



ANNUAL REPORT
TAFE DIRECTORS AUSTRALIA
2006



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THE ORGANISATION

TAFE Directors Australia Inc (TDA) is the peak body representing Australia's educational network of TAFE institutes, and includes universities of technology and institutes of technology.

TAFE Directors Australia was established by TAFE directors in 1998, and incorporated as a not-for-profit educational organisation. Its mission remains to lead at a national level the 'public provider voice' for TAFE vocational education. These strategies have successfully engaged TDA as a key advocate for the TAFE sector and its Members, and today has grown capability to actively participate across national and international business, policy and sector activities.

TDA, as an organisation, complements the state and territory governments, which operate agencies to manage accreditation of Registered Training Organisations (RTOs) and hold overarching jurisdictional responsibilities for TAFE.

Governance varies across Australia for TAFE:

- in Victoria, TAFE institutes are individually incorporated;
- in Tasmania and Western Australia, TAFE colleges/institutes operate as statutory authorities; and
- in other states, Institutes operate under departments of training.

Four Victorian TAFE Institutes operate as 'dual sector' institutions, offering both higher education and vocational education courses.

The TDA Board comprises TAFE CEO representation from institutes across Australian states and territories.

Mr Barry Peddle,	South Western Sydney Institute
Mr Wayne Collyer, Mr Bruce MacKenzie,	Swan TAFE Holmesglen Institute of TAFE
Mr Steve Ghost,	Trade and Technicians skills Institute
Mr Kevin Harris,	Northern Sydney Institute
Ms Deb Daly,	Gold Coast Institute of TAFE
Mr Aaron Devine,	Charles Darwin University
Mr Stephen Conway,	TAFE SA, Adelaide North
Ms Virginia Simmons,	Chisolm Institute of TAFE
Mr Colin Adrian,	Canberra Institute of Technology

TDA liaises across Australian, state and territory governments. In recent years, after the close of the Australian National Training Authority, vocational education policy has required closer collaboration with the Australian Government agency with carriage for VET, the Department of Education, Science and Training (DEST). Beyond direct sector policy, related agencies have close contact with TDA, including Immigration (eg. student visas), DFAT and AusAID, Austrade, while TDA promotes relationships with major sector stakeholders to promote wider networks and collaboration with TAFE, and to assist with emerging policy activities.

As the national voice of public provider vocational education, TDA commissions research and independent reviews on vocational education, and stages regular professional development programs for executive membership. Membership incorporates TAFE Institutes, Universities of Technology, and Institutes of Technology, from every state and territory.

Our vision is -- TAFE: Australia's provider of choice in vocational education.



CHAIRMAN'S REPORT

Report from the Chair of TAFE Directors Australia



The Year 2006 was a watershed for change in TAFE.

And the role of TAFE Directors Australia has undoubtedly shaped this unprecedented change.

I am thankful that TDA – just nine years young and already emerging as a credible peak VET sector organisation – has grown sufficiently to deliver strong capability to lead these challenging new directions in technical and vocational education.

At the critical levels of policy, organisational and financial management, the TAFE Directors Australia group produced sustainable evidence to show it is a force for vocational education, and a lead advocate for TAFE.

Several challenges were presented in 2006, each shaping this change.

First was *Australia's Skills Shortages*.

The Council of Australian Governments (COAG) met in February 2006, to create a dedicated reference in skills. This seven-point review was met with a determined commitment from the Board of TDA to respond with practical ideas toward easing skill shortages and streamline issues affecting the capacity of TAFE. TDA believed it essential to respond – to lead – and accommodate what had become a paradigm change with a National Training Framework, industry-led training, and competitive funding across VET, driven by the Skilling Australia legislation of 2005.

This single issue on skill shortages became the watershed that perhaps had been canvassed by the sector for years. Yet the COAG skills reference – aided by a national organisation for TAFE represented by TDA, and with our colleagues from states and territories involved – successfully accelerated TDA's coherent advocacy towards widespread structural reform mapping.

We anticipate this reform agenda will bring together historic outcomes for TAFE Institutes and its people.

At the level of TAFE Institutes, this began with TDA initiatives for wider course options and qualification levels for younger and mature-aged students looking at skilled courses. The TDA proposal centred on an Australian Trade Diploma. The Diploma emanated from a model already offered international students in Victorian Institutes, with their skilled course and on-the-job training certified by Trades Recognition Australia (TRA).

The Australian Trade Diploma strategy was innovative. This qualification will adopt an existing qualifications model and supplement apprenticeship courses and pathways into trade skills. This practical solution from our Discussion Paper, released in September 2006, was keenly sought by many industry and VET stakeholders, and COAG and Prime Minister and Cabinet in Canberra responded by seeking an official review. It became a focus to the 2006 National Conference of TDA (Adelaide, Nov 2006)

By the close of 2006, the Australian Trade Diploma had become a key agenda topic for National Training Ministers and qualification authorities, with the promise that reform to narrow qualification pathways would likely emerge following 2007-08.

The TDA agenda extended to reform of TAFE itself. TDA saw this internal scrutiny as important, not merely for credibility as a peak sector voice, but recognising supportive "evidence" from state, research and international agencies.



The initiative centred on governance. The reform focus was directed to encourage devolution of accountability and responsibility for TAFE, by TAFE, through TAFE.

This initiative took account of government-led inquiries into TAFE in NSW and Queensland. These reports acknowledged that governance needed to change to ensure improved financial flexibility and accountability required under competitive funding, offshore delivery and managing Institute growth.

