



ARACY SUBMISSION TO FREE TAFE BILL 2024 [PROVISIONS]



About ARACY

ARACY would like to thank the Senate Select Committee on Fee-Free TAFE for this opportunity to contribute to this inquiry. ARACY's purpose is to champion all Australian children and young people to thrive. As our children's and young people's needs grow and change, so too must the support systems that surround them, striving for best practice and policy to provide the best conditions for their holistic wellbeing.

One of ARACY's key priorities is to advocate for policy reforms on issues young people themselves identify as critical to their wellbeing. For example, youth consultations reveal the rising cost of tertiary education as a significant barrier to accessing the skills and training required to contribute to Australia's future. Fee-free TAFE, paired with further reforms, can help ensure young Australians thrive both personally and professionally in a rapidly changing world.

Acknowledgement

ARACY would like to extend our thanks to [SNAICC—National Voice for our Children—](#) for their valuable contributions to this submission.

Overview

TAFE, and accessibility of tertiary education and training more broadly, is a critical measure to address inequities - not only in employment and income, but also as a social determinant of health and subsequent intergenerational effects. TAFE in particular presents opportunities to redress inequities for rural and remote students, as well as First Nations students. Free-Free TAFE should be recognised and resourced for the benefits it brings.

While Fee-Free TAFE is a positive step forward, its potential as a measure to reduce broad inequities could be greatly enhanced if coupled with additional measures to support holistic factors influencing enrolment and course completion. Holistic wellbeing, as outlined in **The Nest**—Australia's first evidence-based wellbeing framework for children and young people—requires addressing interconnected domains including feeling valued, loved and safe; having access to material basics; being physically and mentally healthy; having opportunities to participate; and having a positive sense of identity and culture (see ARACY's [The Nest Wellbeing Framework](#)).

Developing these holistic supports can be enhanced in partnership with people with lived experience, including TAFE and secondary school students from diverse backgrounds. Examples include providing adequate financial support to students to participate fully and complete their studies, as well as ensuring culturally safe and inclusive learning environments for First Nations students.

SNAICC, the national voice for Aboriginal and Torres Strait Islander children, highlights that while fee-free TAFE is a positive step, it must be complemented by measures to address systemic barriers for Aboriginal and Torres Strait Islander students, including financial assistance during study, investment in Aboriginal community-controlled organisations (ACCO) providing registered training, culturally safe learning environments, alternative pathways to qualifications, and reforms to improve workforce retention and completion rates in child and family services.

Summary of Key Points

1. Fee-free TAFE provides significant macroeconomic benefits (total economic benefits of TAFE are valued at \$92.5billion/year (1)).
2. Demand for Fee-free TAFE is significantly greater than expected, with 508,889 enrolments in an 18-month period (January 2023 – 30 June 2024) (2).
3. TAFE, as part of tertiary education more broadly, has well-established links to better health outcomes for populations, and is therefore a critical mechanism for reducing educational, employment as well as health and social inequities across generations. This would be enhanced if coupled with holistic, co-designed additional supports.
4. Education costs, as a significant part of living costs, have a disproportionate and significantly negative impact upon the broader wellbeing of Australia's young people.
5. Fee-Free TAFE is an important mechanism for addressing inequities specifically faced by young people from regional, rural and remote (RRR) communities.
6. Fee-Free TAFE can benefit First Nations students however should be coupled with additional measures including adequate resourcing of ACCO RTOs (Registered Training Organisation), financial supports, and cultural reform.

Summary of Recommendations

1. ARACY broadly supports Fee Free TAFE as an important measure to support educational, employment, economic, and health outcomes.
2. Expand 100,000 Fee-Free TAFE places to 300,000 Fee-Free TAFE places per annum to meet current demand, with adjustment to align with future demand.
3. Fee free TAFE should be coupled with an increase in Youth Allowance to a minimum of \$82/day to support students to participate fully in their studies.
4. 80,000 of the 300,000 places should be reserved for students from regional, rural and remote (RRR) communities.
5. Partnership with young people with diverse lived experience is needed to better understand that barriers and supports needed to access and complete TAFE courses.
6. Supports for First Nations children and young people must be self-determined. ARACY points to the recommendations made in collaboration with SNAICC in relation to Aboriginal and Torres Strait Islander children and young people (3):

6.1 Ensure equitable investment in ACCO RTOs

6.2 Targeted quotas for Fee-Free TAFE places can help address inequities in entry to training and workforce participation for Aboriginal and Torres Strait Islander young people, if the measure is supported by institutional reform and sufficient student support that increase course completion, including financial support while studying.

