

# Conference speakers

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THE HON JOHN DAWKINS AO

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## Early prey: the Technology Tiger: 21st century technology for VET



### PAUL HOUGHTON

*Director, KT Studio, Polytechnic West*

Paul is the Director of KT Studio, an applied research group in Polytechnic West (Western Australia), where he is applying new approaches to the design of systems and the use of emerging technologies to support complex cognitive tasks in training, sustainable management, policy, interdisciplinary decision-making and innovation. Complex, adaptive environments are designed and implemented to connect networks of people, information and interactions. A total redevelopment of the Polytechnic West websites in 2009, now run in the cloud, led to new tools being developed by KT Studio to track on-the-job learning, personal portfolios and targeted gap training.

Paul has spent 35 years in information and knowledge management to bring him to the point where many underlying philosophies and principles are now being applied to new environments, business models, expectations and possibilities.



### KEVIN HARRIS

*Institute Director TAFE NSW – Northern Sydney Institute*

As leader of a dynamic government institution with a strong commercial focus, Kevin is responsible for the development and future directions of TAFE NSW – Northern Sydney Institute.

He is active at the national and state levels in ICT and e-learning, chairs TAFE NSW Business Systems Strategies and Knowledge Management peak bodies and represents TAFE NSW on numerous Department of Education and Training ICT committees and programs. He is a member of national industry advisory committees, a board member of TDA and WorldSkills Australia. He has a degree in Mathematics and Physics from Macquarie University and an Electronics Trade Certificate.

With a diverse career that has included roles at Honeywell Australia and several arms of TAFE NSW, Kevin understands the importance of self development and the essentiality of ongoing education and training.



## LESLIE MOORE

*Partner, Deloitte*

Leslie Moore is the General Counsel of the professional service firm of Deloitte Touche Tohmatsu in Australia. Leslie and her team of 15 lawyers and other professionals provide legal advice on a broad range of issues for Deloitte's businesses, which include assurance and advisory, tax, consulting, risk services, forensic and Deloitte Online.

Leslie began her career as an English professor at Yale University. One of her areas of specialty was collaborative learning — an early version of social networking. After attending Yale Law School, Leslie joined the New York office of the US law firm, Gibson Dunn & Crutcher, where she worked as a litigator and trial lawyer. Leslie chairs Deloitte's Social Media Steering Committee. She played an instrumental role in developing Deloitte's social media policy.

- What is happening, how we are dealing with it, and what can still shock us...
- What goes wrong when TAFE is on Facebook?
- How can TAFE access 'the cloud'?

The growth, expansion and pervasiveness of the Internet must surprise even the most enthusiastic supporters from years ago. Access through new devices and new tools and for new reasons has given us many significant changes in the past few years. No longer just an environment for the reticulation of information, the Internet has seen the emergence of a social layer in recent years and, with it, new audiences and new challenges.

The next generation will expect relevant, dynamic and useful experiences from all of the institutions with which they interact, including TAFE. To expand into a Web 2.0 world to support these demands for content and responsiveness requires new tools and approaches, something Polytechnic West has embarked on with their new web platform based on Google and Amazon infrastructure in the 'cloud'. Although this interaction will deliver different experiences for different audiences and easily cope with big variations in demand, this change is not the most significant.

Deloitte is well aware of the growing use of the Internet and mobile devices for social ends such as establishing networks of friends and colleagues, complex conversations and sharing. In fact, this trend has prompted them to both study and embrace social media because Deloitte's partners and clients will be expected to understand and translate the Web 2.0 world into business strategies for their clients. This move comes right from the top, with the firm's CEO and other members of Deloitte's executive team adopting the tools and encouraging all staff to understand the new social medium.

This is not without its challenges. Social media environments are generally very public and open, and they come with new conventions and traps for the unwary who might be more used to the corporate 'walled gardens'. It can be a shock to realise that not only are comments and conversations public but they don't go away. Contributions to these sites come not only from staff but also from customers, who comment or criticise our institutions.

Northern Sydney Institute is addressing the 'always on' nature of these new sites with regular updates, consistent presence or look, and a customer focus. The corporate implications of a presence on Facebook, for example, are that the same high standards of corporate identity need to apply but that there are potential pitfalls in trying to sell rather than listen, to dominate a conversation rather than participate, or, worse still, fail to respond rather than engage. Although these social interactions are of growing importance, they don't necessarily have to occur on corporate websites, which means that new skills and approaches are needed if we are to participate successfully across a range of sites and services.

What are the implications of all this for learning and the VET sector? Not only is the pervasive technology environment used by our future and current customers, but it is superior in many respects from what we give them inside the college. Add to this emerging forms of learning that seek to use technology to enable off campus learning and continuous learning, and we have a situation for which we may not be ready. Polytechnic West is working to incorporate these new tools to support off campus learning, with one example being the qTracker project, which uses cloud computing to offer online tracking tools for the web and

mobile devices to track on the job learning. This approach opens the way for the building of learning communities and peer learning, and it importantly identifies gaps in the learning experience that can then be addressed either in the workplace or by other means, including online training.

Are we up to it though? It is one thing to realise that there is a new world using technology in different ways. It is another to then participate in this world in a meaningful way to improve learning. To do so will mean many changes. Among these changes, not insignificantly, will be bringing along the systems and technologies we currently use that are designed to support an industrial model where students come to us, are 'processed' and let go. A new approach to learning technology and administrative systems will be needed, one that not only fits in with these new possibilities but brings everyone along and not only the tech savvy early adopters.



## THE HON BRONWYN PIKE MP

*Minister for Education, Skills and Workforce Participation*

Bronwyn Pike, Victoria's longest-serving female minister, was elected to the Victorian Parliament in 1999 and joined the Cabinet. Her portfolios have included Housing, Aged Care, Community Services, Health, and Minister Assisting the Premier on Community Building.

As Minister for Education since August 2007, Bronwyn delivered the Victorian Schools Plan which will rebuild and modernise all Victorian schools using environmentally sustainable design features. She spearheads the Blueprint school reform agenda to drive excellence and equitable outcomes for all young Victorians, and in January 2010, Skills and Workforce Participation were added to her portfolio.

Prior to entering Parliament, Bronwyn was a secondary and tertiary teacher, community services manager and Director of the Unit of Justice and Social Responsibility in the Uniting Church, and a Board Director of Greenpeace Australia.

## Introduction

I would like to acknowledge the traditional custodians of the land on which we meet today, the Kulin Nation. I pay my respects to their Elders both past and present.

I am pleased to be here today to address this peak national event for our TAFE sector – and to welcome all interstate and international conference delegates to Victoria.

It is certainly a pivotal time for Australia's TAFE sector and higher education in general.

## Today's skills challenge

As we return to near full employment around most of the nation, our attention needs to shift from job creation to ensuring we have the right mix and level of skills to remain competitive and drive our longer term growth prospects.

Australia is at a crossroads now. Firstly, we are facing a fundamental transformation in the global economy driven by accelerating technological change and the deregulation and opening up of financial and labour markets.

More and more other countries in Asia and Eastern Europe are producing new generations of medium and high skilled workers as globalisation lifts their living standards, educational systems and opens up opportunities.

Some have said that Australia can benefit here primarily as a supplier of energy and mineral resources to these growing economies, and that we shouldn't seek to compete directly in high-end global supply chains. While it is true that a significant part of our current economic growth is resource-driven, we cannot afford to become dependent on this sector alone.

We are not the only country with an abundance of raw materials. And more importantly, the economic gains here do not translate into a technological, knowledge and skills advantage for our overall economy.

Beyond the need to find a competitive edge in a transforming global economy, we also face a combination of major challenges at home that we have never had to deal with as a nation until now. Many of our key natural resources are being severely stretched. We are facing a water crisis, along with a range of other sustainability challenges such as climate change and soil salinity. Moreover, we have an aging population at a time when our workforce needs to be more productive not less, and one that will place new demands on our health system.

So we need to ensure we have graduates able to contribute to a more knowledge intensive and globally connected world and to develop and run businesses adapting to new technologies and a more carbon-constrained future.

In order to maintain social and economic progress, we will not only need to increase the proportion of Australians with tertiary qualifications but also improve the relevance of those qualifications to the Australian workforce.

Then there is the matter of millions of Australians – including 1.6 million in Victoria – without a post-school qualification. Giving them increased opportunities will not only create more economic benefits but a stronger and more cohesive, healthier society as well.

## Skills Reform

Here I think it is instructive to look at what we are doing in Victoria to meet these challenges: we absolutely depend on our human capital – our

people – to help businesses grow, keep and create jobs, and generate the income that enables us to invest in critical infrastructure and services.

We strongly understand that the link between productivity and the proportion of the population with high-level skills is particularly important.

We are reshaping our skills system – one that, although it has served us well, was designed in a different time to meet a different set of circumstances.

The \$316 million *Securing jobs for your future – skills for Victoria* package is the biggest ever single investment in the Victorian training system and the most fundamental reform to the vocational education and training (VET) system that Australia has ever seen.

The reforms are creating more than 170,000 new government-subsidised training places and a demand-driven tertiary system that is able to respond effectively and quickly to changes in the economy and our communities.