The Prime Minister, the Hon John Howard MP, joined a chorus seeking action on governance, in a special Welcome Message to the 2006 National Conference of TDA. Later, the Hon. Andrew Robb AO MP, when appointed the new Minister for Vocational and Further Education, told the National Press Club this would be his focus, too, with TAFE.

As Chair of TDA, my own contribution as the representative on the boards of *Worldskills Australia* and the *National Quality Council*, and as deputy chair of the Reference Group for *Reframing the Future*, were all good opportunities to provide support to TDA - especially to position TAFE in terms of operational strategies on national VET policy and strategies.

Workskills Australia (WSA) celebrated its 25th anniversary by hosting a successful regional conference in Melbourne in April 2006. Once again Australian TAFE Institutes showcased students and TAFE teachers pitching their skills across trades and skilled occupational areas.

WSA has successfully showcased skills by highlighting young Australians' skills excellence through trade competitions. These continue to be unique opportunities to exhibit the talents of apprentices, trainees and VET students of Australia on regional, national and international levels.

My role extended to organising support for staff and students to participate at all levels of WorldSkills competitions, and with TAFE NSW, advising Institute Directors to release staff to attend and participate at these demonstrations of trade and training skills developed by Australian youth.

TDA was represented on the *National Quality Council* from its establishment. For 2006, this began with Victorian TDA board member, Martha Kinsman, director The Gordon Institute of TAFE. I acknowledge Martha's Kinsman's extensive commitment to this role, and welcome the awareness of the new Australian Training Quality Framework (ATQF) 2007 program which TDA supported through this period.

Following Martha Kinsman's resignation, and with Martin Riordan acting as proxy pending my nomination, it was left to the Chair to succeed TDA membership on NQC from 2007.

During 2006, an additional appointment as Deputy Chair of the National Reference Group of *Reframing the Future*, was a priority in shaping strategic change in professional development support.

Reframing the Future has been a national staff development and change management initiative funded through the Australian and State and Territory Governments.

Reframing the Future provided limited matched funding for approximately 200 projects every year. The **National Reference Group** provided advice on the strategic directions for *Reframing the Future*. **State/Territory Contacts** provided the project team with advice on local needs relating to staff development and change management in order to implement the national training system.



Some other initiatives included appointment of the project team that organised the *New Ways of Working in VET* Forum on 28-29 November 2006, while another focus was representing TDA on discussion panels on 'hot topics' for VET practitioners, for professional development.

This new policy and strategic change mapping of TAFE will set the scene for many challenges for the TAFE sector.

Across our 55 Member Institutes, the opportunity is to take ownership of the greater empowerment likely for TAFE to sustain our strong skilled training market share, and role as a trusting leader of Australian vocational education.

TDA has been ably supported by a new National Secretariat executive under Martin Riordan, and I congratulate this team for their enthusiastic leadership.

The Secretariat developed the new 3-year Strategic Plan, a Discussion Paper and White Paper to COAG, and delivered a most successful 2006 National Conference in Adelaide, with a pleasing financial result to the 2006 Year.

From mid-2007, I will be seconded offshore from Director of South Western Sydney Institute of TAFE NSW, to lead a successful vocational college tender with the United Arab Emirates. This exciting professional challenge will sadly require that I pass the Chair of TDA from the 2007 AGM.

My role as Chair of TDA has been a great career honour. I now look forward to working with TDA in an international capacity, and support – and benefit – from its role as the advocate and voice of the TAFE sector in Australia, and promoter of this quality TAFE brand on and offshore.

Barry Peddle
Chair

EXECUTIVE DIRECTOR'S REPORT



TAFE: Australia's Provider of Choice in Vocational Education.

This vision remains as relevant today as ever to forge ahead and deliver for TAFE the operating environment so essential in this dynamic period of

VET policy and new horizons.

The vision was a feature of the new 3-year Strategic Plan 2006-08 for TDA, launched in early 2006.

The Strategic Plan provided five Key Result Areas for the National Secretariat:

- National Skilling – TAFE Sector Leadership
- Sector Information Leadership
- Member Services
- International VET Engagement
- TDA and the Community

The National Secretariat successfully developed each area of strategic focus. It was pleasing to experience wide media and community support – and messages from TAFE colleges, teachers and students – as we strongly advanced advocacy of TAFE.

The heated national debate in 2006 on skills shortages produced a Council of Australian Governments (COAG) inquiry from February 2006, and historic levels of policy review for Australia in vocational education. The pace of change in vocational education was most apparent at a political level, but not restricted to the legislators.

The changes accelerated with the COAG reference



on skills, passage of new international student regulations required of tertiary educators (ESOS Act), the National Quality Council approving a new ATQF 2007 for RTO registrations from 01 July 2007, and competitive pricing, in the form of a \$837M voucher scheme from the Australian Government.

The focus of the skills debate illustrated an increased capacity to shape policy for the TAFE sector.

An important development in the policy debate was the entry of the Australian Treasury, supported by the Productivity Commission, which advocated a lift in skills if Australia was to avoid impacting GDP because of the shortages.

The COAG reference opened opportunities for TDA to showcase leadership with a policy blueprint for the TAFE sector, and building vocational education capability.

Yet electoral and bureaucratic changes impacted effective COAG policy reviews in 2006, with the COAG agenda referred to various government and Ministerial policy committees. Interestingly, this indecision gave resonance to Labor's pledge that reform of skills required an "education revolution", and this call was adopted quickly by both sides of Parliament, with varying versions of how they would deliver the "revolution".

