

Association
of TAFE Institutes

**HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
EMPLOYMENT, EDUCATION AND
TRAINING**

**SUBMISSION TO THE INQUIRY INTO
THE APPROPRIATE ROLES OF
INSTITUTES OF TECHNICAL AND
FURTHER EDUCATION**

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PREAMBLE

This submission is made by the Association of TAFE Institutes to the House of Representatives Standing Committee on Employment, Education and Training, in response to the national inquiry into the appropriate roles of Institutes of Technical and Further Education (TAFE). In particular, consideration will be given to:

- the appropriate roles of institutes of technical and further education; and
- the extent to which those roles should overlap with universities.

The Association is well placed to comment on these issues from the TAFE perspective. By way of introduction, this Association is the peak employer body for the TAFE industry in Victoria and we have as our members all of Victoria's TAFE Institutes and the three Multi-sector Universities. Our Mission is to facilitate an environment in which our Members can deliver world class vocational education and training (VET) and the extent to which this has been achieved is reflected by the standing of Victoria's TAFE Institutes as being the most efficient and cost effective in the country. The Association also takes an active liaison role on behalf of its Members with Government departments and Ministers on key issues.

We have represented Victorian TAFE in a number of recent inquiries and initiatives, at both state and Federal level including the West Review into Higher Education Financing and Policy, the Victorian Ministerial Review into the Provision of TAFE in the Melbourne Metropolitan Area and the Victorian State Training Board's 'Vision for the State Training System'. The Association's Executive Committee has undertaken considerable work in developing its own Vision for the Delivery of VET in Victoria, which includes consideration of the key objectives for the efficient and equitable delivery of vocational education and training, and a proposed model for the delivery of VET in Victoria.

Throughout all of these inquiries/reviews, the Association has stressed that the nature and needs of the system must be the driving force for change, and not an arbitrarily decided factor which has been deemed necessary to meet the fiscal demands of Government.

We see ourselves not as critics of reform, but as partners in reform, and the Association would welcome the opportunity to work with governments, both State and Federal, in pursuit of the continuous improvement of the public provision of VET.

EXECUTIVE SUMMARY

The appropriate roles of Institutes of TAFE

- TAFE Institutes Australia-wide (and particularly in Victoria) are delivering their products in an increasingly competitive environment. They continue to meet the challenge of competition by responsively and flexibly meeting their customers' needs.
- TAFE's key role is to deliver public access, customer focussed, applied vocational courses, with the aim of enhancing the employment skills of all TAFE students.
- TAFE has a role in contributing to the economic prosperity of Australia by creating a responsive and contemporary training system designed to ensure Australian industry has access to the skills needed to enhance its competitiveness.
- TAFE fulfils an important 'social equity' role by providing affordable learning opportunities and employment opportunities to countless ordinary Australians, many of whom may not have completed their secondary schooling.
- TAFE, and more broadly VET, possess intrinsic characteristics, valued by its customers, and which distinguish it from other learning mediums. It is imperative that these fine qualities of TAFE are preserved.
- TAFE has an integral role in supporting the educational and training needs of regional communities and industries.
- TAFE Institutes must exercise their functions with the necessary degree of commercial independence to permit them to carry out their roles in an autonomous fashion, free of direct government influence or restrictions on their business activities. Victoria has a comparatively devolved network TAFE Institutes in relation to other Australian states, but we believe that this autonomy should now be taken to the next level.

The extent to which the roles of TAFE should overlap with universities

- The roles of the TAFE sector and traditional universities should be structured so as to complement one another in a manner which best meets their respective client needs.

- The diversity in the student profile of TAFE demands a diversity in delivery. There is a valid place in the training market for different ‘models’ of provider to meet the totality of customer need, as exemplified by the existing multi-sector institutions in Victoria, by discrete TAFE Institutes, by private providers and by industry specialist providers.
- An effective interface between VET and higher education is vitally important for both sectors to meet the needs of the Australian and global education market. It is our view that in Victoria, effective articulation arrangements and alliances between VET and higher education should continue to be fostered and developed.
- TAFE’s role is not that of a ‘junior partner’ to universities, and it is by no means ‘inferior’. Research shows that student articulation from universities to TAFE far exceeds articulation from TAFE to university. While pathways are important in meeting some client needs, they do not constitute TAFE’s core business, and in fact, only a very small proportion of the total TAFE student population subsequently transfer to university.
- There are clear differences between TAFE Institutes and traditional universities, including differences in the end products, the manner and cost of delivery, the target customer groups and the skills required of the educators.
- It is recommended that caution be exercised when contemplating TAFE vocational associate degrees. There is a compelling argument for TAFE to focus on, and continue to excel in the areas in which they have traditionally done well. The needs of Australian industry should be the prime concern for TAFE.

