

POST COMPULSORY EDUCATION SYMPOSIUM

“Bridging the Gap”

18 May 2005

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Minister Hardgrave, distinguished colleagues,
Good morning and thanks for those introductory remarks.

Being the longest serving of anything in our business is tantamount to being an endangered species.

It's a pleasure to be invited to speak at this Conference today on *Bridging the Gap between Vocational Education and Training and Universities*.

Today, I'd like to talk about what TAFE does and has done, the systemic challenges that we face and the opportunities that there are for Australia as we currently reconsider the arrangements for not only the VET system but also higher education.

At issue in VET is a new industry leadership model. In universities it is the framework for the protocols that define what constitutes a university and what can be done to accommodate the range of institutions that we have in this country.

Today I will discuss VET within that context and make a few passing references to the university sector later. An additional context for this paper is that there are those among us who think the TAFE system has failed and conversely those that think the industry led system has failed.

The time has passed for the negativities pervaded by these two contrasting and emotive views to now look to the future and develop a VET system that can meet the diverse needs of its constituency.

Naturally, the point of view of TAFE Directors Australia on what constitutes the best model of leadership across the VET sector tends to differ from that expressed by ACCI and from other peak employer bodies.

I'll argue that there is a need for a tripartite model of leadership as part of any Government consideration of the new arrangements for training.

By this I mean a collaborative approach involving a partnership between government, industry and training providers.

Why?

Because any new leadership model needs to ensure that there is representation from those who have a practical understanding of what is entailed in delivering skills to the complete range of Australian enterprises.

TAFE is well placed to do this as it has long held, first-hand experience as the major provider of industry and individual skills training.

From our perspective the case can be clearly established that TAFE has had, and continues to play, a vital role in delivering the skills that industry and individuals need.

Our focus has long been on engagement with enterprises delivering what they need to improve workforce skills.

There is specialisation among TAFE Institutes to meet specific local industry needs such as viticulture, eco-tourism, aquaculture, beef production and mining.

This history alone would seem to qualify TAFE to sit at the table.

To establish the case beyond doubt it is important to point to the scale of what we do and some of the achievements of TAFE.

Our achievements tend to be neglected in some of the current debate about who can best deliver what industry wants.

According to the NCVER:

- TAFE delivers 74 per cent of all publicly funded training delivered through the Australian training system¹.
- TAFE delivered training to more than 1.3 million students in 2003.

Enrolment growth has also been strong:

- In the period 2002 to 2003 enrolments in TAFE increased by 2.1 per cent, while the total number of annual delivery hours rose by 3 per cent.

It's worth noting that there has been strong growth in Annual Contact hours:

- With these increasing from 1994 to 2003 by 38 per cent (from 266.4m to 368.1m hours), with about 331m or 90 per cent of these hours delivered by TAFE Institutes.

- There has been a strong increase in module completion rates, especially for Indigenous students, an area where we have strong involvement. Between 1997 and 2001 the proportion of assessed modules increased from 56 per cent to 73 per cent. During the same period the comparable module completion rates for all other students were 71 and 74 per cent respectively.

Between 1999 and 2003 TAFE expanded its fee for service provision to meet industry needs:

- Over the period there was an increase in fee for service income by public providers of \$188.3m or by 55 per cent due to increased market participation. Fee for service generated 11.5 per cent of revenue in 2003 as opposed to 9.1 per cent of revenue in 1999.

All of this growth has not been at the expense of quality delivery and customer satisfaction.

- If you have a look at quality and customer satisfaction with the TAFE system we compare very well to the experiences of university graduates with 85 per cent of students satisfied with the quality of their TAFE training while the comparable figure for universities is 65 per cent.

Another aspect of being a public provider is the extent of geographical dispersion, the spread and reach, of TAFE operations:

- For example, there are 70 institutes and over 1100 campuses widely dispersed across Australia. We deliver services in remote areas where private providers do not!! We also deliver extensively through TAFE Online, even further increasing our ability to meet client needs.

As can be seen from these statistics, TAFE is well positioned as a mass provider of work related skills delivering the majority of the training in Australia.

It is TAFE who trains our technicians and paraprofessionals, as well as our skilled tradespeople.

TAFE training plays a vital role in all sectors right across the economy.

