‘Growing TAFE and VET in tough times: evidence before rhetoric’

Colleagues and friends

Congratulations on your attendance for this Capability Analysis Client Forum.

I would like to acknowledge Dr John Mitchell, director of the JMA Analytics, for the insight behind what has become the most powerful evidence based benchmarking tool now taking place within and across TAFE Institutes, major VET and training providers -- and of course numerous State government departments.

Earlier today during a meeting with Rod Camm, the newly appointed Managing Director of NCVER, I related a story I tell many lost souls so often searching for the meaning of data produced by [agencies like] NCVER, which reportedly delivers results for what they think is Australia’s technical and vocational education.

NCVER is a fine data collection agency – but remember the shareholders comprise federal, state and territory governments – the same agencies who fund training. Not surprisingly, NCVER data tracks the cost of training, and a bit more – but frankly the outputs are so aggregated, dated and complex that its meaning dissolves into a ether that remains incredibly frustrating. Frankly, as the JMA Forum testifies, increasing numbers are voting with their feet for greater analysis.

My own experience was originally an honours undergraduate years in political polling, and later benchmarking with public companies.

- I had originally pursued political journalism in Canberra and Sydney, but had far more fun when I jumped the fence – this was in the mid to late 1980s, for what became more than 15 years heading up investor and regulatory affairs for public companies; first working to Sir Tristan Antico at the (then) Pioneer Concrete before we rebranded it as Pioneer International.

- I then was recruited to Coca-Cola Amatil, to be engaged during the inventive six-business demergers under Dean Wills, somewhat controversially managed the IPO listing of one of these subsidiaries, WD & HO Wills Holdings, which the BAT UK dominated with a most successful listing.

- I later served in Singapore and ultimately opted to stay in Singapore to launch a dedicated vocational education research and benchmark group called Dataconsult Communications,
linked to the Economist Intelligence Group’s licensed associate Dataconsult, which managed five ASEAN markets for EIU, along with Bangladesh.

This established benchmark tools; our clients were oil companies needing to look at vast new market penetration with convenience retailing through developed and emerging SE Asia markets. Training at various levels became a major business in itself, and ultimately we invited a UK consulting firm to enter as an investor.

The rest was history with our selling the business – I relocated to Australia, and the Federal Department recruited me for a four month contract to lead Dr Brendan Nelson’s Parliamentary Communications unit when he was first appointed Minister for Education and Training – TDA followed and I remain very committed to seeing how design and change for TAFEs can be best managed – and evidence based.

All this is a four letter word DATA – we all need required timely data, client focussed, and market active.

Back to Rod Camm – probably John Mitchell hardly needs me telling NCVER how to redesign their business, but clearly the horse has bolted, and this private research is a real gift as more than half of our TAFEs now are JMA clients, and increasingly the larger private RTOs and training firms.

Yet I am still innocently amazed at the NCVER disconnect;

Can any of you imagine running investor relations in Coca-Cola Amatil or FMCG firms like Colgate or Unilever today, and with a research partner like NCVER – you would be insisting as I know they do of firms like AC Nielsen, that there is detailed marketing and brand tracking into every variant launch, and sales per category, across the closest of outlets and market segments.

You don’t employ – or worse, rely entirely on AC Nielsen – just to share within your Top Team aggregated data more than a year old a la what the training sector thru taxpayers fund for NCVER. You can’t achieve market accountability, track success or otherwise for shareholders, and markets can be simply lost without adequate research.

Imagine Colgate launching a new toothpaste variant, but not receive any feedback for more than 12 months, and not even to have your brand included in the results.

It is too hilarious to contemplate.

Fast forward to today.

We see implementation of Julia Gillard’s un-costed proposal to state and territory premiers, that formed the basis of a COAG meeting in Canberra in April 2012. The proposition was Premiers should sign up to a national rollout of what so crudely was conceived in Victoria, for a National Entitlement Scheme to Training...with $1.75B bucket of funding in the middle of the table.

Evidence already has been there for all to see preliminary results; market share across VET providers has been dramatically volatile, certainly demonstrated in the Victorian market. Of course, this is not surprising; the training market has almost doubled in five years, and the qualifications eligible have varied dramatically, not the least share for providers.
Doubtless, even though states and territories are now creating their own version of Entitlement, and ‘making up’ quality systems in a desperate attempt to limit Budget cost blow-outs, like Victoria,

At TDA, we successfully convinced the Commonwealth that at the least, their $1.75 billion and further real payments under National Entitlement should be tracked for contribution to GDP and employment growth.

- We were funded to commission a dedicated Econometric Model of technical and vocational education spend. The results were launched at our National Conference, showing governments achieve a minimum 16% return on investment.

- Employment outcomes was especially dynamic in the survey, completed by Independent economics led by Chris Murphy -- the former partner to Chris Richardson at ACCESS Economics, Chris Richardson, before he merged that firm to create Delloite ACCESS Economics.

Now we have through our partners in the China government, under our long-running mentor agreement, seeking to support TDA’s initiative to establish a Centre of Skills Excellence in China – we are also advanced with a Centre in India --

--- ...not surprisingly, the Chinese wish to make as a first project scoping of how such an Econometric model might apply to China, and their tremendous focus on skills and technical education training.

For JMA Analytics, I attest that the costings of CATs has remained afar sight south of what our commissioned Australian government costs for Chris Murphy’s Econometric work.

The collaboration with ACER has been a fabulous platform, and contributes substantially to the credibility of the CATs which continue to grow.

SO - my congratulations not just to JMA Analytics and those principals here tonight.

- Input to outlining some of the CAT options for clients --

I also congratulate my own TAFE colleagues and MEGT and other agencies for their own leadership – yours has been a real step forward to support development of data benchmarking and new modelling to seek out the key attribute for success in these changing consumer focused markets.