6.3 Provide sufficient financial assistance to students while studying (i.e. through Centrelink), including during mandatory unpaid placements

6.4 Develop tailored initiatives to support workforce pathways for Aboriginal and Torres Strait Islander students, including partnerships between TAFE and community-controlled services, culturally tailored mentoring and support programs for students, and the funding and growth of ACCO RTOs

6.5 Develop measures that provide alternative pathways to qualifications for Aboriginal and Torres Strait Islander staff, which recognise significant professional experience and cultural expertise of First Nations people.

Rationale

Key Point 1: TAFE and Fee-Free TAFE from 2022 – 2023 has had a variety of successes, economic benefits, and the potential to influence broader health and social outcomes.

Economic success of TAFE graduates.

- 91.8% of apprentices and trainees are employed within 6 months of graduation (4) (5)
- 78% of graduates are employed 6 months following graduation (4) (5)
- This is 10 percentage points higher than university graduates (68%) (4; 5)

Macroeconomic benefits of TAFE.

- Study from The Australia Institute's Centre for Future Work (1) found that TAFE:
 - Generates \$6 billion economic activity.
 - Directly supports 48,000 jobs.
 - Contributes \$84.9 billion/year in higher incomes and productivity.
 - Ultimately, total economic benefits from TAFE are valued at \$92.5billion/year. (1)

Significant positive impact of the current impact of Fee-Free TAFE initiative:

- 508,889 enrolments between January 2023–30 June 2024, significantly exceeding predictions (2).
 - Includes over 170,000 young people (2).
- Has met goals in government priority areas as outlined in the legislation, including:
 - 1/3 of enrolments in RRR communities (166,000) (2).
 - Over 30,000 enrolments from First Nations (5.9% of total enrolments) (2).

Tertiary education is well-established to bring significant health benefits to populations. Across 26 developed countries such as the US and Canada, "adults with higher educational attainment have better health and lifespans compared to their less-educated peers... tertiary education, particularly, is critical in influencing infant mortality, life expectancy, [and] child vaccination" (6).

Recommendation: ARACY broadly supports Fee Free TAFE as an important measure to support educational, employment, economic, health outcomes.

Key Point 2: Current Fee-Free TAFE allocation will be insufficient to meet demand.
Current allocation of 100,000 fee-free places will be insufficient to meet demand.

- Over 500,000 places in 18 months indicates that 100,000 per annum is insufficient to accommodate growth in TAFE engagement.
- 300,000 Fee-free TAFE places per annum aligns more accurately with demand demonstrated between January 2023 – 30 June 2024 (over 500,000 enrolments in 1.5 years).

Recommendation: Expand 100,000 Fee-Free TAFE places to 300,000 Fee-Free TAFE places per annum to meet current demand, with adjustment to align with future demand.

Key Point 3: Insufficient Fee-Free TAFE places will exacerbate financial pressures on young people.

There is robust evidence to demonstrate young people are facing a cost-of-living crisis that is impacted broader elements of their wellbeing.

- More than 1 in 4 (43.8%) enrolments and almost half (47.9%) of all TAFE completions in 2023 were by young people aged 24 years and younger (7).
- In both Mission Australia's Youth Survey Report 2024 and the Australian 2024 Youth Barometer, living costs were the number one concern of young people (8 p. 8) (9)
- The Australian Government Cost of Living Calculator reports the average cost of a domestic student living in a share house in the suburbs of a major city is between \$20,748 - \$26,156 per annum (10). Youth Allowance for a young person between 18-24 years who is single with no children is \$11,835.20 per annum if living at home or \$17,245.80 if living away from home. Both rates fall well below the annual funds needed to live frugally in the suburbs of a major city (11) (10)
- Upfront course fees in addition to this cost is an overwhelming and inequitable burden for TAFE students.
- Recipients on the Youth Allowance endure high rates of material deprivation: 26% of recipients are living under the poverty line (12). People on the Youth Allowance are 5 times more likely than all people to be unable to afford one substantial meal a day (12)
- When the wellbeing domain of Material Basics is undermined, so are other wellbeing domains. ACOSS and UNSW highlight the impact on the domains of Health (financial-related stress and anxiety), Learning (choosing between classes, meals and work) and Participation (less likely to socialize due to financial pressures) (12). When under material deprivation, students face the choice between work and study, increasing rate of course non-completion.
- 60% (18,000) of 15-19-year-olds had experienced social exclusion (a lack of available resources and opportunities needed to participate meaningfully to

society) in the last 12 months (13). Education-employment issues was the domain of social exclusion that was most experienced, reported by 39% of surveyed young people (13). Fee-Free TAFE ensures tertiary education is more accessible, directly mitigating this domain of social exclusion.