It also caters for the training needs of all age groups – school leavers, young adults, those in mid-career and the mature aged.

TAFE courses are increasingly taught flexibly and off campus, including in the workplace, and by mixed-mode delivery.

The mixed-mode delivery employed involves combinations of distance education, face to face workshops, self-paced learning, work-based learning and the use of technology such as web enhanced learning, teleconferencing and video-conferencing.

TAFE develops many customised programs for industry and other clients and there is a strong focus on developing partnerships with industry bodies and individual enterprises for both government funded and commercial activities.

As economists have pointed out TAFE plays by far the greatest role among the educational sectors in re-skilling and up-skilling Australians throughout their working lives and this is true for all levels of the workforce.¹

Overall, TAFE makes a huge contribution to the development of Australia's human and social capital.

Despite all the positives there are still issues for us to resolve.

For a long time we have struggled with positioning, status and respect.

There has been a focus by parents on sending their children to university. This is understandable; every parent wants the best for their child.

However, there are alternatives.

The Prime Minister, Minister Nelson and Minister Hardgrave have all acknowledged this, pointing out that vocational education and training is a viable alternative for the 70 per cent of school leavers who do not go directly to university.

We are constrained by the weight of outmoded perceptions about what happens in TAFE, and why young people should go there.

These perceptions reflect the status of the occupations that we train for and background of our students.

The Australian Government has attempted to change these perceptions but changing community perceptions takes a long time.

In the meantime skills shortages in the trades created by this illogical aversion to vocational education and training cannot be quickly or easily addressed, despite everyone's best intentions.

There is a need for a range of measures to tackle the complexities.

¹ See for example, FitzGerald Vince *Skills in the Knowledge Economy: Australia's National Investment in Vocational Education and Training*, The Allen Consulting Group March 2001 p2

The Commonwealth's recent focus on improving career advice to encourage young people to enter apprenticeships and pre-vocational programmes is therefore welcome.

However, the key issue remains the commitment to increasing the level of Commonwealth and State funding for the TAFE system to deliver ongoing growth in training.

Rhetoric about the non-responsiveness of the TAFE system and bickering between the Commonwealth and the States along ideological lines is not helpful.

The latest Budget brought nothing of benefit to the TAFE system, just smoke and mirrors.

It represents another lost opportunity in a string of Budgets and ANTA agreements to redress the balance.

What really needs to happen is that we need to work together to achieve change.

To some extent the Commonwealth has bought into the idea that TAFE is the last Stalinist bureaucracy.

The reality is that the bureaucratic overlay varies from State to State and that in a number of States there are greater flexibilities than others.

This is related to the fact that TAFE Institutes are government owned and funded and subject to government fiduciary and assurance mechanisms as well as being accountable through annual Parliamentary reporting processes.

State funding, fee for service fees and charges and other sources account for 78 per cent of our revenue and we are publicly accountable for this money. There is security in these arrangements for our clients .

Within these arrangements Institutes also have considerable freedom over their profile and commercial activities.

This brings us to the responsiveness of TAFE

We are responsive to both our large and small clients, we have to be to survive and have to accept that we operate in a more competitive world .

There has been strong growth in private training delivery over the last ten years.

Competition is good, it drives us to excel and to create innovative training programs that best meet our clients needs.

The challenge for TAFE is to be more nimble, but we are confident we can compete and thrive.

Of course with the growth of diversity within the training system there have been ongoing concerns about quality.

These concerns threaten to undermine the credibility of the whole sector.

There have been however, a large number of worrying reports over the years about aspects of the system .

For example, the raft of reports by Kaye Schofield on traineeships, others on aspects of training packages, etc .

We treat quality seriously and have worked hard within the constraints to create a culture of quality in Institutes. This has been through embarking on ISO certification in some cases and by driving the development of, and meeting the requirements of the Australian Quality Training Framework.

The constraining factor for the system is funding levels and the perpetual desire by both levels of government to improve efficiency and reduce delivery costs. Can anyone here reconcile the equation that praises and rewards governments for the more they spend on secondary education yet the performance benchmark for VET is how cheaply you can do.

While fiscal prudence is something all taxpayers want, there seems to be a perpetual attempt to drive down budgetary outlays.

But let's be realistic, while Institutes want to deliver cost-effectively there is a cost for delivering quality.

