

Re-engineering Corporate Governance in TAFE

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The views expressed in this paper do not necessarily reflect the views of all of the members of the Victorian TAFE Association Inc.

For more information or enquires please contact:

Victorian TAFE Association Inc.
Level 3, 478 Albert Street
EAST MELBOURNE 3002

Mr Richard King
Executive Director
rking@vta.vic.edu.au

Telephone (03) 9639 8100
www.vta.vic.edu.au

Introduction

The role of TAFE as the public provider of vocational education means that they will be the principle player in the transition to an innovation economy.

The Hon L Kosky, 2002

To fully appreciate the extent to which TAFE is an integral part of Australia's tertiary education sector, it is important to understand that TAFE does not exist or operate as a unicellular structure. It is a critical partner in the design and implementation of innovative community and industry based initiatives encompassing applied research, enterprise development and labour market programs that translate directly into job and wealth creation, for individuals, communities and the nation.

In response to the diversity of the community of interests that it serves, TAFE has become a multi-mission institution in Australia, founded on the following principles:

- Accountability to the Australian public;
- Educational and institutional autonomy;
- Building the capacity of Australian *industry* to compete innovatively and sustainably in the world market;
- Building the capacity of Australian *students* to realise their potential as full and active members of society;
- Building the capacity of *communities* to create sustainable, positive futures;
- Commitment to providing for the lifelong learning needs of students, communities and industries;
- Provision of an innovative pedagogy of engagement and practice; and
- Commitment to ameliorating hardship and ignorance by removing barriers that inhibit access to public education for all Australians.

These principles frame the importance of a strong and viable public TAFE sector in the provision of vocational programs.¹

The concept of autonomous governance has been debated extensively in the Victorian TAFE sector since its inception. TAFE developed in a cultural context in 1970s Australia

¹ *Back Door to University or Front Door to Open Learning* (2002) Victorian TAFE Association

that was in many ways contradictory. It can be broadly characterised as a period of widespread cultural and intellectual distrust of structured mainstream education which coincided with an equally widespread call for a more interventionist type of Government.

At the same time as authority of all forms - including Government - was being called into question, increasing public interest in social justice issues and thus growing support for a 'welfare' state, necessitated a Government with more power to enter the so-called private space of Australians. More than ever in recent history, Government was expected to play a lead role in issues that were previously considered 'personal' such as, for example, the mental and physical health and educational attainment of its citizens².

TAFE developed in this context and while it certainly served other purposes, was undoubtedly a large part of the Government's social welfare policy. To a certain extent, and alongside the purpose of providing industry with skilled labour, TAFE was set up to provide educational opportunities to many Australians who would otherwise not engage with formal education – most of whom were socio-economically disadvantaged.

TAFE has always been premised on the recognition that learning extends well beyond the formal structures of education and this includes recognition of the different sites of learning as well as styles and content.

As with the cultural trends in which it emerged and perhaps as a consequence of them, TAFE seems to have developed a somewhat dual conceptualisation of autonomy. That is, the culture of TAFE is such that it is often questioning of authority partly, as a result of the sector being positioned other than in the midst of mainstream conformist education in Australia. At the same time and even in the context of recent developments which have seen the Victorian TAFE sector adopt a more corporatist persona, TAFE culture has always been built firmly around the fact that TAFE as an institution is a publicly owned provider of education. It should come as no surprise then that this cultural diversity led to significant debate about the concept of self governance of TAFE Institutes in Victoria. It was not until 1993, that Victoria's TAFE Institutes

² This is not meant to imply that the State did not intervene in the personal lives of its citizens prior to the 1970s, examples of this abound – two being conscription and the forced removal of Indigenous and other children from

became statutory entities with self governing boards. Prior to that time, the Councils were advisory boards to the Minister of the day.

In recent years, there has been a continuing debate about the rights and responsibilities of Institute Councils culminating in a decision by the State Government to undertake a review of TAFE Governance³. In general terms, Victorian TAFE Institutes have found support from successive Governments, arguing as they have for increased autonomy from Government control in matters relating to the corporate governance of their Institutes.

Such arguments were founded on a number of principles foremost of which is the realisation that Government was/is asking Institutes to function as two distinct entities. On the one hand, Government expected TAFE Institutes to provide standardised quality public education to the Victorian community and to Industry. On the other hand, it expects them to be responsive to the needs of their local communities and to be commercially competitive – that is, to be more like the corporate sector and not to have an operating deficit at the end of any year.

