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A Blueprint for Tertiary Education in Australia – A TAFE Perspective

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SLIDE 1 – PRESENTATION TITLE

Thank you for the opportunity to present at this second annual Vocational Education Summit on behalf of TAFE Directors Australia.

The Summit occurs at a very interesting and dynamic time for TAFE and the VET sector which TDA, representing the 54 TAFE institutes and 5 TAFE components of the dual sector universities across the country, views as both challenging and perplexing. But we will come to this in due course.

The title of my presentation stems from TDA's action early this year to develop a position statement and vision for the tertiary sector with the same title: "***A Blueprint for Tertiary Education in Australia***". I am pleased to say that the ***Blueprint*** has been widely read and cited and has had some influence on subsequent policy.

SLIDE 2 – OVERVIEW

So today I intend to cover four key areas:

Firstly, it is important to briefly re-visit the genesis of the ***Blueprint*** because this explains why it has remained so relevant.

Secondly, I will briefly look at parallels in other countries.

Thirdly, I will outline what has happened since the ***Blueprint*** was released and how that reinforces its importance.

And finally, I will look at the next steps.

SLIDE 3 – SECTION TITLE: THE GENESIS OF THE BLUEPRINT

The Genesis of the ***Blueprint***

As we all know, the impetus for a tertiary sector stemmed from the Professor Denise Bradley's Review of Australian Higher Education released at the end of 2008 which called for a broader tertiary education and training system with much stronger links between Higher Education and vocational education.

SLIDE 4 – TERTIARY: BRADLEY'S VISION

According to Bradley, the principal characteristics of a fully effective tertiary system would be:

- equal value given to both VET and Higher Education, reflecting the importance of their different roles in the development of skills and knowledge and their contributions to our economy and society;
- the recognition that institutions may have a primary mission in one sector, but should still be able to offer qualifications in the other sector as under current arrangements;
- a shared and coordinated information base and approach to anticipating future labour market needs, industry needs and demographic trends;
- a capacity for the whole system to provide integrated responses to workforce needs for industries and enterprises, including those in specific localities and communities like outer metropolitan and regional areas where there is significant population growth, low levels of educational attainment and participation and uneven provision;
- an efficient regulatory and accountability framework; and
- clearer and stronger pathways between the sectors in both directions.

Based on these characteristics TDA commenced discussions with Universities Australia and the two peak bodies developed a joint position entitled 'Towards an Australian Tertiary Education System', released in March 2010.

SLIDE 5 – DEPUTY PRIME MINISTER'S VISION

The joint TDA/UA statement was also informed by the expectations articulated early in 2009 by the then Deputy Prime Minister Julia Gillard, when she emphasised the need for a fundamental rethinking of the separate systems and institutions in the interests of better connected learning for individual students. '

SLIDE 6 – TDA’s BLUEPRINT

The joint statement covered six key areas of agreement between the two peak bodies but TDA saw the need to spell out in more detail what this might mean in practice. The **Blueprint** resulted from working this through in a formal process with TDA members. It should at this point be emphasised that the **Blueprint** was prepared entirely from a TDA perspective and does not purport in any way to represent the views of Universities Australia.

The **Blueprint** is a comprehensive document which argues for nine fundamental positions. It is available on the TDA website and I urge you to look at it more closely. In the limited time available, I can only give a skeleton of what it contains but it is worth highlighting some critical points:

SLIDE 7 – TDA’S 9 POSITION STATEMENTS

- It endorses [ten defining characteristics of TAFEs](#) that together distinguish them from other RTOs
- It addresses the [definition of ‘tertiary’](#), with respect to both qualifications and institutions - an issue about which there is still no real clarity
- It argues that the tertiary sector requires institutions with [a broad educational mission](#) – outlining what that entails
- It highlights the need for [new National Protocols for the tertiary sector](#) - not just for the existing Higher Education sector as is currently the case and which is in danger of remaining so as part of the consultations leading up to the formation of TEQSA
- It comes out in clear support of a [single tertiary regulator framework](#) – aimed at the expansion of choice, options and pathways for students, as emphasised by Julia Gillard
- It supports an [interim National VET Regulator](#) - provided that it is appropriately resourced, has authority and operates within a risk framework. I will return to this point later.
- It argues for [parity in tertiary funding arrangements](#) – so that like courses receive like funding regardless of the sector
- It puts the case for [Commonwealth supported places for TAFE institutes](#) - in priority areas of national skills shortage

- And finally it endorses Bradley's call for a [unified approach to information collection](#) – an essential pre-requisite for measuring, rewarding and comparing performance in the tertiary sector.

