STEPHEN CONWAY’S WELCOME ADDRESS TO TDA CONFERENCE, TAFE REDEFINED

Monday 02 September 2013 at 9.10am

On behalf of the Board of TAFE Directors Australia, I am delighted to extend a warm welcome to our Australian and our international delegates to the 2013 TAFE Directors Australia Conference in the Sofitel, Brisbane.

The great Indian Guru and Nobel Prize winner, Tagore wrote “You can’t cross the sea merely by standing and staring at the water”.

Tagore’s philosophy lies behind the title of this year’s Conference, TAFE Redefined.

Australian governments agreed in April last year to proceed with a systemic redefining of skills funding in Australia with an entitlement ‘voucher’ system for students and industry – this is the latest in a series of market-driven funding changes to our sector.

By the close of this year, all jurisdictions would have moved to a new devolved governance platform for our TAFE institutes.

We know – and experience daily – that technical and further education (TAFE) institutes are not “standing and staring”. – We, as you know, are recreating and redefining the skill development landscape in diverse and inventive ways.

We are leaner, we are sharper in our focus on skills in an international context, we aim for agility in our business models, and we anticipate the changing needs of our diverse clients.

We increasingly draw on our collective capability.

We are looking outwards.
The TDA conference program mirrors this re-definition with a stellar line up of over 60 speakers from Australia and from the USA, UK, China, Hong Kong and India.

Speakers will address a range of issues, including: the economics of skills; Australia in the Asian Century; MOOCs and digital learning; the quality proposition; tertiary connectedness and indigenous workers and learners.

And delegates will meet the national media ... It will not have escaped any of you, even our international visitors, that Australia is in the midst of a Federal election.

We are delighted that you will have the opportunity to hear and to respond to the Federal Labor Minister, The Hon Brendan O’Connor, Minister for Employment, Minister for Skills and Training.

The Coalition’s Ms Sussan Ley, the Shadow Federal Minister for Employment Participation, has also accepted our invitation in this Election week, to address this timely TDA 2013 conference.

TDA is honoured that the Conference has been opened by the Hon John-Paul Langbroek MP, Queensland’s Minister for Education, Training and Employment. TDA acknowledges the very generous support from the Queensland Government as the official sponsor of this year’s conference.

TAFE Directors Australia is the national peak body representing the interests of Australia’s 61 publicly funded technical and further education institutes. Every year, our members provide education and training to over 1.7 million Australians seeking new skills and training across the full spectrum of the Australian Qualifications Framework.

Our members have a big footprint in Australia with campuses across the large capital cities through to regional towns and into remote communities.
TAFE is also a major exporter of education and training services, with more than 240 active partnerships in 40 countries and 58,000 students studying off-shore, double the number of international students on-shore.

This achievement has not been without its challenges. The failure of government to recognise the high quality and low risk of our TAFE institutes has placed undue pressure on our ability to recruit and support international students. There is minimal financial support to expand our offshore partnerships at a time when many countries, particularly in the Asian region, are focused on improving their vocational training systems and meeting industry demands for advanced technical skills training.

TAFE is ideally placed to meet this need and TDA has proposed a number of practical initiatives through our Position Paper on International Education.

TAFE provides the lion’s share of skills development in advanced technical areas and in apprenticeship training; however what is less well appreciated is that over 80% of TAFE’s delivery addresses critical skills shortages across a broad spectrum of industries.

Industry understands and values this capability of TAFE – whether attested by Innes Willox of the AIGroup or via the 75 case studies authored by leading VET researcher Dr John Mitchell that document TAFE’s capability and successes in new models of delivery -- perhaps exploding a myth that rears its head at times that TAFE can be unresponsive and remote from industry needs.

Both will be speakers at this year’s conference, and one case study, TELSTRA, a guest speaker at tonight’s TDA Conference Dinner.
TDA recognises that the various Australian states and territories have their own vocational education and training, Ministers, departments and policies and priorities.

TDA however seeks to provide a national voice and generate a national dialogue on behalf of its 61 members --- this conference is part of that voice and dialogue.