This national focus on skills was welcomed.

Further and Technical Education successfully emerged as the hot issue in 2006, but engaging TAFE proved more problematic.

At an Australian Government level, the \$837M *Skills for the Future* announcement in November 2006 by the Prime Minister, promising vouchers to create Workforce Participation, was illustrative of a fundamental challenge to TAFE.

What appeared an exciting new funding initiative

ultimately delivered a lacklustre policy outcome with mixed take-up of the "Skill Vouchers" and limited access or engagement to TAFE Institutes.

Labor's White Paper in 2006 focussed on Higher Education, with limited application to skills.

This environment confirmed strategies from TDA to accelerate governance reform for TAFE Institutes.

Continued low engagement from legislators on TAFE was a challenge in need of critical attention. It demonstrated why there was urgency to enable improved capability for TAFE to successfully engage across this increasingly competitive training environment – at a domestic and international level.

This advocacy and sector leadership was a priority given the historic opportunity to provide peak body voice to VET reform, and the positioning of TAFE for the 21st century.

Martin Riordan
Executive Director





GOVERNMENT LIAISON

The COAG Review on Skills 2006

Victorian Premier the Hon. Steve Bracks MP, successfully proposed a reference on skills to the Council of Australian Governments, leading with a 7-point reference that placed skills training and education as a central micro-economic reform agenda issue for Australian governments.

The COAG Reference on Skills review was presented with widespread evidence that Australia was falling well short of basic capabilities to meet shortages in skills. The extent of the skills challenge provided an historic challenge to TAFE – as the primary RTO deliverer of trade skills.

The Victorian Government's agency (OTTE) had earlier launched its "Review of Training" (Feb, 2006), which profiled skill needs in Victoria, with special focus on young Australians without post-secondary qualification.

The Victorian OTTE report revealed up to 20 per cent of young Australians were leaving school and frequently spent some years before any engagement with training, leaving disengaged young Australians, with feelings of disengagement from society and the workforce. The evidence also showed employers disconnected with training because of its cost and complexity. Together, the survey disclosed vast gaps and disengagement for many young people in post-secondary training as a career, with many being unaware – or taking many years – before committing TAFE enrolments.

Following COAG's skills decision, a senior representative of Prime Minister and Cabinet included the Board of TAFE Directors Australia as national peak bodies were informed of the skills review. The TDA Board meeting in March 2006 determined that TAFE would commit to providing every support to this national review of skills, with practical solutions toward the skills shortages.

The COAG secretariat in Canberra began by appointing a series of advisory and consultative committees to oversee the skills reference. TAFE Directors Australia was included as a member of the COAG Resource Action Group, to advise the National Training Ministers on trends and priorities.

The Centre for the Economics of Education (CEET), Monash University, headed by Professor Gerald Burke, was one research agency commissioned to assess the extent of the skills challenge. In advice to the Action Group and MCVTE, CEET advised increased 'outputs' would be essential from the National Training system. Several findings illustrated the extent of the national crisis remaining with skilling.

- The CEET Monash paper indicated that there will be a shortfall of 283,000 graduates at the Diploma level in 2016 and at the Higher Diploma level of 262,000.
- To meet the projected demand, an annual increase of 27.2% in Advanced Diploma and 14.1% of Diploma students is required. The paper also conceded that Certificate III graduates will also require an increase of 2.9% - a relatively modest target.
- The Monash paper presented areas of reform strategies – to assist in achieving key targets in Resourcing, Regulation, Performance Information, Workforce Development and Adult Education, and
- Central to the success of the strategies was the role employers would play to better encourage an increase in demand for Diploma and Higher Education Diploma programs.

TAFE Directors Australia response was rapid and wide-ranging, and this itself provided evidence of a new level of policy capability for our nine-year-old (young!) peak organisation.



TAFE Discussion Paper: Towards an Innovation Platform

In September 2006, TDA released a Green Paper for review, titled “*Ideas ~ Inspiration ~ Innovation: Towards an Innovation Platform for TAFE.*”

“*Ideas, Inspiration, Innovation*” became a central focus of TAFE’s reform agenda.

This detailed TAFE reform agenda detailing international best practice which had also engaged new investment options for government and industry.

This TDA policy work plan on COAG cut across all TAFE Institutes, outreached to major skill agencies at a domestic and international level and was well supported by VET analyst/consultant Peter Noonan, sector researchers NCVET, along with state and territory training officials. We also pay tribute to Martha Kinsman, the former director of The Gordon Institute of TAFE, and a Victorian member of the TDA Board, who assisted the Green Paper strategy development process.

The TDA Green Paper proved a powerful tool to advance important outcomes required for TAFE, across its 10 key action points -- which included TAFE governance.

Its focus was to lift numbers enrolling in skilled courses.

A proposal from Bruce Mackenzie, the deputy chair of TDA, and CEO of Holmesglen Institute of TAFE, for a new ‘Australian Trade Diploma’ became a primary strategy in the paper. He advocated that existing diploma courses already available to international students – and recognised by RTA Australia – were a useful model for such a new skilled trades qualification.

TDA advocated this level of activity – and widening of skilled qualifications – as important to strengthen perceptions and access of skills as a career choice in Australia.

The Green Paper became a centrepiece to the 2006 National Conference. The Conference was

generously hosted by TAFE SA at Regency TAFE in Adelaide. Later in this report, a detailed report on the National Conference is presented.