SLIDE 8 – COAG / GOVERNMENT TARGETS

TDA continues to support for the positions outlined in the *Blueprint* and to use them as the framework its advocacy.

The concept of a tertiary sector gained significant momentum in the two years following the Bradley Review both from within Government and among the providers. It was given further impetus by the Federal Government participation targets in both Higher Education and VET, particularly the target related to participation of low socio-economic groups.

The VET sector generally, and TAFE in particular, was seen as providing as yet untapped potential for student pathways into Higher Education to the point where it is generally agreed that the 40% target would be unattainable with sole reliance on Higher Education. TDA likes to think that the *Blueprint* has also assisted in reinforcing this.

SLIDE 9 – SECTION TITLE: PARALLELS IN OTHER COUNTRIES

Parallels in other countries

Not surprisingly, the course of events in Australia has its parallels in some other OECD countries, where there is also a blurring between the sectors.

SLIDE 10 – US AND UK: COMMON THEMES

Early this year, I was fortunate enough to be the recipient of an Australian American Fulbright Executive Scholarship in Vocational Education -- part of which I conducted interviews across leadership of 20 community colleges in the United States.

It was clear that the education landscape in the United States mirrors much of what is happening in Australia, especially with reference to completions and national education attainment targets. Already 14 US states have legislated for their Community Colleges to offer degrees – showing there is a parallel debate occurring about the role of Community Colleges beyond the traditional two-year Associate Degree to better meet industry needs toward higher skilled qualifications, and using Colleges to better meet skill shortages.

In addition, TDA supported a Delegation of senior TAFE executives to England and Scotland in late 2009 where similar themes also emerged - the importance placed by government on participation and attainment targets, on the role of a demand-led system and on the Further Education Colleges in achieving them. The delegates' report is also on the TDA website and makes interesting reading.

TDA also sponsored the visit to Australia by Professor Gareth Parry, head of the faculty of education at Sheffield University, for an LH Martin Institute lecture on foundation degrees, and this dynamic changes taking place across Further Education in the UK.

The critical point here is that Australia is not alone in re-thinking the role of the upper levels of its vocational education system. It can bite the bullet and take an innovative approach or it can fall behind other countries that take a bolder approach.

SLIDE 11 – SECTION TITLE: DEVELOPMENTS SINCE THE BLUEPRINT WAS RELEASED

Developments since the [Blueprint](#) was released

To illustrate the snow-balling effect of the tertiary concept within Australia, I want to now spend a few minutes looking at what has happened in the short period of six months since the [Blueprint](#) was published to further blur the boundaries between the sectors and to move, it would seem inexorably, towards the tertiary sector that Bradley envisaged.

I mentioned earlier that both the providers and government have taken up the challenge and this is illustrated in the following examples:

SLIDE 12 - TAFE DEVELOPMENTS

In TAFE:

- The profile of Polytechnic West, announced in late 2009, and its role in Higher Education has gained ground.
- Having been granted registration as a Higher Education Provider, TAFE NSW announced in August that it would be offering its first degree in 2011 with more to follow.
- The University of Ballarat (UB) developed a partnership with a network of regional TAFE Institutes in Victoria enabling them to offer UB degrees (and not be reliant on developing their own).
- Both the NSW and Victorian Government have developed tertiary education plans, which recognise the role of TAFE in the provision of Higher Education.

- The ACT Government has established a Tertiary Taskforce which will develop a 'connected tertiary system' for the ACT.
- In September, the South Australia Government announced a \$125m state-of-the-art facility at Tonsley Park which will bring together TAFE, universities and industry, facilitating pathways between TAFE SA and universities and linking training providers to the latest developments in research and development.

SLIDE 13– HE DEVELOPMENTS

In the Higher Education sector:

- The University of Canberra announced its intention to become an 'omniversity', encompassing all stages of the education process and including private providers under the university umbrella.
- In September, Queensland's Premier Bligh flagged approval for a new dual sector university through the amalgamation of Central Queensland University with Central Queensland Institute of TAFE – pending their submission for Federal Structural Adjustment funding.
- Monash University, a Go8 university, has signed agreements with three Victorian TAFE institutes.

