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AFR CONFERENCE 2010 - FINANCIAL REVIEW PRESENTATION

***DESIGNING TERTIARY – TAFE, STRUCTURES AND BUDGETS  
& NEWS FROM COMMUNITY COLLEGES IN AMERICA***

THANK YOU FOR THE INVITATION TO ADDRESS THIS CONFERENCE; IT IS A PLEASURE TO ONCE AGAIN BE PARTICIPATING IN THE ANNUAL AFR CONFERENCE.

**[SLIDE 2]**

AS MANY OF YOU KNOW, TAFE DIRECTORS AUSTRALIA, OR TDA, IS THE PEAK BODY REPRESENTING AUSTRALIA'S 54 TAFE INSTITUTES AND THE FIVE TAFE DIVISIONS OF THE DUAL SECTOR UNIVERSITIES.

TODAY, I WANT TO TALK ABOUT DESIGNING TERTIARY TAKING ACCOUNT OF THE FRAMEWORK OF TAFE, STRUCTURES ACROSS THE POST-BRADLEY ENVIRONMENT, AND WHY THIS IS CRITICAL IF WE ARE TO DEVISE A SUSTAINABLE FUNDING MODEL FOR THE RESPECTIVE SECTORS.

I WANT TO OUTLINE – AND INVITE DISCUSSION ON – THE JOINT TDA AND UNIVERSITIES AUSTRALIA (UA) STATEMENT OF APRIL, AN INITIATIVE WHICH SETS OUT AGREED PRINCIPLES FOR A RECONSTRUCTED AND REVITALISED TERTIARY EDUCATION SYSTEM –

FOR TDA THIS ISSUE WAS NOT CLEAR IN THE BRADLEY REVIEW OF HIGHER EDUCATION – AND WILL BE AT THE CORE OF ANY SETTLEMENT TO FUTURE FUNDING FOR TERTIARY EDUCATION POST-BRADLEY.

FINALLY, I WILL OUTLINE SOME INTERESTING ALIGNMENTS – AND LESSONS -- BETWEEN THIS AUSTRALIAN EXPERIENCE AND DEVELOPMENTS IN THE UNITED STATES – COURTESY OF MY RECENT FULBRIGHT STUDY TOUR IN THE US.

**[SLIDE 3]**

THE AUSTRALIAN GOVERNMENT HAS SIGNALLED ITS FIRM INTENT THAT AUSTRALIA SHOULD MOVE SWIFTLY TO A UNIVERSAL SYSTEM OF TERTIARY EDUCATION, A SYSTEM LED BY STUDENT DEMAND.

AS THE DEPUTY PRIME MINISTER HERSELF HAS OBSERVED, *'IS NOT ABOUT BOLTING ON NEW POLICIES TO AN ALREADY COMPLEX SYSTEM. IT IS ABOUT FUNDAMENTALLY RETHINKING SEPARATE SYSTEMS AND INSTITUTIONS TO CREATE BETTER CONNECTED LEARNING FOR MILLIONS OF INDIVIDUAL STUDENTS.'*<sup>1</sup>

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## [SLIDE 4]

THE JOINT UA/TDA STATEMENT IS A DOCUMENT POSTED ON OUR WEBSITE  
[WWW.TDA.EDU.AU](http://WWW.TDA.EDU.AU)

FURTHER, SOME OF YOU MAY HAVE NOTICED A COMPREHENSIVE ACCOUNT  
PUBLISHED IN CAMPUS REVIEW 27<sup>TH</sup> APRIL 2010.

THE STATEMENT IDENTIFIED TERTIARY IN AUSTRALIA ACROSS SIX KEY AREAS  
OR CHARACTERISTICS.

THESE TOUCHED ON ADMINISTRATIVE, FUNDING AND INSTITUTIONAL REFORM  
IN ORDER TO ESTABLISH A SUSTAINABLE, HIGH QUALITY AND COHESIVE  
TERTIARY SYSTEM.

