

National Conference for TAFE Directors Australia

2009

SKILLS for AUSTRALIA'S EMERGENCE
from the GLOBAL FINANCIAL CRISIS

Occasional Paper Quarter Four 2009

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TAFEDirectors
AUSTRALIA

TDA09

SKILLS for AUSTRALIA'S EMERGENCE from the GLOBAL FINANCIAL CRISIS



Video address from Deputy Prime Minister, the Hon Julia Gillard MP

It is a great pleasure to launch the papers and proceedings from TAFE Directors Australia's 2009 National Conference, *'Skills for Australia's Emergence from the Global Financial Crisis'* held on the Gold Coast in September 2009.

The Conference was designed around two key themes: Positioning TAFE to meet the challenges of the global marketplace; and One tertiary sector – implications for domestic and international markets.

Over one hundred and fifty delegates, comprising Directors and senior management from the majority of our member TAFE institutes across Australia and senior government and industry partners came to the Gold Coast to explore these themes.

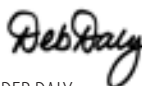
Delegates were fortunate to hear keynote presentations from three international experts in vocational education and training along side Australian industry and government experts.

The Conference, covering both domestic and international perspectives, provided a stimulating blend of activities for participants – presentations, panel

sessions, facilitated sessions, networking events, even a graffiti wall for on-the-fly comments and questions.

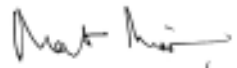
We thank the presenters whose papers are included in the publication and who contributed to the success of the Conference and thank the Ian Colley for his synthesis of the key themes and issues to emerge from the Conference. We also thank the sponsors for their generous support of the Conference and pay special tribute to the official sponsor, the Department of Education, Employment and Workplace Relations and to the gold sponsor, Slade Partners.

This Occasional Paper is initiated by TDA to ensure that the discussion begun at the Conference will continue. I commend to you the information and insights in these papers.



DEB DALY

Chair
TAFE Directors Australia



MARTIN RIORDAN

Chief Executive Officer
TAFE Directors Australia

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"Leadership of these (vocational education and training) institutions will not be jobs for the faint hearted or those not intellectually curious", Dr Ronald Williams, TDA 2009 Conference

The themes of the 2009 National Conference for TAFE Directors Australia were situated at the nexus of a number of critical developments:

- implications for skill development as Australia emerges from a global financial crisis
- a coalescence of government reforms that may be rewriting fundamental aspects of vocational education in Australia
- concerns about a 'crisis' for international students in Australia.

Underneath many of these issues was a question about the distinctive mission of TAFE in a complex and volatile landscape.

The Gold Coast event was introduced by The Hon **Julia Gillard MP** Deputy Prime Minister and Minister for Education, Employment and Workplace Relations who outlined how Government has positioned education at the heart of its reform agenda. She celebrated the unique value of TAFE in the Australian education landscape and invited TDA participants to contribute their thinking on remaking education for this new century.

Bill Burmester Deputy Secretary of Tertiary, Youth and International Cluster, Department of Education, Employment and Workplace Relations followed with a review of Government policy initiatives in tertiary education. He noted that TDA will play a lead role in promotion of higher standards of performance in VET provision. In response to a question about funding, he acknowledged that funding is always 'hard won' but that education is 'riveted' to the Government's productivity agenda.

A changing domestic and global marketplace

While the global financial crisis was a trigger for presentations, speakers focussed on opportunities and needs presented by a global marketplace.

Professor Rupert Maclean (Chair Professor of International Education, The Hong Kong Institute of Education) argued that 80% of the world's jobs require vocational skills. *"For developing countries, if education is the key to achieving economic and social development, then VET is the master key."*

Colin Waters (Group Manager International, DEEWR) noted a huge 'gap' in provision of VET in Asia, and an opportunity in the strong international recognition of the TAFE 'brand'. He challenged the participants with the fact that there had been extraordinary growth in Australian VET private college enrolments of international students compared to public enrolments in Australia.

Simone Wetzlar (General Executive Manager, People and Sustainability, Thies Pty Ltd Qld) provided an opportunity to review her recent work with the Australian Apprentices Task Force. A number of participants were keen to work through the implications, some arguing for a move to institutional training as well as traditional apprentice arrangements.

The Conference, divided into two streams, providing an opportunity to devote sustained attention to the issue of an integrated tertiary sector and to international student issues.

International stream participants shaped their thinking on how TAFE can build and retain its position in the market and defined conditions for an 'optimum regulatory regime'. They argued for more stringent quality control arrangements,

including that RTOs should have a minimum of two years domestic experience before delivering to international students.

Hard choices and moral choices

Gerhard Vorster (Managing Partner, Deloitte Consulting) advised that the future must be actively anticipated and constructed. Some hard and urgent strategic choices must be made about the ‘profitable core’ of an Institute’s mission given the danger of “spreading the vegemite too thin”. TAFE Institutes must craft a highly distinctive mission, choosing where to compete. *“Strategy in volatile times is about superior tactics, superior implementation and superior people”.*

Rupert Maclean reminded us that many of our education choices are not just technical, but moral choices – *“a statement of what we believe a good society to be”*. Values are part of the VET curriculum and VET can be a ‘transformative experience’ that connects individuals to the economy, a life, a future.

Dr Ronald Williams (Vice President, The College and Board Member of the American Association of Community Colleges) labelled these institutions a *“voice for the voiceless”*.

One tertiary system

The Bradley Review has catalysed an urgent rethinking of the relationship between VET and higher education.

Aidan Kenny (Project Manager, Skills Research Initiative, Dublin Institute of Technology and Coordinator UNESCO-UNIVOC National Centre of Ireland) reviewed initiatives to develop a consistent regulatory regime across the European Union. Australia is not alone.

Philip Bullock (Chair, Skills Australia) *decried the “considerable complexity” in regulatory and governance arrangements. He advocated a more aligned and streamlined governance model for an integrated tertiary sector.*

Professor Peter Coaldrake (Vice Chancellor, Queensland University of Technology, Chair Universities Australia) applauded the Bradley review’s emphasis in putting students first. He was daunted by the ambitious targets for higher education enrolments but argued that ‘dual sector’ institutions were well placed to lead the sectors towards more integrated provision.

Pam Christie (Institute Director, Sydney Institute of TAFE), laid down the gauntlet for distinguishing between providers: *“TAFE Directors Australia contends that there would be dangers in simply including all of the 4,500 registered training organisations (RTOs) across Australia in a definition of the tertiary sector given the wide range in capability, capacity and market segmentation that exists among them.”* Pam explored fundamental differences between TAFE institutes and universities in their distinctive missions.

Dr Anne Jones (Deputy Vice Chancellor and Director TAFE, Victoria University) pointed to a dissonance between HE and VET targets. She wondered whether universities racing to enrol students in greater numbers would leave TAFE and other VET providers ‘scrambling in the wake’. She wanted better ways to do this, noting UK approaches. Anne was skeptical that the renewed emphasis on *Pathways* would solve the problem. *“A more effective pathways driven approach would require significant rethinking of the purpose of VET supported by real reform of its training products”.*

Kim Bannikoff (Director Queensland Study Authority) speaking in his role as Project Director for the Deputy Prime Minister's AQFC Project on Pathways, reminded us of the original Kangan vision for TAFE as 'technical and further education' not just VET. He summarised his views on shortcomings of the Training Packages as a means for developing pathways between VET and HE. In their original formulation, competencies allowed for much greater autonomy and discretion for TAFE Institutes. Training Packages are now too narrow and task-specific. They inhibit cross-sectoral pathways.

A demand driven system

The Federal Government has agreed to introduce student entitlement system for universities from 2012, and Victoria has already done so for VET.

David Hetherington (Executive Director, Per Capital) explained the notion of 'market design', as a more sophisticated evolution from simpler open-market approaches, especially where 'private provision alone is likely to generate significant market failure'. The essence of market design is to set 'the rules of the game' to align producer and consumer perspectives with public policy goals. *"The best institutions should thrive (responding)... rapidly and flexibly to changes in skill needs."*

Philip Bullock argued that for more independence for TAFE *"institutions should have sufficient incentive to compete and flexibility to operate and develop their business to suit changing contexts."*

Mark Burford (Principal, Strategy and Policy, the Nous Group) argued that we are moving to a system where some or all funding will come through student entitlements. The dilemma facing TAFE is the 'perfect storm' with demanding targets, constrained public funding, downturn in full fee paying students,

caps on student fees. Something will have to give, or the circumstances will play into hands of low cost, low quality provision.

Pat Forward (Federal TAFE Secretary, Australian Education Union) and Mark Burford, despite different perspectives, agreed that much of the current funding arrangements had a 'distorting' influence on VET provision.

David Windridge (CEO, MEGT Australia and a previous Director of ACPET) was optimistic about the demand-driven system but wondered whether the real impact of government funding practice made TAFE a more 'protected species', noting that historical funding arrangements had been less fair to private providers.

Dr Anne Jones (Deputy Vice Chancellor and Director TAFE, Victoria University) described Victoria's new VET student entitlement arrangements as 'a virtual voucher' and questioned the ground rules for competition where *"the product range and cost base are externally controlled with the latter circumstance not applying to private providers"*.

Pam Christie reported how quality issues have dogged the VET system for many years, initially with the rapid growth of the traineeship market and more recently with issues around the Commonwealth Productivity Places Program and international student market. A strengthened regulatory regime would undoubtedly advantage TAFE which has suffered from being associated with poor performing RTOs in the VET sector.

Philip Bullock called for a *"raising of the bar, with tougher mechanisms to deal with poor provider performance and greater public transparency about the effectiveness of quality systems"*.

Kim Bannikoff warned that aspects of contestable funding and student entitlements may work against Pathways. Kim also received an appreciative response from audience when he observed that *"(industry – driven) doesn't include telling the passengers where to sit, how they behave on the journey, and at what point they want to get off."*

TAFE in the new international landscape

David Riordan (CEO, DET International NSW) spoke movingly of his own experience with a group of international students whose private college had closed. David suggested a number of strategies for tightening quality control in order to protect the interests of these students. He also outlined NSW responses to ensure quality provision to international students, including introduction of an Offshore Review Panel for TAFE NSW activities.

Kevin Brett (i-graduate, Director, Client Services Australia) argued that the position of TAFE international education remains strong. Australia is a 'destination' market; it is competitive on cost and quality of life. However, any threats to the reputation of qualifications, student safety, or 'community exhaustion' in any one jurisdiction affect all providers.

Helen Cook (Vice President, International Education Association of Australia) outlined the IEAA's vision for the future. Helen called for political oversight of this complex area by a parliamentary secretary if not a senior minister and for a statutory authority to oversee the implementation of an international education strategy.

Enhancing the international student experience

Paula Dunstan (Manager, Professional International Education Resources) informed us that Australia's higher education sector has the highest proportional intake of international students amongst OECD countries. Paula argued for a deeper understanding of the valuable role of education agents, seeing them as partners in the diverse international education workforce, bearing a shared responsibility for quality, capability and reputation of our education offerings.

David Bycroft (CEO, Australian Homestay Network) outlined changing expectations and rules applying to Australian Homestays, in particular recommendations from a recent Senate Inquiry into the Welfare of International Students. Institutions and agents are becoming more accountable for their homestay and student accommodation services.

Brandon Thompson (Managing Director, e2e) reviewed an initiative of Graduate Programs Australia – e2e – an online platform that enables providers to cost effectively deliver tailored and dedicated employment services to students and Industry. It assists in better preparing students for the transition to employment, and building stronger relationships with industry and employers.

Leadership for a distinctive mission

Pam Christie, on behalf of TDA introduced the need for 'protocols' to define the broader Australian tertiary sector that enabled TAFE to distinguish itself from the 4500 VET providers. A consequent session with TDA members took up this challenge and conducted a nuanced debate on appropriate criteria for distinguishing quality providers.

The question that was posed by the Conference – what is TAFE's distinctive mission – was roundly addressed in the course of the proceedings.

A full list of TDA09 National Conference presentations and papers are available on the TDA website: www.tda.edu.au.



*Denise Janek, Executive Director, TAFE SA – Regional,
Sue Slavin, Managing Director, West Coast TAFE.*



*Pam Christie, Institute Director, TAFE NSW–Sydney Institute, Elizabeth McGregor,
Institute Director, TAFE NSW–North Coast Institute and
Carol Elliott, General Manager, Central Gippsland Institute of TAFE.*



*Martin Riordan, Chief Executive Officer, TAFE Directors Australia, and
Wayne Callyer, Managing Director SWAN TAFE, Deputy Chair,
TAFE Directors Australia.*



*Deb Daly, CEO Gold Coast Institute of TAFE, Chair, TAFE Directors Australia and
Rod Arthur, Deputy Director General, Department of Education and Training
Queensland.*

Positioning TAFE: Meeting the challenges of the changing domestic and global marketplace

Internationally a range of countries have felt the impact of the global financial crisis (GFC), more keenly than Australia. Australia is emerging from the GFC although unemployment is expected to still rise. TAFE institutes in meeting the challenges of the changing domestic and global marketplace have to respond on many different fronts. This session presents three different perspectives (although not mutually exclusive) on future challenges for TAFE.

Market design

- What is market design?
- What are the key elements of market design?
- What is the philosophy behind “market design” and what are its benefits?
- How should TAFE institutes respond to a market design landscape?

Australian apprentices

- What are the likely impacts on apprenticeship engagement and retention of the current financial crisis?
- What are the current measures introduced by Australian Governments to support apprentices?

- Will there be any significant impact on apprenticeship numbers?
- Is there a need to rethink how entry level trade training operates?

International market place

- What are the key challenges in the international student market for TAFE institutes?
- What do the Australian Government and TAFE institutes have to do to enhance their presence in international vocational education markets?

David Hetherington

Simone Wetzlar

Colin Walters



DAVID HETHERINGTON Executive Director, Per Capita

David Hetherington is the founding Executive Director of Per Capita. He has authored or co-authored numerous reports on economic and social policy including Employee Share Ownership and the Progressive Economic Agenda (2009), The Full-Cost Economics of Climate Change (2008), Unlocking the Value of a Job (2008), The Investing Society (2007), Disability 2020 (2007) and Would You Live Here? (2006). His articles have appeared in the Sydney Morning Herald, the Australian Financial Review, the Age and the Weekend Australian and he is a regular commentator on ABC Radio National.

What is market design?

Market design involves the creation of a marketplace where suppliers offer services and consumers exercise choice at a freely and fairly agreed rate of exchange. It is now an increasingly critical responsibility of government. As the Beveridge welfare state of the post-war settlement has unwound, so the role of government in public service delivery has changed. Increasingly, governments no longer provide essential services directly, but outsource their provision to the private and non-profit sectors. In many cases, this requires new markets for services. These markets do not emerge organically, and so require careful design.

Market design offers scope for innovation in public service provision on two levels. Firstly, the creation of new markets for public goods and services is in itself innovative, enabling gains from trade in commodities which are genuinely new, like carbon emissions or broadband spectrum, and others not previously traded, like employment services or port capacity. Secondly, by introducing vigorous competition, good market design provides incentives for innovation to suppliers in these new markets, increasing quality and driving down costs.

What are the key elements of market design?