Sue Slavin, Managing Director of West Coast TAFE, WA, facilitated a Directors workshop on the Green Paper at the Conference, and subsequently accepted the challenge to lead TDA’s White Paper consultation process across our 55 Member institutes.

This policy review included a survey of TDA’s 55 TAFE Institute Membership, with focus on two areas:

- how the market for skilling currently operates, and
- opportunities to address the concerns of COAG and skill shortages.

The outcome was a new, strategic Triple A action framework accepted by the TDA Board to guide an expanded list of 12 policy recommendations in a White Paper released in 2007.

‘*Investing in Productivity: Engaging TAFE in Human Capital Development and Workforce Participation*’ received much stakeholder and media attention, and we wish to acknowledge the special work from Sue Slavin and her executive team from West Coast TAFE, who assisted this White Paper.

The impact of the White Paper has proved substantial.

Post COAG, the Prime Minister referred *Investing in Productivity!* to the VET National Senior Officials Committee (NSOC).

At best, TAFE enters 2007 dealing with a political bidding war on skilling resources -- from both sides of politics. The danger signs point to mixed political will for TAFE, and selected interest in policy reform.

One important outcome of the COAG submissions is momentum on TAFE governance, now likely be played out when the next Commonwealth-State and Territory 3-year TAFE Funding Agreement is renegotiated.



Engagement Contract & Initiatives

The Strategic Partnership Agreement was signed between DEST and TDA effective from November 2005 to September 2006. This process proceeded during an Australian Government review into Australia's 10 Industry Skill Councils, which were ultimately extended to April 2008.

Three initiatives were taken by TDA in this Agreement:

1. Training Package Collaboration

ISC CEOs, many of the Industry Skills Council training package committees and their reference groups were incorporated with TDA Board or senior management level representatives.

The CEO of TDA regularly was a guest of the ISC Forum for quarterly strategic exchanges and presentations, and this culminated in November 2006 with the ISCs, and their ISC Form collaborating with the TDA National Conference at various levels:

- *The ISC Forum* – This CEOs' group for the ISCs held their quarterly conference in collaboration with TAFE Directors Australia at the TDA 2006 National Conference, hosted by the Regency TAFE, Adelaide, on 14 and 15 November 2006. Forum members presented at the National Conference, showcasing industry-led training packages and indicating areas needing reform.
- *ISC Training Packages & ISC Reference Group* – RTO Reference Groups exist for each ISC but are formed on varying basis (ie: some exist for specific initiatives,

some are regionally based, and others are on a sector by sector basis). Others deal with implementation issues, while others are at strategic, cross industry level.

The RTO Reference Groups are also supplemented by RTO membership on specific project or activity based steering committees where they sit alongside industry representatives.

The total number of RTO Reference Groups is 36, but some of the latter formed ISCs (ie: government) are still in the process of establishing their full number.

Key initiatives appear to be very much about implementation and research to underpin delivery of latest skills and knowledge. Some examples include:

- TAFE - ISC - Rio Tinto partnership which is implementing national quals/ competencies on site
- Joint ISC – TAFE research into renewable energy, biometrics
- Joint ISC – TAFE research into para professional areas
- Joint ISC – TAFE NSW innovative implementation pilots in rural NSW
- Joint ISC - Qld TAFE industry recognition model for manufacturing
- As well as one-off initiatives, TDA assists with communication tools – EG in Agri-Foods, Health and several major ISCs, the ISC's information briefings and newsletter go to 97% of RTOs delivering in the industry, collaborating with TDA. With the Health Training Package, 49% of registrations to the consultation and validation workshops were RTOs.



- TAFE Directors Australia committed its directors and senior management to involvement in the establishment period to sit on all strategic training packages, ISC developments and package reviews – including the large number conducted by respective ISC reference groups. This strategy proved an effective process to bring greater flexibility to Training Packages, and although an involved, was indicative of TDA's commitment to the Skilling Australia Framework and ISCs.

- *Innovation ISC & the ICT Sector*

John Maddock, Chief Executive Officer of Box Hill Institute, is currently on the Board of IBSA and also has Chaired the ICT Industry Sectorial Advisory Committee and is currently a member of that Committee.

John Maddock's appointment to the Board is a result of industry nominating and recommending his appointment as a nominee from the ICT Industry Sectorial Advisory Committee, and this appointment remains indicative of the role of senior TDA CEOs contributing within the ISC structure, and collaborative engagement with industry training.

2. **International Model** – This has taken place at two levels:

- *China Modelling on ISCs* - A strong illustrations of this engagement has extended to showcasing to China VET stakeholders this alignment between Australian ISCs and TAFE. This began at a wider level at Worldskills Australia Congress (Melbourne, 2006), and focussed on China to support the Australian leadership for the visiting Chinese Chongqing VTE Capacity Building Mission to Canberra in Q3, 2006.

- *NCVER Country Benchmark Report* – NCVER completed a country benchmark review of vocational education systems comparing Australia with Germany and the United Kingdom. The benchmark review highlighted the comparative arrangements with skill assessments, and especially the role of ISCs or their equivalent across systems. TDA has utilised this report as an exemplar when showcasing the features of the Australian VTE system, and best practice.

3. **Quality Framework** – The Stakeholder Engagement Contract sought specific information on progress between state and territory regulators and federal bodies regarding quality reporting, audit and standards. TAFE Directors Australia established a National Quality Reference Group to review and report on these developments - in particular, the reference group was sought to report on ATQF Sections 7, 8 and 9 on progress on reporting, and this report was requested for Friday 22 September 2006.