AS SUMMARISED ON THE SLIDE -- THESE KEY REFORM AREAS ARE  
SUMMARISED HERE:

### ***KEY AREAS FOR REFORM***

- 1. THE SCOPE AND BOUNDARIES OF TERTIARY QUALIFICATIONS.***
- 2. THE DEFINITION AND STATUS OF RECOGNISED TERTIARY INSTITUTIONS***
- 3. THE APPROPRIATE NATIONAL PROTOCOLS FOR ALL TERTIARY  
EDUCATION***

**4. THE SCOPE AND ORGANISATIONAL ARRANGEMENTS FOR A  
NATIONALLY UNIFIED REGULATOR**

**5. CONSISTENT FUNDING ARRANGEMENTS FOR ALL RECOGNISED  
TERTIARY INSTITUTIONS**

**6. A MORE CONSISTENT AND COMPATIBLE SYSTEM FOR TERTIARY-WIDE  
INFORMATION COLLECTION AND REPORTING**

I WILL TAKE A SHORT TIME HERE TO HIGHLIGHT SOME OF THE FUNDAMENTAL PRINCIPLES UNDERPINNING THESE KEY AREAS FOR REFORM.

**[SLIDE 5]**

**1. TERTIARY QUALIFICATIONS**

THE JOINT POSITION OF TDA AND UA IS THAT TERTIARY QUALIFICATIONS SHOULD BE DEFINED AS THOSE AT DIPLOMA LEVEL AND ABOVE. THIS IS CONSISTENT WITH THE OECD'S ISCED DEFINITIONS (INTERNATIONAL STANDARD CLASSIFICATION OF EDUCATION) AND THE PRINCIPLE, APPLICABLE BOTH INTERNATIONALLY AND IN AUSTRALIA, THAT TERTIARY EDUCATION NORMALLY REQUIRES AND FOLLOWS SATISFACTORY COMPLETION OF SECONDARY SCHOOLING.

GIVEN THE GOVERNMENT'S TARGET FOR 90% SECONDARY SCHOOL COMPLETION, TERTIARY EDUCATION WILL BE INCLUSIVE OF MOST YOUNG PEOPLE. IT IS NO LONGER AN ELITIST CONCEPT.

ADDITIONALLY, WHILE LOWER LEVEL VET CERTIFICATES ARE EXCLUDED FROM THE DEFINITION, THEY MAY BE STRUCTURED TO PROVIDE ALTERNATIVE AND EMBEDDED PATHWAYS TO DIPLOMA QUALIFICATIONS.

AS **PROFESSOR LEE KWONG DOW**, CHAIR OF THE RECENT VICTORIAN GOVERNMENT REVIEW ON THE DEVELOPMENT ON TERTIARY EDUCATION, HAS NOTED, UNIVERSITIES AND TAFE INSTITUTES NEED TO WORK COLLABORATIVELY ON ARTICULATION AND THE PREPARATION OF STUDENTS, WHILE TAFE INSTITUTES THEMSELVES SHOULD DEVELOP THEIR CAPACITY TO DEVELOP AND OFFER THEIR OWN HIGHER EDUCATION PROGRAMS INCLUDING ASSOCIATE DEGREES AND BACHELOR DEGREES.

**[SLIDE 6]**

## **TERTIARY INSTITUTIONS**

THE TDA/UA STATEMENT DEFINES TERTIARY INSTITUTIONS AS THOSE WHICH HAVE A BROAD EDUCATIONAL MISSION AS THEIR CORE BUSINESS, ENROLLED STUDENTS AS THEIR PRIMARY CLIENTS AND THE DEMONSTRABLE CAPABILITY TO DELIVER A RANGE OF TERTIARY EDUCATION QUALIFICATIONS.

TAFE INSTITUTES WILL INCREASINGLY TAKE ON A BROADER ROLE AS PUBLIC INSTITUTIONS OF TERTIARY EDUCATION. TAFE INSTITUTES ALREADY OFFER THE MAJORITY OF DIPLOMA QUALIFICATIONS AND MANY OF THESE REACH

BEYOND THE STANDARD TRAINING PACKAGES AND ARE DESIGNED TO DIRECTLY LINK TO HIGHER EDUCATION COURSES. MANY ARE ALSO EXPANDING THEIR PROVISION OF BACHELOR DEGREES, AND GRADUATE CERTIFICATES AND DIPLOMAS.

HOWEVER, THE AIM IS NOT TO PRODUCE A 'ONE SIZE FITS ALL' SYSTEM ... RATHER, TO CREATE A COHESIVE BUT INSTITUTIONALLY DIFFERENTIATED SECTOR.