The new system provides students with more choice about where to purchase their training, by making public funding available to a wider range of providers – through an Australian first, the *Victorian Training Guarantee* – a guarantee to a post school vocational qualification. As a result, all eligible Victorians will be entitled to a government funded training place, at *any* stage of their adult lives. We anticipate that the *Guarantee* will be extended to all levels of the training system by 2011.

So, how are our skills reforms travelling? One year in, we see that nearly 89,000 new students, who do not have a Year 12 or equivalent qualification, have started their training in 2010, increasing from 55,000 in the first quarter of 2010.

Several TAFE institutes have achieved their total 2009 enrolment levels for youth and diploma courses and above, just half way into 2010.

## Jobs for a future economy

As I mentioned earlier, moving to a carbon-constrained economy will require new technologies and green skills – especially in areas such as construction, renewable energy, manufacturing, and energy and water efficiency retrofitting – all of which will generate demand for training. This is why we released the \$175 million *Jobs for the future economy* Action Plan in May to boost green investment and jobs – including \$10 million for green skills.

This investment is also about promoting and acknowledging training in sustainability skills.

This year, the Victorian Training Awards includes a Skills for Sustainability Award – and I am looking forward to presenting it at the Awards tonight.

## Conclusion

We are reforming our skills system to ensure Victoria's world-class TAFE institutes are efficiently governed, resilient, agile and responsive to a changing future.

I wish you a productive and enjoyable conference in the year of the tiger and hope that all interstate delegates also find the time to discover what Victoria can offer beyond a 21st century skills system.

Thank you.

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## Newcastle College Group: delivering growth and excellence



### DAME JACKIE FISHER DBE

*Chief Executive, Newcastle College Group, UK*

Dame Jackie Fisher is Chief Executive of Newcastle College Group which comprises two colleges, Newcastle College in the North East of England, Skelmersdale and Ormskirk College in the North West, and The Intraining Group, a national organisation meeting the training and employability needs of employers and employees across the UK. She is a Director of Newcastle Gateshead Initiative, a tourism and conferencing organisation; a Director of Business and Enterprise North East, which delivers business support services; a regional council member of the Confederation of British Industry (CBI) and a trustee of two charitable trusts: the Northern Rock Foundation and the Centre for Life.

For her services to education, Jackie was awarded a CBE in the Queen's Birthday Honours in 2005 and in 2010 was made a Dame in recognition of her contribution to Further Education and Training across the UK.

Newcastle College Group (NCG) consists of three divisions – Newcastle College in the north east of England, Skelmersdale and Ormskirk College (SOC) in the north west, and Intraining, based in Yorkshire. Each division has services and strategy delivered into it by Group Services. We have evolved from a regional college with a long history into a national provider of education, skills and employability. We offer a wide range of provision, all focused around services to learners. These include academic and vocational programs to school leavers, higher education programs, adult skills training, and programs to enable unemployed young people and adults to seek sustainable employment. Current turnover is around £160m and there are around 70,000 enrolments. There has been significant investment in new state of the art buildings and offices to deliver specialist training. However, further investment is needed. In addition to publicly funded programs NCG also delivers training directly to employers on a commercial basis.

Over the last ten years the organisation has developed some core objectives which have steered its development. These are widely owned in the organisation and are subject to regular review. Recently, after long debate, we added 'profitability' to drive home that we are a commercial, entrepreneurial organisation operating in a highly competitive environment.

Over time we have developed distinctive ways of working which are used throughout the organisation in relation to ensuring quality (which I understand is subject in England to much more rigorous external checking than is usual in Australia), financial planning, business development and performance and e-learning. We have a robust e-enabled shared services platform to support the delivery of services into the operation and to facilitate further expansion.

We operate a distributed leadership model pushing responsibility and accountability deep into the organisation for growth and performance.

One of our biggest entrepreneurial opportunities has been the acquisition of a large private provider. Carter & Carter plc, at the time it went into administration in March 2008, was the largest private provider in the United Kingdom (UK) and its value as quoted on the stockmarket was around £340m. When it went into administration we evaluated it and decided to put in an offer for those parts of the business which we assessed as viable and with synergy to our current operation. We had previously 'merged' with a small Further Education (FE) college 120 miles away from Newcastle and had purchased a smaller private provider. We acquired around £60m of contracts from Carter & Carter and cleared out a large number of 'dead' files where Carter & Carter had been claiming public funding but for which there was no credible evidence of learner activity. Turning a dysfunctional business into a functional integrated business with high quality data and financial systems, populated by credible and energetic managers has taken us two years. We are now moving to make it a high performing business. This mimics the journey of Newcastle College between 2000 and 2004 and that of SOC between 2007 and 2009 (dysfunctional to functional, functional to performing, performing to realising potential).

We have learned many things which may have relevance to the audience. We have learnt a great deal as an organisation from the organisations we have acquired and this has added more value to NCG than if we had only grown organically. In fact some of our more entrepreneurial business strands could not have taken root in the soil of a publicly funded FE college but could only have grown

effectively in a private sector environment, driven by different imperatives and risk appetite. Over the last four to five years, as we have developed as a more diversified business, we have added new skill sets to our capabilities. These include financial analysis and modelling, supply chain management, business development, operating provision at a distance and managing multiple contracts.

To ensure all programs are delivered to a consistent standard we have invested in some key processes around learners and customers, ensuring that the staff/learner interface is managed effectively via management information systems as well as by high quality teaching and learning. All our staff are observed in the classroom annually and work to an improvement plan. This has resulted in outstanding Office for Standards in Education, Children's Services and Skills (Ofsted) inspections of both the colleges and our private training provider with much best practice being cited.

To sustain excellence we work hard at ensuring strategy and direction are owned at local levels, that a manager can 'own' their part of the business and take decisions which make a measurable difference. We have a hands-on, closing the loop culture, where managers and staff at all levels roll up their shirt sleeves and do whatever it takes to get the job done. We provide lots of coaching and support for our staff and we expect people to work hard and make a difference.

Our staff report high levels of satisfaction and we have a dedicated Human Resources (HR) management function which provides access to a wide range of continuing professional development (CPD) as well as operating NCG policies and procedures and contracts. All of our staff are employed directly by the organisation on

a wide range of contracts – at last count we had 70 different staff contracts all with different terms and conditions and three pension schemes (two state, one private). Staff appraisal and performance is linked to pay. Excellent performance is rewarded and poor performance is actively addressed. We operate business excellence awards to recognise the achievements of staff teams and individuals and this culminates in an annual staff recognition dinner with awards.

I believe our staff are confident and proud to work for NCG. We encourage staff to keep learning, to be ambitious and not to rest on their laurels. Most importantly we value staff who can work at pace, with a can-do attitude, who like to solve problems and take manageable risks. We believe we have created an ambitious culture where our managers and staff work effectively to benefit the organisation and our learners.

Shared Services has been an important part of our growth strategy. E-enabled services in relation to financial management, HR management, fleet, IT and telephony, management information, all supported by a help desk, have allowed us to deliver services to all of our 3,800 staff in 100 locations and we have the capacity to operate on a bigger scale without additional significant investment.

The reasons behind investing in Shared Services are clear: it delivers compliance and consistency, improves the customer experience, provides great data and allows us to employ scarce and expert people who, if we employed them at divisional level, would bring a prohibitive level of cost with them. An unintended but welcome consequence has been that when you take the day-to-day responsibility for finance, HR, etc., away from operational managers they are forced to focus on their core job – running

programs and delivering services to learners and customers and managing staff contribution and performance.

As many of you know, the UK government changed hands in May and we now have a coalition government. We had developed a strategy to meet the requirements of the previous government and which, with some modifications, we believe may meet the objectives of the new government when their new policy framework emerges more clearly. However, this is still uncertain.

With a fair wind, we would like to grow our commercial activity, grow our higher education programs via the work-based and apprenticeships route, invest in science, technology, engineering and maths, realise the £44m investment in SOC new build, and merge with other FE colleges that wish to work with us. And obviously, to do all of the above or something different if this no longer aligns with government requirements. So our strategy is moving forward but is always open to change.



## THE HON JOHN DAWKINS AO

*Chair, TVET Australia Board; National Quality Council*

Current Chair of the National Quality Council and TVET Australia, John Dawkins served for 18 years in the Australian Federal Government House of Representatives for the Australian Labor Party. From 1983 to 1994, he served under Bob Hawke and Paul Keating as Finance Minister, Trade Minister, Employment, Education and Training Minister and finally, as Treasurer.

He is also chair of the Australian Qualifications Framework Council, Integrated Legal Holdings, and a Director of Genetic Technologies Ltd, MGM Wireless Limited, and Government Relations Australia.

## Introduction

The work I'll discuss with you today recognises the important synergies between the human capital agendas of:

- the Council of Australian Governments (COAG)
- Ministers responsible for vocational education and subsequently tertiary education

AND

- the National Quality Council's (NQC) work to create standards for a high quality training system, and set Training Package policy.

Current policy reforms are multiple, multi-faceted and ambitious. A number of significant policy imperatives are being pursued, in part through the updating of the design of Training Packages.

While Training Packages alone do not drive the quality of vocational education and training (VET), their reform is a key plank in the NQC's drive for better outcomes from our training system.