Skilling Australia

The passage through Parliament of the Skilling Australia legislation in 2005 set the scene for more direct intervention by the Australian Government in VET policy.

As a key stakeholder, TDA acts as the public provider voice for TAFE, and has through 2006 a principle component of this input as to TFAE support for Training Packages – now replacing curriculum for course content.

TDA has delivered this commitment to Industry Skills Councils under the Skilling Australia Framework. At National Board level, the organisation supported the Australian Government initiative for 10 publicly funded ISCs at operational and strategic levels, and responded with the highest level of representation. This has included:



- assignment of a TDA Board director or TAFE CEO to each ISC;
- representation on a wide range of ISC reference groups;
- signing of Joint RTO Protocols with the ISCs; and
- commitment by TDA for our Board Member represented on the National Quality Council to collaborate through the Board with ISCs.

National Quality Council

As a Member of the National Quality Council, TDA supplemented this ISC work by providing input on behalf of TAFE as the new quality registering framework *ATQF 2007* was developed for roll-out.

TDA director Martha Kinsman was the TDA Board representative on the NQC, and after her resignation in Q3 2006, Martin Riordan supported this NQC input until the appointment in early 2007 of the TDA chair, Barry Peddle.

The ATQF 2007 remains both a challenge and opportunity for RTOs across Australia, and by the early months of 2007, it became apparent that delays in its detailed advice to RTOs will impact how TAFE will respond. However, TDA provided speaker support at national symposia managed by DEST to begin RTO briefings on the Essential Standards, and into 2007 TDA expects to support further briefings expected by TVET Australia.

TDA will move to better support its TAFE Institutes with these regulations, especially with an Excellence Framework a key part of ATQF 2007. One strategy will include our establishing a domestic and international project to showcase best practice in quality, and widen awareness that TAFE can be recognised at the forefront of Australia's quality VET system.

From this showcasing perspective, TDA acknowledges the support of TVET Australia at

the 2006 National Conference, and its continuing collaboration with TAFE in developing new ways to lift quality awareness and practice.

Higher Level Qualifications – Protocols Approval Debate

TFAE Directors Australia made some inroads in 2006 towards a more competitive platform across the tertiary sector.

This took the form of a review and subsequent support for extending student loans from higher education to vocational education. This became a key component of the TDA Discussion Paper released to COAG in September 2006, and confirmed when included in the TDA White Paper to COAG (March 2007).

This advocacy was given momentum with the publication in April 2007 of a Treasury Working Paper by Professor Bruce Chapman, of ANU, who reviewed the economics of current university student loans system HECS and FEE-HELP being extended to TAFE.

The 2007 Budget delivered FEE-HELP to TAFE and higher educational providers, for diploma and advanced diploma courses – a bug win for TAFE and TDA's advocacy from 2006.

The impact of FEE-HELP for TAFE Institutes will be a key strategic issue for 2007 and beyond.

An important enabling component for Institutes will be exercising their capability to offer higher level qualification.

The governance of Higher Education qualifications was also reviewed through 2006.

The Board of TDA invited Colin Walters, the Branch Manager of DEST Higher Education Branch to speak on the Higher Education Protocols.



This remains a critical enabling regulatory process for TAFE Institutes, as they respond to consumer and industry demands for higher qualifications.

The Higher Education Protocols is a long-established framework servicing the university sector but outside the remit of TAFE influence – despite domestic and international demands for skill institutes to offer higher qualifications in its portfolio of skill-based subjects.

The inter-government review of the Protocols Approval Processes took some shape toward reform, but substantial change showed signs of resistance from established stakeholders.

The published *Guidelines* for the Protocols were still in review at the time of this Annual Report printing.

With leadership from TAFE Directors Australia and numerous Victorian Institutes, advocacy for reform was advanced, and in some cases Victorian TAFE Institutes successfully launched degree programs in their specialist skill subjects, and allied business courses.

Representatives of the Protocols Review provided a detailed briefing in mid-2006 to the TDA Board, ahead of submissions on approvals and guidelines.

The capability of TAFE Institutes to successfully deliver higher education qualifications has become one of the most strategic issues facing many TAFE Institutes – especially outside Victoria and Western Australia where selected Institutes have achieved higher education course approvals.

The Worldskills Asia-Pacific Conference held in Melbourne in April 2006, showcased some overseas vocational education systems such as Finland, which successfully reformed their tertiary education systems including Higher Education Protocols. This enabled Finnish Institutes to advance skills toward higher level qualifications, research and development, and innovation platforms – all to better service student and

industry demands for higher competencies.

One key outcome has been improved recruitment potential by selected European skill institutes – a remaining challenge in Australia for TAFE HR managers.

The change environment is not limited to higher education protocols.

The 2007 Budget provision for more than \$200M in new Structural Adjustment grants - open to higher education providers - indicated collaboration between universities and TAFE Institutes will increase, including interstate tertiary institutions viewing closely Victoria's 'dual sector' university and TAFE model, and their application.

National Audit Reviews in VET

The National Audit Office undertook reviews of two highly resourced Australian Government schemes in 2006. These were:

- The *Australian Technical Colleges* – a \$350M election pledge from the Prime Minister from November 2005, and
- The *New Apprenticeships Scheme* – a [xxxB] billion-dollar Australian Government programme originally designed to boost apprenticeships.

TDA has remained a strong supporter of new investment in technical colleges, but strongly questioned the model adopted which excluded TAFE from involvement in setting up Australian Technical Colleges (ATCs). Coincidentally, the ATCs enrolments and performance came under heavy media and Parliamentary scrutiny, especially as student enrolments in the mostly private-colleges did not meet expected demand.