Broadly, there are at least two conditions which must be present to warrant government embarking on an exercise in market design. Firstly, the circumstances of existing provision are such that the introduction of competitive forces is likely to improve cost and/or quality. Secondly, private provision alone is likely to generate significant market failure. These failures might include concentration of market power, externalities, information asymmetry or underprovision of public goods. Where both of these

conditions are met, governments face a genuine market design problem.

The essence of the design task is to set “the rules of the game” so as to align producer and consumer incentives with public policy goals. It is more than just regulation; market design involves consideration of producer concentration, socially optimal volumes, the impact of externalities, and the role of financiers and specifiers in the purchasing decision.

What is the philosophy behind “market design” and what are its benefits?

Early attempts at market design were responses to a classic combination of these conditions. For decades, governments had controlled capital-intensive natural monopolies like electricity, gas and telecoms networks precisely because the increasing returns to scale in these sectors led to a concentration of market power open to abuse in private ownership. Over time however, governments realised that by owning the single monopolist provider, they were foregoing the considerable benefits of competitive provision. How to break the conundrum?

The search for a solution led to the first significant market design exercises in the 1990's. The design solution often, but not always, involved privatisation of the state-owned network assets. More important than the specific issue of ownership, governments incorporated market mechanisms which stimulated competitive behaviour. These included trading pools, auctions and contestable contracts, the effects of which were to encourage investment and increase supplier numbers.

Once the market design approach had been established in the natural monopolies, governments turned their focus to human services, most notably employment services and aged care. These

sectors were not obvious candidates for market failure in the way the monopolies were, but the perception remained that cost and quality would benefit from the introduction of competition. There were other factors at play too. Sustained prosperity, technological advances and availability of information had changed the nature of human services and the public's expectations of them. Traditionally public services were undifferentiated, operating on a one-size-fits-all approach and offered by public agencies increasingly focused on internal processes rather than user needs. As taxpayer expectations have grown, governments have turned to markets to provide greater personalisation of public services and innovation in service delivery.

Human services, such as health and education, required a different type of market design: rather than one purchaser with contestable provision, it was ‘user pays’, with the implication of increasing marketisation of providers even where they continued to receive public funding (as has occurred with universities supposedly incentivised by differential fees).

Doubts over universal provision provided further rationale for deliberate use of market design in human services. Governments and academics had begun to question whether universal free access to public services was either fair or sustainable in an increasingly prosperous society. The introduction of Medicare co-payments and the development of the HECS scheme were each attempts to manage demand and reduce spiralling public costs.

This trend has accompanied a shift in the notion of equity in public services. Previously, governments sought to treat all citizens equally without fear or favour, by ensuring that the services and

entitlements they received were standardised; nowadays 'equality of outcomes' or 'equality of opportunity' is more likely to be the governing principle, in recognition of the differing needs of public service users. As a result, public service management strategies increasingly focus on how to differentiate in response to more diverse needs and demands, while simultaneously achieving fairness, efficiency and fiscal sustainability.

How should TAFE institutes respond to a market design landscape?

The contestability created under a market design framework brings both opportunities and challenges for TAFE institutes.

Governments are now saying to TAFEs and private providers: you decide how many places to offer, in which disciplines and (sometimes) at which price, and we'll subsidise however many students you can attract. This works because VET providers have the best aggregate information on the skills needs of the Australian economy and Australian businesses. VET providers know what students are looking for right now, and have a pretty good take on what they'll be looking for in 2–3 years time.

The best institutions should thrive because they are able to attract more students, and they will emerge from both public and private sectors. These providers will respond rapidly and flexibly to changes in skills needs of both students and the wider economy.

However, there are also important challenges presented by contestability:

- Contestability may squeeze disadvantaged students out of the system by encouraging providers to cherry pick the lowest cost, easiest to teach students in high volume courses. Governments have moved to prevent
- this situation developing by quarantining fully subsidized places for structural adjustment or disadvantaged students;
- Public institutions may struggle to compete on cost because they have infrastructure capital requirements and higher wage structures than many private RTOs. Governments have sought to ensure that public TAFE providers are not held back by these higher cost burdens. The Teaching and Learning Capital Fund will provide \$500m in 2009–10 in much needed workforce investment in the VET sector;
- Finally, we need to provide better funding of infrastructure and workforce and access for disadvantaged students so that access is not denied to anyone on the basis of ability to pay or background.



SIMONE WETZLAR
General Executive Manager,
People and Sustainability, Thiess
Pty Ltd Qld, Co-Chair Australian
Apprentices Taskforce

Simone is an experienced mining industry leader with over 16 years in senior management positions.

She was recently promoted to the Thiess Executive in the role of Executive General Manager People, Health, Safety and Environment.

Simone is the winner of the prestigious QRC Resources Award for Women in 2007 as well as the Prospect Awards Mine Manager of the Year in 2007.

The Australian Apprentices Taskforce discussion paper can be found at www.nswbusinesschamber.com.au/reference/training_and_apprenticeships/COAG_apprenticeship_taskforce_disc_paper.pdf



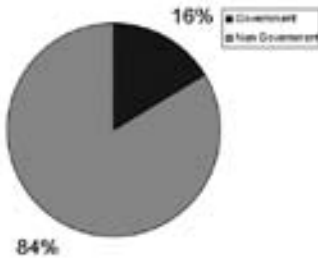
COLIN WALTERS
Group Manager, International
Group, Department of Education,
Employment and Workplace
Relations

Colin has held the position of Group Manager, International Group, in the Department of Education, Employment and Workplace Relations, since January 2009. In this role Colin has recently lead an Australian Government delegation to India to address concerns regarding student welfare.

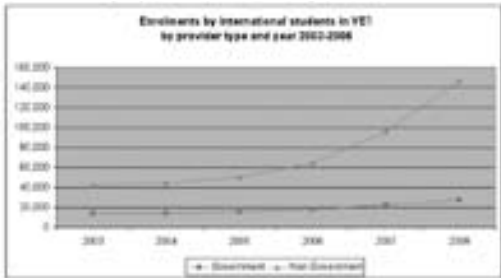
Colin noted a huge 'gap' in provision of VET in Asia, and an opportunity in the strong international recognition of the TAFE 'brand'. He challenged the participants with the fact that there had been extraordinary growth in Australian VET private college enrolments of international students compared to public enrolments in Australia.

International enrolments – government and non-government

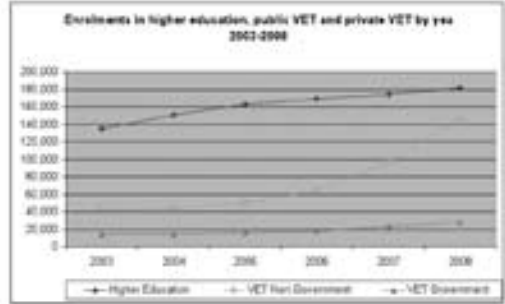
Enrolments by international students in VET by provider type YTD July 2008



International enrolments: 2003–2008 VET government and non-government

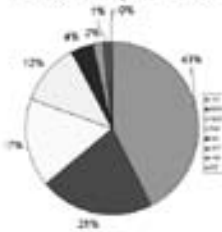


International enrolments: 2003–2008 VET government and non-government and higher education

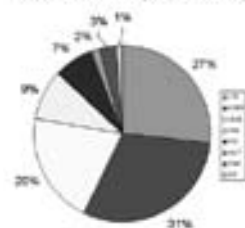


Enrolments by state/territory: 2008

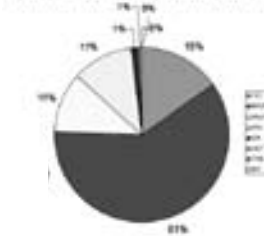
Public VET (international)



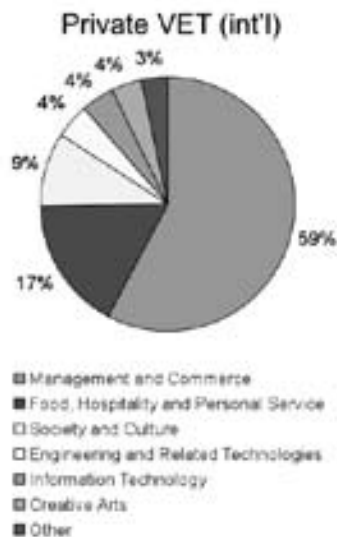
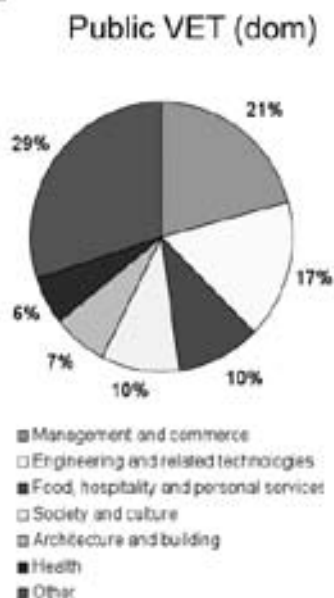
Public VET (domestic)



Private VET (international)



Field of Education – top six



International student commencements by nationality: YTD July 2009

Nationality	Commencements	% of Total	Growth on YTD July 2008
China	57,581	24.1%	13.0%
India	52,181	18.6%	21.5%
Republic of Korea	15,762	5.6%	-1.0%
Thailand	11,347	4.0%	25.5%
Vietnam	11,335	4.0%	55.1%
Nepal	10,601	3.9%	35.4%
Malaysia	9,688	3.5%	12.6%
Brunei	8,285	3.0%	14.3%
United States of America	7,528	2.8%	-6.2%
Indonesia	7,018	2.5%	17.8%
Other nationalities	79,016	28.1%	12.6%
All nationalities	239,743	100.0%	18.5%



GERHARD VORSTER Managing Partner, Deloitte Consulting Australia

Gerhard is the Managing Partner for Deloitte Consulting in Australia and the Consulting Leader for Deloitte in Asia Pacific. Gerhard also leads the Deloitte innovation program in Australia – both internally and as a service offering. Gerhard has executive responsibility for the Deloitte initiative in Higher Education in Australia.

Gerhard's commitment to continuous learning is reflected in attending a number of executive development programs at Harvard, Kellogg and IMD over the last 10 years. He is published widely on the topic of innovation and education and has made presentations at conferences, seminars and forums over an extended period. In 2008 Gerhard facilitated the Innovation Stream of the 2020 Summit in Canberra.

Gerhard Vorster advised that the future must be actively anticipated and constructed, not just reacted to. Some hard and urgent strategic choices must be made about what is the 'profitable core' of an Institute's mission. There is a danger in "spreading the vegemite too thin". TAFE Institutes need to craft a highly distinctive mission, choosing where to collaborate and where to compete.

In general he thought that the VET field was "undifferentiated" – and that "value matters in an undifferentiated world". Often, organisation leaders deceive themselves about their organisation's distinctive value. Quoting Homer Simpson "It takes two to lie ... one to lie and one to listen".

He cautioned against 'below the line' performance management – where it is always 'others' (eg 'the government') who are to blame for poor performance. Leaders must take personal responsibility for their organisations strategies and performance.

He advised the audience to first decide where to compete, then ensure that resource allocation matches these strategic choices. Once strategic choices are taken, they need to be executed in 'high definition' granular detail in operational activities. The more this is done, and done well, the more choices become available. "Strategy in volatile times is about superior tactics, superior implementation and superior people".

Gerhard left behind a diagnostic tool for Institutes to analyse where their values and priorities might have an impact on performance

Gerhard Vorster's Powerpoint presentation can be viewed on the TDA web site at www.tda.edu.au

Winning the skills race in a globally competitive world

We are living in a very perplexing moment. The current recession has fractured our confidence with a decline in global productivity and corresponding increases in unemployment and despair. The IMF is, however, anticipating a turnaround by mid 2010 and a recovery that will mirror other past recessions. The economy that evolves promises to be more dependent than ever on brains rather than brawn. Education, in a variety of forms, has emerged as the nexus of a complex set of economic and political challenges. Who and how many should be educated? Are the pedagogies of the past sufficient to the task of educating new populations? What should be the balance between technical skill education, which provides the applications we need in the workforce, and the humanities, which provide access to the social skills of citizenship which become increasingly important as immigrant populations increase and workplaces become more cooperative?

- * What then should be the response of education to these challenges?
- * What does internationalisation mean for Australian TAFE institutes/students? What is the response of the American community colleges?
- * What lessons can Australia learn?

Dr Ronald Williams



DR RONALD WILLIAMS
 Vice President, The College
 Board, Member of the American
 Association of Community Colleges.

Among several leadership roles, Dr Williams is responsible for strengthening the relationship between the College Board and community colleges throughout the United States.

Dr Williams is a member of the Board of the American Association of Colleges and Universities, the American Association of Community Colleges, and the American Council on Education's Centre for Policy Analysis Advisory Committee and attended Lehigh University, where he earned a Doctorate in Literature, a Master's Degree in English and a Bachelor's Degree in History.

Like so many countries around the world, Australia is faced with the challenge of a rapidly accelerating set of skill demands and a sense, like so many others, that the world is moving rapidly away from where you are. The challenges are many, the time short, and the resources, human and fiscal, finite.

We must look at expanding and changing the relationships between business, industry and higher education in order to take advantage of the evolving circumstances.

We have been assured that we are on the verge of incredible breakthroughs in science, technology and engineering. The pace of invention will expand exponentially. What will be the education to prepare workers in this world?

Our dream is still to find a reusable fuel supply, or at least a reliable fuel supply, to drive industry and support commerce. This, of course, raises questions for those nations that have kept an arm's length relationship with nuclear power. What choices will they make?

We are also on the verge of a revolution in our food supply, an issue of enormous importance to you, with genetic modifications offering the possibility of feeding the world. Again, what choices will be made?

We seem to have entered the 21st century with greater uncertainty than ever. Even as we watched personal wealth grow in the 1990s, and more people than ever entered the investor class, there was an odd undercurrent of fear. We are very worried about the disappearance of fossil fuels. Oil has become a commodity over which we will fight because of its integral relationship to our success. Water is also becoming such a commodity, as is food in the broadest sense. As a result, we are struggling

with the language of cooperation and have fully embraced that of competition.

How do we resolve this historic dilemma? How do we use these circumstances that generate such fear and motivate ourselves to create comfort, wealth, justice and peace of mind? Through education, particularly technical or skills-building education, we are providing new skills – managerial and technical – to the workforce. We are also, however, creating society as we do this, and we need to be mindful of the society we so often cavalierly create.

The challenges to the Australian economy are neither short-term nor local. They are long-term, and they are global. Like most post-industrialized countries, Australia is in a skills supply crunch. Although we are currently concerned with getting our economies growing again, the mismatch between jobs and available skills is still at crisis proportions throughout the post-industrialized world. All developed countries face the same challenge: declining numbers of the group that originally gave the impetus for the creation of these societies.

As populations age and shrink, the original energy may be dissipated, and younger contenders may challenge for dominance. The post-industrial countries have often looked to Europe's excess population to fill their jobs, particularly their high-end jobs. This is no longer possible – Europe's, and its Diaspora's, population numbers are shrinking. In Australia, as elsewhere, this means that local populations will have to be more effectively utilized if the economy is to grow.

Generations X, Y and E will present a particular challenge. Those generations seem to have thrown off the psychic controls of work; they want work that is meaningful but will not consume all of their

time. For them, work must serve society as it serves them and the corporation. How will managers and corporate strategists integrate this population into their planning when so many of our structures and belief systems pre-suppose the centrality of the company, and work, to the worker's life?

