instance?

Ms BRIGG — In terms of student contact hours it is 13 600 student contact hours. The project that our institute will undertake is a cross-industry sector initiative. It will involve providing opportunities for those people employed in the community services sector, conservation and land management and also in the virtual worlds — which is a burgeoning industry at the moment — to undertake workplace-based recognition of skills and then, through workplace-based projects to achieve a certificate IV whilst their supervisors are also undertaking a certificate IV in workplace training and assessment. Our institute was one of 15 studied most recently for innovations in education and training — a national ANTA project — and that is the basis of our innovation funding.

Mr HALL — First of all, the good work that is going on with RMIT is commendable, and is what we should be trying to improve. One would have thought that, logically, Monash would have formed an alliance with East Gippsland TAFE, given that it is a regional university based in Gippsland. Those discussions broke down a few years ago, didn't they?

Ms BRIGG — We had discussions around dual awards in hospitality and also discussions in relation to the sciences for our resource management students. We have had some articulation pathways in place, but there has not been a significant take-up, but we are not exclusively working with RMIT. We are always happy to work in partnership with all higher education providers. However, it is challenging for higher education providers to get their heads around their social responsibilities to the regions, and I think RMIT has got its head around that social responsibility extremely well in the last 10 years, and we have valued that relationship. I am sure that we could build more such relationships with many other higher education providers in the future.

Mr HALL — I wish you had said that when Monash representatives were still sitting at the table! Do you have any difficulty in clinical placements for your students involved in nursing programs?

Ms BRIGG — We have, to date, worked closely between the TAFE sector, the higher education sector — RMIT — and the hospital services, and we have been able to place all nursing students. We have been able to place all nursing students. There is probably the capacity for potentially another 10 to 15 places in the region, where we could service them with clinical placements. But there is a point beyond which the finding of placements would make it difficult to offer additional places.

Mr HALL — How many nurses do you have studying — both division 1 nurses through the RMIT program and division 2 nurses through the TAFE program?

Ms BRIGG — Next year we will have 73 division 1 nurses studying from East Gippsland campus and we will have approximately 35 division 2 nurses studying at East Gippsland — 20 full time and 15 part time.

Mr HALL — You are saying that there is an additional capacity for another 10?

Ms BRIGG — For 10 to 15, I would think.

Mr HALL — In what area serviced by East Gippsland Institute of TAFE is there unmet demand — that is, for what courses can you not accommodate the preferences of students to get into?

Ms BRIGG — Next year we are only going to honour our obligations to existing apprentices in the electrical area. We are in a situation where at the moment we cannot expand into offering additional places in electrical apprenticeships. We are concerned that we may not have sufficient student contact hours to meet the demand for apprenticeships. There is always growth in the area of aged care, because there is an ageing population in our region and there is a significant number of nursing homes opening here. Therefore we are increasingly required to deliver courses in certificate III in aged care, and we have found ourselves in a position regularly over the last four years of turning people away from those programs. They would be the key ones.

Mr HALL — Is that purely a funding matter?

Ms BRIGG — It is a funding matter, yes. We have the capacity to deliver in terms of the facilities and the potential to recruit staff, but not sufficient funds to meet the range and needs in our community.

Mr HALL — I think the committee should know that the East Gippsland Institute of TAFE has a fantastic commercial activity record and is currently undertaking commercial activity as far away as Queensland, and maybe overseas in New Zealand?

Ms BRIGG — We have done work in Nigeria and in Canada, and our commercial revenue at the moment is 38 per cent of government funding. I think it is the highest in the state, despite the fact that we are the second smallest institute in Victoria. But there is a limit now to our capacity to expand commercially and to continue to meet staffing costs and also to ensure that we service our own region.

Mr HALL — Is it true that the institute would be in deficit for half a million dollars if it were not for that commercial revenue?

Ms BRIGG — That is correct.

Mr HALL — There is a direct cross-subsidy?

Ms BRIGG — Yes, we cross-subsidise.

Ms ECKSTEIN — I want to follow up on something that Peter raised with you — that is, the case for additional degree places. Can you quantify that? How many are we talking about?

Ms BRIGG — I am restricting myself to talking about Gippsland, and I would think in total — —

Ms ECKSTEIN — Roughly.

Ms BRIGG — Somewhere between 15 and 25 could be sustainable.

The CHAIR — You have delivered a decent paper, which we are going through. Thank you very much for that. If you have further questions, Gabrielle Berman, our research officer, can handle that.

I would like to echo Peter's sentiments. I have had a fair bit to do with East Gippsland over the past three or four years, and the TAFE is certainly an innovative provider of education to the students that it services. I congratulate you. Well done; keep it up. Thank you very much.

Ms BRIGG — Thank you for the opportunity today.

The CHAIR — I look forward to the committee coming down at some point to look at the Bullock Island centre.

Ms BRIGG — Please do. We hope the building will be ready in February.

The CHAIR — Fantastic. I declare the committee hearing closed.

Committee adjourned.