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Dear Dr Cutler

## **RE SUBMISSION – INNOVATION REVIEW**

TAFE Directors Australia (TDA) is currently undertaking a project to investigate the extent and scope of TAFE Institutes' engagement in innovation.

TDA is the peak national body representing the Chief Executives of Australia's TAFE Institutes which cover all regions of Australia. As government owned organisations with considerable infrastructure and expertise, TAFE Institutes are often sought out by business and industry to collaborate on workforce development and technological change in workplaces.

We note that in various European jurisdictions, a structure to encourage industry co-investment in innovation for skills is integral to their equal career choice philosophy to support skills and higher education support – and investment. This prompts questions on why systems such as we have identified in EU (EG, ***See attachment A – Finland's education system***) has created a strong focus on flexibility and innovation, whereas Australia has largely quarantined R&D and innovation to higher education structures, research institutions and agencies, as evidenced by the previous Government's *Backing Australia's Ability* CRC and related programmes. TDA noted these issues in a report to COAG (March, 2008, titled Investing in productivity! (*see Attachment – 'White Paper to COAG' - ref Recommendation #6, and more recently, a TDA policy submission to Federal Budget 2008 ref # 2*))

TDA has completed an Interim Report on this innovation project, and I am pleased to enclose a copy for your perusal. Copies of the report have also been provided to the OECD VET policy and innovation review teams which recently visited Australia earlier this month, as part of a 14-country review on VET and innovation. (*see Attachment – Innovation report to OECD – ref Recommendation #5 & 6, pp 24/25*)

The Interim Report demonstrates the considerable capacity of TAFE Institutes to develop innovative solutions which reform work practices and accelerate technological transfer and adaptation in a wide variety of workplaces across Australia.

In almost all cases these initiatives are based on a structured collaboration with businesses, and, at times, involve a university partner as well. The report also indicates that TAFE's capacity for innovation is somewhat under-utilised and that this is largely a consequence of the "teaching only" basis of TAFE funding.

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A second stage of the project is now investigating in more detail TAFE's engagement in collaborative innovation in a range of industry sectors including the services sector, automotive engineering, building and construction and energy.

I would welcome a discussion with you and other members of the Expert Panel about the role of TAFE in the innovation cycle, particularly in terms of the way TAFE Institutes might play an enhanced role in accelerating the take up of innovative technologies and practices by business across Australia. I will contact your Secretariat shortly to request an appointment for this meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Riordan', with a stylized flourish at the end.

**MARTIN RIORDAN**

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