BY NO MEANS ALL TERTIARY INSTITUTIONS WILL OFFER THE FULL RANGE OF HIGHER EDUCATION PROGRAMS. IN PARTICULAR, WE DO NOT ENVISAGE ANY SIGNIFICANT EXPANSION IN GOVERNMENT FUNDING FOR RESEARCH DEGREES AND THE RESEARCH INFRASTRUCTURE BEYOND THE CURRENT PUBLIC UNIVERSITIES. THIS IS NOT CONTESTED SPACE BETWEEN TAFE AND UNIVERSITIES.

MOST UNIVERSITIES HAVE WELCOMED THESE DEVELOPMENTS -- IT MAY ALLOW OUR RESPECTIVE MISSIONS TO DEVELOP MORE SHARPLY; FROM OUR DISTANCE, ONLY A TINY MINORITY SEEM TO REGARD THE CHANGED TERTIARY ENVIRONMENT AS A THREAT TO THEIR OWN VIABILITY.

**[SLIDE 7]**

## **THE REGULATORY ENVIRONMENT - NATIONAL PROTOCOLS AND A SINGLE NATIONAL REGULATOR**

OF CONSIDERABLE CONCERN IS THE APPARENT HESITATION AND DELAY IN RESTRUCTURING THE REGULATORY ARRANGEMENTS WHICH ARE ESSENTIAL TO THE ACHIEVEMENT OF OUR SHARED VISION.

**THE CURRENTLY SEGMENTED AND UNBALANCED SECTOR-BASED REGULATORY STRUCTURES NEED TO BE REPLACED BY MORE COHERENT AND CONSISTENT SUITE OF PROTOCOLS AND REGULATORY ARRANGEMENTS BASED ON EACH INSTITUTION'S MISSION, CAPABILITY AND PATTERNS OF STUDENT DEMAND.**

WE ADVOCATE A NUMBER OF SUGGESTED 'STUDENT CENTRED' CRITERIA FOR DIFFERENTIATING INSTITUTIONS RATHER THAN, AS OCCURS NOW, ARBITRARY ASSIGNMENT TO A PARTICULAR SECTOR.

THE FUNDAMENTAL RATIONALE FOR INTEGRATING TERTIARY EDUCATION IS THE NEED TO IMPROVE THE EASE AND FLEXIBILITY WITH WHICH STUDENTS CAN MOVE MULTI-DIRECTIONALLY BETWEEN ALL QUALIFICATION LEVELS AND DIFFERENT INSTITUTIONS. **THIS WILL ONLY BE ACHIEVED IF PLANNING BEGINS NOW FOR THE COMBINATION OF THE NEW NATIONAL VET REGULATOR WITH TESQA INTO A SINGLE REGULATORY AUTHORITY. OTHERWISE THERE IS A HIGH LEVEL RISK OF EACH OF THE ORGANISATIONS DEVELOPING**

**INCOMPATIBLE APPROACHES – AS HAS OCCURRED IN THE RECENT PAST – WHICH MAY INHIBIT STUDENT MOVEMENT.**

CERTAINLY WE FEAR THE UNCERTAINTIES AROUND WHAT EVEN CHARACTERISES TERTIARY IN AUSTRALIA, HAS HELD BACK COHERENT REGULATION POST-BRADLEY.

**[SLIDE 8]**

**FUNDING ARRANGEMENTS**

ALL APPROVED TERTIARY INSTITUTIONS SHOULD BE ELIGIBLE FOR STUDENT DEMAND-LED GOVERNMENT SUPPORTED PLACES.

TDA SUPPORTS AN ADDITIONAL STRUCTURAL ADJUSTMENT FUNDING MECHANISM-- BEYOND THAT CURRENTLY SUPPORTING UNIVERSITIES – AS NECESSARY MEDICINE TO MOTIVATE WHAT CAN BE COSTLY ENGAGEMENT AND PILOTING NEW PROJECTS IN THIS TERTIARY AREA – ESPECIALLY ACROSS REGIONAL AND REMOTE LOCATIONS, AND BETWEEN REGIONAL AND CITY INSTITUTES AND UNIVERSITIES.