This questioning of the model for ATCs was a focus of the TDA 2006 National Conference in Adelaide. TAFE executives from Victoria showcased a Scandinavian model launched successfully at Holmesglen Institute of TAFE (VIC), which



attracted large Year 11 school enrolments. TAFE NSW also indicated interest to work collaboratively, as various states and territories looked at how technical colleges might increasingly be part of TAFE campus and business plans.

The NAO Review of ATCs will likely be tabled in the Australian Parliament in Q2 2007. The NAO review of New Apprenticeships included interviews with the TDA Executive to determine the effectiveness of this far-reaching policy investment.

Across nine questions posed by the NAO to TDA, a key issue was why the New Apprenticeships scheme had successfully supported so many thousands of traineeships – mainly servicing the fast food industry -- yet unsuccessfully recruited skilled apprentices.

Surprisingly, ahead of the NAO Report on New Apprenticeships, the former Minister for Vocational Education and Training, the Hon. Gary Hardgrave MP, moved in late 2006 to ‘re-badge’ the brand name of New Apprenticeships to “Australian Apprenticeships.” This has yet to inspire widespread changes to the critical issue of apprenticeship completions, and TDA advocates that far more fundamental reform to this Australian Government scheme is required.

The NAO Report on New Apprenticeships was scheduled to be tabled in the Australian Parliament in Q3 2007.

The VET Navigation Project

The National Training Information Service (NTIS) is an online facility for RTOs checking Training Packages and issues for registration.

TDA has been generously represented on the national rollout of the Navigation Project (www.nits.gov.au) by John Maddock, CEO of Box Hill Institute of TAFE, and John Italiano, head of IT at Box Hill.

The project has encountered many IT and logistical challenges - especially the process of downloading detailed Training Package information and related data for RTOs. This issue remains a concern to TAFE Institutes, especially given the reliance on Training Packages, their access, and communications about developments and updates.

A particular challenge has been risk management, especially as the content plan expands, and user engagement widens.

TDA pays tribute to the Box Hill team for their ICT contribution to the Navigation Project Working Party, and strongly representing the TAFE sector – a key user and potential beneficiary of the online services.





INTERNATIONAL ACTIVITIES

International educational and business delivery were key themes for TAFE Directors Australia in 2006. These initiatives took three forms:

Offshore Programs & Business Development

TDA established a dedicated reference group to support international networks. The International Executives Reference Group was designed to begin a new level of engagement across Institutes and better promote the TAFE brand abroad.

A key feature of this initiative was support for the Australian Government initiative, the *Australian Pacific Technical College (APTC)*.

The APTC project was led by AusAID, in behalf of the Department of Foreign Affairs and Trade (DFAT). In the early stages prior to tender, the TDA National Secretariat provided detailed advice and support to the AusAID initiative. Later, that support included the chair, Barry Peddle, deputy chair, Bruce Mackenzie, and senior TAFE Institute executives enlisted by AusAID onto a cross-sector RTO Reference Group, to assist the project scope prior to tender. By the close of 2006, the successful tenders included consortia across five (5) Australian TAFE Institutes.

The strategic support toward the APTC highlighted how offshore delivery of TAFE programs has successfully leveraged a key competitive edge for TAFE.

TAFE enjoys considerable capacity and unique skills and curriculum support to leverage into international markets, and for this reason networks across TAFE have strengthened these capabilities. Ultimately this strategy delivers a public dividend to Australia for its decades-long investment in TAFE infrastructure, and widens professional development of TAFE administrators and teaching professionals.

Further indicators of Offshore Delivery Programs were:

- contracts successfully negotiated across a broad range of Chinese regional provinces and areas
- In India, projects were extended to work/training exchanges between Australian firms, Indian call centres and IT suppliers, and
- Support for the World Bank / AusAID \$20M capacity building VET project in Chongqing China (See below).

Research & Support for Student Services

Expansion of the Australian TAFE International Network (ATIN) for TAFE student recruitment managers was a key objective to growing capability and widening overseas student enrolments.

Student enrolment for vocational education lifted in 2006 above all corresponding educational sectors. Double-digit growth was recorded in VET, especially from the Indian sub-continent and China, while strong growth in student enrolments were also recorded from parts of the Middle East, South Africa and South America.

A further area of development is student mobility, with new strategies being employed to widen this student opportunity – as currently enjoyed by students in higher education.

Overseas Students/regulation

The sunset legislative review of the **ESOS Act** prompted strong TDA response through 2006.

The early drafts by the Department of Education, Science and Training prompted an unprecedented tertiary sector response, advocating successfully against both unrealistic amendments, and continuing differing conditions for international students across higher and vocational education.



This latter issue indicated how prominent was the discriminatory understanding and regard for vocational education in Australia.

Commentators voiced concern that such discriminatory activity was frequently based on decade-long support for university education and support structures – issues not offered to vocational education (TAFE) Institutes, and students.

Collaborating with tertiary education peak councils delivered a new ESOS Act which comes into effect 01 July 2007.

A more robust focus on international strategies will be required to sustain this VET market growth. TDA is currently focussing improved networks with several Australian agencies to improve their capability to support VET international activity. For example:

- The Department of Immigration for streamlining visa approvals and systems;
- Australian Education International (AEI) on scholarship opportunities, research and promotion. The AEI Counsellor network is also important resource for TAFE Institutes to better employ; and
- AusTRADE for market intelligence and educational expos.