## Reform of VET products

The *VET products for the 21st century report* was jointly prepared by the NQC and the COAG Skills and Workforce Development subgroup. It was the result of over 12 months work, consultations with over 500 stakeholders and 30-odd submissions. Many of you would have contributed to this process – thank you.

The report was agreed by Ministers responsible for vocational education throughout Australia in June 2009.

Making more workable 'VET products' suitable for a client driven system – which are flexible, responsive to the changing needs of employers, individuals and workplaces – is paramount.

## Why reform now?

The time is right for reform.

Training Packages were introduced in the late '90s, shifting the emphasis from the **learning strategies** of curricula to the **outcomes** of a qualification – the performance standards expected in the workplace as a result of the training.

Despite over 10 years in use, some people still mistakenly think Training Packages are imperfect curricula.

A quote from the past that sums up this difference well, states that Training Packages . . .

'...regulate the outcomes and deregulate the ways of achieving those outcomes.'

Research in the consultation phase of the *VET products for the 21st century* work showed overwhelming support for the concept of Training Packages, but acknowledged the need for improvement.

'The complexity is about to destroy what is fundamentally a good idea.'

As part of natural change over the years, Training Packages have taken on different roles, adding detail and density. They are now not consistent in form, or as flexible and responsive as they need to be.

They have in some ways unintentionally begun to restrain instead of encourage innovation in training delivery.

While research found that the basics are sound, we need to stretch the Training Package concept. A redesign will allow the product to keep pace with the changing expectations of different clients:

- the ultimate clients – real end users such as industry and individuals

- clients using the product along the way – State Training Authorities, Registered Training Organisations (RTOs), registering and auditing bodies
- and macro level clients – Government, and policy makers with the broader human capital and productivity imperatives.

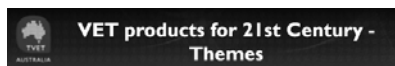
Let's pause there to acknowledge the push and pull created by the sometimes competing objectives of each of those players. While the picture is one of positive policy reform for them all, it is not without its deeper complexities and challenges.

## Policy themes

The *VET products for the 21st century* report has 24 specific recommendations which can be grouped into a number of policy themes:

- Flexibility
- Streamlining of Training Packages
- Competency and knowledge
- Foundation skills

*SLIDE 1: VET products for the 21st century: themes*



- Flexibility
- Streamlining Training Packages
- Competency and knowledge
- Foundation skills

Policy purposes within these themes include:

- encouraging demand, not supply, driven training
- improving efficiency, reducing duplication
- creating workforce mobility
- improving the quality of training delivery and outcomes
- creating better social inclusion
- increasing pathways to and from VET.

Considering each of the four themes above separately:

### Flexibility

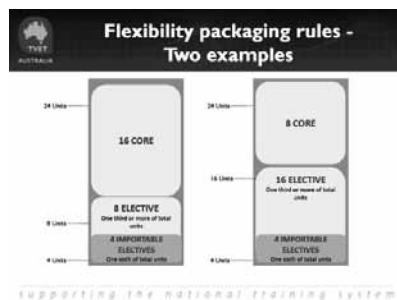
Flexibility is about choice and options.

Consultations revealed overwhelming support for Training Packages and Accredited Courses to form the single organising framework for qualifications. But there was agreement to harmonise packaging rules, to allow greater flexibility via the widest possible choice of elective units within and across Training Packages and accredited courses.

So, a measure of the **volume** of electives and the **source** of electives was created.

On first glance it appears counter-intuitive and a bit blunt to encourage flexibility by introducing a standard measure. But agreeing a level that represents 'flexibility' was a necessary starting point. Perceptions of whether Training Packages were or weren't flexible varied widely, and with no evidence base, the arguments persisted.

### SLIDE 2: Flexibility packaging rules proportions



The NQC agreed that for Training Package qualifications:

- The **volume** of electives should be 1/3 or more.
- Industry Skills Councils (ISCs) as developers of the product build this into the design of qualifications.
- The **source** of electives **CAN** be up to 1/6 of the total units from elsewhere – another Training Package or from an Accredited Course. ISCs write this into the Training Package, **BUT** RTOs choose to use this extra flexibility **if needed** to meet a particular client need.

These proportions acknowledge the need to balance the integrity of the outcome and the comparability of qualifications. . . with a desirable level of flexibility for clients.

It is important to note that these new flexibility packaging rules won't apply for every Training Package qualification.

ISCs have nominated exemptions for qualifications for licensed, regulated and trade occupations. Business cases from ISCs for exceptions from the proportions in other very specific circumstances are also being considered. This acknowledges there are

sometimes valid reasons for less flexibility, and these will be reviewed over time.

The timeline for implementation of these changes is:

- high use qualifications have been updated by 30 June 2010
- the remainder to be done by 31 December 2010.

Good progress has been made with ISCs already updating about 40% of Training Package qualifications eligible to introduce these 1/3 and 1/6 proportions.

I encourage you to check if qualifications you use have been updated yet. And if so, to contemplate whether you might want to utilise the extra flexibility you now have to offer clients more choice.

### Streamlining of Training Packages

Streamlining is about simplifying, segmenting and shortening, to make Training Packages more fit-for-purpose.

This is a major area of reform for the NQC. We aim to agree on the new design model – how streamlined Training Packages will actually look and work – by the end of 2010.

Key to this work is the separation of performance criteria – which make clear the standards required in the workplace – from supporting information. Both have tended to add bulk and density to the product over the years.

### SLIDE 3: Categories within a streamlined Training Package



Clearer categories of information will be:

- Units of competency – these will be reduced to reflect the essence of the performance expected as an outcome of training.
- Qualifications – information on course requirements, packaging rules, etc.
- Assessment requirements – a place where any necessary approaches to assessment can be stated clearly.
- Credit arrangements – specific arrangements for individual Training Packages, and any future national approaches to credit transfer and/or articulation.

A separate Companion Volume will contain the necessary supporting information: the ‘how to’ for implementing the Training Package. This will provide highly valuable guidance for those who use them: teachers, trainers, others in RTOs, auditors.

Importantly, Companion Volumes won’t tell trainers how to train – that relies on their own specialist skills and professional judgment. But it will allow RTOs to contextualise the training standards to meet their clients’ needs.

Training Packages will become more usable, more navigable... easier to find and understand what you need to know to deliver high quality training.

### Competency and knowledge

A third theme addresses the meaning of competency.

The demonstration of competency in terms of workplace experience has been emphasised in the VET system.

The definition of competency has been updated to reflect the:

...consistent application of knowledge and skill to the standard of performance required in the workplace. It embodies the ability to transfer and apply skills and knowledge to new situations and environments (NQC 2009, pp. 6, 14).

Competency and knowledge are not oil and water – they are compatible. Overcomplicated theoretical arguments about the concepts sometimes put the two at odds. Put simply, **both** are needed in the workplace and therefore **both** have a place in the tertiary education sector – VET and higher education.

Knowledge requirements can and do already exist in units of competency. The *VET products for the 21st century* report confirms the need for identified knowledge and preparatory units in Training Packages.

The new definition helps develop a more uniform understanding of competency, by simplifying and strengthening its meaning. Most importantly is what this updated definition really means for the way you think about developing the competency of students and workers.

The NQC welcomes further discussion of the extent to which occupational competence is sufficient to build the levels of foundation skills and the deeper and broader attributes and capabilities required for the changing labour market of Australia and beyond in the 21st century.

### Foundation skills

Another of the strong themes in the *VET products for the 21st century* report is that there should be a more systemic focus on preparatory and enabling qualifications in VET.

This responds to overwhelming evidence of the need to improve the 'Foundation Skills' of the workforce – the core skills of reading, writing, oral communication, numeracy and learning, along with employability skills.

Product focused solutions – the development of qualifications or courses – cannot by themselves solve this significant national problem. There is also a clear need to improve the practice side of the equation – the diagnosis of need, the contextualising and delivery of the training.

The Australian Government has committed to developing a National Foundation Skills Strategy by the end of 2011. This National Strategy will provide a framework for Foundation Skills provision across all jurisdictions for the next decade.

The NQC has recently agreed to further work examining how Training Packages will help to better address Foundation Skills, within that more national approach.

### How do other policy reforms fit in?

It's a good time to reassure you that all this focus on VET products isn't being done in a vacuum, devoid of other policy developments in VET.

## Australian Quality Training Framework (AQTF)

Change is also occurring for the Australian Quality Training Framework (AQTF). Some key themes are:

- Entry to the RTO industry – supporting a quality market by having newcomers demonstrate their capacity and capability to deliver quality.
- Financial viability – protecting the clients' investment in training, by asking for assurance of the investment the RTO has also made.
- Capability of assessment – a stronger focus on quality assessment as the measure on which the awarding of a qualification is decided.

There again is that focus on assessment, complementing the new section within Training Packages I mentioned that is devoted to clear information about assessment requirements.

Indeed the reforms under way to improve regulation systems won't succeed unless the various parts make sense together in a broader policy context.

### SLIDE 4: Relationship between product, practice, systems



In the late '90s, Training Packages and the AQTF were described as the bookends of Australia's training system.

But what was in the middle? What were the bookends holding up? What was supporting the 'standing' of the quality standards required by Training Packages and the AQTF?

The importance of building professional practice to bring together both the bookends appropriately and to best advantage can't be underestimated.

The professional practice of . . .