PART 1: THE APPROPRIATE ROLES OF INSTITUTES OF TECHNICAL AND FURTHER EDUCATION

BACKGROUND

The Standing Committee's inquiry centres on the role of Institutes of Technical and Further Education (TAFE) and that role vis a vis universities. Expressly excluded are other providers in the vocational education and training (VET) market, including for example, private providers. In all states, private providers are playing an increasingly significant role in the provision of VET services. In Victoria, the Government has set a target of 20% of training priorities to be allocated through competitive tender by the year 2000. This goal is well on the way to being realised, with the Government recently announcing that in 1998, 17.3% of total state training effort will be open to competitive tender. TAFE Institutes Australia wide (and in particular in Victoria) are meeting the challenge of competition by structuring the delivery of their services in a way which best meets the needs of the customers, while striving to achieve the operational objectives of their stakeholders/owners. We do not believe that the role of TAFE ought be examined in isolation of these factors.

THE ROLE OF TAFE

TAFE is primarily concerned with the public provision of vocational education and training. It is that part of the education sector which is most often called upon to respond to the economic rise and fall and the subsequent shifts in demands of the labour market in Australia.

TAFE's key role is to deliver through public access, customer focussed, applied vocational courses. The emphasis by TAFE is on skilling, and enhancing the employability of its graduates.

TAFE programs are often seen as the realm of young trade apprentices, yet in actual fact more than 48% of TAFE graduates are aged 25 or over,¹ and only 5.8% are students undertaking apprenticeships in the recognised trades.² TAFE has progressed far beyond the 'traditional trades' and now offers a wide variety of courses, across a broad range of industries.

TAFE'S INDUSTRY FOCUS

TAFE's role, and its importance to the prosperity of Australia and its citizens, is necessarily broad.

¹ Australian Bureau of Statistics, 1995 Graduate Outcomes: Technical and Further Education Australia, 1995, p14

² Australian Bureau of Statistics, Education and Training in Australia, 1996, p162

TAFE makes a vital contribution to the economic prosperity of Australia by guaranteeing a responsive and contemporary training system which ensures Australian industry has access to the skills needed to equip it to compete globally.

TAFE has always enjoyed a close relationship with industry. In Victoria, industry participation on TAFE Institute Councils, the State Training Board and Industry Training Advisory Boards has contributed to a TAFE sector which is responsive to industry needs and to the labour market. Notwithstanding this nexus, the Association's recent paper *'A Vision for the Delivery of VET in* advocates a new industry/VET provider interface which we have named the 'VET Business Forum'. One of the key thrusts behind the forum is to create an environment in which the 'captains of industry' (represented by small to medium enterprises as well as big business) talk directly and with knowledge and authority on the training needs of the State, with training providers. Generally speaking, we believe that the Forum will facilitate a freer and clearer exchange of information between all of the parties who have an interest in training, with the express objective to achieve a flexible and responsive training system.

TAFE'S SOCIAL EQUITY ROLE

A far greater role for TAFE is the part a publicly funded discrete TAFE sector has played in opening the doors of opportunity to many Australians who, without TAFE, would have been captive to a menial existence shrouded with educational poverty. TAFE has provided the life chance for whole generations of Australians, many of whom may not have completed their secondary schooling, much less aspired to a university education. NCVET statistics show that 54% of VET clients in Victoria in 1996 had not completed their secondary school education.³ Yet through TAFE they have discovered their capabilities and come to know the reward of personal educational success. Through access to public education, they have been able to throw off the shackles of servitude, illiteracy and ignorance, and continue to aspire to even greater heights through lifelong learning.

With the labour market moving decisively in favour of highly skilled workers, affordable access to education must be provided for those without skills, to provide them with a range of adaptable skills and a commitment to lifelong learning. We must ensure that any deficiency in educational provision does not add to the growing social malaise of the community.