It is a characteristic of post-industrial work that it is ever evolving. The presumption, in the past, that you could be prepared for a job for a lifetime by taking a credential, whether a certificate or degree, has gone the way of the dinosaurs. Jobs are constantly evolving and so, too, must the worker.

A totally different kind of worker from "Machine Man" is now needed.

The education provided must be equal to the task of creating the new worker described.

Institutions will need to provide training / education for initial workforce entry but more importantly, given the human resource constraints, they will be the instruments of workforce regeneration.

Continuous and increasing improvements in the workforce will be the order of the day. Australia will have to find ways of raising the whole floor of its educational skill level at the same time it becomes more inclusive of those populations that have not traditionally performed optimally in the existing educational structures.

Finally, institutions will have to recognize fully the relationship between the deployment of scarce resources and the expected return on investment. Part of the process of moving to the centre of the government's workforce strategy will be increased scrutiny and heightened expectations. The leadership of these institutions will not be jobs for the faint-hearted or those not intellectually curious. Constant challenge will be the expectation and

increasing standards of excellence the demand. Accountability will be the watch-word.

The breadth and depth of pre-tertiary education will have to be brought in line with the expectations of the economy and the social aspirations of the country as well.

The control of education must be an academic function, but educators must be entrepreneurial and fully aware of the market. They must be responsive to the values and expectations of their local or national industries. Funding agencies in this type of system will have to be rational as well. They will have to fund the capacity they desire.

These efforts are only possible when business, colleges and government are willing and able to collaborate and the proper incentives are put in place.

As I have seen the community colleges, so I see the TAFE institutes. Not simply a mechanism by which skills are transferred, but an institution which gives voice to the voiceless, a place of refuge for the powerless and the constructor of hope that makes the fulfillment of the human possibilities of thousands a reality. The challenges are many, but I am confident that the TAFE institutes are up to the task.



EMMA LLOYD
Senior HR Consultant, People Solutions - Slade Group (Gold Sponsor)

Emma's background is in the provision of services across human resources, management consulting and executive development in private sector and not-for-profit organisations. She is focused on the development and delivery of consulting services and solutions within the People Solutions team.

Why is Talent Management Important?

Forecasters predict that the rate of workforce participation in Australia will fall by 0.4 per cent per annum¹. As unemployment is not expected to increase dramatically, this will cause a significant shortfall of workers over the next five years, and by the early 2020s, the number of people retiring will exceed those entering the labour force.² Couple this shrinking pool of available talent with the correlating increase in demand, and all industry sectors are facing what we at Slade call the “battle for brains”.

And a battle it is! Organisations can no longer react to vacancies or skill gaps by sending out standard job advertisements and hoping to tap into a large pool of active job seekers. They are now focusing their attention on pro-actively identifying and extracting key ‘talent’ from their competitors to fill their own skill gaps. With this practice becoming more common place, and with a decreasing amount of skilled employees to choose from, organisations need to focus not just on recruiting, but developing and hanging on to their talent. A highly motivated workforce, filled by talented and committed people, should be considered the most important asset organisations can have, and a critical piece in achieving organisational excellence in the future.

If we consider the TAFE and Tertiary sectors this means radical change to recruitment in what has been historically a process driven formula. For instance, the use of selection criteria for appointments and strictly adhered to closing dates for applications may require an overhaul, and the

¹ Critchley, R., March 2006, Designing Professional Development for the Knowledge Era, The Ageing Workforce – to Rewire or Rust.

² Critchley, R., March 2006, Designing Professional Development for the Knowledge Era, The Ageing Workforce – to Rewire or Rust.

interview and job offering processes will need to be expedited to ensure the talent is secured. Flexibility with offers will also need to be considered, as monetary rewards are now not the only factor individuals consider when offered a position.

So, what is Talent Management?

Best practice talent management is an extension of workforce planning and is concerned with:

1. Assessing what the organisation needs to meet current and future business plans and developing a strategy (supply and demand).
2. Establishing processes to measure competence of current workforce, and identifying any skills gaps that exist
3. Identifying ways to attract those with skills critical to the organisations success
4. Creating a range of developmental tools and processes to provide tailored approaches depending on the individual needs of employees
5. Developing retention strategies that encompass more than just monetary rewards
6. Measuring the impact these strategies have to allow for refinement and updating of policy to deliver continual high performance

International Perspectives

Challenges of the changing international and domestic marketplaces

Prof Rupert Maclean

Aidan Kenny

Education for the Changing World of Work: Developing Skills for the New Economy



PROFESSOR RUPERT MACLEAN Chair Professor of International Education, the Hong Kong Institute of Education

In addition to his professorial Chair, Rupert Maclean holds the positions of Senior Research Fellow in Education, Oxford University; Visiting Professor of International Education at East China University (Shanghai) and Adjunct Professor at RMIT University (Melbourne). Previously he was Director of the UNESCO-UNEVOC International Centre for Technical and Vocational Education, Bonn, Germany. He is the author of fifteen books, many research reports and journal articles on various aspects of education and schooling.

Due to the profound impact of megatrends such as globalization, a move from the Industrial Age to the Information Age and the widespread use of new information and communication technologies, on national, regional and international labour markets, countries are having to fundamentally rethink their approach to skills development for employability. This presentation will focus on the implications of such megatrends on globalization of the labour market, with particular reference to vocational education and training; and will argue that changes to education for the world of work are so profound that there is a need to develop a new paradigm in vocational education and training.

- What are the skills of the future?
- Are there lessons to be learned from the response of countries in Europe and Asia to the development of their workforces?
- Do we need a different/new pedagogy for developing vocational skills

Professor Maclean's Powerpoint presentation is available on the TDA web site www.tda.edu.au



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Aidan is an active practitioner and advocate of Lifelong Learning, progressing from an apprenticeship in the 1980's to now being in the final phase of his doctoral dissertation.

In the 2002 Worldskills Competition in St Gallans Sweden, international peers nominated him as the Deputy Chief World Expert.

In 2004 he started work on the implementation of the new National Framework of Qualifications for Ireland. In 2006 he was appointed as the Project Manager for the Skills Research Initiative aimed at enhancing research capacity in the technical and vocational sector.

European Union policy developments and reflections on the reform agenda in Ireland

This brief issue paper proposes that a coherent approach to tertiary education and training is necessary to enhance lifelong learning opportunities for citizens, in order to develop capacity and capabilities to deal with the challenges posed by the new world-of-work. To achieve this type of approach compatible systems and processes need to be introduced which facilitate communication between existing structures particularly in the areas of recognition, access, transfer and progression. The paper reviews key European Union education and training policy initiatives, citing them as examples of the construction of a meta-framework of systems and processes that support the move towards the emergence of a European tertiary education area. Finally reflections from a practitioner perspective are presented detailing some of the major policy reform initiatives in Ireland.

'Supranational organisations' (Ball, 2008) such as the OECD (2008), World Bank (2009) and UNESCO (2009) note that tertiary education policy development is now firmly on national government agendas in both developed and developing countries. Tertiary education is perceived as a major driver of economic progress within a global knowledge based economy. Education policy makers in developed countries which are currently experiencing the negative effects of the global economic crisis are engaging in reviewing their systems and exploring how they can effectively contribute towards meeting the needs of the new economic and social environment. One prominent response has been the targeted concentration of

resources into higher education specifically at PhD and Postdoc levels¹, in an effort to stimulate the growth of the knowledge economy and realise the potential economic rewards. However this type of approach can lead to claims of elitism and inequitable distribution of public finances favouring those who have already achieved high level qualifications while under resourcing and providing fewer opportunities to those who have obtained other types of qualifications. While the knowledge economy needs a substantial cohort of both PhD's and Postdocs it also requires a more significant percentage of the labour force that hold other qualifications² such as Masters, Degrees, Diplomas and Certificates. Further to sustain a knowledge driven economy the accumulated human capital³ of the labour force needs to be continuously updated and remain relevant to the demands of the new world-of-work⁴. To facilitate this, policy makers need to consider adopting a systemic approach to policy development which endeavours to reduce the traditional sectoral and structural divisions that exist within the post secondary education sector. In particular the structural divisions and perceived value⁵ differences between post secondary

sectors such as vocational education, technical education, further education, adult education and higher education, and both formal and non-formal education and training. To realise potential efficiencies and enhance the effectiveness of post secondary education a coherent tertiary education and training policy framework approach which facilitates lifelong learning should be considered.

Within a European Union education and training context over the last 10 years several key policy initiatives such as the Lisbon Strategy 1999⁶, Bologna Process 1999⁷, and European Qualification Framework 2006⁸ have been implemented. These policy initiatives provide a meta-framework of education and training policy, the utilisation of these policies by member states is contributing towards the construction of a 'European Education Space' (Dale, 2009). The Bologna Process aims to achieve a European Higher Education Area that can further the intellectual, social, cultural, economic, scientific and technological base of Europe. The six principle measures are:

- Easily readable and comparable degrees;
- Two main cycles⁹;
- System of credits¹⁰;

¹ For example in a Irish context the state funded universities have sought to gain a strategic position in the tertiary education sector by establishing a graduate research sector (all Fourth Level). Claiming that Fourth Level will be a primary driver in the move towards a knowledge economy. This Fourth Level strategy enables the universities to leverage additional funding from the state and create a distance between other third level or tertiary education providers (for further details see the Irish University Website www.4thlevelireland.ie/

² For examples of the projected profile and distribution of qualifications for the labour force in Europe see CEDEFOP (2009) Future Skills Supply in Europe www.cedefop.europa.eu/etv/Upload/Information_resources/Bookshop/546/4086_en.pdf and in terms of Ireland see the EGFSN (2007) Tomorrow's Skills: Towards a National Skills Strategy www.skillsireland.ie/media/egfsn070306b_national_skills_strategy.pdf

³ The usage of the term Human Capital here is related to the seminal work of both Becker (1964) and Schultz (1961).

⁴ According to the literature some of the general characteristics of the new world-of-work are flexibility, adaptability, mobility, insecurity, casualisation, innovative and creative. Although a notable addition in a European context is the political concept of 'flexicurity' which includes reducing labour market regulation (easy hire and fire) with increased social security mechanisms (see European Commission definition at www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/FLEXICURITY.htm).

⁵ The City & Guilds Centre for Research (2008) produced an international research report which explored the perception and attitudes that students, parents and

employers held in relation to skills and vocational education and training. The report presents findings from seven companies it can be accessed free from www.skillsdevelopment.org.uk/Default.aspx?page=350. For a philosophical account exploring the diverging values held between vocational and general education see Hyland and Hager (2003) Vocational Education and Training, published in Blake et al (2003, pp 271-288) Philosophy of Education, Blackwell

⁶ For the latest report on the implementation of the Lisbon Strategy and VET in Europe see CEDEFOP (2009) at www.cedefop.europa.eu/etv/Upload/Information_resources/Bookshop/528/3055_en.pdf.

⁷ The official EU Bologna Process website contains the most up-to-date information it can be accessed at www.ond.vlaanderen.be/hogeronderwijs/bologna/.

⁸ See official European Union (2008) information brochure on the EQF for a detailed explanation of the aims and objectives of the EQF this can be accessed at http://ec.europa.eu/dgs/education_culture/pub/pdf/eqf_broch_en.pdf

⁹ The Bologna process originally contained two cycles, cycle 1 undergraduate (3 years) cycle 2 graduate (2 years) in 2003 a third cycle (Doctorate level) was added to the see www.ond.vlaanderen.be/hogeronderwijs/bologna/Actionlines/third_cycle.htm.

¹⁰ A credit transfer system similar to the Bologna ECTS is currently being developed

- Promote mobility,
- Promote European co-operation in quality assurance¹¹;
- Promote European dimension in higher education.

The main premise of the Lisbon Strategy 1999 is to make Europe the most competitive knowledge based economy by 2010. The primary means identified to achieve this is increased investment in education and training, measured by the percentage of GDP a member state invests in education and training. The strategy sets out five key benchmarks for national education and training systems in Europe to reach by 2010:

- Increase the number of Mathematics, Science and Technology Graduates (MST) to 748,000.
- Increase lifelong learning participation rates to 12.5%.
- Reduce early school leavers to 10%.
- Increase upper secondary level completions to 85%.
- Reduce low achievers in reading to 15.5%.

The European Qualifications Framework (EQF) was formally adopted in 2008. It offers member states an eight level structure including technical criteria which can be utilised as a translator device to reference different countries qualification systems. While the implementation of the EQF is on a voluntary basis, it is worth noting Young's (2005)

for VET. It is called the European Credit system for Vocational Education and Training (ECVET) for latest details see ECVET Bulletin at www.ecvet-projects.eu/Documents/Bulletins/ECVET_Bulletin_July_2009.pdf

¹¹ For more details on quality assurance in Higher Education, see Kenny (2006) *The Quality Movement Discourse in the Higher Education Sector: A General Review*, download free from SSRN http://papers.ssrn.com/sol3/papers.cfm?abstract_id=944768 and Kenny (2006) *Quality, Evaluation: Policy, Theory and Practice in the Education Sector* available free from SSRN http://papers.ssrn.com/sol3/papers.cfm?abstract_id=945321

consideration, 'the implementation of an NQF is a revolutionary rather than an evolutionary process'. European Commission (2006) notes several reasons for the introduction of the EQF:

- It enables individuals to judge the value of their qualifications,
- It is a prerequisite for transfer and accumulation of qualifications,
- It improves employers ability to judge the relevance of qualifications,
- It allows education and training providers to compare profiles and assists the development of quality assurance.

While these policy initiatives have been adopted by both the European Commission and Parliament, the implementation of these policies at individual member states level is subject to the national political, economic and social criteria relevant to each member state. However from the take up by member states so far it is reasonable to suggest that these policies are stimulating the convergence of education and training systems in Europe, Dale and Robertson (2009) term this process the 'Europeanisation of Education'.

The Irish Government has been a keen supporter and advocate of the emergent European Union education and training policy narratives with their inherent human capital agenda. Policy makers in Irish Government Departments have pursued a strategy of early adaptation in relation to implementing European policy. For example within the public funded higher education sector¹² the seven universities, thirteen Institutes of Technology and the

¹² For a full listing of the public funded universities and Institutes of Technology see the Higher Education Authority website at www.heai.ie/en/AboutHEA#Universities.

Dublin Institute of Technology¹³ have all developed processes and procedures which are aligned to the objectives of the Bologna Process. Further education and training investment commitments made by the Irish Government in successive National Development Plans (2000–2006¹⁴ and 2007–2013¹⁵) fully concur with the objectives set out in the Lisbon Strategy. The Government also introduced legislation in 1999¹⁶ in relation to the introduction of a National Framework of Qualifications (NFQ). In 2003 the 10 Level NQF¹⁷ was launched, and in 2007 the ten Levels of the NFQ were referenced¹⁸ with the eight levels of the EQF.