As a result, the governance arrangements as they currently stand, while arguably producing both good and bad results, has established a style of governance for TAFE that overall, is seen as mutually beneficial to both the Institute, the Government and the community.

What this paper aims to do is to examine how that tension has been played out in relation to governance. The paper will argue that governance is broader than ensuring compliance and probity, that there is a role and a responsibility for the Council to shape the educational provision in their community. Finally, it is argued that the existing governance structures are an integral part of the Government's funding and financing strategies for TAFE and that without the benefits that flow from the exercise of their autonomous status, the direct burden on government would be considerable greater.

their families. Perhaps it is more accurate to say that the 1970s can be characterised as a period when the public/private distinction was radically undermined in Australia and elsewhere.

³ In September, 2002 the State Government announced its intention to enquire into the governance framework of Victoria's TAFE Institutes, including an examination of models of governance in other states or public sectors areas and the recently completed review of University governance.

PART 1: What is autonomy?

The underpinning principle of the style of governance of TAFE is autonomy, and it is perhaps valuable, in terms of contextualising the journey TAFE in Victoria has undergone, to first look at what we mean by autonomy.

Autonomy: noun, right of self-government.

The Australian Oxford Dictionary

While such a definition can be usefully applied in various contexts – the self, individual or organisation for example – it is ultimately limiting on two levels.

- the assumption that autonomy is a noun alone; and
- the exclusive focus on Governance

In essence, any understanding of autonomy is underpinned by a concept of freedom. Again, while freedom seems to be a relatively simple concept, it too has been the subject of much political social, emotional and philosophical debate. This debate can be characterised by two broad streams in classic political philosophy, particularly in relation to models of government – freedom *from* power and freedom *to* exercise power which are negative and positive understandings of freedom respectively.

Freedom From Power

In broad terms, classic Liberal political philosophy is based on a model of the State in which the rights of the individual to live her/his life free from the interference of the State are paramount. That is, this model of governance is one which prioritises freedom from others.

Freedom To Exercise Power

Models of the State, which are more social-democratic than Liberal, understand freedom and hence autonomy as something which is more active, that is, something which is exercised rather than passively accepted. In this sense, the State is granted a certain level of civil interference in that it has a set role to play in enabling citizens to exercise their rights.

A useful example of this distinction is the different understandings of access and equity. Under the '*Freedom From*' banner, access and equity issues are centred primarily on removing institutional barriers from participation. Conversely, '*Freedom To*' is more concerned with both removing barriers and facilitating the conditions in which citizens can exercise their rights to participate⁴.

Freedom From acknowledges that barriers to participation are not simply institutional nor are they necessarily overt.

Both of these understandings of power and autonomy are relevant in the context of discussing governance. The former is obviously relevant in that autonomous governance cannot be achieved when formal structures are in place which prevent operational freedom. The latter is equally important in that it demonstrates that autonomy is something that can be usefully understood as being proactive, as something one does. Although it is a complex issue, it could be argued that autonomy is worthless unless actually exercised.

A model of Governance

The model of governance sought by TAFE Councils was '*freedom from*' in order to exercise '*freedom to*'.

The right of the governing Councils to govern their Institutes is an extremely important one, not only for the long term health of the Victoria's public TAFE system, but more importantly for the long term confidence in the system by the community. When arguing for increased autonomy in the area of governance, the Association advanced two essential reasons:

- The granting of operational autonomy is a signal by the Government of its faith in, and acknowledgement of, the business and educational acumen of Institutes; and

⁴ For further explanation, see two classic works on this subject: Isaiah Berlin. *Two Concepts of Liberty: an inaugural lecture delivered before the University of Oxford on 31 October, 1958*. Oxford: Clarendon Press (1958) and; Erich Fromm. *The Fear of Freedom*. London: Ark (1984).

- The increased autonomy of Institute Councils allows Institutes to be more flexible and thus more responsive to the needs and expectations of their local communities and new and emerging industries.

The structure of governance of Victoria's TAFE institutes has been shaped by the acceptance of the fact that by necessity, it is different from those models that are to be found in the private sector.

This is of critical importance.

The existence of Parliamentary accountability, elected Ministers of State, administrative government departments, voluntary Boards or Councils and a unique set of community service obligations all combine to make governance in TAFE something that deserves differentiation. The respective powers, roles and responsibilities of each party lead to a greater management complexity in terms of stewardship and accountability than is to be generally found in the private sector. There are degrees of tension between business imperatives and legislative requirements and the governing Council must navigate these tensions in the best interests of the Institute.