The social threats of a de-funded or poor quality TAFE sector should also be considered. A recent UNICEF report, *'The Progress of Nations 1997'* shows that of participating industrialised

nations, Australia has the ninth highest level of unemployment amongst 15-24 year olds at 16%, ranking below countries such as the United Kingdom, the United States, New Zealand and Germany.⁴ The seriousness of Australia's youth unemployment problem, and its connection with youth suicide and other social crises remain of paramount importance for all Governments.

THE INTRINSIC CHARACTERISTICS OF TAFE

The Association has long held the view that there are many fine, inherent qualities which TAFE, and more broadly, VET, offers the community. There are undoubtedly features of the VET sector which have played a significant role in the development of Australia's skill base and there can be no argument that VET does not have an equally significant role to play in the future.

The Association recently commissioned the National Centre for Vocational Education Research (NCVER) to undertake a research project to identify naturally occurring qualities present in TAFE and vocational education and training generally, which are of value to our clients. The project involved interviews with representatives from urban and non-urban Victoria, from a range of public and private providers, enterprises within industry, policy makers, unions, and employer and industry groups.

The report has identified some of the key characteristics of TAFE/VET in Victoria which we believe are useful to articulate the future role for TAFE in Australia.

- VET/TAFE is flexible

VET is regarded as being flexible in terms of delivery mode, content and structure. For example, a TAFE Institute as part of its standard package of products might structure a course based on a combination of correspondence programs with short on-campus intensive sessions. Alternatively, it could deliver on-site training to industry on very short notice at a time which minimises any disruption to the client's production schedules.

Victoria's TAFE institutes operate 51 weeks of the year and several operate seven days a week, all coupled with the fact that VET providers will go to the client, rather than requiring the client to come to them.

- VET/TAFE is applied and practical

This feature is especially appreciated by those already in the workplace. VET is perceived as placing a greater emphasis on the practical and less on the historical perspectives which

³ National Centre for Vocational Education Research, Australian Vocational Education and Training Statistics 1996, p20

lie behind the development of applied thought. There is a danger that some of the practical nature of VET programs may be lost if VET provision is integrated into other discrete sectors of education.

It was also raised by interviewees that VET providers provide targeted programs at the level required by the client, rather than relying upon 'off the shelf' pre-packaged programmes at an 'intermediate' or 'advanced' level. VET is responsive to industry, rather than being curriculum outcome driven.

- *VET/TAFE is competitive*

The VET sector in Victoria is actively competing internally within Victoria, as well as externally interstate state and internationally. In recent years, changes in government policy have resulted in competitive tendering between public and private providers for public funds. Because of its history of autonomous institutes and their increasing commercial independence, Victoria's TAFE system is well placed to respond to the introduction of principles of User Choice where public funds are allocated to the chosen provider of the employer or trainee. As such it stands as a credible benchmark for other state systems.

- *VET/TAFE is capable of reacting to local needs*

The research found that an important strength of the VET system is the open-door policy, which means it is receptive to suggestions or requests from companies both small and large. This characteristic is closely related to the flexibility feature described above.

⁴ UNICEF, The Progress of Nations, 1997

- VET/TAFE is less institutionalised and bureaucratic than other parts of the education system.

This is an important distinction. Possibly because of the size and complexity of higher education, universities tend necessarily to be more rigid in their structure and operations. Conversely, because of the nature of VET provision, TAFE is afforded an environment which is more compatible to creative tailoring of its products.

It is imperative for the future of quality vocational education and training in Australia that these characteristics of VET which are valued by its clients are preserved, and that the effects of any proposed changes to the way in which VET is delivered are taken into account, particularly where such change may adversely affect the intrinsic characteristics of VET.

TAFE IN REGIONAL AREAS

TAFE is vitally important to rural and remote areas. The benefits to the community of a vibrant and relevant vocational education and training institute cannot be overstated. In regional areas, centres which are able to attract students from beyond their immediate catchment area add significantly to the economic welfare of their region. Local communities and governments, both State and Federal, actively encourage industry to decentralise. The inclusion of educational centres of excellence in this strategy is as critical to the development of the State and the social well being of society as any other industry, perhaps arguably more so.