THIS MAY ACCELERATE HOW STUDENTS MAY CHOOSE AND INTEGRATE PREFERRED COURSE OR COURSES OF STUDY – AND ARTICULATION -- TO MEET THEIR CURRENT CIRCUMSTANCES AND THEIR FUTURE CAREER INTENTIONS.

## [SLIDE 9]

### REPORTING REQUIREMENTS

A BRIEF WORD ABOUT DATA ....

THE JOINT STATEMENT RECOGNISES THAT THE SEPARATE AND RELATIVELY INCOMPATIBLE DATA COLLECTION AND REPORTING REQUIREMENTS FOR HIGHER EDUCATION AND VET ARE SIGNIFICANT OBSTACLES TO BOTH GREATER COLLABORATION BETWEEN INSTITUTIONS IN THE TWO SECTORS AND TO EFFECTIVE TRACKING AND MONITORING OF PATTERNS OF STUDENT DEMAND AND EDUCATION AND SKILL OUTCOMES.

AS A FIRST STEP TOWARDS A UNIFIED REPORTING SYSTEM, WORK SHOULD BEGIN ON COMMON TERMINOLOGY AND ON THE INTRODUCTION OF A STUDENT IDENTIFIER WHICH CAN TRACK PATTERNS OF EMERGING STUDENT DEMAND. THERE NEEDS TO BE FURTHER CONSIDERATION OF THE BRADLEY REPORT'S RECOMMENDATION 46 FOR A SINGLE AGENCY TO BE RESPONSIBLE FOR THE COLLECTION, MANAGEMENT AND REPORTING OF WHAT ARE VERY LARGE AND COMPLEX DATA SETS.

THE TDA AND UA COLLECTIVELY REPRESENT AUSTRALIA'S 100 PUBLIC TERTIARY INSTITUTIONS; AND THE JOINT STATEMENT PROVIDES A FRAMEWORK FOR ALL TERTIARY EDUCATORS AS WE APPROACH WHAT APPEARS TO SHAPE AS A TIGHTLY CONTESTED FEDERAL ELECTION LATER THIS YEAR.

IT MAY PROVIDES A USEFUL GUIDE TO REGULATORS AHEAD OF DRAFTS OF THE REVISED HIGHER EDUCATION PROTOCOLS APPEAR, AND OTHER TERTIARY REFORMS ENCOURAGED.

## **INTERNATIONAL COMPARABILITY**

I TURN NOW TO SOME OBSERVATIONS ON TERTIARY DEVELOPMENTS IN THE US WHERE I RECENTLY VISITED COURTESY OF AN AUSTRALIAN AMERICAN FULBRIGHT EXECUTIVE SCHOLARSHIP IN VOCATIONAL EDUCATION. IN OTHER DEMOCRATIC COUNTRIES WITH MATURE ECONOMIES.

## **UNITED STATES EXPRIENCE**

INTERESTINGLY, THE EDUCATION LANDSCAPE IN THE UNITED STATES RESEMBLES MANY OF THESE CONCERNS – ESPECIALLY ABOUT COMPLETIONS, AND NATIONAL EDUCATION ATTAINMENT TARGETS.

***... AND INCREASINGLY, A PARALLEL DEBATE ABOUT THE AMERICAN COMMUNITY COLLEGES ACTING BEYOND THEIR TRADITIONAL TWO-YEAR ASSOCIATE DEGREE, TO BETTER MEET HIGHER SKILLED QUALIFICATIONS.***

AHEAD OF MY OWN REPORT ON THIS FULBRIGHT SCHOLARSHIP, THERE WERE TWO PRINCIPLE FINDINGS THAT MAY BE RELEVANT TO TODAY'S AUDIENCE:

- **AMERICA'S HIGHER EDUCATION REMAINS SURPRISINGLY AT RISK GIVEN THEIR FUNDING MODEL – ESPECIALLY RELIANCE ON PROPERTY AND RELATED STATE TAXES**
- **INNOVATION ACROSS AMERICA'S COMMUNITY COLLEGES – AND UNIVERSITIES – TO ACHIEVE SUSTAINABILITY, AND DELIVER ON THEIR MISSION**

## 1. FUNDING IN THE US

THE EXTENT OF SERIOUS FUNDING STRESS IN US STATE UNIVERSITIES AND THE STATE-CONTROLLED/FUNDED AMERICAN COMMUNITY COLLEGE SYSTEM IS EVERYWHERE TO BE SEEN..!