Autonomy is not just about Governance

As mentioned earlier, debates about autonomy in the Victorian public TAFE sector initially focused almost exclusively on the rights and responsibilities of Institute Councils in terms of compliance and conformity. The right of the Institutes to govern themselves and to be free from interference by state and federal bureaucracies in their day to day operations is an important part of the debate, and while this has led to considerably greater independence for Institute Councils in Victoria, as the system has matured, the debate has increasingly centred on '*freedom to*' issues. The confidence gained thus far by Institute Councils to exercise responsible governance has now lead them to consider the much bigger issues that are at stake.

Institutes arguably need more freedom to:

- Contribute to the development of learning products and learning outcomes

- Serve their local communities
- Remain viable

Contribute to the development of curriculum and learning outcomes

This is a complex issue and is particularly relevant at a time when many in TAFE would argue that the development and implementation of Training Packages has occurred to the noticeable exclusion of educationalists and teachers. Arguably, educational autonomy must acknowledge the professionalism, expertise and skills of teachers and to this end, teachers as the paramount professionals in the sector must contribute to the determination of learning outcomes and to curriculum development. Where this is occurring to advantage is in the delivery of training packages. Often tailored to meet the specific needs of the enterprise in which it is being delivered, the delivery style of the Institute quickly becomes a measure of its uniqueness and reputation in a the training marketplace.

These are all issues that have the potential to impact upon the strategic direction of the Institute and as such are legitimate matters on which the governing Council should express itself. The issue becomes one of preserving the educational autonomy of the Institute and the community it serves from being subsumed by a conformist and centrally driven approach to vocational education. It is about a demand lead approach to education provision.

Serve the local community

In 2002, the Victorian Government released its policy framework for TAFE, '*Knowledge and Skills for the Innovation Economy*'⁵. The principle focus of that policy paper is to create an environment that promotes flexibility and ensures Institutes remain responsive to the needs of their local communities. Under the previous more centralised system in Victoria, partnership opportunities with local Industry were impeded. A culture of competition driven by fiscal exigencies mitigated against collaboration was exacerbated because of time lags in receiving approval from centralist bureaucracies for

⁵ *Knowledge and Skills for the Innovation Economy*, 2002, Ministerial Statement, Government of Victoria

entrepreneurial projects, caused no doubt by a reluctance to think and work outside of the collective square and the potential relinquishing of power and control.

Remain viable

The political and general business environment in Victoria in the 1990s encouraged, if not compelled Institutes to become more competitive, both with one another, with other TAFE providers and other sectors. Thus, one could argue that Institutes must have the autonomy to compete – enabling flexibility and enhancing responsiveness is one aspect of this. However, the Victorian TAFE Association has shown on previous occasions that the competitive field is not level, because of the inequities in community expectation and need (particularly in relation to offering products and services which are not commercially viable but necessary nonetheless) as well as disparate industrial relations arrangements across the industry.⁶

Moreover, competition is a principle that could just as easily be placed in the ‘*Freedom From*’ category. Even those in the sector who extol the benefits of competition acknowledge that competition can often preclude collaboration which, in the context of publicly owned and operated educational bodies, is potentially problematic.

What has evolved is a governance structure that complemented, if not underpinned the funding and financing strategies for TAFE in Victoria.

In terms of direct government funding, since the introduction in 1993 of autonomous governance for Victorian TAFE Institutes, they remain the lowest funded system in the country, currently receiving 25% less than the national average. As can be seen in Table A.1 below, that level of funding per hour of delivery is in continuous decline.

Table A.1
Government recurrent expenditure on VET per publicly funded annual hour of curriculum: 1997 - 2000

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aust
1997	15.31	10.65	15.14	15.87	15.39	19.32	29.29	18.35	14.24
1998	15.57	10.60	12.51	13.83	13.64	16.90	28.23	18.15	13.54
1999	14.81	9.48	13.61	11.98	13.27	16.44	19.99	16.04	12.84

⁶ For further explanation see, Victorian TAFE Association. *Victoria’s Apprenticeship and Traineeship System: A Critical Analysis*, A submission to the Review of the Quality of Training in Victoria’s Apprenticeship and Traineeship System. Melbourne, Victoria: VTA (2000).