- teachers and trainers
- assessors
- auditors and regulators

...is the glue that binds together the quality standards of products on one hand and regulation on the other, to create better outcomes for students and industry.

So change is happening, in a complementary way, in the:

- product arena – improving quality through the *VET products for the 21st century reforms*
- the professional practice space – supporting and encouraging the high quality performance of teachers and trainers, including through new qualifications such as TAE10
- the systems for quality – new requirements for the AQTF and a comprehensive review under way of the AQF.

## The Future

Let's think now about the future – both of VET in Australia and of the role of bodies such as the upcoming National Standards Council.

## VET in Australia

I'm sure the importance of education and training, to the economic and social outcomes for individuals

and Australia as a nation, are pretty obvious to all of us in this room.

At times the complexity of the sector and its lack of distinct identity in the public's eyes belies its national importance – for productivity and growth, and for social inclusion.

The National Centre for Vocational Education Research (NCVER) recently published essays from a variety of commentators on the future of VET. They are thought provoking, and include the views of Virginia Simmons, who you will recognise as a key contributor to TDA's work over many years and until recently a member of the NQC.

How can the current appetite for reform be harnessed to shape a brighter future for vocational education?

In my mind some key questions include:

- How do we make sense of the many different but valid purposes of VET within the formation of a broader tertiary education sector?
- How do we exploit the opportunities this will offer at the same time as managing the challenges?
- What are the new national priorities where more focus is needed – the underdone or missing bits in the puzzle?

What role can we – you and I – play in finding some of the answers?

### **National Standards Council**

The NQC or National Quality Council of which I am Chair is due to cease operating in late 2010 or early 2011.

This raises the opportunity to take a fresh and more holistic view of VET and the quality standards we all aspire to.

The National Standards Council will report directly to the Ministerial Council for Tertiary Education and Employment (MCTEE) on national standards for regulation, such as:

- standards for data (including data collection, assembly and dissemination)
- standards for training providers (against which training providers are regulated)
- standards for training products (training packages and accredited courses)
- standards for the operation of regulation.

### **Conclusion**

So, wrapping up to draw some of the threads together. . .

I touched on the importance of your own professional practice in utilising and making the most of VET products and VET systems.

Let's end with important questions for the future.

- How can national policy makers, like the new National Standards Council, improve the capability and professional practice of the system, as part of improving quality?
- What's your responsibility to build your own personal skills and capabilities and also that of your organisation?

And some points where I do have a clear answer...

- The human capital argument we started with for the wider economy and society, applies equally to your own industry... YES.
- We can't achieve quality skill outcomes for clients if you don't build the skills of the VET sector itself... YES.
- There are opportunities to be realised within the range of reforms and change occurring... YES.

The NQC's aim in driving the current reform of VET products is to address some of the complexity, and in doing so provide clearer ground for the inevitable challenges of the future.

Thank you.

## Reference

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### GED KEARNEY

*President, Australian Council of Trade Unions (ACTU)*

Gerardine (Ged) Kearney commenced as ACTU president on 1 July 2010 and is the third woman to hold the position. She was elected the Federal Secretary of the Australian Nursing Federation in April 2008, representing more than 175,000 nurses and midwives, and during her tenure saw substantial membership growth, including the first national combined strategic growth campaign in the private sector aged care industry. Ged had been an elected official with the ANF since 2003, also serving as Assistant Federal Secretary, Federal President and Victorian Branch President. She is a director of the HESTA Super Fund.

Ged became a registered nurse in 1985, and has worked in many settings across the public and private acute sectors. She has been a nursing educator, including manager of the Clinical Nursing Education Department at Austin Health and has a Bachelor degree in Education.

- What are the implications of the drive towards higher level qualifications for the broader workforce?
- How are the NSW and Victorian TAFE sectors currently responding in moves towards higher qualifications?

Thank you for the opportunity to take part in this session on the drive to higher level skills and qualifications.

In preparing for today, I went back over the initial background notes for this conference that I received in late July. The notes referred to the complexity and challenges for TAFE of operating in the uncertain external environment of an election year and being able to deal with the unpredictable.

Well, in political terms, we've certainly had our fair share of the unpredictable and uncertain, culminating in the events of last week that have given Julia Gillard and Labor a second term of government.

Now that we've had that excitement, it's time, as they say, to get down to business.

After an election campaign that saw skills issues sidelined to a large extent (relative to 'boats' and other issues), it's time for this agenda to again be placed front and centre and this conference is well placed and well timed to help do that.

The Government, to its credit, made some important steps on the skills front during its first term, including:

- the establishment of Skills Australia which has been a critical addition to the institutional framework for skills policy in this country
- the roll-out of the Productivity Places Program

- critical support for apprenticeships during the height of the global financial crisis (GFC)
- new investment in the May budget to support language, literacy and numeracy training
- the commitment to a new national vocational education and training (VET) regulator beginning in 2011.

The drive towards higher levels skills and qualifications in the VET sector is an important part of this ongoing skills agenda and one which the Australian Council of Trade Unions (ACTU) strongly supports. For workers and our members it offers the promise of higher paid, more fulfilling jobs and expanded future career opportunities, and for the economy it deepens our national skills base and provides one of the keys to improving workforce participation and productivity.

Governments at all levels have recognised the importance of the VET system in providing these skills and through the Council of Australian Governments (COAG) have established a number of targets to improve the level of skills across the workforce. These include:

- halving the proportion of Australians aged 20 to 64 who do not have a qualification at certificate III or above
- doubling the number of higher VET qualification completions (Diploma and Advanced Diploma) by 2020.

Skills Australia has calculated that to meet these and other targets there will need to be a 3 per cent increase in the number of VET enrolments each year to 2020, effectively a one-third expansion of the VET system over the next decade or so.

The drive towards higher level skills and qualifications then – while undeniably a desirable

thing in our view – is not without its challenges, and in the time available, I'd like to briefly identify some of these challenges as a basis for further discussion from the floor.

The first point to make is that the push towards higher level qualifications needs to be matched by a greater commitment and capacity to ensure that those skills are used effectively.

Over-skilling, or where workers perceive skills are not used in a job, is a critical area of job-skill mismatch. Studies show that 45 per cent of Australians report being over-skilled for the job that they do (Mavromaras, McGuinness & Fok 2009). This means that almost half of Australian workers are not making the most of their existing skills and abilities – and employers are not getting the most out of their employees.

Interestingly, Australian Bureau of Statistics (ABS) survey data cited by Skills Australia in its Workforce Futures report showed that being over-qualified for their current job is most common for people with diplomas and advanced diplomas – the very qualifications that the COAG targets are trying to promote. The implications of over-skilling, or skills under-usage, are clear in terms of wasted training effort and negative impacts on wages and job satisfaction levels for employees.

Strategies to address mismatches – and to ensure workers are better able to use their existing skills – are critical here.

This is where we need to continue promoting the broader workforce development agenda based around better skills utilisation with employers, unions, and Registered Training Organisations (RTOs) working in partnership, something which TAFE is well placed to lead the way on.

We also need to make sure that in the push for higher level skills, the right skills are being developed.

From our perspective, it is vitally important in this respect to reaffirm the importance of an industry-led system in identifying future skills needs, and this is where public funding and resources for VET should continue to be focused. We understand that some are attracted to the student-centered, entitlement-based funding model, but it should not be a substitute for a properly informed industry view – from employers, unions, industry skills councils – of where skills are needed and required.

Funding is a perennial issue and must of course be a part of the debate. There is a particular issue here about how higher level qualifications are funded, but more generally we have an ongoing concern about the longstanding funding neglect of the VET sector, and particularly of TAFE, which has a crucial role as the public provider in providing these skills.

In March, the Australian Education Union (AEU) released a report by the Centre for the Economics of Education and Training (CEET) which found government spending per hour on VET had fallen by 12 per cent since 2003 and 22 per cent since 1997. The report also found that to meet the COAG targets to halve the number of underqualified/unqualified Australians and to increase the proportion of the population with higher level qualifications would require an additional \$200 million a year on average from 2009 to 2020. The \$660m skills package in the 2010-11 budget was a good start, but we need to maintain this momentum in what will be 'fiscally and politically challenging' times.

One thing we could reasonably expect to see over the next few years is a greater focus on regional skills issues, with at least \$66 million of the critical

skills investment fund now set aside for regional businesses and workers as part of the new one-third guarantee agreed with the Independents [members of Parliament]. This is no bad thing and a sign of the potential positives that could emerge from the new political environment.

If this shift in focus to regional skills issues does occur, it will highlight further the need for a funding model that properly recognises the broad role TAFE plays in providing access to training and re-training in areas of both high and low demand, and in particular in rural and remote areas.

The final point I'd like to make is that all of these challenges for the VET sector, including the push to higher level qualifications, cannot be met without a VET workforce, and a TAFE workforce, that is well-skilled and qualified.

This requires a serious look at a number of issues, which in our view should form part of a national workforce development strategy for the VET workforce, and the TAFE workforce as a subset of that. These include the level and quality of teaching qualifications in the sector, the unacceptably high levels of casual employment, and the ageing of the workforce.

## Reference

Mavromaras, K, McGuinness, S & Fok, YK 2009, 'The incidence and wage effects of overskilling among employed VET graduates', NCVER Monograph Series 03/2009, Adelaide.