Recommendation: Fee free TAFE should be coupled with an increase in Youth Allowance to a minimum of \$82/day to support students to participate fully in their studies.

Key Point 4: Adequate Fee-Free TAFE will support the affordability and broader wellbeing of young people, which can be enhanced with additional measures.

- Fee-free TAFE is recognised by the Australian Education Union (AEU) being a “life-changing” mechanism to “open doors for a new generation of students who previously would not have been able to undertake vocational education” (14).
- High graduate employment rates (78%) ensure stable and predictable employment prospects for TAFE students (4)
- A poll of our young subscribers indicated strong agreement that the cost of tertiary education impacts on their decision to pursue tertiary studies. One respondent noted that “Tafe needs to have minimal costs attached” (15).
- Engagement with friends, mentors, academics, support staff and community groups within TAFE institutions combats social isolation and loneliness.
- The more people who can access the short and long-term benefits of TAFE, the more young people will encounter higher and more stable levels of wellbeing.
- Limited research was available on the experiences of young people considering or studying at TAFE, and the factors influencing accessibility of TAFE and their ability to complete their studies.
- Additional holistic measures developed in partnership with young people with diverse lived experience will enhance the accessibility and completions rates of TAFE.

Recommendation: Partnership with young people with diverse lived experience is needed to better understand that barriers and supports needed to access and complete TAFE courses.

Key Point 5: Fee-Free TAFE addresses inequity of Regional, Rural and Remote (RRR) young people.

Regional, rural and remote (RRR) young people face additional financial barriers to TAFE engagement

- The Australian Youth Barometer highlights that young people recorded higher rates of financial difficulties in regional (90%) and remote (96%) areas than their peers in metropolitan areas (84%) (9 p. 16)
- Only 55% of RRR students who obtain an ATAR of 60 or higher go directly to university or TAFE following high school, relative to 78% of metropolitan students (16 p. 24).
- Of the RRR respondents, the most common reason for participating in a gap year was to "work to save money for (tertiary education)" (17)
- However, taking a gap year increases the risk of course non-completion, contributing to fewer RRR young people completing tertiary studies (16 p. 23).
- For RRR young people who wish to relocate, education costs are even higher (transport, living out of home, accommodation).
- Fee-Free TAFE would immediately mitigate education costs, potentially increasing the rate of RRR students who enter directly into tertiary education following high school.

Greater TAFE accessibility meets the economic needs of RRR communities.

- TAFE qualifications are "critical to meeting local needs" of RRR communities (16 p. 6).
- The demand for under 35-year-olds in technical professions in RRR communities is higher than in major cities, with the rate of technical jobs over double in very remote communities (29%) relative to major cities (14%) (18).
- TAFE provides young people with the skills and training that are relevant to their communities, consolidating the sustainability of RRR jobs and economies.

Fee-Free TAFE supports the broader wellbeing of RRR young people.

- Reduces living costs, advancing the ability for young people to afford their basic needs (Material Basics).
- Involvement in educational environment with promising job prospects following graduation (78% graduate employment rate) (4) (Learning, Material Basics).
- Establishment of stable, trusting relationships with friends, academics and workplace mentors (Valued, Loved and Safe, Participating, Positive Sense of Identity and Culture).
- Engagement and involvement in new sectors of the community, access to new social groups (Participating).

100,000 Fee Free TAFE positions per annum is insufficient to addressing the high demand for TAFE places in RRR communities.

- 166,000 enrolments in RRR communities in 18 months (2).

- Reserving 80,000 enrolments per annum for RRR students ensures that TAFE demand from RRR students is appropriately met.

Recommendation: 80,000 of the 300,000 places should be reserved for students from regional, rural and remote (RRR) communities.

Recommendation: Coupling Fee Free TAFE with additional holistic supports developed in partnership with young people from rural and remote backgrounds will enhance the effectiveness of Fee Free TAFE as a measure to address inequity.

Key Point 6: Fee-Free TAFE is a potential mechanism to address inequity endured by First Nations young people.

High enrolment numbers of First Nations students in Fee-free TAFE suggests that Fee-free TAFE could be a potential mechanism to reduce financial barriers to education, as a step towards addressing greater inequities.