In terms of the structure and purpose of the post secondary education sector in Ireland there remains considerable divergence between the positions taking by prominent actors and sectoral representative associations¹⁹. An example of the different views is captured in two major reports which examined post secondary education in Ireland. The Skilbeck report (2003) recommended that Ireland move from a binary system towards an ‘integrated tertiary education system’ while

the OECD (2004) review of higher education argues that ‘Ireland should retain a differentiated tertiary education system’. However subsequent to these reports several factors emerged that began the process of integrating the tertiary sector. Legislation in 2006 brought the whole sector under the remit of the one authority the Higher Education Authority (HEA), also in 2006 the Higher Education and Training Awards Council (HETAC) granted delegated degree awarding authority to the Institutes of Technology, it should be noted that the DIT is an awarding body in its own right as such it did not need HETAC delegated authority. Further in 2006 the Government allocated over 500 million euro (2006–2010) for the Strategic Innovation Fund²⁰ (SIF) the primary aim being to enhance collaboration and cooperation between higher education institutes. While in practice there is evidence of localised cooperation between academics, departments and schools from different higher education institutes, at structural level boundaries are still maintained. However change is imminent mainly due to three emergent factors:

1. The demands that the current economic crisis is placing on tertiary education.
2. The embedding of the NFQ requires structural changes in terms of recognition, access, transfer and progression.
3. Growing competition from private sector higher education providers.

The reform of the Irish tertiary education sector is moving at a substantial pace, the McCarthy (2009) report on the public sector has recommended numerous changes for tertiary education including

¹³ The Dublin Institute of Technology has a separate legal standing (DIT Act 1992) and is an awarding body in its own right where as the other Institutes of Technology have a common legal basis (RTC Act 1992) and applied for delegated awarding authority from HETAC www.hetac.ie/.

¹⁴ A review of the Irish Government's National Development Plan 2000–2006 is available from www.ndp.ie/docs/NDP/CSF_2000-2006_Review_-_Key_features_of_investment_under/1906.htm.

¹⁵ The Irish Government National Development Plan 2007–2013, Chapter 9 Human Capital Priority which sets out the projected investment in education and training is available at www.ndp.ie/documents/NDP2007-2013/NDP_Main_Ch09.pdf.

¹⁶ A full copy of the Irish Government Qualifications (Education and Training) Act 1999 can be accessed from <http://oireachtas.ie/documents/bills28/acts/1999/a2699.pdf>.

¹⁷ Full details explaining the NFQ and its 10 Levels can be obtained from the National Qualifications Authority of Ireland website at www.nfq.ie/nfq/en/.

¹⁸ See the National Qualifications Authority of Ireland Bulletin Referencing the NFQ to the EQF at www.nqai.ie/documents/EQFe-bulletinJune2009.pdf.

¹⁹ Some of the main sectoral representative associations are; the Irish University Association www.iaa.ie/index.html, Institutes of Technology Ireland www.ioti.ie/, Dublin Institute of Technology www.dit.ie/, Higher Education Colleges Association www.heca.ie/aboutUs.php, Teachers Union of Ireland www.tui.ie/ and Irish Federation of University Teachers www.ifut.ie/ and the Irish Business and Employers Confederation www.ibec.ie/IBEC/IBEC.nsf/vPages/home?OpenDocument.

²⁰ The Strategic Innovation Fund was open to competitive bidding by higher education institutes, the initiative sought to increase collaboration and cooperation in four thematic areas, restructuring, teaching & learning, 4th level and Lifelong learning, full details can be accessed from the HEA website www.heai.ie/en/sif.

the merger of two Dublin based IoTs with the DIT, the closure of two other IoTs and the establishment of more formal functional collaboration between regional higher education institutes. How precisely the new fiscal change agenda will impact on shaping the development of tertiary education in Ireland into the future is a matter that currently challenges policy makers and stakeholders in the sector.

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MC, Waleed Ali.



Dianne Murray, Director TAFE NSW, Illawarra Institute of TAFE NSW and Ron Wright, Associate Director, Western Sydney Institute of TAFE NSW.



Deputy Mayor Gold Coast City Council, Cr Daphne McDonald.



Kirsten Wise and Kerry Wise, Principal, Destination, Conference and Incentive – conference coordinators.

TDA09 Stream 1

One Tertiary Sector – Perspectives

The Bradley Review was asked to examine the place of higher education in the broader tertiary education sector, especially in building an integrated relationship with vocational education and training' (Bradley Review, p. 205). Subsequently, the concept of a tertiary system has rapidly gained momentum and some action by Government.

What are the key differentiators for TAFE as the largest public provider of post-school VET?

Should there be a special role for public VET providers?

What structural, policy positions are necessary to support this special role?

Are the different pedagogies compatible? Will we have two different types of curricula and two different approaches to teaching on the same campus?

Prof Peter Coldrake

Pam Christie

Philip Bullock

Patrica Neden



PROFESSOR PETER COALDRAKE Vice-Chancellor, Queensland University of Technology Chair, Universities Australia

Professor Peter Coaldrake is Vice-Chancellor of Queensland University of Technology (QUT).

In May 2009, he became Chair Universities Australia. He is also a member of the Board of the Organisation for Economic Development and Institutional Management in Higher Education (OECD-IMHE) and a trustee of the Queensland Museum Foundation. He was appointed by the Premier of Queensland as a Smart State Ambassador in 2006, and is Executive Chair of Queensland's 2009 Sesquicentenary Celebrations Advisory Board.

Professor Coaldrake introduced the panel session by acknowledging how much the focus of debate around tertiary enrolments has changed. He applauded the Bradley review for being different from its predecessors in that it “put students first”.

He also noted the challenges posed by the Bradley targets for university completion of Bachelor Degrees (40%), and for much higher participation by students from lower socio-economic backgrounds (20%). The targets were ‘daunting’, and the deadlines ‘formidable’. There are a whole lot of challenges built into those apparently quite simple targets.

Professor Coaldrake argued that there needs to be a systematic relationship between universities generally and Universities Australia with the VET sector. In particular, he welcomed the joint Universities Australia/TDA study. He also argued that ‘dual sector’ institutions were well placed to lead their respective sectors towards more integrated provision.



PAM CHRISTIE
Institute Director, TAFE NSW Sydney
Institute

TAFE NSW – Sydney Institute is one of the largest and most respected vocational education and training providers in Australia. Pam has extensive experience in the vocational education and training sector in a range of leadership roles played a major role in shaping national and state policy directions. Pam is a member of the NSW Vocational Education and Training Accreditation Board and TAFE Directors Australia Board.

Introduction

This paper outlines TAFE Directors Australia's position on defining an Australian tertiary sector in the context of the Bradley Review. It then describes the critical differences within and across the higher education and vocational education and training sectors. Finally the paper identifies some important characteristics to be considered in defining a broader Australian tertiary sector and the opportunities and threats for TAFE in this environment.

TDA response to the Bradley Review

The Bradley Review provided an opportunity to define a new post-secondary education landscape for Australia, especially in relation to building an integrated relationship between higher education and vocational education and training (VET).¹

Despite this opportunity, the VET sector was given only scant attention in the review. While the concept of a tertiary sector is now widely used in the post Bradley environment, there is still a lack of clarity about its composition and definitional confusion remains.

The Bradley report itself was confused with respect to the definition of tertiary education. On the one hand it references the OECD definition² in the glossary, but then in the body of the report refers to the tertiary sector as including the whole of the higher education and VET sectors.

TAFE Directors Australia (TDA) represents Australia's 58 TAFE and technology institutes, including the five Australian dual sector university and TAFE institutions. TDA contends that there would be dangers in simply including all of the 4,500

¹ Bradley Review p. 205

² The OECD defines tertiary education as 'programs at International Standard classification of Education (ISCED) levels 5B, 5A and 6. Programs below ISCED level 5B are not considered tertiary level (OECD 2008).

registered training organisations (RTOs) across Australia in a definition of the tertiary sector given the wide range in capability, capacity and market segmentation that exists among them.

TDA has proposed that national protocols are required for the whole of the new Australian tertiary sector which clearly define its scope and differentiate VET providers in a similar way to those which currently apply in higher education.

Defining a broader tertiary education sector

There are a range of issues that need to be taken into account in defining a broader Australian tertiary education sector. These include both differences across the higher education and VET sectors as well as differences in the type, profile and status of organizations within each sector.

Often the differences that are most focused on are those of funding, governance, regulation and reporting obligations. A more fundamental and important difference that Bradley has acknowledged however, is their distinctive missions. A distinguishing feature of the Australian VET system is its core mission of meeting the skill needs of industry and its applied or 'practice based' approach to learning and assessment. TAFE prides itself on being the major provider in a national industry-led system which is widely benchmarked across the OECD, and highly regarded across our region.

While universities are closely aligned with the professions and monitor the views of employers, in contrast they have greater academic freedom and independence from government and industry agendas. The VET sector's focus on industry as a key client is an important differentiation to note, particularly in a student demand driven funding environment.

There are also well documented differences in the profile of learners both within and across the higher education and VET sectors. These include age profile, employment status, pattern and reason for undertaking study as well socio economic status.

Much has been said about pedagogical differences across the sectors. However despite some of the issues identified with national training packages, there is nothing inherent in the design of VET qualifications that prevents us from improving connections between the merit based approach of universities and the competency based approach of VET.

More importantly perhaps, within the VET sector there are significant differences in the capability, range of qualifications and disciplines offered and markets that RTOs are operating in. Recent NCVET research has shown stark differences across the VET sector, particularly in relation to the profile of learners and ability of organisations to meet community obligations.³

TDA's position is that these differences, as well as an organisation's ability to self accredit, their governance structures and the public/private status of organizations, needs to be taken into account in defining protocols for a broader Australian tertiary sector. TDA is currently in discussion with Universities Australia to explore these issues further and contribute to a new vision for the Australian tertiary sector.

Opportunities and threats for TAFE

There are clearly many opportunities and threats for TAFE institutes in this environment.

TAFE institutes are well positioned to support the Australian Government's target of increasing to 40% the number of 25 to 34 year olds holding a bachelor degree or above as well as increasing low SES

³ ncver.edu.au/publications/2163.html

participation levels in higher education. The higher qualifications targets can be supported both by TAFEs delivering degrees and through partnerships with universities running jointly planned pathways. All too often universities are looking to partner with schools to increase their low SES participation levels, however partnerships with TAFE institutes may provide more successful and sustainable pathways to achieve these targets.

If the Bradley definition of one tertiary sector was to be adopted to include all of the 4,500 RTOs operating across Australia, pathways between the higher education and VET sectors would be at serious risk. Universities have clearly stated their preference for institution to institution relationships and despite the promise of a nationally recognized qualification across the VET sector, universities are unlikely to enter into partnership arrangements which give access to all 4,500 RTOs across Australia.

There was a real risk during the Bradley Review debate that TAFE was seen as primarily a 'feeder' to universities and that the broader mission of up skilling the Australian workforce was not understood. However in the current economic climate the debate has shifted somewhat and there are now growing opportunities for TAFEs to develop closer ties with industry and enterprises (as well as with universities) to up skill the existing workforce.

TAFE also has a greater footprint and capacity in remote and regional communities and therefore an opportunity to build higher skills in local communities. TAFE's record and expertise in engaging with disadvantaged students, especially those with low language and literacy skills or from indigenous backgrounds is also widely recognized and provides opportunities for Institutes to support the Government's social inclusion agenda.

Finally, changes to regulatory arrangements pose both threats and opportunities for TAFE in the

current environment. Quality issues have dogged the VET system for many years, initially with the rapid growth of the traineeship market and more recently with issues around the *Commonwealth Productivity Places Program* and international student market. A strengthened regulatory regime would undoubtedly advantage TAFE which has suffered from being associated with poor performing RTOs in the VET sector.

Conclusion

What we need is a new vision for an Australian tertiary sector which acknowledges the important differences but also recognizes the strengths and capabilities of organisations working across and within the higher education and VET sectors. We need to work towards a common policy and regulatory framework but also as importantly work collaboratively to facilitate improved pathways and outcomes for students and employers.

At a recent Tertiary Roundtable in Sydney which was hosted by TAFE NSW and included senior representatives from NSW universities and TAFEs, agreement was reached on some key principles to move forward on genuine collaboration and cooperation.

At this forum, Macquarie University Vice Chancellor Steven Schwartz speaking on TAFE and university cooperation said:

*"Why have so many attempts in the past not been sustainable? Because they've been fairly one-directional. Now we've got the opportunity to do something where both organizations actually get something out of it."*⁴

This approach is very much overdue and if adopted is more likely to result in positive outcomes for all stakeholders, especially students.

⁴ Campus Review, 3 August 2009, Wanted: 'boundary spanners' to help fix the bridge, by John Ross

One Tertiary Sector – a Skills Australia Perspective



PHILIP BULLOCK
Chair, Skills Australia

Mr Philip Bullock brings an impressive combination of high level leadership skills, a strong industry background and a commitment to education and training to the position of Chair of Skills Australia.

Mr Bullock has more than 25 years experience working with IBM, culminating in his appointment as Vice President, Systems and Technology Group IBM Asia Pacific Region and including Chief Executive Officer of IBM Australia and New Zealand.

Mr Bullock has been very active in support of diversity in the workplace, being awarded the Leading CEO for the Advancement of Women, in 2004.

A change in governance arrangements for Australian education and training has to be grounded in the vision of building Australia's skill base for a more productive, inclusive and sustainable future.

Australia is at a pivotal point in history where a step change is needed to address our skills challenges and to equip us in rapidly changing global and local economies and communities. Consumers want tailored, accessible and flexible service from providers. Leadership and governance models that currently exist for the tertiary sector do not meet these needs. We need responsiveness and flexibility from the tertiary sector.

Education and training is now part of a globalised education market—where our national reputation for high quality provision and internationally respected outcomes are intrinsic to our competitive advantage. The quality regimes in place for VET, higher education and international student regulation were conceptualised and developed for a market which was dramatically different to today's and continues to be dynamic.

There is considerable complexity in the current governance of regulatory and quality apparatus with registration, accreditation, approval and auditing arrangements in place for the AQTF, international student provision and for user choice purchasing arrangements— as well as those running in parallel for higher education. This presents significant issues for provider responsiveness, especially those operating across the VET and higher education sectors, both domestically and internationally.

Skills Australia supports a more aligned and streamlined governance model for an integrated tertiary sector. Skills Australia sees high performing providers of tertiary education and training as fundamental to our future success.

Our quality assurance systems should support quality improvement and recognise excellence and high levels of performance. Strengthened national regulation and quality assurance is a core governance function for building our capability, especially in securing an increased focus on improved outcomes from training—that is, enhanced skills and their greater utilisation. We also see it as a necessary complement and safeguard to the expansion of contestability.

We believe increased national uniformity in regulation of VET, higher education and the provision of international education is needed to overcome the complexity of varying multi-jurisdictional and sectoral requirements that undermine effective mutual recognition and seamless and rigorous regulatory practices.

More than this, we wish to see a raising of the bar, with tougher mechanisms to deal with poor provider performance and greater public transparency about the effectiveness of quality systems.

This harmonisation is in keeping with regulatory reforms being undertaken in other business and service sectors as part of the COAG reform agenda. It will assist in positioning education and training services within a dynamic and expanding national market which is at the core of Australia's productivity and social inclusion agenda.

Skills Australia's recommendations for a national regulatory framework for tertiary education, with an initially separate statutory body managing the VET arrangements have been informed by stakeholder feedback on the desirability of simplifying, providing clearer accountability and rationalising the multiplicity of authorities involved in regulation and quality matters at both state and national levels. A

strong case was made about positioning Australian education and training for the future and aligning with national and international advances in best practice regulation.

Skills Australia sees increased training participation, higher level skills and improved outcomes leading to employment by those from lower socio economic status groups as the most significant goal to be achieved through a more integrated tertiary sector.