## The Year of the Tiger – Leaders' Perspective 'TAFE should grab the higher skills agenda by its tail'



### PAM CHRISTIE

*Deputy Director-General, TAFE and Community Education, NSW Department of Education and Training*

Pam Christie's key responsibilities include driving strategic directions across TAFE NSW, working with industry to enable community capacity building and increased productivity, and developing a highly skilled workforce for New South Wales.

After 30 years as a secondary school teacher and overseas as a volunteer for the Adult Migrant English Service, Pam moved to the VET sector, conducting major Commonwealth-State negotiations, managing regulation and funding of training providers in NSW and leading reforms in apprenticeships. Recently, Pam led TAFE NSW – South Western Sydney Institute and Sydney Institute implementing significant initiatives in the tertiary sector.

Pam is a member of the NSW TAFE Commission Board, NSW VET Accreditation Board, Board of Studies NSW, LH Martin Institute for HE Leadership & Management Advisory Board, and a Director of TDA.

- What are the implications of the drive towards higher level qualifications for the broader workforce?
- How are the NSW and Victorian TAFE sectors currently responding in moves towards higher qualifications?

### Introduction

It is now widely accepted that as a society we need more people with higher qualifications. It makes them more employable, gives them more interesting work with better wages, and makes the Australian economy more productive and globally competitive.

This is why the Council of Australian Governments (COAG) has set ambitious targets for the vocational education and training (VET) sector to raise the qualification levels of working aged Australians. It's also why the Bradley Review called for more young people, and especially more people from low socioeconomic backgrounds to have a degree. It is also why Prime Minister Julia Gillard has put 'skills' on top of the agenda for her new government announced this week.

Meeting the ambitious COAG and Bradley targets will be challenging for the tertiary sector and will require TAFEs and other tertiary education providers to work in different and more collaborative ways.

This paper will outline approaches and initiatives that are delivering higher qualifications for the workforce in New South Wales (NSW) and comment on challenges and opportunities facing the TAFE sector in this environment.

### NSW government approach

In NSW, Government targets for the attainment of higher level skills are reflected through the *NSW State Plan* (2006) and *NSW Tertiary Education Plan* (2010).

NSW boasts the highest attainment rate in skills training of any state and continues to focus on targets for more people to have higher qualifications. Achievements are published in our State Plan's annual performance results, which demonstrate our steady growth at Certificate III and Diploma levels against the COAG targets (see NSW State Plan).

The recently published *NSW Tertiary Education Plan* (2010) continues the key goal of increasing participation and attainment levels in tertiary education to boost productivity. It argues that reaching the Commonwealth's national 40 per cent bachelor attainment targets by 2025 could contribute an additional 1.2 per cent annually to the Gross Domestic Product over the next 30 years and achieving the national VET targets could contribute an additional 1.7 per cent to the GDP over the same period (KPMG 2010).

The Plan goes further than the national target with a target of 44 per cent of 25 to 34 year olds in NSW holding a bachelor degree or higher by 2025. The Plan also supports TAFE NSW, as a higher education provider, being a major contributor in driving up participation in higher-level qualifications.

### TAFE NSW performance

TAFE NSW institutes are directly responsible for supporting higher-skill targets through annual purchasing and performance agreements. Results to date have shown strong growth in both government-supported and commercial offerings.

With well over half a million enrolments in TAFE NSW each year, our contribution to the state and indeed the national economy is significant.

Our enrolments at Certificate III level and above have continued to increase over the past five years, rising from 198,149 in 2005 to 239,525 in 2009, which

represents growth of 21 per cent. Over the same period, enrolments at Diploma level and above have increased from 45,177 in 2005 to 54,731 in 2009, which also represents growth of 21 per cent (TAFE NSW Data Warehouse 2010).

Importantly, an estimated 30 per cent to 35 per cent of these students came from low socioeconomic backgrounds. Enrolments in TAFE NSW by students from regional and remote areas have increased by 19 per cent for Certificate III and above and by 30 per cent for Diploma and above from 2005 to 2009, while enrolments by unemployed students at Certificate III and above has risen by 71 per cent and at Diploma and above by 68 per cent for the same period. Stronger growth has been recorded in enrolments by Aboriginal people, with enrolments at Certificate III and above increasing by 56 per cent and at Diploma and above by 42 per cent (TAFE NSW Data Warehouse 2010).

The highest enrolments in Diploma level qualifications are in areas of employment growth including Children's Services, Accounting, Community Welfare, Management, IT, Hospitality, Human Resources, Property and Building Studies.

### Strategies to increase VET qualification levels

While targets and accountabilities have been incentives for TAFE institutes in NSW to shift enrolment profiles to higher-level qualifications, this shift has not been without its challenges and it has required institutes to work in different ways and encouraged new, innovative and collaborative approaches.

### Centres of Excellence

An analysis of Diploma enrolments by some institutes found there were as many as 95 diploma

qualifications on scope, but many with less than a dozen enrolments.

Sydney Institute responded by reducing the number of qualifications offered and implementing a targeted growth strategy in a smaller number of 'areas of excellence' which focused on job outcomes and tertiary pathways. Market research and new marketing approaches were also introduced to target potential customers more directly, including new markets such as university non-completers.

### Diploma to degree

Growth in Diploma to degree programs in partnership with universities has also been used as a strategy by a number of institutes to support increased enrolments in higher-level qualifications. Over the past seven years, Riverina Institute has expanded its University Study Centre model for cross-sectoral partnerships linking schools, TAFE and university study with job opportunities. This program includes three partnering universities to increase regional communities' and employers' access to para-professional and professional careers.

### Focus on completions

Another initiative, introduced earlier this year across all 10 TAFE NSW institutes, is a series of action research projects, which are identifying and evaluating strategies designed to increase the completion of qualifications. Many institutes are tackling completion projects on higher-level VET qualifications, particularly because of the impact low completions in these courses has on joint TAFE-university programs and pathways.

Two examples are Illawarra Institute's *Upping the Ante* project, which is targeting dual TAFE/university programs in business and IT, and Riverina Institute's *Staying the course* project, which aims to increase

completions of Certificate III and IV level courses by Aboriginal students and involves consultation with community groups. The outcomes of these projects are being shared across TAFE NSW to support ambitious targets to increase qualification completion rates.

### VET FEE-HELP

TAFE NSW has also been successful in increasing enrolments and completions in higher-level qualifications through the introduction of VET FEE-HELP, particularly through its flexible and distance delivery division of Western Sydney Institute, OTEN. Enrolments in 2010 have more than tripled compared to 2009, growing from 1,731 to 5,355. It is interesting to note that the vast majority of students accessing VET FEE-HELP (77 per cent) are female and most are under the age of 40 (70 per cent) with the highest enrolment numbers to be found among the 20 to 29 year old age groups (TAFE NSW Data Warehouse, 10 September 2010).

### TAFE as a higher education provider

TAFE NSW has recently joined other TAFEs around the country in registering as a higher education provider and will deliver its first Bachelor Degree program from 2011.

TAFE NSW is uniquely positioned to support higher education attainment targets for young people from all communities across NSW due to our many advantages including:

- longstanding linkages with industry and employers across all industry sectors
- a strong track record of supporting people from disadvantaged communities
- a wide geographic footprint with 130 college locations throughout the state

- significant student reach – with 100,000 enrolments in Certificate IV and above
- a broad range of applied qualifications in areas of high skill need
- close ties with schools and universities.

The *TAFE NSW Higher Education Strategic Plan 2011 to 2013, Enhancing Opportunities* sets out an approach that builds on TAFE's capability in both niche and applied areas of learning, and supports partnerships with universities to strengthen tertiary pathways and open up more opportunities.

Our new TAFE NSW Pathway Degree concept builds on the successful United Kingdom and Californian models of foundation and vocational degrees and proposes a partnership approach with industry, TAFEs and universities collaborating to offer students flexible employment-based learning options to achieve higher-level and bachelor degree qualifications.

## Conclusions

The TAFE sector is well positioned to support the Government's ambitious targets to lift qualification levels for working-aged Australians. Our future economic and social wellbeing depends on this important priority.

TAFE has a strong track record of working with industry to deliver the skills needed to keep our economy strong. We also have a great social inclusion capability and record. Our links with industry keep us relevant – and an essential part of the national effort to improve skills and productivity.

In this environment it is disappointing that the 'quality' of the VET and TAFE brand is being questioned by so many. TAFE has nothing to hide. We welcome greater transparency in outcomes and

the opportunity to benchmark our performance across the VET and other education sectors.

As a higher education provider, TAFEs are assessed by academics from our leading universities against national standards. As VET providers, we are subject to stringent audits by our regulators and the National Centre for Vocational Education Research (NCVER).

Our contribution to building the skill levels of people from all communities across Australia needs to be more widely recognised and valued.

The real test of quality is, of course, the employability of our graduates and our reputation with employers.

In keeping with the Year of the Tiger theme, I would suggest TAFE needs to grab the higher-level skills tiger by its tail – take the chance and show what we can deliver.