- First Nations people, especially young people, are engaged in TAFE at a high rate. Over 30,000 First Nations people enrolled in Fee-Free TAFE in 18 months, representing 5.9% of total enrolments despite the First Nations working age population representing approximately 2% of total population (2) (19).
- 42.8% of First Nations people were studying at vocational education institutions in 2021, with percentages varying between 40.9% and 56.5% from 2001-2021 (20).
- Greater proportions of First Nations young people plan on attending TAFE following high school (17.4% vs 11.9% of non-Indigenous students) (8 p. 38)
- The most common barrier to pursuing tertiary studies reported by First Nations young people the ABS 2021 Census was "too expensive / financial reasons" (21). Barriers reported in the Mission Australia Youth Survey 2024 include "Where you live" (35.6%), "Financial Difficulties" (31.5%) and "Transport" (30.3%) (8 p. 39)

Our collaboration with SNAICC (national peak body for Aboriginal and Torres Strait Islander Children) was broadly in support of Fee Free TAFE, however revealed important nuances in relation to First Nations children and young people. The points below are an excerpt from direct correspondence:

- "Measures that increase access to tertiary education and training are important and must also be supported by measures to increase **course completion**. Initiatives that only improve access do not guarantee increased completion, especially for Aboriginal and Torres Strait Islander students who may face discrimination and racism in tertiary education and training institutions.
- Measures to provide immediate financial assistance to students while studying are often more important than course fees in terms of supporting

students to successfully complete a TAFE course. Governments need to prioritise ensuring that the financial assistance available to students while studying (i.e. through Centrelink) is sufficient for them to live on. This includes providing financial support while students are undertaking mandatory unpaid placements. This support is critical for supporting students to complete their course and avoid being placed in a financially precarious position because of their study.

- There must be equal investment in ACCO (Aboriginal Community Controlled) registered training organisations (RTOs). This is aligned with all governments obligations under Priority Reform 2 - Building the Community-Controlled Sector under the National Agreement on Closing the Gap. Only investing in free TAFE further disadvantages ACCO RTOs who provide safer and better learning outcomes for Aboriginal and Torres Strait Islander students. A singular focus on TAFE reduces choice for Aboriginal and Torres Strait Islander students seeking culturally safe education and training.
- Fee-free TAFE, including targeted quotas for Aboriginal and Torres Strait Islander students, can help address inequities in entry to training and workforce participation for Aboriginal and Torres Strait Islander young people, if the measure is supported by institutional reform and student support that increase course completion, including financial support while studying.
- We have dire shortages in qualified, local Aboriginal and Torres Strait Islander staff in children and family services and early childhood education and care. Fee-free TAFE targeted to these child and family service industries can help to ensure workforce for these vital services, and ensure they are culturally safe, strong and effective. This will set the foundations for Aboriginal and Torres Strait Islander children and young people to thrive in education and throughout their lives.
- Alongside fee-free TAFE, tailored initiatives are needed to support workforce pathways for Aboriginal and Torres Strait Islander students, including partnerships between TAFE and community-controlled services, culturally tailored mentoring and support programs for students, and the funding and growth of Aboriginal and Torres Strait Islander community-controlled RTOs.
- Often Aboriginal and Torres Strait Islander staff have significant professional experience and cultural expertise that is not recognised as prior learning, or as an alternative pathway to tertiary education and training. Increased access to TAFE should be accompanied by measures that provide alternative pathways to qualifications for Aboriginal and Torres Strait Islander staff (3)"

ARACY points to the recommendations made in collaboration with SNAICC in relation to Aboriginal and Torres Strait Islander people (3):

- *Ensure equitable investment in ACCO (Aboriginal Community Controlled) registered training organisations (RTOs).*
- *Targeted quotas for Fee-Free TAFE places can help address inequities in entry to training and workforce participation for Aboriginal and Torres Strait Islander young people, if the measure is supported by institutional*

reform and sufficient student support that increase course completion, including financial support while studying.

- *Provide sufficient financial assistance to students while studying (i.e. through Centrelink), including during mandatory unpaid placements.*
- *Develop tailored initiatives to support workforce pathways for Aboriginal and Torres Strait Islander students, including partnerships between TAFE and community-controlled services, culturally tailored mentoring and support programs for students, and the funding and growth of Aboriginal and Torres Strait Islander community-controlled RTOs*
- *Develop measures that provide alternative pathways to qualifications for Aboriginal and Torres Strait Islander staff, which recognise significant professional experience and cultural expertise of First Nations people.*

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