Vision and direction setting for an integrated tertiary sector is not a task for government alone. A comprehensive and co-ordinated nation wide network of strategic industry advice and evidence from state and territory training agencies, Industry Skills Councils, national peak industry groups and Skills Australia should provide a strong platform for the development of our tertiary sector.

Skills Australia believes that there is great synergy in combining the focus on employment and lifelong learning in order to concentrate attention on higher level skills, workforce participation and productivity. Skills Australia sees a new policy agenda for workforce development being driven through a reinvigorated partnership between industry, enterprises and providers across the VET and higher education sectors.

Skills Australia's ambition is for the tertiary sector to move beyond a skills planning paradigm and to progress planning for workforce development. This means a shift of emphasis in planning from estimates of the likely numbers of different types of workers needed in particular industries, occupations and regions towards a mechanism to interpret the forces and settings that will influence the uptake and use of skills in the workplace.

Meshing industry engagement and leadership in tertiary education governance is a feature of Skills

Australia's proposed model at both the strategic and local levels:

- at the strategic level we see this requires a strengthened collective national vision for workforce development. This entails a renewed policy compact with industry, tougher and more consistent regulatory standards led by industry and investment decisions by jurisdictions informed by industry priorities.
- at the local level we see enterprise and provider partnerships are the cornerstone of workforce development initiatives. Providers—particularly public providers—are leaders and collaborators within local networks of small, medium and large employers. They interact with industry and employers on a daily basis developing solutions to embed the use of skill as part of organisational objectives. Industry engagement in this way at the point of training delivery will both ensure the relevance of training to the firm and reinforces the role of industry leadership nationally.

Skills Australia sees higher education's functions as encompassing intellectual leadership and scholarship, research and inquiry, as well as vocational and generalist education. The pedagogy and nature of assessment in the two sectors is differentiated particularly in terms of VET's competency-based approach to practical, work based learning with enterprises as partners.

Skills Australia supports the involvement of both private and public training providers in the market to increase choice, responsiveness, flexibility and innovation to better meet industry and consumer needs. On the basis of its capacity and continued willingness to address regional and local industry and stakeholder needs, including those in thin-

markets, TAFE needs to remain as a key provider in the National Training System and be able to access funding for thin-market delivery. The public TAFE system is unique and its significant contribution to our economic capability and community well-being must be maintained and enhanced.

On balance, Skills Australia considers that in order to position public providers for a more competitive environment, they will have to operate as public entities with core funding provision, being balanced with greater independence. TAFE institutions should have sufficient incentive to compete and flexibility to operate and develop their business to suit changing contexts.

Reference:

'Foundations for the Future' – Proposals for Future Governance, Architecture and Market Design of the National Training System.



PATRICIA NEDEN CEO, Innovation and Business Skills Australia.

Patricia Neden is the Chief Executive Officer, Innovation & Business Skills Australia, (IBSA). Previously, she was Deputy Secretary in the Victorian Department of Innovation, Industry and Regional Development and responsible for Skills Victoria. She previously held senior positions in other Victorian Government departments. The Institute of Public Administration has awarded Patricia a Victorian Fellowship in recognition of outstanding contribution to public administration and exemplary service to the Victorian community.

For Australia to achieve economic, social and cultural growth, the education and training systems in place must be designed and operate in such a way as to develop a highly skilled and innovative workforce. Notwithstanding the recent recession, which we may or may not be coming out of, recent decades have seen strong employment growth coupled with a need for a more highly qualified workforce.

A greater level of responsiveness to student demand needs to be linked to a vibrant and increasingly diverse tertiary sector. If Government targets are to be met, there needs to be an acknowledgment that students can read the labour market and make appropriate choices – even well ahead of policy changes. Given the significant contribution that students make towards their courses through fees, this seems a reasonable proposition in providing education and training. There are also trends to show that students do choose courses in areas of high labour market demand, rather than those with declining employment opportunities.

In increasing opportunities for students and increasing the number of students who complete higher level qualifications, the matter of research versus teaching requires consideration. While institutions and the design of the education and training system reward research and related careers outside of the classroom/ lecture theatre, the matter of rewarding and emphasising the importance of teaching will remain problematic.

However, it is not only teaching which directly affects the student, but also the total tertiary experience. While issues such as student support remain difficult, students will find themselves in situations where they undertake many hours of paid employment, thereby diminishing the time they are able to spend on campus, enjoying the total tertiary experience.

Across Australia, an increasingly integrated tertiary sector is emerging. The collaboration between universities, VET providers and schools can be illustrated in every State and Territory. These relationships need to be fostered and where impediments occur, they need to be tackled forcefully. In this way, the relationships between the sectors will strengthen and students will move across the sectors with increasing confidence and acceptance.

While new governance and regulatory arrangements are being mooted, it is essential to consider the place of industry - employers and employees - in this. Structures designed and governed by bureaucrats and academics will not necessarily lead to the changes desired. The part that industry plays will be critical in steering a reformed tertiary sector. The ability of industry to define what it wants of a new sector will need to be encouraged and facilitated. Different pedagogies, curricula, assessment, outcomes, culture, resources and governance expectations will need to be accommodated and fostered.

If our aim is to have a highly skilled and innovation workforce, a strong economy, and social and cultural growth, then a new tertiary sector must have at its centre the support, endorsement and involvement of industry. Industry is a critical partner in effecting knowledge transfer from a university environment to commercial applications. Equally critical is the role industry plays in determining the skills and knowledge graduates and existing workers will need in adapting to new and emerging practices and industries.

A mutually respectful partnership between a new tertiary sector and industry will drive the success of the sector.

TDA09 Stream 1

Stronger pathways between the sectors – fact or fiction.

Kim Bannikoff

Stronger Pathways between the Sectors



KIM BANNIKOFF Director – Queensland Studies Authority, Project Team Leader, AQFC Pathways Project

Mr Kim Bannikoff was appointed Director of the Queensland Studies Authority in August 2003 after several years leading the TAFE and School sectors in Victoria. Kim is a member of the Australian Qualifications Framework Council (AQFC) and is currently leading the AQFC's Pathways Project to provide advice to the Commonwealth Government on reforms required to improve student pathways between VET and Higher Education.

The Pathways Project is being undertaken by the Australian Qualifications Framework Council to prepare policy advice on credit transfer, articulation and student pathways in the context of the implementation of Commonwealth government decisions on the Bradley Review.

A key finding of the Phillips KPA 2006 report, *Credit Where Credit's Due*, was that institutions are central to improving credit transfer and articulation. The critical step is a decision by the leadership within an institution to commit to these objectives. As a consequence, the Pathways Project will focus on institutions and look at what factors lead them to commit to improving credit transfer, student pathways and articulation, best practice, the difficulties they encounter, how they solve perceived problems and what plans for future activity.

Institutions are supported (or impeded) by the policy, regulatory and funding context in which they operate. Each of these areas will be examined to identify changes that could be made to provide the most supportive environment for institutions to implement best practice in credit transfer and articulation.

The most common issue identified by stakeholders is the difference in the way the VET and Higher Education sectors describe course content and assess student achievement. Are there systemic changes which would make it easier for institutions to deal with these differences and practical ways for institutions to address the issues at the local level? Closely related to this is the influence over course content exercised in both sectors by external groups. Does the nature of the influence and the associated processes facilitate or impede credit transfer and articulation.

Given the Bradley 'target' to increase the proportion of students from disadvantaged backgrounds in Higher Education and other related government targets for educational attainment, how well do the pathways currently available to such students work? Other pathways to be considered are those within industry areas and pathways for students seeking vocationally specific qualifications to complement university qualifications.



Prof. Don Zoellner, Pro Vice-Chancellor, Community and Access, Charles Darwin University and Adrian McComb, Executive Officer, Council of Private Higher Education.



Robin Booth Director TAFE NSW Policy



Sasha Hampson, Pearsons (Sponsor) and Suzanne Hall, Pearsons (Sponsor).



Martha Kinsman, Consultant and Cr Bob La Castra, Gold Coast City Council.

A demand driven system

The Government has agreed to introduce a demand student entitlement system for universities from 2012 and Victoria has already also introduced student entitlement for VET.

- Is the rationale – choice for students or is it unfettered competition for VET providers?
- Who benefits?
- How will TAFE manage this change?

Mark Burford

David Windridge

Dr Anne Jones

Pat Forward

Demand Driven System – Choice, Diversity and Competition



MARK BURFORD Principal, Strategy and Public Policy, The Nous Group

Mark Burford is a Principal in The Nous Group's Strategy and Public Policy Practice. Mark has over twenty years experience advising and solving complex policy problems for governments in many areas of public policy. He has worked at senior levels for State and Commonwealth governments on a diverse range of issues.

Most recently Mark was senior adviser to the Deputy Prime Minister and Minister for Education, with a special focus on vocational education, higher education and intergovernmental reform.

The move to enhance student choice in tertiary education – both VET and higher education – provides great opportunity for providers to innovate and win new customers, and for students to gain access to the programs that motivate them and provide valuable jobskills.

It is a market-like system, seeking to exploit the positives that choice and competition can give – diversity, innovation.

It is not a free market though (few markets are). Government involvement is needed. It is a “framed” or “designed” market, to use the current jargon. Having set the policy ball rolling, the challenge for governments is to provide the necessary public investment, regulation, planning and information to allow such a market-like system to work.

Governments that are successful in this will place their VET systems (especially their TAFE systems) in an enviable position to win business and provide skills to people and businesses as we emerge from tough economic times. Quality VET providers could do well.

A model of VET funding

Figure 1 depicts the possible approaches that could be taken to resource allocation in the emerging VET system (indeed this would be relevant in a broader tertiary system where there is less distinction between sector of providers).

The diagram shows the main ways by which VET providers link to clients and gain their revenue – through student entitlements (under the system emerging in Victoria), through contractual funding with State or Territory government, through winning public tenders and through fee-paying clients of various kinds. Students supported by an entitlement (as in Victoria) may be eligible for an

income contingent loan (ICL – like HECs) if studying a higher level VET program. In a “pure” model all funding would flow from clients via entitlements, fees and fee-for service. A diversity of providers of all shapes and sizes would compete for custom. Sectors would not be defined by type of provider – but by programs or, in the current VET jargon, products. In States or Territories other than Victoria most government funding will come through contractual, profile like funding and increasingly through competitive tendering arrangements (purchaser-provider arrangements). The extent to which public sector TAFE and private providers compete for funds varies by jurisdiction, as does the level of competition from outside the State or Territory. The diagram shows the Commonwealth as potentially a purchaser of places – something not happening at the moment under the current inter-governmental agreement, but a reality in the past and a prospect in the future.

Figure 2 shows revenue sources from the point of view of a provider, probably a TAFE. For governments interested in transitioning to an entitlement model over time, one way to do this would be to progressively reduce provider reliance on contractual funding (either profile-type funding or competitive tender) while increasing provider exposure to choice-related (both entitlement and fee) funding.

Choice and diversity – not central planning

How is the new approach different? Simply, it seeks to emphasise genuine demand – that is diverse student and enterprise-level demand. And it seeks to let that demand get through to free, flexible and agile providers providing personalised or customised services to win business.

This is different from the simple supply-side obsession with promoting private providers above all (a speciality of the last Commonwealth Government). Private providers earn their place by providing attractive, quality programs with no special status. It is also different from the older-style supply side concern to give TAFE by monopoly or near-monopoly protection.

But in emphasising demand the entitlement approach is not following the rhetoric of “industry-driven” demand or the purchaser-provider model of the now old “new public management”. These were reform directions in the 1990s but not now. The emphasis is on demand from real people and real businesses not demand forecasts (however well analysed) from committees or experts. This is not to say by the way, that economic or labour market analysis is useless. It can provide valuable information to consumers to assist choice and to providers to assist their investment and provision decisions. Planning should be about strategy, direction and shaping the terms for choice and provision – not about detailed purchase of places. Trusting clients – students and employers – will get better results.

Enabling it to work

This new way of doing things should not involve less government activity, or even less regulation – just less government direction of providers, less centralised direction of funding and a different kind of (more demanding) regulation. It goes without saying that high quality VET and tertiary education more broadly is an essential part of strong and a productive community – it is a public interest matter and needs the authority and investment of Government to flourish. Government must be involved to:

- Invest – in adequate funding for places, in infrastructure and in support services for student participation (including but not only income support);
- Regulate – to establish and protect the “currency” of qualifications and programs, set demanding market entry standards for providers (far more demanding than has been the case so far) and set the rules for public and private involvement and investment;
- Provide – through building, investing in and supporting the public provider (TAFE, public universities, schools and adult education providers) as a high quality option for all;
- Plan for provision – to ensure accessible and diverse provision for citizens and businesses, including in areas of “thin markets” and possibly manage issues of monopoly (that is be a market manager like public authorities in a range of other areas of service provision); and
- Collect, analyse and disseminate information – to enable choices and investment to be made.

A perfect storm?

Now for the downside. As always investment matters most at the end of the day and this is where I am most worried. It is reasonable to think that governments will lift their game on regulation (hopefully to establish the national regulator proposed in the Bradley Review), planning and information provision.

It is not unreasonable however to fear a “perfect storm” combining:

- Constrained public funding;
- A downturn in the full-fee market, both

international and national (but especially international);

- Caps on student fees;
- In the higher education area, the abolition of domestic full-fees; and
- Committed pursuit of demanding growth targets.

Unless one or several of these areas finds a release, quality providers will be under extreme pressure. Low cost (and often poor quality) providers that have slipped under the regulatory bar will again benefit. Students and businesses will be the losers.

There appear to be five possible “solutions”. The best is to increase public investment to better reflect the cost of quality provision (when combined with reasonable student fees). A second option is to allow providers to charge more on top of the public subsidy or entitlement – that is to increase fees (with students supported by ICLs). A third is to drive down costs through innovation and competition – a valuable approach but risky and one that can only get some of the way. A fourth is to restrict the number of subsidised places available (effectively turning an entitlement into a scholarship) and accept rationing of places. A fifth is to keep the public subsidy low and pursue growth, accepting the risk to quality of low-cost provision. My preferred approach is a mix of options one, two and three. What is yours?