## References

- KPMG Econtech & Department of Education, Employment and Workplace Relations (DEEWR) 2010, *Measuring the impact of the productivity agenda: final report*, February, KPMG Econtech, Canberra, ACT, [www.deewr.gov.au/Ministers/Gillard/Documents/KPMGEcontechReport.pdf](http://www.deewr.gov.au/Ministers/Gillard/Documents/KPMGEcontechReport.pdf).
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- TAFE NSW Data Warehouse, <https://detwww.det.nsw.edu.au/it/datawarehouse>.



## DAVID WILLIAMS

*Executive Director Victorian TAFE Association*

David Williams was appointed to the position of Victorian TAFE Association (VTA) Executive Director in June 2001. He joined the association as Manager, Workforce Development & Employment Relations in 1996. David has a strong background in industrial relations, human resources and government issues.

### The following three presenters addressed:

- > Does the new landscape (e.g. competitive funding, student entitlements) enable more efficient/effective TAFE institute operations?
- > What does industry see as the defining characteristics of innovative and high performing TAFE institutes?
- > Will the new regulatory arrangements raise the quality of VET?
- > What would be the benchmarks for TAFE institutes?

States and territories will approach funding of vocational education and training (VET) in different ways, with varying degrees of competitive funding for the government dollars. The following commentary is based on the Victorian model, where from 1 January 2011 all government funding for VET will be open to competition. The Victorian TAFE Association (VTA), with members comprising Victoria's 14 standalone TAFE institutes and four dual sector universities has endorsed the four goals described in the 2009 Victorian Government policy statement *Securing jobs for your future – Skills for Victoria* and recognises the social and economic imperative of lifting the skills profile of the state and targeting those who have no, or low level, post-school qualifications. The overall State Government objective is heavily focused on providing VET opportunities for in the order of one and a half million Victorians without post-school qualifications.

The VTA acknowledges the State Government's substantially increased investment in VET of \$316 million over four years including \$139 million for additional delivery and \$10 million reserved for

exemptions in the first two years. TAFEs as 'whole of service' providers do receive a Student Contact Hour funding loading.

The policy is underpinned by the notion of a training guarantee but access is determined by eligibility criteria extending beyond citizenship and residency to age and prior qualifications. The eligibility criteria in Victoria is a very significant issue to some potential students such as mature age applicants for apprenticeships holding prior qualifications higher than Certificate III, career changers and those without current qualifications seeking to re-enter the workforce and re-skill.

The VTAs primary concerns are:

- ensuring the maintenance of quality provision
- market reaction to new eligibility criteria
- advancing social inclusion in VET student cohorts.

In July 2009, courses at diploma level and above were open to full contestability. From January 2011 all Certificate I to IV courses will be included in the open contestable market approach.

The partial implementation of contestability for government funding thus far has had substantial impact on TAFE operations. This will only increase as full contestability comes on stream in another three months.

Three key messages emerged from VTA interviews with seven CEOs representing regional and metropolitan TAFEs and two dual sector universities.

*Firstly*, massive and difficult change processes for business systems to ensure quality data collection and compliant reporting arrangements. Integrity of student data delivered on time is now linked to cash flow. The substantial financial investment of financial and human resources by the State

Government must be acknowledged. Changes to student management and finance systems, compliance reporting requirements and VET FEE-HELP implementation into the TAFE context have been extremely complex and perhaps have, at times, diverted TAFEs from growing their businesses. The changes in relatively short timeframes were a huge challenge requiring early, strong cross-organisation project planning for the changes.

*Secondly*, understanding the value proposition that puts TAFE front and centre in the client's mind and changing the focus of marketing accordingly to position TAFE. A task compounded by the fact that fees for diplomas have increased from \$877 with concessions, at the start of 2009 to \$2000 this year with access to VET FEE-Help. The full fee paying equivalent course costs around \$8,000 to \$10,000 per year. It is a real challenge to convince students ineligible for government supported places of the value proposition in paying full fees at these levels and accessing VET FEE-HELP when other arguably more affordable options are available. Internally, this has required changing mindsets and substantial increases in marketing investment, in some instances greater than a 200 per cent increase. TAFE must market itself as the quality brand, the secure and superior provider for high quality training and employment outcomes and be prepared to market directly to more finely segmented markets.

*Finally*, the need to direct substantial resources to nurture and build sustainable brand relationships including re-engineering customer services behaviours of front line staff and all staff who interface generally with employers and the local community. This is requiring cultural and behavioural changes and is seen as a very positive benefit of being in a competitive VET environment. Staff need to be more proactive and entrepreneurial to ensure students enrolled enjoy and value their

participation and remain as enrolled students. As one CEO pointed out *'in 2011 every dollar is a commercial dollar'*. Staff are becoming aware that we can't rely on the regular fortnightly government payment but instead institutes are paid in arrears for participating students only, with less surety about who will attend and what they will enrol in.

What TAFEs need to ensure is that they have great products, great relationships and a great reputation. This also requires the capacity to make the tough decision. Some program areas have become or will become unviable. In other instances new opportunities have arisen leading to projected growth.

There is no consistent pattern of the impact of competition for government funding across Victoria as the markets vary according to the institute, the local demographics and level of competition amongst providers. Some areas in Regional Victoria have seen drops in enrolments of in the order of 60 to 70 per cent in diploma programs and above. In some large metropolitan providers, this has been in the order of 20 per cent. Some dual sector universities are maintaining their 2009 enrolment levels. In many instances the overall enrolment numbers have remained static or slightly grown with the profile shifting to lower level qualifications, and there has been an accelerated shift to workplace delivery, renovated delivery models and innovation in program design.

Next year, when we move to full contestability across all program levels, we have an unknown picture of enrolments and will be competing against known and unknown competitors. This will mean that TAFEs need to be more nimble and will need a loosening of public sector approaches within the central bureaucracy if they are to be able to compete *'without having one hand tied behind their back'*.

We also have major public sector imposed impediments to competing in an open market such as compliance with reporting and accountability requirements, public sector executive remuneration policies, government wages frameworks and industrial relations policies, and government investment and marketing policies. These are areas that need review and action.

The challenges ahead are not insurmountable. TAFEs competitiveness will be determined by price, quality, convenience and the integrity of the outcome.



### NEIL EDWARDS

CEO – TVET AUSTRALIA

Neil Edwards was appointed to the position of Chief Executive Officer, TVET Australia in May 2010. Immediately prior to this appointment, Neil was CEO at Chifley Business School, a position he had held since July 2005. Neil has over 30 years' experience in the private and public sectors, having held senior executive positions in both State and Federal government departments. Neil is Chairman of the Victorian Regional Channels Authority (VRCA) and a Member of the Advisory Board for Defence Science.

With all this talk of tigers and jungles, I thought I might introduce an elephant – the problem of measuring quality.



A bit of background...

Before coming to TVET Australia I spent nearly five years as CEO of Chifley Business School. Chifley is a successful private Registered Training Organisation (RTO) and higher education institution.

As RTO and higher education provider both, Chifley crossed the 'tertiary' boundary before Bradley, let alone post-Bradley, and I will come back to measuring success on both sides of the boundary a little later.

What counted as success at Chifley? Beating TAFE to major corporate contracts, especially when we charged more, certainly did...but why? Because profitability and sustained profitability in particular were essential to survival and that required gaining and retaining paying customers. In turn, that meant convincing customers they got quality with Chifley:

- a quality learning experience highly relevant to career and enterprise needs
- a real productivity outcome for the enterprise
- a valued qualification outcome for the individual.

In this era of contestability for public funding, I don't need to labour the point that success in TAFE will increasingly depend upon gaining and retaining paying customers – even if the customer is government, which is not always well-informed.

But like you, we at Chifley were also bound to be conscious of the necessity of quality for a very different reason: our right to be in business as an RTO granting nationally recognised qualifications (or as they say, our licence to operate) depended upon our proving to regulators that we met and sustained Australian Quality Training Framework (AQTF) standards.

To us, meeting AQTF was an essential yet minimum requirement – in this respect being audited against the AQTF standard, focusing as it seemed on processes and box ticking, represented something of an irritation if not an insult.

After all, as our auditor observed, it was clear that Chifley had a deep culture of quality of education experience and focus on business outcomes, and our customers made that clear – even if we had to fix some process non-compliances.

Nevertheless, the point holds, Chifley knew that success in education depends on quality. If the quality of the learning experience and its outcome were not manifest to our customers and regulators at Chifley, we would not have been in business.

Yet my role at TVET has brought home, of course, that success and quality are not such simple matters to measure nor to see right across a national system, let alone one as subtle and elusive as vocational education. And because that is so, it may not be easy to achieve a demand-driven, competitive market for VET nationally, though very worthwhile.

I acknowledge too that for TAFE providers required

to cover the broad range of courses, student types and methods of delivery, the task of consistently delivering quality is tougher than for a single discipline, high level entity like Chifley.

Now that quality is at the heart of our sector – something which Robin Shreeve emphasised in his presentation yesterday – you won't be surprised that Robin and I agree wholeheartedly on this. In particular, Robin is right in saying that quality and transparency are two sides of the same coin.

I would add that without fairly clear and agreed standards for what constitutes quality in VET, there won't be a single market for VET so much as a number of markets, not really comparable to each other. If doubt continues, the currency of VET, the national qualifications issued by VET, will dissipate in value and our students and enterprise customers will stay away in droves.

But there isn't necessarily a common understanding of what a quality learning experience is – even if we can all point to examples of absence of quality.