TAFE has a clear role in industry/business development in a region, as well as regional community development. This is sound justification for continued government support.

TAFE INSTITUTE AUTONOMY

It is essential to the effectiveness of TAFE that Institutes are able to carry out their roles with autonomy. Victoria leads the other Australian states in this regard. Since 1993, the role of TAFE Institute Councils has changed from being advisory boards with limited statutory responsibility to governing bodies with legal and administrative responsibilities akin to company boards. Institute Councils are now empowered with a level of operational independence consistent with the Government's demand of all statutory authorities, for public accountability and fiscal responsibility.

Victoria operates the most devolved network of TAFE Institutes in Australia and this is seen by many as the most significant contributor to the outcome of 'value for money' training in Victoria.

However, TAFE Institutes must be able to maximise their business opportunities and to manage their day to day activities in an efficient manner, free of direct government influence. Private providers are able to operate in this market against the same imperatives of quality and purpose as public providers with less government intervention.

Institutes are faced with an inability to offset the decline of public funding of vocational education and training against the corresponding influence of open competition, in part because of the operational constraints imposed through government policy, particularly in matters such as fees and charges, but also because of government policy relating to the acceptance of full fee paying students and the numerous audit and reporting requirements. Institutes must have the managerial latitude to be innovative and responsive to their clients' needs and to have the flexibility to make the necessary short to medium term business decisions.

It is hoped that TAFE Institutes Australia wide will enjoy a level of organisational autonomy in their business operations.

PART 2: THE EXTENT TO WHICH THE ROLES OF TAFE SHOULD OVERLAP WITH UNIVERSITIES

INTRODUCTION

Each sector has different core business objectives, and caters to different student types, and therefore, it is the Association's view that the roles of the TAFE sector and traditional universities should not overlap, but should complement one another in such a way to best meet the needs of their clients. Complementary arrangements between the sectors already include articulation arrangements and joint business ventures. By acknowledging that the market place in which the core business of each sector is different yet compatible, both sectors will be better placed to focus on excellence when discharging their public obligations.

TAFE STUDENT PROFILE

The diversity of the student profile in TAFE is one of TAFE's intrinsic characteristics. This diversity is manifested in such criteria as age, prior education, nationality and the reasons for students undertaking courses.

1995 Graduate Destination data for Victoria compiled by the Australian Bureau of Statistics shows

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- 21% of TAFE graduates are aged between 25 and 34; 18% are aged between 35 and 44; and 8% are aged between 45 and 54.
- 23% of TAFE graduates undertook TAFE studies as part of current job requirements, or to gain extra skills for the job, 36% in order to obtain a job (or for own business), 11% to try for a different career and 10% for interest or personal development.
- 5% of TAFE graduates had a prior bachelor degree qualification, while 33% had some other post-school qualification and 62% had no post school qualifications.⁵

It is this diversity in student profile which demands a diversity in delivery, and therefore makes a homogenised system for VET delivery all the more inappropriate. In Victoria's case for example, while there is a valid place in the training market for existing multi-sector institutions such as Swinburne University of Technology, RMIT University and Victoria University, there is an equally valid place for discrete TAFE Institutes, private providers and industry specialist providers. When endeavouring to strike a balance between integrated universities such as the three mentioned above

⁵ Australian Bureau of Statistics, 1995 Graduate Outcomes, Technical and Further Education, Australia, 1995

and TAFE Institutes, we must be cognisant that this will not be a static outcome. This is because of the continual need to respond to a diverse and changing market profile.

ARTICULATION BETWEEN TAFE AND UNIVERSITIES

The Association strongly supports the notion of an effective interface between VET and higher education, and has long maintained that TAFE Institutes should continue to foster co-operative alliances and partnerships with any number of players in the training market, including universities, schools and other VET providers, so that they can maximise their business opportunities as well as meet student articulation needs. We could cite many fine examples in Victoria of effective and co-operative relationships between TAFE Institutes and universities.