Figure 1: Elements of a VET funding model

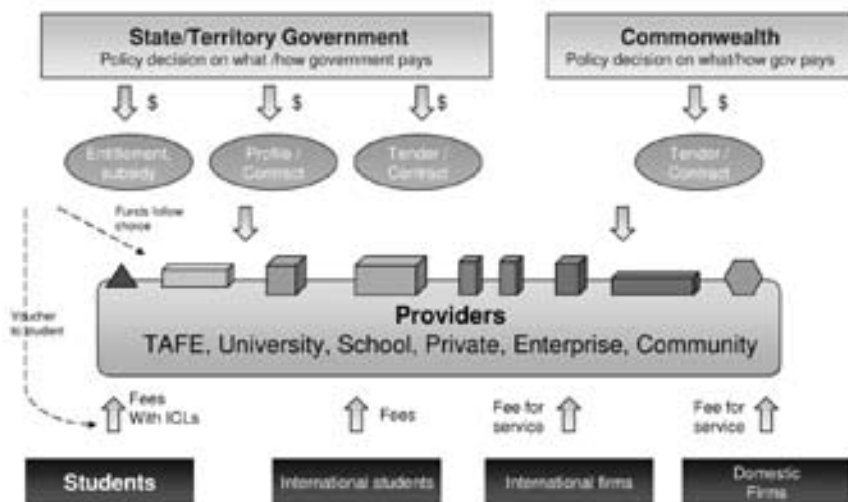
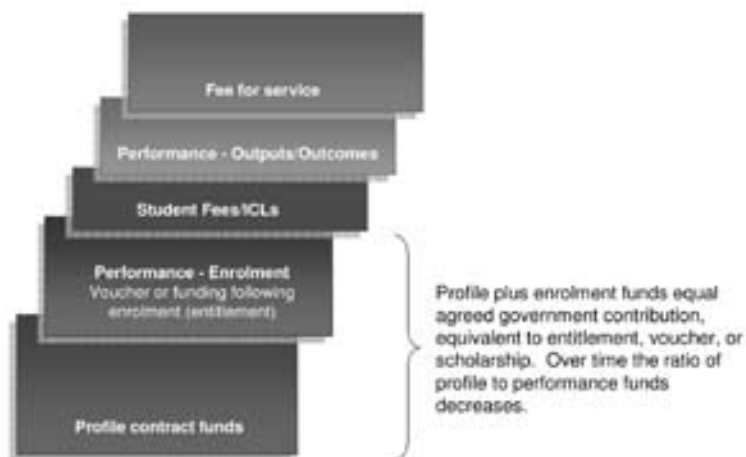


Figure 2: Funding envelopes – sources of VET provider revenue





DAVID WINDRIDGE CEO, MEGT (Australia) Ltd

MEGT is a Registered Training Organisation, delivering vocational training to domestic and international students as well as providing Group Training and Australian Apprenticeship Centre (AAC) services.

David Windridge was appointed Chief Executive Officer of MEGT (Australia) Ltd in 1992. With an extensive background in education services, organisational management and a commitment to delivery of best practice service, David has overseen the growth of MEGT from a staff of four people in Melbourne's outer east, to a national entity employing over 600 people, and reaching out to students from all over the world. David is currently a Director of the Australian Council of Private Education and Training Ltd (ACPET).

David Windridge (CEO, MEGT Australia and a previous Director of ACPET) leads a group training company with some 700 staff across 65 offices and managed around 1000 apprentices and trainees.

David was optimistic about the demand-driven system but wondered whether the real impact of government funding practice made TAFE a more 'protected species', noting that historical funding arrangements had been less fair to private providers.

David commented on the the demand driven system benefits the consumer in the end but that current purchasing models make it difficult to work out who the consumer is. Is it the employer, the student, the community or the government?

In many cases the purchaser is not always the consumer (except for full fee paying students who cover the entire cost of a course). There is therefore a lack of incentive to control costs. This lends itself to distortions and poor decision making.

The system also suffers from a conflict of interest – where the regulator is also the largest purchaser and the the largest supplier. This can lead to poor decision-making.

The government has increasingly made VET training a public commodity whilst it has been busy privatising other parts of the economy. As a private provider, it would appear that TAFE is a protected species. Nothing in the current proposals says that this will change.

David reviewed a number of reforms to VET over the past two decades. Training moved from being steered by educators to public service managers. There has been a shift towards a more "employee driven" system. Prime Minister Keating pumped money into VET growth funds. There was talk about an "open training market". While Prime Minister

Howard continued to talk of “employer driven” approaches but the financial contribution was diminished through inflation. TAFE might have felt hard done by in this process – but the changes have particularly impacted on those private providers who work in government-funded areas who have largely had no fee adjustment in the past decade.

Traditionally, private providers ran courses specifically geared at the student as both the purchaser and the consumer. These courses were seen to be responsive to the needs of the consumer.

The need to make a profit has traditionally been balanced with the need to provide a quality service.

If we go back to before 1980 Australia had 80 plus years of private provider involvement in the supply of VET Courses. With the exception of Technical Colleges there was no extensive government supply mechanism. In the 1980s private providers saw their market dominance threatened by Government-funded TAFE Colleges. They lost significant market share and had to reposition themselves. They were able to survive by differentiating their product.

Then in the 1990s as training was made into a mass produced commodity, they were forced to give up their intellectual property. Yet they still adapted to survive the training package and audit regime that was thrust upon them. Increasingly private providers are now playing in the same field as TAFE, in other words, government-controlled and funded delivery.

At the same time TAFE colleges are moving into fee for service activities where the consumer is also the purchaser.

A demand driven system – Dual Sector Institution Perspective



DR ANNE JONES Deputy Vice Chancellor & Director TAFE, Victoria University

Dr Anne Jones was appointed as Deputy Vice-Chancellor and Director of TAFE at Victoria University in February 2009 having previously held the position of Pro Vice Chancellor (Vocational Education) at the University.

Anne, who originally trained as a scientist, has worked in vocational education for thirty years in a number of organisations. Anne has had substantial experience in international work including business development and leadership of the internationalisation of curriculum, teaching practice and student mobility.

Some reflections on forceful requests

The term *demand driven* is often synonymous with industry driven in Australia and elsewhere. Australian VET leaders, long used to governmental market manipulation, have learned to shun the dark side, *supply*, and to embrace *demand*. However the concept of demand is increasingly complex, multi-layered and ethically challenging. It is not only industry that makes demands on VET providers but individuals, communities, governments and others. Think of extreme cases such as the international student demand for training leading to permanent residency outcomes. In the post-Bradley tertiary education market, the demands will be even more confusing unless state and Federal governments can agree on a consistent approach to management of the tertiary sector.

The present alignment of state and Federal policy has allowed the Council of Australian Governments to set a number of ambitious growth targets for the newly-badged tertiary education sector, such as:

- increasing the proportion of 25–34 year-olds with a bachelor-level qualification or above from 32 per cent to 40 per cent by 2025,
- doubling the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.

Governments have initiated a number of strategies to achieve these targets such as market reform, investment and changes to regulation. The recent Skills Australia report '*Foundations for the Future*' recommends a "managed market approach" to achieve the first two of the above targets, those currently set for the VET system. Meanwhile the Federal Government is removing enrolment caps

from universities in a cautious move towards driving the higher education system to deliver more graduates.

Dissonant COAG targets

The problem is that both the targets and the strategies are problematic. Let's start with the targets and consider the disconnection between the targets set for higher education and VET. An increase in higher education qualifications based on the removal of enrolments caps in universities will ripple across the whole tertiary sector as universities reposition their entry requirements and TAFE institutions scramble in the wake. We know that widening participation will put pressure on universities to provide more robust learner support in order for the 40% graduate target to be achieved. As a consequence the VET system will need even greater effort to increase higher level completions.

Maybe there's a better way to do this? Certainly a number of other countries have adopted more rational and successful strategies. For example the United Kingdom's very successful increase in higher education participation in the past decade has been achieved through collaborative delivery of foundation degrees by universities partnering with clusters of colleges of further education.¹

In the Australian case, however, we appear to be heading towards a standoff in the tertiary education space where VET and higher education products will compete and learners fail to achieve unless significant funding for learner support is available in both sectors. I understand that there are federal mutterings to the effect that pathways will be part of the solution. However pathways as we currently know them are costly to establish,

difficult to maintain and rarely give students credit for whole years in higher education due to the differences between VET and university curricula. A more effective *pathways* driven approach would require significant rethinking of the purpose of VET supported by real reform of its training products.

The Victorian Experiment

The Victorian Government plans to have a fully contestable VET system by 2011. Starting with diploma level courses and above, and some industry based courses, funding now follows eligible students and is available for enrolments in TAFE institutes, dual sector universities and 240 private providers. Students aged over 20 are entitled to a place as long as they enrol in a qualification at a higher AQF level than those they already possess. VET FEE-HELP is available to defer full fees for the 25% of Victorian students who are no longer eligible for government funded places.

From the public provider perspective this is a very interesting competition indeed, one in which the product range and cost base are externally controlled with the latter circumstance not applying to private providers. The new Victorian funding model is really a blend of demand and supply driven approaches. For example there is now opportunity for RTOs to increase their revenue through increased provision of courses that the Government formerly considered low priority such as fitness and the arts.

Beyond pathways – the dual sector solution

Almost 30% of TAFE delivery in Victoria occurs through the dual sector universities. At the same time the large metropolitan TAFE institutes are increasing their higher education provision. There

¹ John P. Wilson, John Blewitt, Daphne Moody 2005 Reconfiguring higher education: the case of foundation degrees

is potential in this state for these institutions to develop coherent approaches to tertiary education. These could support more fragile learners and also offer a series of qualifications to new labour market entrants as well as existing workers, delivered at times and places and in ways that suit their varying needs. There are already some good examples of this in many of our institutions. From VU I offer the example of the unique Dermal Therapy suite of courses that begins with VET certificates and diploma courses leading to work-based associate and bachelor degrees offered through online delivery and intensive clinical workshops all over Australia.

However the barriers to pursuing such sensible approaches are enormous. These include the lack of coherent government policy already mentioned, difficulties in mixing and matching state and federal funding and the cost and time imposts arising from dual reporting and auditing of quality, finance, etc.

Where to from here?

The recent GFC and imminent recovery demonstrate just how quickly an apparent skills shortage can become a skills glut. Participants in the recent NCVER facilitated forum *Training for the Recovery* at Parliament chose to focus on skills preparation for an unknowable future rather than on skills required for the recovery. These would be training products that provide the robust and rich preparation by those navigating lifelong careers in unpredictable globalised economies. They would deliver stronger language, literacy and numeracy, problem solving, creativity and other skills needed to provide a foundation for future skills development including pathways into higher education.

TAFE institutes and dual sector universities are capable of delivering on such a promise. To do so we need fewer bureaucratic shackles, more freedom to develop our own qualifications using national training products where it makes sense to do so, the ability to easily use funding from both levels of government for the same student and consultative development of workable policies and targets for the new tertiary sector.



PAT FORWARD
Federal TAFE Secretary, Australian
Education Union, Federal Office

Pat Forward was elected to the position of Federal TAFE Secretary of the Australian Education Union (AEU) in January 2004. She previously held the position of Federal TAFE President for six years. She is an advocate of the public TAFE system in Australia.

Is the rationale choice for students or unfettered competition for VET providers? Who benefits?

The focus in the current debate on the creation or development of a market in vocational education and training is the problem. VET policy makers make a fundamental mistake when they turn their attention to the design of markets in the sector, rather than focussing on the purpose of vocational education – educating students in the context of contemporary workplaces and society.

Making the sector demand driven through a student entitlement model is code for further marketisation of the sector. And if the focus of policy is the design of markets, it leads us inexorably to ask the wrong questions, to argue over the wrong things – and inevitably to come up with the wrong answers.

What can we learn from the current crisis around international students and private VET providers? First, gaining profit becomes the point of the activity, not education. Second, the actions of a few lead to penalties for all as society's trust in our education system is eroded. Third, the market will flood the lower-cost end of provision. Fourth, more and more regulation is required leading to compliance cultures. The fact that the Department of Immigration and Citizenship is going to require international students – who have Australian VET qualifications – to sit a job ready test if they are to be granted permanent residency is damning condemnation of this market. The Department of Immigration is effectively saying it does not trust the outcomes of VET, which is the responsibility of another department.

In this debate, we should be focussing on the question of who benefits, and who should benefit from VET.

And in the public VET sector, our overriding concern should always be the quality of the educational experience of students.

From that central concern flows a range of logical questions which go to the heart of how VET policy is developed. The centrality of the vocational education experience for students must lead us to be concerned with the efficiency and effectiveness of our TAFE institutes, to questions about our responsibility to use government funding most effectively.

But most importantly, it should lead us to ask questions about how students are best able to work effectively, productively and with autonomy in the workplaces and society of the future. It should also lead us to prioritise the creation of educational and vocational pathways, building on TAFE's historic role as vehicle to address social and educational disadvantage in society. TAFE's capacity to play a broader social role should be recognised as one of its historic strengths. Instead, in the current climate, TAFEs are being financially punished for their so-called community service obligations.

We are, currently focussing on the wrong questions, and this is encouraging aberrant behaviour. It is also letting governments off the hook. What is the point of promulgating and reifying choice for students, when the mechanisms chosen to implement choice are forcing a race to the bottom, with quality the biggest loser.

The relentless attack on public providers, disguised as it has been in the language of the market as a concern over efficiency – an obsession with the crime of “provider capture” – has forced us to be defensive, to respond in the terms of the critique, rather than to forge our own narrative about the centrality to TAFE of the student experience,

of education, of a quality vocational education experience.

Those who rhetorically disguise their obsession with disciplining TAFE providers by forcing them to implement market strategies which will make TAFEs look more like factory assembly lines than educational endeavours, must move out of the shadows of the most recent response to critics of the market design – “there is already a market, so get over it.” The reliance of governments on a single measure of efficiency – the price per student contact hour – should be called for what it is – a crude attempt to reduce funding and cut costs. The Productivity Places Programme is an excellent example of this.

We still have not seen any evidence that educational markets work. We have been asking for this evidence for a long time. This is a policy based on faith, and not evidence.

It is not clear that greater marketisation – under the guise of entitlements and vouchers – will result in greater choices for students. All providers – public and private – will only run programs if they make a profit, and this does not help those whose interests don't fall into these high volume, profitable areas. It is also clear that the cost of VET to individuals will increase.

Under the current student demand strategy in Victoria, students will be the losers, as the government shifts costs onto individuals, undermining equity. There may be more places, but they will be less affordable. This will do nothing to improve the quality of education in a TAFE system starved of funds. Low budget RTOs delivering minimum standard training will be the biggest winners. They will win on price, and the inadequate

focus on educational quality in the regulatory structure means little control over quality.

And the price we will pay as a community is a complete hollowing out of the vocational education experience – a deskilling of individuals, who will be poorly prepared for a life of work. The recent experiences in the international education sector are not an aberration, but a logical consequence of unfettered market forces.

We should fund TAFE institutes to deliver a range of courses and qualifications to students in a well resourced learning environment. We should require them to operate as most currently do, effectively, efficiently, responsively. They should be and are accountable to governments and the community for the funding they receive.

We are all paying for the failure of ABC childcare, and we are paying for the crisis in the international VET market. The cost of market failure is high, for individuals and for the society.



*Ron Williams, The College Board; Linda Brown, Swinburne University;
Peter Mitchell, Gold Coast Institute of TAFE and Jim Barron, Group Training
Australia.*



A section of the audience at the TDA 2009 Conference.



John Cook, South West TAFE.



*Michelle Hoad Swan TAFE and Emma LLOYD Senior HR Consultant,
People Solutions - Slade Group (Gold Sponsor)*

TDA09 STREAM 2

TAFE in the new international landscape

The internal and external environments for international education are rapidly changing. The Bradley Review recommended changes to the structure of Australia's international education and training regulation and promotional body, AEI. Australia's competitors employ a range of strategies and organisational structures to position their destination with the global student market. With a focus on the external environment recent issues of quality in the sector, agent recruitment practices, the nexus between skilled migration and international education and student safety have all been in the headlines. This session will focus on the impacts of the internal and external changes on TAFE.

How is TAFE prepared to respond to the challenges?

What is the Australian Government doing to respond to the new international landscape?

How are student's expectations and experiences impacting the changes?

What is the role for TAFE in collaboration with other sectors of the international education industry?

What strategies should TAFE institutes employ to ensure continued success and sustainability in the market?