The scope and rapidity of these developments would have been unthinkable only two years ago and no doubt there are many more like them already on the drawing board.

But other things are also happening which have the potential to slow or otherwise hamper these developments.

SLIDE 14 – SINGLE TERTIARY REGULATOR?

The draft Bills for the National VET Regulator and TEQSA have been prepared and separate consultations have occurred within a lock-up style in confidence process.

This is in itself problematic since alignment of the two agencies at the outset is critical if a single tertiary regulator is to be achieved as envisaged by Julia Gillard. Separate processes open the door for there to be outcomes which, while logical within a single sector context are incompatible with the processes in the other sector and work against the ultimate aim of achieving a broader integrated tertiary sector.

This alone creates a real danger of what has been described as a 'permanent fault-line' being sunk between the two bodies. (*John Ross, Campus Review, April 27, 2010*)

And it is not to mention the fact that the constitutional bases for the two pieces of legislation are already different, with referral of powers required from the States in order for the National VET Regulator to be established but no such referral required for the establishment of TEQSA. Hence we have a situation where individual states can opt out of the National VET Regulator without having the option to do the same with TEQSA.

TDA therefore finds it extremely disappointing that already at this relatively early stage the merger of the National VET Regulator and TESQA has been described separately in public forums – I believe at the recent LH Martin Institute Conference – the Interim Chair of the National VET Regulator and the Interim CEO of TEQSA described as ‘aspirational’ and not a first order priority. This is in stark opposition to the former Deputy Prime Minister’s announcements that it was the Government’s intention for TEQSA and the National VET Regulator to merge in 2013 and to TDA’s strong support for a single tertiary regulator.

SLIDE 15 – SECTION TITLE: WHERE TO FROM HERE?

Where to from here?

Looking to the future, TDA is realistic enough to recognise that there is much to be done to improve the regulatory framework in the VET sector before integration with TEQSA will be seen as possible, much less desirable.

In many respects, this goes back to the broader issue of the first of Bradley’s stated characteristics of an effective tertiary sector, namely that equal value should be given to Higher Education and VET. It is clear that while lip service might be paid to this in the rhetoric, governments have not applied it in practice.

A brief comparison of the current state of the Higher Education and VET markets illustrates this point --

SLIDE 16 – THE VET MANTRA

In VET, there has been a simplistic mantra of ‘the more providers, the greater the competition, the more efficient the system’. It would seem that this follows as night follows day. To encourage more providers a ‘light touch’ regulatory framework has been the order of the day with the associated risks about compromising quality. Having a large number of providers has been an unspoken KPI for the individual States as evidenced by the fact that the 2009-10 Annual Report of Queensland’s Training and Employment Recognition Council boasts amongst the highlights of its achievements:

'During 2009-10 the number of registered training organisations (RTOs) increased from 1356 in 2008-09 to 1445. This represents an increase of 6.5% over the previous financial year. Queensland continues to have the largest number of RTOs of any Australian jurisdiction.' (page 12)

Notwithstanding the size of Queensland, this is a rather curious claim when its population is the third largest of all the States and represents about 20% of the total.

SLIDE 17 – THE VET MARKET

The latest listings for the VET sector show that there are 5,001 Registered Training Organisations (RTOs) across Australia of which 59 or 1% are public sector TAFEs. The most rudimentary analysis would suggest that there is a huge cost-benefit question mark about the resources required to regulate this number of providers. Obtaining accurate and comprehensive data about training delivery is difficult but it is estimated that TAFE institutes account for about 85% of accredited training in the sector. In 2009, that represented about 1.3 million students out of the total of 1.7 million undertaking government funded training so that by an admittedly crude calculation, there are around 4,942 providers for 15% of accredited delivery or 400,000 hours of government-funded training.

SLIDE 18 – THE HE MARKET

By contrast there are currently 192 Higher Education Providers with the 39 universities (20%) accounting for 95% of the student load. The title 'university' is protected in law. The current Australian Universities Quality Agency (AUQA) employs approximately 45 staff, a ratio of around one staff member for every four providers.