Sooner or later someone has to make a decision about the level of funding required to ensure that quality is maintained or improved.

TAFE has a central role to play in skilling Australia but there need to be the correct policy settings and appropriate funding levels in place to ensure that this role continues.

Neither government nor business is investing sufficiently in skills development in Australia.

TAFE's potential is not being realised because it is has been starved of funds.

There is too much emphasis on basic level training for short term needs.

Not enough attention is being paid to the development of the general skills that industry demand.

These skills are important as they lay the basis for acquiring new skills so critical for longer term success in the employment market.

There is not enough emphasis on the acquisition of higher level skills.

There are also concerns for everyone operating in the training market, related to the quality of the market itself.

Quality control needs to be applied consistently so that standards are maintained to ensure there is no place for operators who have the potential to compromise the gains we have already made.

In encouraging diversity in the market it seems that TAFE is often left as the "default provider" – we are expected to provide training in expensive areas – in regional or thin markets, as a public provider we have a community service obligation to deliver.

We cannot cherry pick which market we may or may not wish to deliver in.

We are often accused of being inflexible.

In this matter we have been the prisoners of Brendan or now Gary, as the case may be.

The training system established by the Australian National Training Authority has not been sufficiently flexible and responsive enough to meet industry and individuals' needs.

We welcomed the resumption of ANTA's functions into DEST as this provided a major opportunity to build on and improve the current system.

But despite not only industry, but also provider, dissatisfaction with the outcomes of the ANTA experiment there has been a policy failure by Government.

This is the failure to involve the providers of vocational education and training in any significant way in the policy development, planning and decision-making process.

The recent Directions Paper *Skilling Australia – New Directions for Vocational Education And Training* and subsequent consultations opened the way to reconsider the settings for industry involvement in vocational education and training in Australia.

But the proposed model of industry leadership, the National Industry Skills Committee does not recognise the role that providers play as an industry serving other industries.

It fails to recognise that we have intimate knowledge of our clients needs at a local level.

A tripartite approach to leadership for Australia's vocational education and training system should involve a partnership between government, industry and training providers, and put in place collaborative arrangements that give effect to that approach.

We continue to think that involvement of providers in leadership of the new arrangements is important and that it would improve a new approach to VET in Australia.

Over to you Minister, the training industry awaits your determination.

All of these matters are part of the complexity of the current education and training market in Australia, where the old sectoral lines no longer apply.

A new educational environment has evolved.

There is an increasing overlap in what each of the educational sectors does.

TDA has previously argued in a number of submissions to government that the boundaries are blurring between the TAFE sector and universities.

The level of change is such that there should not be two sectors but a single *tertiary* sector.

Australian universities have moved into vocational education and training both in the local and in the international market.

Universities, particularly regional universities, now offer a large number of certificate level courses, as well as diplomas, advanced diplomas and vocational degrees in what have through long practice been traditional VET areas.

The VET sector for its part is increasingly incorporating underpinning knowledge and generic skills in its courses.

There is a growing demand in TAFE for higher level courses with an applied focus, including degrees, graduate certificates and graduate diplomas in

specialist or niche areas where it is TAFE that is seen by industry as having the required industry expertise, credibility and track record.

Recognition of the need for lifelong learning to allow career transitions also means that there will be increased student expectations that the pathways and therefore the transitions between differing levels of education will be seamless.

Increasingly, individuals will seek to use pathways from TAFE to university and from universities to TAFE to meet their learning needs.

We are hopeful that the review of the National Protocols for Higher Education Approval Processes will provide some fresh consideration of these concerns .

This then brings us where to go in the future.

Students are now seeking education alternatives which meet their individual, career and lifelong learning needs.

Diversification of the current arrangements to embrace TAFE in tertiary education can guarantee this, ensuring the current and future skill needs for Australian industry.

There must be a change in the current sectoral focus of schools, vocational education and training and higher education to one which recognises that there has been a fundamental change in Australian education.

With the blurring of educational boundaries the challenge for us as educationalists is to ensure that the system we operate within evolves to meet the needs of our clients, be they domestic or international students or small, medium or large businesses.

Without appropriate changes now we will not ensure that we meet the skill development needs of all Australians and Australian industry.

Thank you

ⁱ ANTA Annual National Report (2002) ANTA, p. 61.