2000	13.82	9.51	15.15	12.20	12.84	14.99	20.67	13.64	12.68
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Source: ANTA (2001 Vol 3)

However, the structures that were put in place at that time, influenced as they were by the free-market ideology of competitive neutrality and corporatist theories, meant that revenue from commercial activities was increasingly being relied upon to support TAFE Institutes and that part of that revenue would be used to supplement the cost of government sponsored training.

The extent to which Victoria has been successful is evident from Table A.2 below. In terms of the total number of student contact hours delivered, the contrast in growth in the period 1997-2001, between Government funded delivery and fee-for-service delivery illustrate how Institutes meet the shortfall in government funding. Whereas government funded hours only increased by slightly more than 10% in that time, fee for service delivery grew by 67%.

Table A.2 Reported Student Contact Hours

Source of Funding	1997	1998	1999	2000	2001	
	SCHs	SCHs	SCHs	SCHs	SCHs	% Growth 1997 - 2001
Profile & Contracted						
Profile & Contracted ^a	61,529,822	67,269,750	68,424,161	71,634,249	74,072,097	20.4%
Competitive Tender ^b	6,191,583	6,833,062	6,112,993	4,439,147	2,420,318	-60.9%
Other ^c	443,118	335,032	1,131,292	233,366	1,676,597	278.4%
	68,164,523	74,437,844	75,668,446	76,306,762	78,169,012	14.7%
Other Government Funded						
Working Nation ^d	1,858,567	0	0	0	0	-100%
Other Programs ^e	2,686,463	1,353,090	990,793	1,534,783	2,059,462	-23.3%
	4,545,030	1,353,090	990,793	1,534,783	2,059,462	-54.7%
Total Profile - All Sources	72,709,553	75,790,934	76,659,239	77,841,545	80,228,474	10.3%
Fee for Service						
DEETYA	2,879,549	519,613	0	0	0	-100.0%
Fee for Service	6,915,680	5,803,312	9,582,127	11,797,561	16,364,026	136.6%
Overseas Full Fee Paying	4,416,442	4,323,469	5,264,386	6,335,789	7,367,117	66.8%
	14,211,671	10,646,394	14,846,513	18,133,350	23,731,143	67.0%
Total	86,921,224	86,437,328	91,505,752	95,974,895	103,959,617	19.6%

Source: OTTE 2002

Each Column presents the student contact hours reported by the Institution in a calendar year

^a From 1998, apprentice and trainee targets are included in contracts

^b In 2000, profiles were adjusted to include funding previously allocated through competitive tender.

^c Includes addenda to the Providers' Performance Agreements (for ex State Additional Places, Enterprise Based, Once-Off funding, Employment Divisions Programs).

^d Program ceased in 1997

^o Includes other Government funded programs (for ex. Pre-Vocational, Labour Market programs, AVC Pilots and Youth Allowance TAFE Entitlements).

As can be seen in Table A.3, in 2001, Victoria's TAFE Institutes generated over \$222 million in fee-for-service income, excluding student fees and charges, a figure than is over 52% of the total revenue generated nationally. On a State basis, this represented approximately 21% of their total recurrent revenue. In terms of a return on the investment made by the State government when it introduced the present system of autonomous governance, this is a direct saving to the State budget, particularly when this revenue source is used to fund capital equipment and facilities that would otherwise have to be funded by the State.

Table A.3
Total recurrent revenues VET: 2000 (\$'000,000)

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
State Gov't	889.8	509.1	383.1	204.1	148.6	45.9	55.1	43.0
% of Total	66.3	48.4	62.2	56.4	52.5	52.1	72.5	56.9
Comm Gov't	262.2	180.9	134.7	73.8	65.1	252.9	16.5	16.7
% of Total	19.5	17.2	21.9	30.4	23.0	26.0	21.7	22.1
Fee for Service	75.4	222.6	39.4	37.6	31.1	10.9	1.9	8.0
% of Total	5.6	21.2	6.4	10.4	11.0	12.3	2.5	10.6
Student fees and Charges	38.6	43.7	33.9	25.9	20.7	3.2	0.8	4.1
% of Total	2.9	4.2	5.5	7.2	7.3	3.7	1.1	5.4
Ancil trading	75.9	96.0	25.1	20.4	17.4	5.2	1.7	3.7
% of Total	5.7	9.1	4.1	5.6	6.2	5.9	2.2	5.0

Source: NCVET (2000 Financial data)

Issues balanced through good governance

Industry

While industry is seen as one of the principal clients of TAFE, it is also true that discussions about the responsiveness of the sector to the needs of industry are often perilously unclear and confused. So many assumptions are made in the context of many of these discussions, not the least of which is the identity of industry, let alone what it means to be 'responsive'. Should respond to the skills needs which are articulated by Industry Training Advisory Boards (ITABs)?

