

TAFE DIRECTORS AUSTRALIA

A BLUEPRINT FOR AUSTRALIA'S TERTIARY EDUCATION SECTOR



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A blueprint for Australia's tertiary education sector

TAFE Directors Australia (TDA), established in 1998, represents the leadership of Australia's 59 TAFE institutes, offering programs in more than 1300 locations across all states and territories. Members of TDA are the TAFE institutes/providers, represented by the TAFE chief executives. TDA has a national secretariat in Sydney and is focussed primarily on policy development and advocacy for TAFE institutes/providers.

There were 1.7 million students enrolled in public sector VET in 2008, representing about one in nine of the population aged 15 to 64 in Australia. Of these, 73,700 students were indigenous, an increase of 4% over 2007 (NCVER *Australian VET statistics: students and courses 2008*, pp. 1, 9).

Universities Australia (UA) was established on 22 May 2007 as the industry peak body representing the university sector. UA represents Australia's 39 universities in the public interest, both nationally and internationally, operating from more than 160 campuses (www.universitiesaustralia.edu.au). Members of UA are the universities, each represented by their Chief Executive Officer – the Vice-Chancellor.

In 2008, students enrolled in public universities reached 1,002,003 or 94% of all Higher Education students. Of these, 9,529 were indigenous, that is, just under 1%.

The operating revenues for the public VET system in 2008 were \$6121.8 million, an increase of 6.3% over 2007 (NCVER *Australian VET statistics: financial information 2008*, p. 1).

1. INTRODUCTION:

TDA/UA COLLABORATION

TAFE Directors Australia (TDA) and Universities Australia (UA) have collaborated and reached agreement on ways in which the connections between the vocational education and training (VET) sector and the higher education (HE) sector can be strengthened, with a view to the development of a cohesive and dynamic tertiary sector.

In March 2010, TDA and UA co-signed a letter to the Deputy Prime Minister, the Hon. Julia Gillard MP, outlining their agreement on six key areas:

- a definition of 'tertiary qualifications'
- a descriptor for 'tertiary education institutions'
- the need for new national tertiary education protocols
- the importance of a student-centred policy and regulatory framework
- objectives for funding tertiary education
- the case for unified information collection in VET and HE, commencing with a common data dictionary for tertiary education.

This paper further explores the six key areas of TDA/UA agreement from a TDA perspective and presents a blueprint for how the tertiary sector might be developed in practice.

2. THE POLICY DRIVERS: QUALITY, PARTICIPATION, STUDENT ATTAINMENT, ACCESS AND PATHWAYS

The impetus for TDA and UA to collaborate commenced with the release of the Report of the *Review of Australia's Higher Education System*, 2008 (the Bradley Review) which, while focussing primarily on higher education, drew attention to the importance of a unified tertiary sector and identified six key characteristics which would ensure its effectiveness. These characteristics are:

- equal value given to VET and HE
- recognition that institutions may have a primary mission in one sector and still offer qualifications in another
- a shared and coordinated information base and approach to anticipating labour market, industry and demographic needs
- capacity for the whole system to provide an integrated response to workforce needs for industries and enterprises, including in outer metropolitan and rural areas
- an efficient regulatory and accountability framework
- clearer and stronger pathways between the sectors.

The Bradley Review also supported the implementation of these characteristics by recommending uncapped places for Higher Education institutions, irrespective of institutional type.

In its response to the Bradley Review, *Transforming Australia's Higher Education System* and subsequently, the Australian Government has announced a number of initiatives that advance the formation of a tertiary sector, which has rapidly gained momentum even before it has been fully debated or defined. This would seem to indicate the timeliness and indeed, the urgency of the concept. These initiatives include but are not limited to:

- the formation of a single Ministerial Council for Tertiary Education and Employment (MCTEE), replacing the former MCEETYA and MCVTE
- the review of the Australian Qualifications Framework, with particular attention to improving articulation and connectivity between the sectors
- the inclusion of VET in the Education Infrastructure Fund, previously only available to HE
- expansion of the ambit of Skills Australia to include provision of advice on workforce development and industry needs to cover both the university and VET systems

- the review of Regional Loading in Higher Education
- the establishment of the Tertiary Education Qualifications and Standards Agency (TEQSA), the National VET Regulator and the National Standards Council (NQC)
- support from projects that facilitate stronger connections between the HE and VET sectors through the Structural Adjustment Fund
- the Baird Review of the ESOS Act.