Discussion of articulation between higher education and VET has traditionally focussed on students moving from TAFE to universities. It is incorrect to assume that this practice is the norm, as the data shows that the movement between sectors is concentrated in the reverse direction. TAFE's role is not that of a 'junior partner' to universities and it is by no means 'inferior'. Recent research has shown that student articulation into TAFE from previous higher education backgrounds is more common than assumed, and in fact, pathways analyses have shown that levels of articulation out of universities into TAFE far exceeds articulation into universities from TAFE.⁶

Data shows between 1990 and 1992, approximately one in five (or approximately 35,000) new TAFE students in Victoria enrolling at Associate Diploma and Advanced Certificate level had previously studied in a university, half of those as graduates.⁷ Another source estimates that in 1995, some 45,000 students with bachelor or post-graduate degrees were undertaking a TAFE vocational program, while at the same time, 20,000 students with a TAFE award enrolled in university.⁸ These statistics make the description of the higher education to VET pathway as some sort of 'reverse articulation' even more questionable.

It should also be pointed out that while pathways are important in meeting client needs, there is a view that they do not constitute TAFE's core business. TAFE's core business clearly relates to training for industry and meeting industry's express training requirements. It is a fallacy to assume that TAFE provides some sort of 'second best' option. Very few students use TAFE as a vehicle

⁶ Golding, B 'Intersectional Articulation and Quality Assurance' Journal of Tertiary Education Administration, Vol 17, No 1, May 1995, p29

⁷ Golding, B 'Intersectional Articulation and Quality Assurance' Journal of Tertiary Education Administration, Vol 17, No 1, May 1995, p29

⁸ Maslen, G 'TAFE Given Hard Sell in Bid to Woo Students Who've Missed Out on Un Campus Review, Jan 15-21, 1997.

for university entrance, and it has been suggested that in Victoria in 1996, only 1.6% of the total TAFE student population subsequently transferred to university.⁹

Finally, there is also the question of how far the 'benefits' of multi-sectorial provision can be extended in an open and increasingly competitive training market. For example, how will a student at one of the 700 registered private providers in Victoria benefit from the existence of multi-sector Institutes?

The answer surely lies in the approach adopted by the Australian Vice Chancellors' Committee (AVCC) to address this very issue.¹⁰ In addition to examining articulation arrangements between universities and TAFE Institutes, the AVCC has established a reference group to examine articulation arrangements between universities and *private providers*. The Association agrees that this is the best way to meet any articulation aspirations of students, rather than a formal amalgamation of the sectors.

TAFE VS UNIVERSITY ROLES

While we believe there is a valid place in the training market for a small number of multi-sector institutions, it is the Association's view that a diversity of structural models in the market is the best means to meet the totality of customer needs. Just as the TAFE sector has its own intrinsic characteristics which are equally valid for its own goals, purpose and culture, so too does the higher education sector.

When comparing a traditional university with a TAFE Institute, it is apparent that there are differences in their end products, differences in the manner and cost of delivery, differences in the target customer groups, and differences in the skills required of the educators. Plainly speaking, they do things differently to satisfy different market needs. Vocational education and training is certainly compatible with higher education, however the emphasis in VET is on providing practical skills to graduates to enhance their employment prospects. It promotes a practical education more so than an academic grounding.

TAFE (and VET generally) prides itself on its flexibility and responsiveness - a result in part due to a well developed system of multiple entry and exit points for students. Students in TAFE obtain recognition and credit for completion of modules as opposed to completion of an entire course.

⁹ Ministerial Review Committee, 'Options Paper', Ministerial Review on the Provision of TAFE in the Melbourne Metropolitan Area, August 1997

¹⁰ AVCC, Media Release 'Universities Agree to Examine Articulation with Private Sector Providers of Vocational Courses' 22 July 1997

Students can undertake the specific parts of a course that are relevant to them, receive appropriate recognition and credit transfer to other institutes thereby enabling them to return to further studies and undertake other modules at a later time.

THE ROLE OF TAFE IN OFFERING DEGREE COURSES

The issue of whether TAFE Institutes should confer Associate Degrees in vocational subjects has enjoyed recent media attention and debate, and views on the subject are mixed. The Association recommends caution be exercised where contemplating TAFE vocational associate degrees.

There is a compelling argument for TAFE to focus on, and continue to excel in the areas in which they have traditionally done well.

The clear message coming from many sectors of industry within Australia is that they want the workforce to be competent in the skills required for production. This is not the same scenario as that of, for example, overseas students who indicate a preference for courses which confer a degree. The needs of Australian industry should be the primary concern for TAFE, for the long term economic benefits of the country.

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