In this regard the clear position of TDA is that TAFE is a public asset under State and Territory legislation. We do not merely acknowledge, but value, this structure for its capacity to contribute to State and Territory productivity plans and to the broader skills development needs of the Australian economy.

Since the last conference held in Perth in 2012, TDA members have proceeded with its National Charter for TAFE.

The Charter is based on 4 principles

1. Funding for TAFE needs to be sufficient for the educational and training services that it provides
2. Improved quality criteria are necessary for public funding in a competitive system
3. TAFE governance enables TAFE flexibility and responsiveness
4. TAFE should be recognised for its innovation and leadership roles and pivotal role in regional Australia

The Charter has informed TDA submissions to a number of state and federal government inquiries.

TDA is strongly of the view that there should be a **review of base funding** for TAFE institutes.
It is therefore fitting that for me to take the opportunity here in Brisbane, to officially launch a specially commissioned report under the management of TDA, prepared by Independent Economics and sponsored by the Australian government.

Our purpose in seeking this commission from the Australian government was to better articulate HOW and to WHAT EXTENT, do public, industry and individual investment in vocational education and training contribute to employment and productivity.

This is especially as we sought to better account for spending, and our TAFE segment, under the new frontier of a National Entitlement for Training.

The Federal Minister will speak to this report, and it has been shared with the Coalition’s Shadow Minister.

In overview - the report, *Cost-benefit analysis and returns from additional investment in Vocational Education and Training* (VET) has revealed through economic modelling of the Australian Vocational Education and Training Sector (VET) important results.

The report tracks the very high rate of return of 18% on additional government investment in VET.

This high rate of return on additional investment in VET comprises three different groups of VET students, defined as those participating at Certificate III or above including:

- Students who complete/graduate with a VET qualification at a higher level than their previous qualifications
- Students who complete modules at a higher level than their previous qualification
- Students who complete either whole qualifications or modules at the same or a lower level than their previous qualification.
- However, the modelling also shows that expected investment of $2.3 billion over the five year period is insufficient to address the significant levels of individual and industry unmet demand for VET.

- The modelling looks at a Federal funding injection of a further $1.0 billion over the expected investment of $2.3 billion, suggesting this would stimulate more than double the economic impact – from the $0.6 billion estimated under the current arrangements to $1.4 billion.

- The report also provides new insights into the multiple ways in which investment in VET contributes to economic growth and an improved standard of living. This includes how proper funding and acknowledgement of skill sets within Training Packages may better account for the real contribution to employment and productivity.

This significant modelling follows the review on the sector workforce by the Productivity Commission and discussion about investment in technical and further education as a segment within VET.

TDA argues that this modelling demonstrates a compelling case for sustained and further increases in government funding for vocational education and training, and opens discussion into how this may be more strategically deployed in order to obtain maximum economic benefits.

Specifically, TDA contends from the analysis that there needs to be

- A systemic review of tertiary education funding
- We require support for pathways funding, bringing sustainability to technical and vocational skills and how TAFE operates as a public provider network delivering on state and territory employment strategies, and productivity plans
- Greater emphasis on funding for skills sets;
- More transparent and accountable arrangements for the National Workforce Development Fund;
Direct Federal Government engagement with TAFE Institutes in order to expedite the implementation

**How to access the report?**

The report’s Executive Summary has been made available to all delegates, and today was posted on our website, along with TDA’s Policy Position Paper canvassing our perspective.

The role of TAFE remains a key issue irrespective of Saturday’s Federal election outcome.

We were all encouraged to hear the NSW Minister for Education, The Hon Adrian Picolli, quote in his vision for TAFE NSW, the overwhelming support for TAFE from a government-commissioned Newspoll surveying industry and consumers.

This mirrored a TDA commissioned survey of Queensland industry and consumers last year, where TAFE was nominated as a preferred training source ofr households, and industry.

And equally, was almost identical to poll figures from the Victorian TAFE Association surveys in prior years, surveying industry and consumers.

**On that note I thank you for your attendance here in Brisbane, for your commitment to TAFE and for your active contribution in helping shape the voice and dialogue for TAFE over the next few days.**

Stephen Conway
Brisbane
2nd September