A common theme underlying all of these initiatives is the drive for quality in tertiary education, by whatever definition, and this drive is strongly endorsed by TDA.

In addition, the Council of Australian Governments (COAG) endorsed the following targets:

- halve the proportion of Australians aged 20 to 64 years without a Certificate III qualification
- double the number of higher qualifications completions (Diplomas and Advanced Diplomas)
- raise the proportion of young people achieving Year 12 or equivalent qualification to 90% by 2010
- halve the gap for indigenous students in Year 12 or equivalent attainment by 2020.

Complementing these targets, in response to the Bradley Review the Australian Government announced its goals that:

- by 2025, 40% of all 25 to 34 year olds will hold a bachelor degree level qualification or above
- by 2020, 20% of HE enrolments at the undergraduate level will be of people from a low socio-economic background (low SES).

These targets support increased participation, student attainment, access/social inclusion and pathways, likewise strongly endorsed by TDA.

3. RESPONDING TO THE POLICY DRIVERS: THE DEFINING CHARACTERISTICS OF TAFE

There are currently over 4,500 Registered Training Organisations (RTOs) in Australia. While TAFEs are relatively few in number, together they are responsible for 84.3% of total training delivery (NCVER *Australian VET: students and courses* 2008, Table 14, p. 16). The proliferation of RTOs was evident when, in the recent Federal Budget, it was acknowledged that the top 100 VET providers deliver 95% of publicly funded training and have an increased role in higher education qualifications.

TAFEs also differ markedly from many other RTOs with respect to their defining characteristics. TAFEs:

- are large, diverse, publicly owned institutions with prescribed accountability and governance arrangements
- offer a broad student experience with individualised vocational and further learning options for a diverse range of students
- invest in social inclusion/community service obligations
- deliver in a range of industry sectors and/or predominantly at tertiary level
- emphasise industry relevance and regional workforce development
- are commercially orientated with dividends re-invested in education or for the public good
- have an increasing role in higher AQF levels development and delivery
- operate primarily as state or territory based institutions
- often have significant international operations
- represent low risk to government for market failure.

TDA maintains that TAFEs are therefore ideally placed to deliver on the key policy drivers: quality, participation, student attainment, access and pathways – ultimately leading to improvement in national productivity.

4. THE DEFINITION OF 'TERTIARY': QUALIFICATIONS AND INSTITUTIONS

TDA and UA agreed on a definition of 'tertiary qualifications', namely:

'Tertiary qualifications' are those at diploma level and above, including where these qualifications may embed pathways from the qualification level below.

This definition is consistent with current applications both internationally and nationally: with the approach adopted by the Organisation for Economic Co-operation and Development (OECD). TDA argues that consistency with international applications is important when comparing Australia's relative economic performance and position.

Further to the definition of 'tertiary qualifications,' TDA and UA agreed to one for 'tertiary education institutions':

'Tertiary education institutions' are those which have a broad educational mission and the capacity and capability to deliver a range of tertiary qualifications.

Envisioning a dynamic tertiary sector, TDA considers that it is important to have a common understanding of what is meant by 'a broad educational mission' and 'a range of tertiary qualifications'.

TDA asserts that an institution with 'a broad educational mission' is one that:

- offers a broad student experience with individualised vocational and further learning options and pathways for a diverse range of students
- demonstrates that excellence in teaching and learning is underpinned by scholarship
- works to build the capability of individuals, industry and the region
- demonstrates that significant investment occurs in social inclusion/community service contributions.