Why do I say that? To take the demand of VET side first:

If you were to ask an individual learner for evidence that their VET experience is 'good', they might say:

- 'I'm getting a qualification to get me into a job I wouldn't have gained without it', or
- 'I'm learning something practical that makes sense to me in a way that the school classroom never did', or
- 'This gets me back into education so I can go on to higher study'.
- If you were to ask an enterprise whether its VET experience is 'good', it will point to impacts on its productivity and therefore its bottom line

in the near term. Or, perhaps, to the fact that the program is customised and relevant to its business, not just strictly in conformity with the qualification rules or training packages.

- If you were to ask a government funding VET, it would point to skills formation to meet short-term economy-wide skills gaps and to long-term skills development and competitiveness. Or, to improved social inclusion as those who might otherwise be left behind get another chance at a job or further training.

From the supply side: Ask a provider, and the quality of experience might come down to teaching staff, to their erudition, and – too rarely perhaps – to their industry connectedness or any combination of these!

Ask an industry sector skills council, and quality will be more or less the extent to which competencies it deems essential are imparted and tested.

Thus to the elephant in the room, or rather the ancient Indian proverb of the blind men and the elephant...

Three blind men enter a dark room in which an elephant is housed. In turn, each of the men touches a different part of the elephant in order to learn what it is like.

The first man feels the elephant's leg and says the elephant is like a pillar; the second man feels the elephant's tail and says the elephant is like a rope; the third man feels the elephant's trunk and says the elephant is like a tree branch.

The men compare notes and learn that they are in complete disagreement.

Which of the men is right?

All of them are right. The reason everyone is telling

it differently is because each of the men touched a different part of the elephant. The elephant actually has all the features the men described.

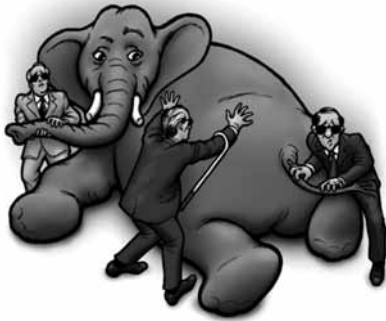
- Just as the elephant is sprawling, ungainly and complex, so is VET.
- The players in VET do genuinely experience VET differently, and expect many different things of it – sometimes vehemently so. If you'll pardon my compounding the politically incorrect metaphor: from the blind men with the elephant, we often get a dialogue of the deaf! It is not that any of the players is wrong, just partial. The blind men and the elephant: it is not that successful VET is so easy to capture in a simple formula.
- Indeed, the learning in VET is much more difficult to deliver, define, assess and prove than at the higher education side of the tertiary spectrum.
- To give one example of this point only, at Chifley it was far easier to render theory and knowledge into a form which could be imparted and tested by distance means – what is learned can be codified and manipulated in written form, and can be readily tested in the same way – it is actually congruent and one dimensional.
- When it came to vocational learning, however, our paying clients and the adult students in our programs rightly expected something which was applied, real for the workplace – and experienced, not 'taught'. The assessment was, accordingly, also more subtle.

When we attempted to render something of the rigour of VET assessment of practice into higher education form, it turned out to be harder work for the participants and more slippery to explain.

It was actually harder to sell because it was more costly than pure higher education. Nevertheless, the effort was worthwhile, for both productivity and individual development reasons.

Thus, what constitutes 'good' VET is not only contested by the players in VET, but vocational learning is more recon-dite, more elusive, than purely knowledge-based forms.

Now none of this means that the effort in establishing what quality is, is futile. On the contrary, it is probably even more necessary than defining quality in higher education. The damaging



experience of dubious providers springing up in the space left by lack of clarity about VET quality, and the poor opinion of some qualifications expressed by some industries and enterprises are evidence enough. But it is certainly not a one-dimensional task.

What would really help would be for all players to recognise that the elephant is complicated, has many parts, and not claim that quality is one thing, theirs only.

It is not a task which is done once and for all. As skills needs change, and as delivery methods and the pattern of institutions and purchasing models change, so must the task of defining quality standards be revisited.

It is work that the National Quality Council and as from next year, the National Standards Council, continue to work at. As they go about these tasks, the players could help by making an effort to see all of VET – the whole elephant – in its complexity, rather than insist that what constitutes quality for the system is only the part they know, and control, themselves.



## JEANETTE ALLEN

*CEO, Service Skills Australia & Chair,  
WorldSkills Australia*

Jeanette Allen is the Chief Executive Officer of the Service Industry Skills Council, a not-for-profit, independent organisation, which is one of 10 national Industry Skills Councils set up in 2004. She is also Chair, WorldSkills Australia. Under the Rudd Labor Government she was given the new mandate of overseeing a 'strengthened Industry Skills Council' covering Workforce Development, Advocacy on Quality Training Provision, Productivity Places Program and the Continuous Improvement of the service industries training packages.

Jeanette holds an MEd (Curriculum Development), a BEd (Curriculum Leadership), a Diploma of Teaching (TAFE) and a Certificate in Hairdressing (Sydney Technical College).

## Introduction

While many outcomes may result from Australians who commence courses through TAFE and other registered training organisations (RTOs), not all of these outcomes are as yet fully understood. Furthermore, from an industry perspective, it is apparent that there is sufficient capacity for some of these outcomes to be improved.

Essentially, the key indicators of a successful training organisation (as identified by industry) are its capacity to improve the job and career prospects of the students commencing – and, ideally, completing – its courses. This may include developing existing workers' capabilities for future promotion or enhancing the career prospects of school students undertaking a VET in Schools (VETiS) program.

This paper will briefly describe the service industries' view through the prism of a selection of four recent and current projects undertaken by Service Skills Australia (SSA). The foci of these projects comprise issues of:

1. employment as *the* outcome of vocational education and training (VET)
2. productivity and its relationship to education and training
3. completion rates of VET qualifications
4. workforce development for VET practitioners.

## Some issues for industry

SSA's VETiS project aims to provide clear guidance and resources in order to maximise the career pathways and employment outcomes for youth partaking in VETiS programs relating to the services industries. Feedback from our initial consultation process – with industry peak bodies, enterprises, Boards of Studies and State Training Authorities –

has emphasised a need to move 'kids into jobs', to dissect the policy and implementation landscape in relation to the position of industry, and to promote VETIS good practice. While this places the spotlight on employment as the direct measure of success, it also draws attention to concerns of industry engagement and pedagogical practice.

Looking at education and training from the perspective of how it contributes towards the improvements in productivity, SSA is currently working with the Centre for Economics in Education and Training (CEET) at Monash University. In addition to focusing on labour and skills forecasting for the service industries, this project examines the nature and measure of productivity in these industries. To date, this project is challenging a number of assumptions held about measuring productivity in a service industries context. Ultimately, it is the belief of SSA that any such measurement must take into account the industries' educational investment in its human capital as skills acquisition (alongside workforce participation) holds an important key to developments in national productivity.

SSA has also engaged John Mitchell and Associates to investigate completion rates of service industry VET qualifications. Due for completion in early 2011, this project has commenced on a pilot involving three RTOs that deliver services to the retail industry. For diversity, these comprised one public RTO (that is, TAFE), one private RTO and one enterprise RTO. Though fraught with complexity, SSA believes that the issue of completion rates can be adequately solved in a very practical way through an improved and more detailed measurement of non-completions (that is, the reasons why people do not complete the qualifications they commenced).

Finally, there is the issue of developing the VET workforce of trainers and assessors. This was

covered in 2009 as part of a three-stage project (*The New Deal*) that sought to discover ways to improve quality outcomes from VET for the service industries. Undertaken by the University of Ballarat, this project found the defining characteristics of high-performing VET providers to be essentially dependent on RTOs investing in developing their VET practitioners – both in terms of fostering industry currency and driving a culture of pedagogical expertise.

### **Effective workforce = effective RTOs**

As identified in *The New Deal* (2009, pp. 85–87), the attributes of effective VET teachers and trainers may be grouped into three overarching areas:

Commitment to learning, embodied by:

- teaching/training delivery skills and assessment skills
- attention to learners' needs
- disposition to learn and to help colleagues learn

Commitment to communication, embodied by:

- being seen as empathetic, approachable, flexible and adaptable
- management/organisational skills
- thorough understanding of VET and an ability to interpret the system for a variety of audiences

Commitment to industry, embodied by:

- industry technical skills
- having passion for the industry.

Conveniently, the RTOs that appeared to have an effective VET workforce already in place were identified as possessing traits conducive to similar groupings:

Commitment to learning, embodied by:

- a strong individual/champion/team encouraging high quality among teachers
- good learning resources

Commitment to communication, embodied by:

- regular team meetings
- tight performance management and quality systems

Commitment to industry, embodied by:

- managers liaising with industry
- culture of passion for the industry among teachers

Commitment to innovation, namely a culture that encourages innovation and risk-taking (within certain parameters).

If communication and learning are to be understood as integral aspects of pedagogy (at least in this context), then this analysis can be seen to produce some overlap with a recent news article on a new model business school that is successfully maintaining industry relevance while investing in research and teaching (Dodgson 2010). The three important lessons for education identified are:

- partnerships that encourage businesses to fund and support research and training
- actively engaging researchers to address concerns confronting business and society
- developing expertise in innovation and entrepreneurship.