I CONDUCTED INTERVIEWS ACROSS 20 COMMUNITY COLLEGES – REACHING ACROSS NINE STATES – THE FOUR LARGEST IN NEW YORK, FLORIDA, TEXAS AND CALIFORNIA – WHILE ALSO LOOKING AT INNOVATION IN AREAS LIKE SEATTLE, ARIZONA, VIRGINIA AND DC.

IN ALL AREAS, STATE FUNDING WAS BEING CUT IN REAL TERMS, WITH SOME STATES LOPPING MORE THAN 12 TO 15% OFF 2010-11 BUDGETS

STUDENT SERVICES WERE INVARIABLY AFFECTED. COURSES SLASHED.

THE EXTENT OF STRESS EXTENDS BEYOND DOMESTIC INTO AREAS LIKE INTERNATIONAL INCOME –

FOR INSTANCE, THERE HAS BEEN SIGNIFICANT IMPACT FROM HOMELAND SECURITY GUIDELINES LIMITING INTERNATIONAL STUDENTS ALMOST ACROSS THE BOARD – ESPECIALLY AFFECTING COMMUNITY COLLEGE INTERNATIONAL ACTIVITY.

INDEED IN ARIZONA, NEW LEGISLATION TO IMPOSE A CRACK-DOWN ON ILLEGAL IMMIGRATION FROM MEXICO HAS RESULTED IN ON-CAMPUS COLLEGE RAIDS BY SHERIFFS – CREATING MUCH PUBLICITY AND FEAR BY THE LATIN-AMERICAN COMMUNITY WORKING IN THE UNITED STATES, NOT THE LEAST THOSE WISHING TO VISIT US COLLEGES FOR QUALIFICATIONS.

STUDENTS IN SAN DIEGO ARE CONSTANTLY BUZZED BY HOMELAND SECURITY CHOPPERS, UP AND DOWN THE COAST, ON WATCH FOR ILLEGAL'S.

SOME MEDIA HAS FOLLOWED HERE IN AUSTRALIA ABOUT THESE IMMIGRATION ACTIVITIES.

THE MOST COMMON RESPONSE TO FUNDING SHORTFALLS UNDER STATE GOVERNMENTS, HAS BEEN A FAR HEAVIER RELIANCE ON THE EXTENSIVE PHILANTHROPIC COMMUNITY IN AMERICA – WITH INTERNAL AND EXTERNAL STRATEGIES.

INTERNALLY, ALMOST 85% OF STATE UNIVERSITIES, AND NOW SOME 45% OF COMMUNITY COLLEGES HAVE INVESTED IN CREATING FOUNDATIONS.

INTERNALLY, UNIVERSITIES AND COLLEGES LOOK TO FOUNDATIONS FOR TOP UP AND AD HOC FUNDING OPPORTUNITIES.

THIS IS A BIG MARKET BY ANY MEASURE: \$27.85 BILLION WAS RECORDED AS GIFTS FLOWING TO EDUCATION BASED FOUNDATIONS IN 2009-10 – THAT WAS EVEN IN THE MIDST OF THE GFC.

EXTERNALLY, THE STRATEGY HAS BEEN FOR TARGETING CORPORATE-BASED FOUNDATIONS, LIKE MELINDA AND BILL GATES, FORD, HITACHI AND SIMILAR ACROSS THE U.S.

INSTITUTIONALLY, THE HR STRUCTURE HAS CATERED FOR THIS NEW FINANCIAL IMPERATIVE, WITH MOST INSTITUTIONS INVESTING HEAVILY IN PROFESSIONAL FUND-RAISERS, AND AT TOP TEAM LEVELS.

BEYOND THIS, ASSERTIVE RESPONSES HAVE INCLUDED INNOVATIVE ASSET MANAGEMENT APPROACHES ON PROPERTY, EXTENSIVE USE OF ADJUNCT PART TIME ACADEMIC STAFF, AND ONLINE STRATEGIES

THE OTHER AREA IS HOW AMERICAN UNIVERSITIES AND COMMUNITY COLLEGES AND SQUARING OFF -- LOOKING TO SATISFY NEW EDUCATION ATTAINMENT TARGETS, AND THEIR OWN WAYS OF DEVELOPING ARTICULATION ARRANGEMENTS.