If the same ratio were to apply nationally for VET as for AUQA, the regulatory agency would employ 1,250 staff. The salary bill alone would be more than \$75 million.

Taking one state as an example, the Victorian Registration and Qualifications Authority employs 50 staff for its registration, accreditation and quality assurance functions that cover schools, VET and Higher Education. The VRQA is responsible for around 1200 RTOs of which 17 are TAFEs.

Even if all the VRQA's resources were devoted to regulation of RTOs – which they are clearly not – this would be a ratio of one staff member for every 24 providers or 1/6 of the resources available to AUQA.

While TDA appreciates Governments' desire to promote competition, it argues that it has allowed the situation in the VET sector to get out of control which proved to be a major contributor to the collapse of the international education market.

SLIDE 19 – BUT WHAT ABOUT TAFE?

When Julia Gillard announced the establishment of TEQSA at the Universities Australia Annual Conference in 2009, she emphasised that the future of Australia's higher education system rests on its quality and reputation and that the right to be designated a university must be earned rather than taken at face value.

TDA strives for a similar attitude to apply to TAFE and believes that governments need to review their approach to VET. This was a key position in the TDA submission to Skills Australia '*Creating a Future Direction for Australian VET*'. The approval to offer a nationally-accredited course and have government endorsement needs to be seen as a genuine privilege not just a meal ticket.

SLIDE 20 – A NEW VET MANTRA

The VET mantra needs to change to become more like the one that applies in Higher Education.

FROM:

the more providers, the greater the competition, the more efficient the system.

TO:

the more reputable the providers, the better the quality, the more efficient and effective the system.

In any event, unless VET is thoroughly and promptly cleaned up, the medium to long prospect of the sector is bleak and is certainly holding back TAFE institutes and the other quality providers from being seen as credible and desirable partners in a tertiary landscape. This also impacts of course on whether there will be any incentive for TEQSA to merge with the National VET Regulator.

I said at the beginning that TDA finds the current environment perplexing. It is perplexing that these matters are not blindingly obvious if the reputation of Australia's VET system is to be restored.

In the short term, TDA is therefore working with its membership to gain as much ground as possible. In practice this means continuing to advocate for the positions outlined in the *Blueprint* and while they all remain important, the major priorities at present are.

SLIDE 21 – TWO IMMEDIATE PRIORITIES (ONE OF)

Firstly, TDA will be arguing the case for the new draft Provider Category Standards, which are poised to replace the existing National Protocols for Higher Education, to better reflect the goal of a broader Australian Tertiary Sector and the role that TAFE is already playing and will continue to play in the Sector in future. (*Blueprint* - position 4).

The current draft reflects the existing situation and bears no resemblance to the 'fundamental re-think' that Julia Gillard referred to. In particular, TDA would like to see the definition of a University College loosened up to no longer be a category to cater for the transition to a university, but a category that TAFE institutes could aspire to.

SLIDE 22 – TWO IMMEDIATE PRIORITIES (TWO OF)

Secondly, TDA will focus its energies on achieving recognition that Commonwealth supported places should be available to TAFE institutes, and for that matter other non-university Higher Education Providers, in priority areas of national skills shortage. (*Blueprint* - position 8) This would mean a change of policy from uncapped places for universities to uncapped places in priority skill shortage areas for Higher Education Providers.

SLIDE 23 – BENEFITS OF A TERTIARY SECTOR

Conclusion

I would like to use my concluding few moments to highlight the benefits to Australia of a tertiary sector. TDA has identified benefits that apply to individual students, to Governments and to industry. Again these benefits are addressed in the *Blueprint* but in much abbreviated form they are as follows:

- A new tertiary sector would provide more flexible and clearer options for students with enhanced pathways in both directions
- It would assist in boosting national productivity by enhancing the chances of government targets being met
- It would ensure government funding is directed to reputable, well-managed providers
- It would facilitate a better match between tertiary offerings and labour market needs, providing employers with greater access to workers with high level skills
- An integrated approach to information collection would support transparency in measuring and rewarding performance and outcomes, providing a rigorous evidence base for students to choose between institutions
- By providing greater certainty of the quality of institutions, it would increase the opportunity to restore Australia's image internationally

SLIDE 24 – THANK YOU

And so the challenge continues.

I trust that this time next year I will be able to report on significant further progress.

Thank you for your attention.