There is concern that 'Industry' is interpreted to be 'big business' in actuality and that responding to industry amounts to catering to the short term labour needs of those

more influential enterprises. It is argued that if the underpinning knowledge and transferable skills of workers as a whole are not developed or catered for by this sort of system, then this will be ultimately destructive for 'Industry.' A 2000 report on skill shortages in the retail motor industry by the Victorian Automobile Chamber of Commerce (VACC) identified this issue of narrowing the skills base of employees and pointed to employers' concern that 'broad generic training may be replaced by firm specific training...'⁷

The Victorian Government has recognised the critical importance of points being made by the VACC and others and have acknowledged that the workforce must have more than just sound vocationally specific skills.

Moreover, the narrowing of employees' skills base is equally, if not more destructive, for the student/employee whose job mobility is severely compromised in an era of almost obligatory job migration.

Aside from clarifying the terminology, many in TAFE are questioning the assumption that industry is their principal client as seems to be assumed at a federal level. While not wishing to undermine the importance of industry, many people in the sector argue that TAFE's principal client is its community. The community includes industry as well as current and potential students, government and employers. In this model of the public education system, industry should be duly acknowledged as one of many crucial clients. This is arguably not the case currently.

Economic 'Rationalism'

Obviously all organisations and infrastructures are bound by fiscal constraints. A particular problem with publicly funded bodies is that they compete with other 'election issues' and the long-term financial commitment they require will often reap benefits in a time frame that exceeds the electoral cycle, thus making the investment less attractive for the government of the day. In this respect, economic arguments are frequently used

⁷ VACC. *Skill Shortages in the Retail Motor Industry: An Interim Report*. Prepared by the VACC for the Automotive Working Group (April 2000). These arguments were reinforced by the VACC in June 2002 when the apparent lack of government support for trade training was raised in the aftermath of the Victorian State Budget.

to justify decreases in public expenditure on education. These arguments are always short-term in nature – that is, we will reduce spending by \$x this budget. However, many educational commentators argue that this ignores the long-term benefits of public education, especially in related but separate areas such as the effects of educational attainment on the likelihood of avoiding welfare dependency.

Public expenditure on education in Australia at the federal level is dropping well below that of other OECD countries. In 1998 OECD World Education Indicators, Australia ranked 21st out of 29 OECD countries in terms of the proportion of public expenditure on educational institutions⁸. In fact, Australia is one of the few countries resisting the trend toward increasing public expenditure on education which is arguably unjustifiable in light of the strong economic growth we have been experiencing.

Educationalists suggest that this approach saves money in the short term but has dire long-term social and economic consequences. Again, one could suggest that this is especially the case for the TAFE sector which has a long-standing affiliation with, and a commitment to, educationally and socially disadvantaged groups.⁹ It is widely understood that reducing educational and other opportunities to such groups perpetuates negative long-term economic ramifications – for the individuals involved and the community more generally.

⁸ OECD. Education at a Glance: OECD Indicators 1998.(Paris) p.31

⁹ The Association has produced many discussion papers relating to our research in this area which found that equity groups are often represented in TAFE in excess of their representation in the Australian population. Indeed, this appears to be the case in other parts of the world, particularly in the United States. See. Victorian TAFE Association. 'Part 1a: TAFE's social equity role.' *The Quality of Vocational Education and Training in Victoria*. Melbourne, Victoria: VTA (February 2000).

PART 2: Application of a Governance model

This paper has canvassed some of the challenges that confronted and continue to confront the public TAFE sector in Victoria during the transition from central control to autonomous governance.

It was a deep commitment to resolving many of the impediments to fulfilling the mission and purpose of TAFE that motivated the professionals in the Institutes to pursue a policy of autonomous governance for TAFE. It was widely believed that until every Institute had the capacity to employ and direct its own staff in accordance with its own strategic plan, the full potential for TAFE to meet the needs of their local and regional communities could not be realised.

In the late 1980s, the predecessor to the Victoria TAFE Association campaigned for autonomous Institute Councils to become the statutory employer of all staff, with the necessary powers and responsibilities to ensure public accountability and transparency of practice that would ensure an 'arms length' relationship with central Government. Upon the election of the first Kennett government in 1992, enabling legislation was passed early in 1993 that established what was referred to as 'College Based Employment', and subsequently transferred all Crown employees to the Council.