TDA further considers that institutions with a 'range of tertiary qualifications' are those that deliver in five or more industry sectors/fields of study and/or predominantly at tertiary level.

An important implication of the above is that it is possible for a provider to offer tertiary qualifications without necessarily being regarded as a tertiary education institution. This is consistent with the diversity and convergence occurring in education in Australia today.

5. NEW NATIONAL TERTIARY EDUCATION PROTOCOLS: UNIFIED, RIGOROUS AND ASPIRATIONAL

Having reached agreement on how best to define a tertiary institution, TDA and UA agreed that the current national protocols for HE do not accommodate the diversity required in the new tertiary sector. It was agreed that:

The creation of a set of more unified tertiary protocols would provide:

- due recognition for different types of organisations, permitting effective regulatory and funding arrangements
- better information for potential students about the institutions offering tertiary qualifications
- a single approval process for institutions operating in both VET and HE and appropriate follow up scrutiny.

TDA takes the view that neither the current National Protocols for Higher Education nor the proposed Bradley Protocols (Bradley 2008, *Review of Australian Higher Education Final Report*, Table 12, p. 126) fully recognise the role of dual sector institutions, being silent on their often significant role in TAFE. In addition, neither of these Protocols is aspirational in intent.

While not actually developing new draft protocols, TDA and UA did jointly specify several criteria which might be considered in devising a range of organisational types to cover tertiary institutions. The criteria include but are not limited to:

- financial, governance and management capacity
- commitment to educational outcomes for students from all backgrounds and regions
- commitment to scholarship and free inquiry
- breadth of education and training to be provided – industries and fields of education
- range of qualifications offered
- capacity to self-accredit to standards required
- extent of research of national and international standard, including applied research that informs product and process development in cooperation with industry
- whether provision of tertiary education is the core activity of the organisation.

Utilising these criteria and in consideration of the defining characteristics of TAFE as well as other issues outlined in this paper, TDA has undertaken further work on drafting new National Tertiary Protocols as illustrated in Figure 1 attached. The intent is for the new Protocols to unify the tertiary sector, be rigorous and be aspirational. The protocols provide for tertiary institutions that arguably do not yet exist, but would enable institutions to grow and develop and so provide more options for students and government.

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6. THE TERTIARY POLICY AND REGULATORY FRAMEWORK: STUDENT-CENTRED, INTEGRATED AND AUTHORITATIVE

Recent failings in the regulatory framework for VET and the reputational damage that has been caused internationally are cautionary lessons in moving to a tertiary sector regulatory framework where there is no room for compromise on quality.

TDA and UA agreed that:

The dominant consideration in moving towards a single tertiary regulator should be to improve the opportunity for students to move in both directions between VET and HE study according to their capacities and aspirations at different stages of life.

With this in mind, the two organisations drew attention to the risks associated with the separate development of the proposed Tertiary Education Quality and Standards Authority (TEQSA) and the National VET Regulator, where the intention is that they be combined in 2013. Two incompatible models would impact on the goals of students wishing to move across sectors and would as well hinder institutions operating in both sectors. TDA and UA therefore called for TEQSA and the National VET Regulator to work closely together from the outset to achieve harmonised legal and policy structures and for some early organisational arrangements to be put in place that would assist integration such as overlapping Board membership, compatible statutory objectives and consistent conditions of service.

In addition, TDA has called for the National VET Regulator to:

- be appropriately resourced
- have a Board comprised of technical experts rather than be representational
- be supported by all States and Territories with continued attempts to resolve any differences that prevent this from occurring
- move away from a 'one size fits all' regulatory approach by implementing more timely and appropriate risk orientated processes and procedures
- have the authority to implement intervention and preventative procedures, particularly in relation to the international market.