### Summary and conclusions

High-performing institutes are essentially characterised by high-performing practitioners who, themselves, are partly of such quality because it is being consistently encouraged and developed by the institutes for which they work. These areas

that require consistent development may be boiled down to industry engagement and pedagogical engagement (SSA 2009, p. 88).

Industry engagement encompasses keeping up-to-date with industry skills and developments, understanding the whole (not just one part of it), understanding how companies organise their business, and being aware of global industry and economic trends.

On the other hand, pedagogical engagement involves attention to good delivery and student learning, evaluation of teaching by students and industry, benchmarking against other practitioners, professional development, and encouraging a collegial environment of improving practice collectively.

Innovation, too, requires active and consistent engagement. Ultimately though, the measures of an institute's success will be governed by its ability to model high standards, provide creative direction and enhance professional practice.

### References

Dodgson, M 2010, 'An enterprising concern', *The Australian*, 25 August 2010, [www.theaustralian.com.au/higher-education/an-enterprising-concern/story-e6frgqjx-1225909571622](http://www.theaustralian.com.au/higher-education/an-enterprising-concern/story-e6frgqjx-1225909571622).

Service Skills Australia 2009, *The new deal: workforce development for service industries VET practitioners*, Research Report prepared for Service Skills Australia by University of Ballarat, Australia, December, [www.serviceskills.com.au/sites/default/files/WFD%20Full%20Report.pdf](http://www.serviceskills.com.au/sites/default/files/WFD%20Full%20Report.pdf).

## TDA beyond the election statement



### Facilitator

#### Ian Colley

The notes for this discussion session were prepared by Ian Colley, as were those for the Word Café (see pp. 65) and the post-election analysis (see pp. 124).

Most of the statements that follow were endorsed by participants.

#### Connected tertiary sector

Participants argued that the Election Manifesto is relevant post-election.

A Connected Tertiary Sector was seen as more 'approachable', connecting local socioeconomic groups, with TAFE as the start of a 'learning journey'.

Some of the key suggestions included that:

- we should capitalise on existing TAFE infrastructure
- there should be transparent pathways, for example, embedding TAFE qualifications into higher education qualifications
- regional TAFEs need to be a strong part of all delivery
- TAFE can provide a 'taste of success' so that gen Ys can see progress
- we should 'do it together, not in competition'.

The most important contributions/supports that TAFEs need from governments and universities are:

- Commonwealth funded places
- an unbiased and seamless approach to the higher education registration and accreditation process
- acknowledgment of TAFE in higher education
- genuine collaboration with universities, with TAFE seen as an equal partner
- articulation pathways that are properly supported
- funding to upgrade the skills of teachers
- a single regulator.

TAFE wants respect for what it delivers, and needs to be considered as an equal partner in providing higher education, not just a supplier. Some participants argued that the connections are easier in 'young' universities which are more proactive. In regional areas, for example, it is easier to share facilities.

The demographic of cohort is shifting due to uncapped places and we need funding to better support this new cohort (providing for learner engagement and academic progression).

There are a number of possible strategies to improve relationships, for example, finding ways to attract university 'drop outs'. TAFE should:

- be proactive and give universities a value proposition through services to students
- leverage its strength in practical, hands-on and industry-relevant studies, drawing on work placements and structured work-based learning
- leverage funds to be provided to students.

## Funding

Some participants argued that TAFE should be funded by the commonwealth not the states in order to remove an unnecessary state filter, remove layers of bureaucracy, encourage portability of qualifications, and line up with the Council of Australian Governments (COAG) agenda. At least, there should be:

- consistency (commonwealth funding and minimising state boundaries and intervention)
- access to Commonwealth Supported Places
- much less regulation (a light touch).

There is uncertainty about how the Education Investment Fund (EIF) will be used across the system.

There were mixed views about contestable funding. Some argued that contestable funding has driven TAFE to be more proactive. Others wanted to question the contestable funding model, for example, noting the alarming consequences emerging from the Victorian model 'Don't give up'.

We should consider why universities are funded in a monopoly and TAFEs are funded in an open market. It was considered that there should be a level playing field with universities for funding allocations, for example, base level funding and additional funding.

A new focus of TDA should be on support for government funding for public providers. TDA needs the \$660M to go straight to vocational education and training (VET). TDA should give prominence to this. There should be no duplication of resources, for example, Trade Training Centres.

Be very clear about the role of TAFE.

## Young people

It is worth asking the question: Is TAFE the right place for young people?

In particular, TAFE needs independent learners. We should:

- open up entry level for training so that everyone (or more people) has access
- provide case management for young people
- foster clearer communication with young people and parents/school staff to explain what can be offered
- use specialist teachers with additional qualifications.

Two strongly made points were that states should have different funding models and that the relationship between school and TAFE is critical.

## International student market

Participants agreed that there is a need to strengthen the regulatory system with the proviso that it applies to **all** providers.

It was also agreed that:

- ratings should be given on the provider's 'quality' assessment with the focus on a positive rating, not a risk rating
- support should be given for increased auditing resources
- trade pathways for international students should be considered.

## Post-election analysis: education and training, a number 1 priority?



### ANDREW TROUNSON

*The Australian*

Andrew has been a journalist for 15 years, first as a business reporter with Dow Jones, the publishers of the Wall Street Journal, in London, Sydney, and Melbourne. In 2003 he joined *The Australian* in Melbourne, mainly covering the resources industry. He joined the newspaper's Higher Education section in 2008, and has twice won Universities Australia's media award for coverage of equity and access issues.



### JOHN ROSS

*Campus Review*

John Ross is a journalist with *Campus Review*, Australia's independent national weekly newspaper about tertiary education, and was named by the National Press Club and Universities Australia as the 2010 Higher Education Journalist of the Year. Prior to joining *Campus Review*, he worked for many years as a media officer with New South Wales government agencies including the Department of Education and Training, TAFE NSW, the Adult Migrant English Service and the National Parks and Wildlife Service. He has also freelanced for publications including the *Sydney Morning Herald* and the *Good Weekend*, and as a casual scriptwriter for educational and promotional videos and TV magazine series. He has also worked at various times as a musician, English teacher, kitchen hand, landscape labourer and sugar cane chipper.



## PETER MARES

*ABC Radio National*

Peter Mares has been a journalist and broadcaster with the ABC for more than twenty years and currently presents the weekly public policy discussion program *The National Interest* on ABC Radio National. He was formerly presenter of the daily regional current affairs program *Asia Pacific*, and also worked for two years as an ABC foreign correspondent based in Vietnam in the mid 1990s. Peter is an adjunct fellow at the Institute of Social Research at Swinburne University of Technology and a regular contributor to the online journal *Inside Story*. He has published numerous articles, essays, book chapters and journal articles on migration related topics and his book *Borderline*, analysing Australia's policies towards refugees and asylum seekers, won prizes in the Queensland and NSW Premier's Literary Awards.

- How important is/was VET in the education debate?
- What do politicians want from it? How are they handling it?
- Where are we travelling with the politics around skilled migration?

## Journalists Session

The panel discussion 'Post-election analysis: education and training, a number 1 priority?' between journalists Andrew Trounson, John Ross and Peter Mares provided a lively and provocative (though short) opportunity to consider how the media responds to issues around vocational education and training.

Peter Mares (ABC Radio National) led with an argument that he thought the interest in skills was much higher in the community than amongst journalists themselves as a professional group. Their own educational background commonly predisposed them towards the higher education sector — and this despite the higher number enrolled in vocational education and in TAFE than in universities.

Andrew Trounson (*The Australian*) and John Ross (*Campus Review*) concurred with this general thesis, noting the status bias towards higher education. Andrew argued for a less instrumentalist approach to education, saying it was not just about the economy.

There was general agreement that skills and vocational education issues had a low profile in the recent general election.

The journalists advised that there was interest in skills and training, not only for 'bad news' but for stories about the value of skills and the impact of TAFE on 'transforming' people's lives.

Each of the journalists was clear that TAFE spokespeople made their own task harder with excessive use of meaningless acronyms. 'Vet' means something about animals in the wider world!

'The issues deserve more attention' but it is necessary to sell a clear and timely message that would be accessible to a generalist audience. 'Journalists are lazy, so be proactive with your stories, send us the press release, make it easy for us to tell your stories'. The recent example of Paul Keating's argument about the need for access to student funding support for people doing equal or lower level qualifications was mentioned as a good example of a newsworthy story about vocational education.

[Notes about this session were provided by Ian Colley.]

## Stream 1: A tale of the domestic tiger

### Skills for the resources sector – a challenge for VET

- Is there a sustainable skills strategy for the resources sector for the 21st century?
- How do we train existing workers at remote fly-in fly-out sites?
- How do we ensure that the training offered to people (including Indigenous Australians and young people) living in remote and regional Australia leads to sustainable jobs in the resources sector?

Perspectives from:

Chris Fraser, Executive Director, Victoria and Director, Education and Training, Minerals Council of Australia

Barry McKnight, Pro Vice-Chancellor (VET), Charles Darwin University (replaced Ray Barker, Chair, SkillsDMC)

Jim Barron, CEO, Group Training Australia Limited

Facilitator

Marie Persson