TDA signed a new senior officers' exchange in late 2006 between TAFE directors and China CEAIE officers, for institutes in China. CEOs from both countries were to visit and collaborate into 2007, toward broader collaboration and efficiencies.

The exchange was funded under the Australian Strategic Projects Scheme², TDA and the China CEAIE signed a three-year MOU on Cooperation May 2005, and discussions ensued to see this MOU extended beyond 2008. This would require agreement towards increased exchange

between Australian TAFE and China Institute management, services and curriculum support.

Australian VET Commitment – Chongqing Province China

Another significant international activity for TDA during this last year has been its ongoing support for and involvement in the Australia China (Chongqing) Vocational Education Project (ACCVETP). This significant Worldbank AusAID \$20M funded project has been a key Australian Government and Department of Foreign Affairs and Trade commitment, designed to assist China to bring renewal to its VET system and widen skills and access to support for regional Chinese communities.

The project began in 2002, and operated at four levels: school/college, municipal, national, and international, with the project's principal location in the Municipality of Chongqing, western China.



Many TDA Member Institutes from most states and territories, and the TDA Secretariat, have had some input into this project, either in China or Australia.

- Virginia Simmons, CEO Chisholm Institute of TAFE and TDA Board Member, has made a significant contribution to the project as a key member of the Technical Advisory Group, established by AusAID, to regularly review the progress of the project implementation. Eleven long and short term advisers were drawn from seven TDA member institutes during Phase 2 of the ACCVETP.

2: Australian Education International, TDA - CEAIE Agreement 2006-07.



- Twelve TDA member institutes are members of the ACCVETP Sino Australia VET Network. This network was established by the project to assist with the sustainability of project outcomes after the ACCVETP concludes in 2007. The Network provides opportunities for Australian RTOs to make linkages with ACCVETP VET Colleges.
- Illawarra TAFE, Swan TAFE, Southbank TAFE and Holmesglen TAFE are the four key Australian institutes which have been assisting the ACCVETP in establishing four of its VET Tertiary Colleges as Model TAFE Colleges. All four Australian TAFE Directors, including our TDA Chair and both Deputy Chairs, have made major contributions to this ACCVETP initiative which has developed into a significant outcome for the Project.

During this last year, nine TDA members, including our Chair (Barry Peddle), both Deputy Chairs (Bruce Mackenzie, Wayne Collyer) and the TDA Executive Director (Martin Riordan) visited the principal project site in Chongqing.

Some members have made multiple visits to pursue partnerships developed as an outcome from the ACCVETP Sino Australia VET Network. The TDA Secretariat and member institutes were the major hosts for visits made by several ACCVETP Fellowships. Sixty five ACCVETP Chinese counterparts visited TDA member Institutes in Queensland, NSW, ACT Victoria, SA, NT and WA.

The ACCVETP Australian Team Leader, Mr Antoine Barnaart and Project Director, Ms Virginia Battye, both previous TDA Board members, addressed our 2006 Annual Conference. They were accompanied by Mr Zhang Xiaoyi, Deputy Principal of the ACCVETP Business Pilot School, and Ms Cui Yan ACCVETP Project Coordinator for that School. All four supported presentations as part of the *“Australia/China Dialogue and International Opportunities”*

East Timor – The Xanana Vocational Education Trust

TDA pays tribute to former TAFE directors who have individually played a significant volunteer role to establish a dedicated vocational education scholarship for East Timor. The Trust’s VET Development Group has been headed by Professor David Beanland, and comprises Ian Predl, Kay Schofield, Neil Black (formerly director of TAFE NSW North Coast Institute), Luke McNamara and Trust CEO Chris Trueman.

The Xanana Vocational Education Trust was established in 2005 under joint patrons His Excellency Kay Rala Xanana Gusmão, President of Timor-Leste and former Australian Governor-General, Sir William Deane. The Trust was launched with support from Victorian Premier the Hon Steve Bracks MP, who hosted a formal function to celebrate the event.

The Trust’s vision is of a self-sustaining vocational education system in Timor-Leste that meets the needs of the people. The Trust’s mission is to assist the Timorese Government, institutions, industry and commerce, and people at large, to help them build a vocational system integrated with jobs and the community and which leads to skill improvement and economic development. Australia has immense knowledge and resources relating to vocational education, and is a relatively wealthy country.

The Trust’s aim is to match Australia’s ability to help with the enormous public good will that exists towards Timor-Leste. It also recognises the strategic advantage to the Australian people in general, of helping the Timorese become stable and productive - of being good and friendly neighbours.



2006 TDA NATIONAL CONFERENCE – ADELAIDE NOVEMBER 14/15 2006

The advent of COAG and political debate on inaction regarding Australia's skills crisis created hot debate to more than 350 delegates at the TDA 2006 National Conference.

Our congratulations to TAFE SA, and all the executives and staff at Regency International Centre, Adelaide, for hosting this fine event in considerable style!