David Riordan

Kevin Brett

Helen Cook

Di Weddell



DAVID RIORDAN CEO, DET International NSW

David Riordan is Chief Executive Officer (CEO) of DET International, in the NSW Department of Education and Training (DET). He is responsible for International students in NSW Government schools and TAFE NSW, all international projects in TAFE NSW and Government Schools and the TAFE NSW National Business Office.

Let me begin by sharing with you a very brief story. Over the last few months I have attended several international student meetings, mostly large meetings of Indian students and all run by the Community Relations Commission.

I must confess that my dealings with students over the last years have been somewhat from a distance and these recent engagements, although brief, have reminded me of the essence of what we do. We provide education to students from all over the world and through their successful teaching and learning experience they improve their chances both here, if they stay, and definitely at home when they return.

Last Friday night I battled the traffic to the outskirts of Sydney to a Community Hall where 200 Egyptian Students were meeting (TAFE NSW has almost no Egyptian international students). The local Member and Mayor was there, representatives from DIAC, Community Relations Commission, the Consulate, Police and I myself spoke.

After all speakers had addressed the gathering, students were given time to ask questions or make comments. Young men, one after the other, rose and spoke to the panel.

It was truly a humbling experience as they explained that some time ago a college had collapsed and some of them had been left with little or no information, left unsure about their futures and transferred to another college which made them pay more money, how some of them had not received their transcripts and were forced to fork out even more money.

They told stories about how their teachers didn't speak English as well as they themselves did, and how they suspected these same teachers had little knowledge about the content they were teaching.

Case Study – From the Appeals Tribunal Website

By using a range of appeal mechanisms, a private provider managed to continue operating and recruiting for international students for at least 12 months after its registration was suspended. The reasons for suspension included:

- running commercial cookery classes where food prep was done on one floor **and** the actual cooking was done on another floor, all in facilities specifically banned for such use by the local council
- failing to provide any practical kitchen experience for more than 1000 students over an 11-month period
- running teacher to student ratios of 1:70 or more
- employing teachers on a 40 hour per week face-to-face teaching load
- not having any coverage under a tuition assurance scheme

What is even more alarming is this comment by the President of one of the appeals boards:

“... non-compliance in the areas of inaccurate enrolment and issuance of qualifications and adequacy of training and assessment resources on their own may not justify a decision not to grant approval to deliver training to overseas students”.

Fortunately, in the words of the appeals board, “... capacity of current premises, facilities and equipment, and insufficiency of training staff were sufficient grounds to tip the balance”.

The offending provider closed only in NSW but continued its existing operation interstate.

Bradley Review

In December 2008, Professor Denise Bradley released her committee’s report into the Review of Australian Higher Education. Eight of the 46 final recommendations specifically mentioned international students or the international education market. Included in these recommendations were:

- The establishment of an independent national regulatory body separate from AEI which would include a register and auditing function
- The revision of AEI’s industry development responsibilities to be undertaken by an independent agency.

The Bradley Report raised a number of concerns:

- The dependence of a number of higher institutions on international students to subsidise domestic activities and their vulnerability to global political and economic upheavals
- The narrowness of the student cohort in terms of country of origin, field of study and level of study
- The less than satisfactory experience of many overseas students while studying in Australia
- The need for greater coherence between education and immigration policies

Professor Bradley added this last week:

“We have a situation in vocational education and training that has allowed the entry of small, totally for-profit operators where people had no real experience in education. We need to have quite strong oversight of a market like that where there is major growth, . . .

The reaction

We have witnessed a flurry of activity since the first wave of negative publicity surrounding international students:

- **Review of Education Services for Overseas Students (ESOS) Act 2000** to be led by Bruce Baird
- **Review of the Migration Occupations in Demand List (MODL)** to be jointly carried out by the Department of Immigration and Citizenship and the Department of Education, Employment and Workplace Relations
- Development of a **National International Student Strategy** including an international student roundtable on 14 and 15 September 2009
- The **COAG Agreement** on 12 June 2009 to: provide comprehensive information about studying and living and working in Australia
- target audits of education providers
- design and implement the Tertiary Education Standards and Quality Agency (TESQA)
- bring forward the review of the ESOS Act
- **Senate Inquiry** into the welfare of international students
- **Skills Australia paper**, Foundations for the Future, which highlights the difficulties of ensuring consistent regulation across all states and territories and argues for a national VET regulatory body
- **ESOS amendments** announced by the Deputy Prime Minister, the Hon Julia Gillard, on 19 August 2009

- **Communiqué from the TDA** – national register of quality providers, overhaul of visa processes, student housing investment, travel concessions, professional development for immigration officials and education providers, representation on relevant taskforces and committees
- **Communiqué from ACPET, English Australia, TDA, IEAA, ISCA** (Independent Schools Council of Aust), **Universities Australia** – proposed 10 point action plan.

ESOS Amendment Bill

On 19 August 2009, the Deputy Prime Minister and Minister for Education, the Hon Julia Gillard, introduced the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009.

Some key amendments are:

- Two new registration requirements for education providers:
 - the principal purpose of the provider is to provide education; and
 - the provider has demonstrated capacity to provide education of a satisfactory standard.

In NSW we have responded by:

1. **Increased audits of high risk providers**
2. **NSW Ministerial Taskforce on International Education**

In many ways, we pre-empted the negative publicity and subsequent initiatives. In November 2008, the NSW Government through the Minister of Education and

Training established a Ministerial Taskforce on International Education. This Taskforce is due to report to the Minister in October 2009 with a series of recommendations for improving the experiences of international students who study and live in NSW.

3. **On-going negotiations with ACPET regarding failed colleges**

TAFE NSW was approached to assist with the placement of international students following the collapse of a Sydney-based private college.

4. **Reviewing all offshore programs managed by TAFE NSW Institutes**

We currently have 38 active programs offshore including the delivery of AQTF qualifications through twinning or auspicing agreements with local education institutions.

- While each TAFE NSW Institute carries out its own auditing procedures to comply with their AQTF and RTO status, TAFE NSW has established an Offshore Review Panel which will oversee additional auditing of these programs.
- Each offshore program will be visited by a senior executive from a TAFE NSW Institute other than the one delivering the program, including a site visit. This process has already commenced with the first review completed in the first week of August and another ten planned between now and December 2009.

5. **Continuing liaison and discussions with key industry stakeholders**

TAFE NSW is in almost daily contact with major stakeholders including universities, student and provider associations, and Commonwealth and state agencies.

What strategies should we now employ to ensure the continued success and sustainability of the market?

A number of strategies TDA could employ to support this:

- A fast-tracking of re-registration for all TAFE institutes.
- A freeze on enrolments for any college whose approved student places are over-enrolled by 10% or more
- A requirement that training providers must demonstrate the delivery of courses to domestic students over the two previous years before gaining CRICOS registration for the delivery of those courses to international students
- Encourage Commonwealth government investment in international education commensurate with the export value of our industry.
- TDA could develop a national campaign to promote the TAFE Brand internationally as a safe, quality, government-backed public provider.
- Remove the barriers to students who are displaced by college closures and are unable to be placed under the ACPET Tuition Assurance Scheme to access the ESOS Assurance fund to allow them to choose a public provider. This should happen immediately and without any further delay. TAFE cannot be placed in a situation where they are 'expected' to take on these students with no financial compensation. This should not be a case of profits being privatised and losses socialised.

- Push for the implementation of the ESOS Act to the letter.
- Continued engagement with all industry representatives and peak bodies.
- Open and consistent dialogue between all Government departments.
- TAFE to continue to maintain offering high quality, higher qualifications with clear articulation to university programs to attract quality students.
- Never before have TAFE Institutes needed to be so vigilant about compliance. The headlines or the next 4 Corners program will be even more vicious about public providers

And remember "It is very lonely on the high moral ground"

Finally I believe that quality is now the real issue, not safety.



KEVIN BRETT
 Director, Client Services Australia,
 i-graduate

Kevin Brett represents the i-graduate Group in Australia. He is working with tertiary education providers from the three sectors, ELICOS, VET and University, to increase our understanding of the campus experience of international and domestic students.

Introduction

AEI and other data show that international education demand has continued to grow through the global financial crisis. There is increased competition for international students within Australia, and between Australia and other countries. How might TAFE maintain and grow market share? The student experience is prominent in the political agenda for international students, as student security issues emerge. Are we reaching some structural limits to the number of international students in the education system?

We are moving towards a national and institutional understanding that marketing is the responsibility of the organisation at all stages of the student lifecycle, from pre admission to post graduation. At the end of 2009 we will have systematically collected national data relating to TAFE students' expectations and experiences. At September, 2009, we can suggest issues that are likely to emerge from this research, and begin to consider how TAFE will use a rich data set to maintain or increase its internationalisation agenda.

The financial picture: a resilient industry

The 2009 data from Australian Education International (AEI) indicate growth. The first semester data showed an increase in post school commencements as:

- Higher Education 22%
- VET over 30%
- ELICOS 9%.

The second semester data showed an increase in post school commencements as:

- Higher Education over 20%
- VET 33.6 %
- ELICOS 9.9%.

Does this national trend represent growth in regions and metropolitan TAFE Colleges? Is it limited to certain disciplines or fields of practice?

While the sector reports a decline in enrolments from India, the AEI data shows an increase in higher education commencements to July. This may be adjusted as the year progresses and the position regarding VET enrolments is clear. China enrolments (Higher Education) reflect growth. How are TAFE Institutes addressing safety for students at the local community level, and engaging domestic students in the security issue?

Other data relating to the financial position of international private sector education companies including Laureate, Kaplan, Navitas and Think Education Group suggests education as a service industry has retained a strong market position through the downturn. Over 75% of international VET students in Australia study through the private providers. What is the competitive position of TAFE in relation to private providers?

There is anecdotal advice that transnational education in the VET sector is expanding, with innovations including consulting in offshore skills recognition and adoption of Australian training systems, as well as curriculum and work based training for industry. There seems to be a lag or gap in the transnational data as this relates to all sectors, particularly VET, which makes accurate analysis difficult. Is the regulatory system sufficient to protect Australian education's reputational risk in transnational delivery, as well as onshore delivery?

The political context: from marketing to enhancing student experience.

"The International Student Strategy 2010 will promote a broader vision of international education to encompass the benefits to Australia and the home nation and place Australia's international education on a more sustainable basis." The first of four themes of Strategy 2010 is to improve the international student experience through pre- and post-arrival information and engagement with the ethnic and broader Australian community.

Any effort to improve the international student experience must engage the domestic students, staff and the community or region which the education provider serves. What action is being taken to understand both domestic and international student experience?

The international student experience: Learning from the international student barometer

In 2009 over 30 TAFE Institutes have embarked on a survey of the international student experience. While we don't have TAFE data yet, we do have data from Australian Higher Education; from THE – ICE Student Experience Project (which includes Vet and higher education); and data from UK Further Education. We can assert that with regard to the student experience, many issues are common across sectors. The following issues are likely to emerge from the ISB survey:

- International students are generally satisfied: around 85% satisfaction, consistent with AEI data (2005–2007). In a network market, how

can we maintain the relationship with satisfied students? What actions might we take to understand dissatisfaction?

- Australia is a destination market, competitive on cost, quality of life
- Australia's globally recognised qualifications are well regarded by students
- Students want to meet Australian and other international students. Are there social and curriculum interventions that will facilitate student engagement?
- Student's value diversity; diversity from countries and across discipline areas – a diversified student cohort and a mix of international and domestic students in different fields of study. As the international cohort approaches 25% will satisfaction plateau?
- What are implications for VET, with a high percentage in, for example, tourism and hospitality courses? What work is done marketing courses across the portfolio of TAFE offerings?
- Sydney or the bush? What is the TAFE contribution to regional diversity, growth and economic development? Are there specific challenges for the Institutes in global cities; the metropolitan/ regional capital cities; the regional providers?
- Students are concerned with employability, with a practical work based experience. This is a significant advantage of TAFE's approach to teaching and learning. Is this competitive advantage understood?
- Brand TAFE? Local, regional or national TAFE marketing? Is greater cooperation feasible, or will we see divisive competition?

Conclusion

The overall position of TAFE international education remains strong. Particular challenges relate to growth in regions as well as cities; to community engagement in Australia's international education project; to the competitive position of TAFE; and to the overhaul and the strengthening of the regulatory environment. Australia is a destination market. A significant threat to reputation of qualifications, student safety, or community exhaustion relating to international students in any one jurisdiction will affect all providers.

Following administration of the International Student Barometer in 2009, and analysis of the results, TAFE Institutions, State systems and TAFE national will have data to understand these and related issues. The data will enable us to state priorities, to distinguish between concerns at the local, State and National level. It is likely that best practice examples will be identified, and used for workshops and training for TAFE international.



HELEN COOK
Vice-President, International
Education Association of Australia
(IEAA)

Helen Cook is the Vice-President of the International Education Association of Australia (IEAA). The mission of the International Education Association of Australia is to enhance the quality and standing of Australian international education by serving the professional needs and interests of its members and by promoting international education within Australia and internationally. Helen is also a consultant and researcher with over 20 years experience in international education.

A comprehensive international education strategy for Australia should be developed, encompassing not only the international student program, but also other crucial elements such as:

- study abroad by Australian students
- expansion of international education linkages for teaching, research, innovation and engagement with global industry
- support for internationalised curricula, including foreign language learning
- Enhanced business intelligence for a forward looking strategy for markets and market segments
- Investment in industry research to fund projects that provide the industry with the innovation and productivity tools to compete in global markets
- Comprehensive professional development of industry members
- improved international development assistance
- Focus on student support services (including community engagement, assistance with work related issues and housing)
- Delivery of required infrastructure
- Political oversight of this complex area by a parliamentary secretary if not a senior minister

Development of a statutory authority comprised of government, industry and community stakeholders, funded by government and industry, to oversee the implementation of an international education strategy.



DI WEDDELL
Branch Manager, International
Strategy Branch, Australian
Education International

Di Weddell joined the AEI team in 2007 to lead international education and training relationships and the Endeavour scholarship program. In 2009, Di moved to the International Strategy Branch which coordinates AEI's policy, research and Europe program, as well as corporate management of the group, including the International Network of Education Counsellors. Di has wide ranging experience in Commonwealth and State/Territory relationships and leading policy and program development, including civics, drug and early childhood education, and benchmarking literacy and numeracy achievement. Di managed the Australian Government reviews of the Teaching of Science, Technology and Mathematics (2003) and the Review of Literacy and Numeracy Teaching (2006).

Enhancing the international student experience

Perspectives on agents, employment services and the homestay experience

Enhancing the international student experience – perspectives on agents, employment services and the homestay experience

The experience of international students during studies in Australia must be a focal point for all education providers. Recent media focus on the issue of student safety and welfare, coupled with the Senate Inquiry into the Welfare of International Students elevates the importance of this issue. With proposed changes to the skilled migration policy international students will need to demonstrate 3 Es – English, Experience and Employment. This session will focus on perspectives from agents on student's motivations and needs, employment services and improving the home stay experience.

- What are the new drivers for international students?
- What services are available to assist domestic and international students enter the workplace?
- How can the home stay experience be improved?
- Is your institution compliant in your home stay management?
- How important is English performance pre and post enrolment?
- What are agents saying about us?

Paula Dunstan

David Bycroft

Brandon Thompson



PAULA DUNSTAN
 PIER Manager, International
 Education Resources

Paula Dunstan is the PIER Manager at International Education Services in Brisbane. She has lead the development and delivery of the first accredited vocational courses in international education in Australia, the Education Agent Training Course and the Diploma of International Education Services.