7. TERTIARY EDUCATION FUNDING: ALIGNMENT OF TAFE AND HE

TDA and UA agreed that the creation of more unified tertiary education protocols would provide the Government with a mechanism to expand its student demand driven funding system. They recommended that:

The objectives for funding tertiary education would be to:

- provide funding at rates that represent a reasonable estimate of the required cost of provision
- ensure similar amounts are provided for similar education and training outcomes
- ensure funding supports students to choose the best course of study for their particular circumstances and aspirations, including more equitable access for VET students
- use performance funding elements in an effective and consistent way.

TDA has previously sought parallel funding arrangements for TAFE and HE, consistent with the Bradley Review recommendation that “the Australian Government will progressively extend the tertiary entitlement to the vocational education and training (VET) sector commencing with the higher level VET qualifications”.

There is substantial evidence to suggest that TAFE Diploma course students articulating into degrees are successful. The inclusion of VET in the Education Infrastructure Fund is an example of success in this regard as is the recent Federal Budget announcement of Performance Funding for VET. However, there is more to be done in this regard if the COAG Skills Deepening targets and the Federal Government’s HE goals for participation are to be achieved. For example, the Government announced in *Transforming Australia’s Higher Education System* the introduction of uncapped places for undergraduate domestic students in public universities from 2012. TDA notes that, under the Bradley recommendations, this would have applied more broadly.

With the best interests of students at the forefront, TDA calls for:

- TAFE institutes offering degrees to have access to funding for Commonwealth supported places
- extension of uncapped places for undergraduate domestic students to TAFE institutes offering Diploma and above from 2012
- a new approach to TAFE capital funding, moving away from an annual submission-based approach to set triennial capital funding.

8. TERTIARY EDUCATION INFORMATION COLLECTION AND DATA: UNIFIED, RIGOROUS AND ASPIRATIONAL

Effective decisions about Australia's tertiary education sector must be underpinned by comprehensive and integrated data and information.

An important related step has already been taken in the decision to expand the ambit of Skills Australia so that it encompasses the full scope of Australia's labour market needs in its advice about workforce development and industry needs covering both the VET and HE sectors, as referred to earlier.

The next logical step is to integrate the information collection for the HE and VET sectors, because for as long as both sectors have separate information collection and analysis systems, the resulting information cannot be reliably aggregated or compared.

TDA and UA agreed on the need for a unified approach to information collection for HE and TAFE and, recognising that this may take some time to be implemented, called for a common 'data dictionary' to be developed and applied in both sectors.

TDA asserts that improved information collection is critical for accurate and transparent measurement of achievement of the COAG targets.

TDA also notes the announcement in the Federal Budget of the allocation of \$4 million to create My Skills, a website to provide information about training providers and mirroring the introduction of the My School website in the schools sector. In a system that includes over 4,500 RTOs of widely varying capability, TDA strongly endorses the need for consumer protection through greater transparency of information. However, given the diversity of the student cohort in VET, caution is necessary in developing performance measures that can truly be seen as robust and valid. TDA anticipates close involvement in the detail of the operations of My Skills to ensure its fitness for its intended purpose. Even more importantly, My Skills would ideally be an interim step only towards a website for the tertiary sector which could be used for both domestic and international purposes.

A unified approach to information collection is essential for measuring, rewarding and potentially comparing performance in the tertiary sector. It is also a prerequisite for an effective risk-based approach to a new tertiary regulatory framework as envisaged by TEQSA.

9. ADVANTAGES OF THE TDA TERTIARY POLICY BLUEPRINT: STUDENTS, GOVERNMENT AND INDUSTRY

TDA maintains that the approach to the Australian tertiary education sector outlined in this paper has clear advantages for all the key stakeholders.

For students, it would:

- in a demand-driven system, give more choice and clearer options at the tertiary qualification level
- provide a transparent evidence base from which to choose between institutions
- enhance pathways between institutions in both directions
- offer greater certainty of the quality of institutions.

For government, it would:

- assist in ensuring that government funding is directed to reputable, well-managed providers
- facilitate moves towards a single regulatory approach
- achieve transparency in measuring and comparing performance and outcomes
- promote a more diverse, accessible and aspirational tertiary system
- by supporting the successful achievement of the COAG targets, boost national productivity.