Highlights of the Conference were:

- A welcome from the Prime Minister, the Hon John Howard MP, noting the importance of the TAFE sector and the TDA Conference;
- The Honourable Kim Beazley MP, patron of the Mick Young Scholarship Trust (for sending deserving students to TAFE) presenting the Inaugural Mick Young Oration – with Mick Young's wife Mary and family attending;
- Senator the Hon. Amanda Vanstone, presenting a passionate address on TAFE and why TDA should continue its strong advocacy for the TAFE sector;
- Deputy Chair Bruce Mackenzie laying down the arguments for the Australian Trade Diploma;
- The inaugural international conference stream – featuring the Australian-China relationship, with presentations on Chongqing and offshore delivery;
- VET leadership forum facilitated by former NCVER executive Kaye Bowman, featuring Professor Gerald Burke (CEET), Marie Persson, Deputy Director General, TAFE NSW, Jim Davidson, Deputy Secretary, DEST, Malcolm Goff, CEO of TVET Australia, and Tom Karmel, CEO of NCVER; and
- A student multi media, IT and fashion show – a 1st for the TDA Conference!

Researcher Kaye Bowman chaired a Leaders Review on VET policy at the 2006 National Conference. This is Kaye Bowman's report on the Forum:

Five Australian training leaders spoke on the reality of skills shortages in Australia and their hopes and dreams for the Australian VET system and Workforce.

Jim Davidson, Deputy Secretary of DEST talked to a single slide that summarized the agenda to date for Skilling Australia through the Human Capital Reforms of COAG that he spearheads. More rapid skilling is a key theme through improved skills recognition systems and modernized employment based training arrangements as is more mobility in the workforce through consistency across jurisdictions in skills formation and licensing approaches and more rapid recognition of skills acquired overseas by immigrants to Australia. Strengthening the regions of Australia through workforce development was labelled as a new collaborative initiative still in its formative stages as of November 2006 as was the next stage of human capital reform. Due to the timing of the TDA conference, slightly ahead of the meeting of Ministers for TVET Jim was not able to comment on future initiatives. Notwithstanding, faster and higher VET skills would have to continue to be a feature of the forward program.

A presentation more literally on the theme of the panel session - "*ones hopes and dreams*" –was provided by *Marie Persson, Deputy General Director of NSW TAFE and Community Education*. Marie took a story telling approach. A key hope of Marie's is that the full package of services that TAFE and ACE providers offer becomes recognized in future and that the singular measure in focus to the present, the annual student contact hours, is downgraded or disappears. At least she can dream of the latter!

The quantitative focus was taken up by *Gerald Burke, Executive Director of the Centre for the Economics of Education and Training*.



Based on recent modeling work that Gerald and his colleagues had done on the future national workforce skills demand and supply situation and presented to the Council of Australian Governments (COAG), the call appears to be for a national increase of 5% in VET funding per training hour for each and every of the next 10 years to 2016. This translates into huge sums of money- of over 4 billion additional dollars to 2011 and over 17 billion by 2016! Nearly all of this investment is required at the VET diploma and advance diploma level according to Burke et al. Predicted future skills needs are strongly biased to higher VET levels. Indeed reductions are predicted at the Certificate levels II and I and very modest increases only at Certificate level III.

Of course projecting workforce needs and demand for VET skills is very difficult, if not nigh impossible, with any accuracy. And not all future demand necessarily translates into more funding requirements as assumed in the model. Gerald intimated that less money would be needed if training costs per hour could be reduced as in previous years and by improving training completion rates and hence apparent wastage and by shortening courses



Perhaps by now the audience was concerned about the quality of skills with the emphasis so far having been on quantity. Jim's slide included quality improvement initiatives that were taken up by *Malcolm Goff the CEO of the recently formed new Ministerial Company called TVET Australia*. The company is to oversee the National Quality Council and the Training Packages and

aligned teaching and learning resources based on national workforce competency standards set by Industry Skills Councils. The national quality training cycle diagram Malcolm spoke to was most useful towards getting ones head around TVET Australia Ltd. It also features a national VET workforce professional development component to empower the VET practitioner that no doubt everyone hopes for.



Tom Karmel who heads the National Centre for Vocational Education Research offered an economist's viewpoint. He suspects or hopes that the "market" will operate. Firms will act on skills shortages as it is their interest to do so for them to prosper and supply of skills will rise as employers offer the right incentives. But the market does not always work well and government intervention in skills shortages will continue to be warranted in satisfying the demand for skills forecast by CEET in certain circumstances that need to be clearly thought through



MESSAGE TO 2006 TAFE DIRECTORS AUSTRALIA NATIONAL CONFERENCE



Ladies and Gentlemen. Thank you for the opportunity to send this welcome message to the 2006 TAFE Directors Australia National Conference.

The strength of Australia's economy, together with pressures from an ageing population, technological change and globalisation, create new skills challenges for our country in the 21st Century.

To meet them requires a flexible partnership across all levels of government, business, education and training providers and individuals.

A record 1.6 million Australians are undertaking vocational and technical education this year. TAFE is, of course, the single largest training provider in the sector.

Of the \$10.8 billion which the Australian Government has committed to vocational and technical education over the next four years, states and territories will receive more than \$5 billion.

A key aim of our funding agreement with the states is a more dynamic TAFE sector. As I said in a recent speech, we believe states should free up governance arrangements so that TAFE Directors have greater independence and flexibility in responding to training demands.

The Government's recent *Skills for the Future* package injects an additional \$837 million into developing a more skilled Australia. I look forward to the TAFE sector playing a key role in delivering on this investment, especially in helping Australians already in the workforce to upgrade their skills.

A fast-changing, dynamic economy needs a flexible and responsive national training system. I appreciate the work that TAFE Directors Australia has done on new reform ideas, especially through your recent Green Paper.

On behalf of the Australian Government, I offer my best wishes for a successful National Conference. We look forward to working with Australia's TAFE Directors on the skills challenges of the future.

John Howard MP
Prime Minister of Australia