# Highlighting inequities in higher education funding

The changing nature of tertiary education in Australia has shifted from the traditional hierarchy, to a dual sector and the blurring of lines in between. Universities are offering vocational education and Vocational Education and Training (VET) providers are offering higher education. Yet, students choosing to study higher education at TAFE do not receive the same funding support as do university students.

This inequity in funding access for TAFE institutions offering higher education qualifications means that students who choose to study at the Bachelor level or higher at TAFE are disadvantaged. TAFE institutions offering higher education qualifications is key to widening participation in higher education. This point applies especially with regards to reaching remote communities. Without equitable funding however, the quest to widen participation is constrained.

While traditional universities are funded with research and teaching grants and student fees supported by Government subsidies, or Commonwealth Supported Places (CSP), universities venturing into the dual sector space also have access to VET funding provided by respective state and territory governments. Yet, VET providers offering higher education are generally excluded from CSP in accordance with the Higher Education Support Act 2003.

Given that the university sector is largely research and theory focused, graduates are research and theory oriented. In contrast, TAFE institutions as predominantly VET providers are focused on applied learning. Accordingly, VET providers offering higher education have a strong point of differentiation in generating skills, not scholars.

Commonwealth funding is provided to certain higher education providers, such as TAFE, when the higher education provider is not a Table A provider and the grant relates to national priorities. Under these conditions, individual TAFE institutions can apply for CSP, but the Ministerial allocation of CSP to TAFE institutions is nominal relative to universities. The argument presented here is that the same funding opportunity for universities should apply to TAFE institutions. Otherwise, inequities persist, opportunities to widening participation in higher education are limited and the potential VET to higher education transition is unnecessarily disjointed.

The Albanese Government is promoting TAFE friendly policy and the terms of reference for this Universities Accord note the key areas of review include development of skills, improved access to higher education and funding arrangements that delivery equity, access and quality. Providing equitable funding opportunities across the higher education sector that includes TAFE institutions offering higher education qualifications will encourage a widening of participation in higher education and the VET to higher education transition will be better facilitated. More than that, TAFE institutions are well place with regards to the development and delivery of adult literacy and digital skills necessary for the future of work. Such skills can be embedded in higher education qualifications provided by TAFE institutions.

The Albanese government establishment of Jobs and Skills Australia also points to the need for the higher education sector to deliver skills not scholars. Applied learning is the point of differentiation that TAFE institutions offer in the higher education market. The strong industry alignment and partnerships that currently exist within TAFE networks enables degrees to be co-designed with industry in a way that universities can only aspire towards. TAFE institutions are also well versed in the delivery of an apprenticeship model. As Bean and Dawkins (2021) advocate in their University-Industry Collaboration in Teaching and Leaning Review, work-based learning in the form of cadetships (higher-level apprenticeships) is a key initiative. TAFE institutions can facilitate the design and delivery of such cadetships. The cadetship model is well established in the UK for example and Australia can choose to embrace the cadetship model as a mechanism to align the development of skills and education. Equitable funding across the higher education sector will greatly contribute to the successful establishment of this initiative and will generate a workforce that is skilled in recognised priority areas.