Prior to this time, Institute Councils were advisory Boards to the Minister, with limited employment capacity confined to general staff and some casual teachers.

At this time, one of the challenges for both the TAFE Councils and the Institute management was to ensure the proper introduction of human resource management practices. The culture, composition and size of the TAFE workforce remained largely unchanged during this period, and this, when coupled with the move to federal award coverage in what must be described as a climatic period of industrial relations in Victoria, presented a very real challenge for the governance model.

While human resource issues continued to dog the operational effectiveness of the Institutes, Councils had to grapple with their governance obligations. The development

of a specific professional development resource for Councillors, interspersed with more system wide structural change, resulted in smaller Councils with greater responsibilities. Governance, from the audit, compliance and reporting context was wholesomely embraced, but as referred to earlier in this paper, there were many issues associated with the multiple educational missions of TAFE that were now able to be pursued, not with impunity by any means, but certainly with less direct oversight from Government. Ironically, while increased autonomy meant greater freedom and distance from the power-holder (in the TAFE context, this means government and perhaps industry), it also brought with it greater accountability. This is ironic in the sense that the more freedom accorded to Institutes, the more often they had sections of the community knocking on their doors to ask what they are doing. Additionally, as was soon to be discovered and resolved in the ensuing amalgamations of the mid 1990s, devolved responsibility meant that there is no one else to take responsibility when performance falls short of planning!

Multiple accountabilities

It is impossible to say with any real surety to whom public education bodies are most accountable and indeed, to whom they should be most accountable. Of course, government is the obvious choice in the sense that it is the major shareholder, it owns the majority share of the capital stock, and it controls the disbursement of public funds. But arguably the primary goal of government is to meet the needs of the community, and educational bodies are established as a part of that social charter to educate citizens for a diversity of reasons – including skills for industry and employers.

It is difficult to determine the levels of accountability against which Institutes should be held, a situation that is in no small measure due to the confusion over the identification of the primary client. A popular suggestion is that Institutes should be held accountable on the basis of student and community outcomes. This is a notoriously difficult measure and it fails to acknowledge that many socio-economic factors outside of the Institute's control dramatically affect such outcomes. Participation itself is a credible measure of a successful outcome.



There is yet another school of thought that promotes accountability through performance measurement predicated upon conformance with global standards and compliance with contractual obligations.

Should Institutes be measured on the basis of their responsiveness to industry and/or employers? The problems with such a suggestion have been articulated earlier in this paper. How do we resist catering to the short-term needs of industry without being accused of arrogance and paternalism if we assert a role in the debate to identify emerging skills needs, while suggesting that many industry clients are perhaps necessarily prioritising their short-term goals?

Institutes are clearly accountable to government but by what measures? What is the government actually purchasing? In Victoria the Institutes are essentially held accountable on the basis of the number of student contact hours that are delivered. In isolation, this is clearly an inadequate measure. What is the relevance of the amount of training delivered if we are uncertain of the effectiveness of the training much less the quality of the outcomes, particularly if it is not what the country needs or wants?

This leaves us with the most vexed question of all – how to be held accountable to the community?

Conclusion

Clearly, the issue of governance remains relevant to the Victorian TAFE sector on many levels. Traditional debates about Institutional autonomy from Government are an important part of the debate. The original model of governance, so warmly embraced when it was introduced has unquestionably served the purpose of its proponents. However, the environment has changed, just as the educational and financial imperatives in which TAFE is enmeshed have continued to change.

It is the Association's position that a broader understanding of governance as well as autonomy as it applies to the sector, is required at this time. The challenges facing the Victorian TAFE sector are widespread and complex and are part of the sector's drive toward due recognition of its contribution to the social and economic fabric of Australia.

While debating these issues, it must be remembered that when one calls for increased autonomy from government, but retain a dependence on public funding – tensions and contradictions will abound. Such contradictions may well be workable, but they must be acknowledged if the debate is to be open and productive.

One of the ways this contradiction manifests itself is that increased autonomy for the Victorian public TAFE sector inevitably results in increased levels of accountability. This brings with it a myriad of problems and opportunities, not the least of which is how to measure accountability and how to determine to whom we are most accountable. These are the challenges facing Institute Councils in Victoria.

The challenges are inevitable and we look forward to this paper contributing to the ensuing debate.

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