Education agents are integral to the international education industry, and to the process of the student study experience. Education agents are used by most education providers in their recruitment activities and by 60% of students coming to Australia (compared with 19% in the UK and only 3% in the USA – International Student Barometer data 2007/2008). Given that Australia outperforms its competitors in terms of recruitment of students from overseas – Australia’s higher education sector has the highest proportional intake of international students amongst OECD countries (Universities Australia, 2009), it is reasonable to argue that education agents are fundamental to the industry’s continued success, and should be regarded as a valued partner to Australian providers.

Education agents are not just active at the point of enquiry and application, many take an interest in and responsibility for liaison with students and families to protect student welfare, and offer ongoing support. They are also represented in many countries by highly organised and professional agent associations with their own communication networks and codes of practice. In spite of this, education agents attract bad press and criticism from within the industry itself. When a minority of unscrupulous individuals engage in poor and/or unprofessional behavior in their recruitment activities, education agents collectively present an easy target.

What the Australian media thinks of education agents

We are all aware of the recent interest the Australian and international media has shown in international education matters, particularly incidents relating to violence, student accommodation and, somewhat oddly, education agents. Given that international

education is less familiar in the public domain than other industries such as tourism, a media flurry about 'dodgy' education agents has been surprisingly persistent and provocative.

Amongst the media comments are the role education agents play in the "cheap and dirty route to permanent residency" (The Australian HES, 19/08/2009), "countless" students being "duped, fleeced or blatantly misled by offshore education agents" (The Age 23/05/09), and the practice of agents and providers of "reaping substantial profits by supplying false documents for potential visa applicants" (Sydney Morning Herald 27/07/09).

We need not dwell on what the papers say, but we do need to be clear about our own perceptions, knowledge and attitudes towards education agents, and how international education can be protected and strengthened, whatever the media might do to confuse the issues.

What the industry thinks of education agents

The recent submissions to the Senate Education Employment and Workplace Relations Committee provided a timely opportunity for the industry to speak its mind. We now have a snapshot of what the industry is, who operates within it, and what the key issues are. When one considers at least 20 percent of the 107 or so submissions came from non-education specific groups and individuals such as community groups, unions, and external service providers, we have an insight into the industry's scope and relevance.

Major themes and general consensus about major issues were evident across the submissions. These included:

- a widespread and unified call for public transport concessions for international students in Victoria and NSW;
- the need for urgent solutions to accommodation problems, particularly in major cities;
- a recognition of the importance of providing students with independent advocacy or ombudsman services;
- extensive descriptions of socially inclusive practices and programs already established by education providers, with issues identified relating to community involvement;
- work-related matters including the 20 hour work limitation, the need for course-related internships and graduate opportunities;
- a general agreement that greater regulation is needed to monitor and control education agents.

A theme not generally evident but should have been, was professional development, which, it is suggested, underpins workforce capacity in this area. Few submissions addressed this issue in any detail and only a few alluded to the importance of training the people who directly provide services to students, notably International Education Services, Navitas, CQU, Southern Cross University and ISANA.

Many of the Senate Committee submissions called for a tighter regulatory scheme for education agents, but this could have potentially serious consequences for the education industry, if agents were motivated to recruit for Australia's competitor countries where (apart from the US) there are fewer constraints on agent behaviour. Another argument to require education agents to become Registered Migration Agents would be unacceptable for many reputable,

high-achieving education agents. The Migration Institute of Australia (MIA) suggests an approach that would see migration agents expanding their training to include Australian education specialisations such as is found in the Education Agent Training Course (MIA submission, p3).

We should question the assumption that greater regulation will eliminate poor agents or improve agent behavior. Some evidence that underground migration agent activity exists after de-registration, and that a voluntary code of conduct existing now for migration agents “hasn’t stopped unscrupulous behavior.” (Maureen Horder CEO, Migration Institute of Australia, *The Australian*, 19/08/09).

It should be remembered that education agents are already regulated through the ESOS Act, (National Code 2007, standard 4), although it may be that “institutions which are highly reliant upon income derived from the students recruited by these agents have no incentive to monitor the behavior or cancel a contract when unscrupulous behavior occurs” (Go8 submission, p9). The view of the International Education Association of Australia is that “education institutions should set standards for the operation of agents, possibly at a sector wide or possibly industry wide level and be held accountable for ensuring agents act to meet these standards.” (IEAA submission, p6).

In the Senate Committee submissions, education agents are essentially viewed in the context of regulation and compliance, rogue practices and frequently the source of unfortunate student experiences – which to a degree can be demonstrated. In a sense, they appear as external and problematic to the industry. However, it is more appropriate to consider education agents as industry stakeholders or perhaps as business

partners, and as “a valuable part of the industry” (Navitas submission p13). If we want to understand and improve student experience, upon which the Senate Committee has set its focus, then perhaps a less ‘industry’ and more ‘human relationships’ approach might be warranted (University of Sydney submission). We also need to acknowledge that many education agents take responsibility for their own behavior – through agent associations, work with alumni groups and undertaking the Education Agent Training Course. This proactivity is recognised and supported in a number of submissions, including those from English Australia, the Law Institute of Victoria, ACPET, Navitas and International Education Services.

What education agents think of Australian education

Part of the Australian Government’s *Study in Australia 2010* initiative announced by Education Minister Julia Gillard on 16 March 2009 was the commitment of resources to activities aimed at improving student experience, and Australia’s international reputation for education provision. This included addressing training and quality issues relating to education agents. Resources were allocated to International Education Services through Professional International Education Resources (PIER) for the development and delivery of a series of 20 workshops and focus groups in 13 locations across 6 countries, between May and August, with participation from around 1100 individuals, 175 of these in focus groups. Among the findings of the focus group survey and discussions were the following:

- Education agents agree that Australia is a preferable study destination to other countries, and rated highly in its quality of education,

education standards, support services and the overall student experience.

- While most agents believe that the cost of living for students is reasonable, they are concerned about rising costs, including visa and tuition fees.
- Education agents strongly support the ESOS Act and the National Code of Practice as regulatory and protective mechanisms, and use these in their advising of students.
- In general, education agents find the student visa regime clear, transparent and more straightforward than regimes in other countries.
- Relationships between agents and providers are important to education agents, and most are satisfied with these relationships.
- Education agents are very conscious of the value of best practice information and examples, and want to do more to have this information shared between agents and providers.
- There are some significant differences in the views about student support services, although most agents are satisfied with the level of welfare and learning support.
- Agents are generally interested in issues relating to student experience, including student security and community involvement, and consider these issues are relevant to their professional roles in advising students.
- Education agents are generally concerned that limited accommodation options and cost of living are less favorable in Australia than other destination countries.

- Many agents are worried that work opportunities, particularly professional internships are lacking in some areas.
- Education agents believe that their marketing and advising roles are very important to the Australian education industry.
- Education agents are strong advocates of their professional standing and believe that their expertise is enhanced by the Education Agent Training Course.

In addition, education agents are very concerned about the perceptions of agents portrayed in the media, and in other places. From the focus group data, it was clear that they would like to see this type of reputation-damaging behavior terminated.

Working together for the benefit of international students needs an approach which includes education agents as partners in the diverse international education workforce, with responsibility for quality, capability and reputation being shared.

Helping to Enhance Accommodation Options for International Students



DAVID BYCROFT
CEO, Australian Homestay Network

Recently David has been the key initiator of the Australian Homestay Network (AHN) project and as Chairman, strategic adviser and now managing Director he has led the development program. The AHN launched in October 2008 and is already the largest provider of trained hosts and international student placements in homestay, expected to place over 10,000 international students into Homestay in Australia in 2010.

Introduction

The Australian Homestay Network (AHN) has been formed to unite industry groups who share a common concern for:

- Accommodation shortages for international students
- Compliance with the National Code
- Australia's reputation in the international student industry
- Assisting International students enhance their experience in Australia

What is the Australian Homestay Network?

- An online and compliant, national management system for Homestay
- A network committed to the cultural exchange experience
- A process dedicated to the provision of consistent homestay delivery standards
- A method for facilitation and resourcing for Homestay institutions and supervisors
- A commitment to meeting all relevant legislation

AHN members are committed to and share the vision of:

- Consistent and compliant approach to the provision of Homestay services in Australia
- Continuous development and improvement of the AHN system and procedures for the benefit of all AHN members

- The promotion of AHN Homestay as a marketing positive for studying in Australia

TDA to help raise the standards of homestay

AHN invites TAFE Directors Australia to encourage their members to :

- help the industry raise the standards for homestay
- only work with and promote Homestay organisations that meet minimum standards

Homestay minimum standards

- An online compliant and accessible/fully trackable/auditable system
- An acceptable industry Advisory Board overseeing the integrity of systems and processes
- Professional 24/7 phone support including emergency and critical incident management
- Appropriate insurances for both hosts and students

Our Proposal

1. That TDA consider including and promoting Homestay as an introductory and short term accommodation option for its International Students.
2. That TDA establish industry supported minimum standards for the referral of Homestay Supervisors/Managers.
3. That TDA consider a strategic alliance with AHN to help improve the standards of Homestay in Australia

Homestay expectations and rules are changing

- State Government Reviews
- Senate Inquiry
 - ACCOMMODATION AND SAFETY – KEY ISSUES
- Local Council trend
 - Darebin Council Homestay initiative
 - Shared Accommodation Bylaws
 - ETC

Duty of care

Institutions and Agents are becoming more accountable for their homestay and student accommodation:

- STRATEGIES
- PARTNERS
- REFERRALS
- DECISIONS

Recommendation to the Senate Inquiry into the welfare of International Students

Senate Inquiry Recommendation 1

Minimum Standards Required – Homestay Managers

- Operations
- Training
- Support Procedures

Senate Inquiry Recommendation 2

Restrict Education Agent Managed Homestay

Senate Inquiry Recommendation 3

Restrict Automatic Matching of Hosts and Students

Senate Inquiry Recommendation 4

Ensure Strict Host Recruitment Guidelines

- Signed Agreement
- Ongoing supervision, training and support

Senate Inquiry Recommendation 5

Professional Critical Incident/Emergency Management Support

- 24/7 phone
- Interpreter/legal/medical support

Senate Inquiry Recommendation 6

Compulsory Insurances for both Hosts and Students

Senate Inquiry Recommendation 7

Tax Free Status for Homestay

Senate Inquiry Recommendation 8

Extended Tax Free Status

Senate Inquiry Recommendation 9

Marketing Support to Procure Hosts

Senate Inquiry Recommendation 10

Local Government Involvement and Support

Senate Inquiry Recommendation 11

Compulsory Approved Training – Agents, Students and Hosts

- Extended orientation programs

Senate Inquiry Recommendation 12

Advertising Support

Senate Inquiry Recommendation 13

Mandatory Homestay Host Assessment

Senate Inquiry Recommendation 14

Development of Orientation Materials

- Online training and orientation materials for:
 - Overseas Agents
 - Students
 - Student families

Senate Inquiry Recommendation 15

Permanent Residency Application Acknowledgement

Senate Inquiry Recommendation 16

Control on Education Institution Homestay Referrals

Senate Inquiry Recommendation 17

CAAW Compliance

Senate Inquiry Recommendation 18

Homestay Industry Consistency

Senate Inquiry Recommendation 19

Establish Agent Commission Limits

For example:

- 12.5% for higher education
- 20% for VET sector



BRANDON THOMPSON
Managing Director, e2e

Brandon Thompson is the Managing Director and CEO of e2e.net Pty Ltd (e2e) and Graduate Programs Australia Pty Ltd (GPA). The GPA and e2e.net businesses are dedicated to supporting the development of stronger relationships between education, industry and employers, while ensuring that students are adequately prepared for the transition to employment.

Background to GPA/e2e

- GPA was established in Brisbane in 1999
- Operate from Melbourne and Brisbane
- Core business was graduate/student recruitment and program management
- Privately owned company
- QA to ISO 9002
- GITC accredited
- GPA works across all disciplines industries

GPA
Graduate Programs Australia
Think ahead, stay ahead

- Attract / Engage
- Assess / Select
- Develop / Retain

Graduate Recruitment
Graduate Program Management
Graduate Program Audit & Review
Graduate Brand Creation
Psychometric Assessment
Assessment Centres
Candidate Talent Pooling
ATS Technology Solutions

Phone 1300 13 16 19
www.graduateprograms.com.au

e2e.net in 20 seconds

e2e.net leverages the cost saving benefits of technology, amortises the provision of shared support services, across all participating institutes, amortises the cost of development, and incorporates a sustained industry engagement program to promote the availability of e2e.net to Industry and employers.

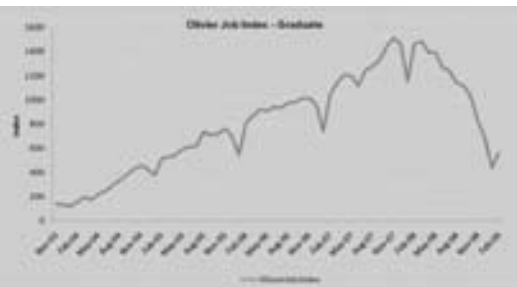
e2e.net =
eRecruitment + eLearning + eReporting

eRecruitment: Uses an eRecruitment platform to deliver services to industry and opportunities to graduates/students

eLearning: Uses an eLearning platform to better prepare students for the transition to employment

eReporting: Uses a statistical reporting engine to collect, manipulate and interpret users and session data (based upon requirements)

Green Shoots or Weeds?



Students feel the heat

- Survey of 482 graduates/students (May 2009)
- 65% noticed a change in the market over the past 6 months
- Most responses related to reduced number of opportunities or increased competition for available roles
- 72% looking for work (55% FTE, 6.2% PTE)
- Only 4.5% were open to volunteer/work experience
- 46% applied for more than 10 positions with 38.5% applied for more than 20 positions
- 60% looking for longer than 3 months with 30.5% looking for 6 mths +
- 69% looking for assistance in the transition from education to employment.

Never waste a good crisis!

6. What features would you like to see built into e2e.net in the future? (You can select more than one option)

Ability for students to have a "One Click" function to register their interest in your organisation, even where you have no available vacancies 53%

7. Have you tried to access TAFE students to fill your vacancies in the past?

No, this is my first time targeting TAFE students

Yes (please provide details):

Comments for Discussion

- Are employment services about quality service, marketing, or compliance?
- Different needs:
 - While studying to pay accommodation and tuition
 - Vocational placement
 - Upon completion
- Is contestability worth more than the TAFE brand?
- Is it 'Employment Services' or 'Employment (fee-for) Services'?
- How does TAFE really compete against other providers?
- What does this mean for Industry/Employers? How do they respond.
- Is employment a responsibility of educators?

"The Ministers also discussed the Australian Government's proposed amendments to the *Education Services for Overseas Students (ESOS) Act* which governs international students, the upcoming International Student Round Table in Canberra, and the Baird review of the ESOS Act." Press Release: Office of the Deputy Prime Minister Julia Gillard September 2009.

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Deb Daly, CEO Gold Coast Institute of TAFE, Chair,
TAFE Directors Australia



Dr Ronald Williams, Vice President, The College Board,
Member of the American Association of Community Colleges



Martin Riordan, Chief Executive Officer,
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