FOURTEEN STATES HAVE NOW LEGISLATED TO ALLOW APPROVED COMMUNITY COLLEGES TO OFFER FOUR-YEAR DEGREES.

NEXT IS LIKELY AS EARLY AS THIS SUMMER IN THE US – WITH CALIFORNIA LEGISLATION BEING CONSIDERED TO PILOT COLLEGE DEGREES IN SPECIFIC COURSE AREAS ACROSS THE SAN DIEGO COLLEGE SYSTEM.

IN ALMOST ALL AREAS, THESE DEGREES ARE BEING OFFERED IN SPECIFIC AREAS OF ACADEMIC STRENGTH OR SKILLS TECHNOLOGICAL EXPERTISE FROM THE COMMUNITY COLLEGES.

THIS INCLUDES NURSING – A SPECIALIST ZONE STILL FOR US COLLEGES.

THIS PASSAGE OF REFORM TO COLLEGES HAS FREQUENTLY ATTRACTED DEBATE ACROSS THE 1,200 COMMUNITY COLLEGES, ESPECIALLY THE RESOURCE NEEDS AND ACADEMIC DELIVERY MODE.

CERTAINLY, ***TIMES ARE A-CHANGING***

COMMUNITY COLLEGE COMPLETIONS HAVE BEEN RAISED IN MANY SUCH INSTANCES OF IMPROVED ARTICULATION. THE TRAIL-BLAZING STATE OF FLORIDA IS A CONSTANT SOURCE OF COMPARISON TO THE MUCH LOWER NATIONAL TRENDS SIGHTED ON COLLEGE COMPLETIONS.

I LIKED A MODEL DEVELOPED BETWEEN PUBLIC UNIVERSITIES IN ARIZONA AND COMMUNITY COLLEGES AT MARICOPA – OF COURSE IN THE SHADOW OF GIANT COMPETITION FROM THE PRIVATE UNIVERSITY OF PHOENIX.

THERE A STRUCTURED ARTICULATION COMMITTEE WAS FORMED TO ENHANCE COLLABORATION BETWEEN THE INSTITUTIONS, WITH ROTATING CHAIRS AND REGULAR MINUTED MEETINGS.

THE RESULTS HAVE BEEN IMPRESSIVE – A DOUBLE DIGIT INCREASE IN ASSOCIATE DEGREE 2-YEAR COMPLETIONS, AND INDUSTRY EVALUATIONS SHOWING BETTER ENGAGEMENT BETWEEN BUSINESS AND EDUCATORS.

## **CONCLUSION**

NATIONAL FRAMEWORKS AND PEAK BODIES CAN FACILITATE THE DEVELOPMENT OF A BROADER AND MORE SEAMLESS TERTIARY SECTOR BUT THEY CANNOT DELIVER THE VISION.

THIS WILL DEPEND ON INDIVIDUAL UNIVERSITIES AND TAFE INSTITUTES WORKING BETTER AS EQUAL PARTNERS ---

--- ENGAGING IN PRODUCTIVE COLLABORATION ACROSS OUR DIFFERENT PEDAGOGICAL AND INSTITUTIONAL CULTURES.

THIS WILL RELY ON A TERTIARY VISION MATCHED WITH A MORE INTEGRATED FUNDING MODEL THAN CURRENTLY EXISTING.

TDA WELCOMES THE OPPORTUNITY FOR TAFE INSTITUTES TO WORK MORE CLOSELY WITH UNIVERSITIES-- AND OTHER TERTIARY INSTITUTIONS –

TALK OF BEING INTERNATIONALLY COMPETITIVE NEEDS COMMITMENT— ESPECIALLY FROM THOSE AMONG US MANAGING PUBLIC TERTIARY INSTITUTIONS.

WHILE WE MIGHT STILL HAVE A LONG WAY TO GO TO SUCCESSFULLY ENHANCE AND DIVERSIFY LIFELONG LEARNING OPPORTUNITIES FOR ALL AUSTRALIANS, IT IS DO-ABLE AND WORTHWHILE.