For employers and industry, it would:

- support immediate access to graduates with 'fit for purpose' skills
- improve medium to longer term access to workers with high level skills
- assist in improving the status of VET and VET-related careers in the workforce
- give greater clarity, choice and quality in the selection of training providers.

10. CONCLUSIONS:

A BRIGHT FUTURE FOR THE AUSTRALIAN TERTIARY SECTOR

TDA argues that the proposals in this paper provide a blueprint for the way forward for the Australian tertiary sector and that this is a timely and necessary step in the advancement of Australia's education system.

The proposals are aligned with and are intended to assist in realising government policy and goals for quality, participation, pathways and productivity. Importantly, these proposals would provide a better deal for students in a system characterised by its quality, diversity, opportunities and accessibility. For industry, and for the community as a whole, the proposals would provide a well-educated and highly skilled workforce and so strengthen Australia's position in the international economy. They are also consistent with the six key characteristics identified in the Bradley Review for an effective tertiary system.

This paper is prompted by the commitment and preparedness of Australia's TAFE institutes to take a greater part in ensuring Australia's education system is world-class. TDA would welcome the opportunity to elaborate on the proposals as the tertiary sector unfolds.

Figure 1

AN APPROACH TO NATIONAL TERTIARY PROTOCOLS FOR CONSIDERATION

AUSTRALIAN TERTIARY INSTITUTIONS Tertiary institutions have a broad educational mission and the capacity to deliver a range of tertiary qualifications i.e. at Diploma level and above including where these qualifications may embed pathways from the qualification level below				
A Comprehensive universities, including dual sector universities	B Specialist Universities	C Higher Education Providers (inc. TAFE institutes) – Masters Degree offering	D Higher Education Providers (inc. TAFE institutes) – Bachelor Degree offering	E Tertiary institutes – non-degree offerings
Required to create new knowledge (research) and disseminate knowledge (scholarship)	Required to create new knowledge (research) and disseminate knowledge (scholarship)	Required to disseminate knowledge (scholarship)	Required to disseminate knowledge (scholarship)	Required to implement established knowledge -
Deliver HE qualifications including research higher education degrees in at least three broad fields initially ...	Deliver HE qualifications including research higher education degrees primarily in one or two broad fields	Deliver Masters degree qualifications in at least three broad fields of study	Deliver Bachelor degree qualifications in the number of fields	Deliver a wide range of accredited programs -
Undertake sufficient research in at least three broad fields initially ...	Undertake research in all broad fields in which coursework degrees are offered	No requirement to undertake pure research but applied research conducted/facilitated in conjunction with industries serviced	No requirement to undertake pure research	No requirement to undertake pure research, but product development, aligned with industry -
Undertake sufficient research in all narrow fields in which research higher degrees are offered	Undertake sufficient research in all narrow fields in which research higher degrees are offered	Generally not offer research higher degrees	No research higher degrees offered	No research higher degrees offered -
Demonstrate scholarship in all broad fields of study in which degrees are offered	Demonstrate scholarship in all broad fields of study in which degrees are offered	Demonstrate scholarship in all broad fields of study in which Masters degree qualifications are offered	Demonstrate scholarship in all narrow fields of study in which Bachelor degrees are offered	Demonstrate quality learning processes in all programs -
May deliver VET qualifications	May deliver VET qualifications	Deliver VET qualifications in at least five industry sectors or predominantly at tertiary level	Deliver VET qualifications in at least five industry sectors or predominantly at tertiary level	Deliver VET qualifications in at least five industry sectors and tertiary qualifications in some industry sectors
		Have formal links with industry in course design and delivery	Have formal links with industry in course design and delivery	Have formal links with industry in course design and delivery
Existing and Possible Range of Nomenclature				
University	University		Polytechnic	Institute
University of Technology		University College (could be an ongoing institution)	Institute of Technology	TAFE Institute
		Institute of Technology	TAFE Institute	