

Skills for Victoria's Growing Economy

Victorian TAFE Association
Response

July 2020



Introduction

The Victorian TAFE Association (the Association) is the peak body for Victoria's public Technical and Further Education (TAFE) network. We provide public policy advocacy, governance and workforce relations advice, government liaison and representation, media relations and professional development for Victoria's twelve publicly owned TAFE institutes and four dual sector universities.

The Association and its antecedents have served the Victorian TAFE sector for over 25 years and have a key role in representing Victorian TAFE institutes and dual sector universities at both state and federal levels.

The Association has worked collaboratively with the Review Chair and her team to facilitate consultations across TAFE and the dual sector Universities. These consultations have raised wide ranging issues and have resulted in full and frank discussion about the VET sector in Victoria and the place of the public provider within it. The Association and its members have valued the openness and willingness of the Chair, Jenny Macklin and the Review team to engage in robust discussion during the consultation process.

Clear messages from the consultations include the need for an improved and more integrated post-secondary education and training system; that TAFE should be the leader of the VET sector in Victoria; and that the way forward is a system driven not by competition but through collaboration. We trust the purpose of the Review, to chart the way forward and to build a world-class VET system focused on quality, excellence and innovation, will be fulfilled.

The clear message to the Review Chair and the team from the Association's members is that the TAFE sector is *not* afraid of change, or of articulating what could be done better, and envisioning and showing how it could be done better. There is an appetite for change that will empower Victorian TAFEs to work collaboratively with each other to provide a high-quality education and training experience for students; and to work collaboratively with industry and government to co-create the enabling policy environment.

Indeed, we need look no further than the ways in which TAFEs and dual sector universities individually and collectively have responded to the challenges of the COVID19 pandemic by maintaining learning continuity for students, pivoting learning delivery to more digital platforms, marshalling the resources to support staff, and providing personal and financial support to students.

The sector is well up to the challenge of shaping the education and training environment in Victoria, in which TAFE has a central and leading role.

The Association welcomes this further opportunity to provide written comment to the Skills for Victoria's Growing Economy Review. Our comment builds on some of the issues and themes raised during the consultations:

- The recognition and positioning of VET in the education and training landscape;
- The public value of TAFE;
- TAFE leading through collaboration;
- The price of quality;
- Synergies for international education collaboration; and
- Leading innovative relationships with industry.

The Association acknowledges the current pandemic has disrupted the VET sector. It will have long term effects on skills and employment, and TAFE will have a critical role to play in the economic recovery. However, the Association's response to the Review avoids focusing on the immediacy of a recovery strategy in order to position the VET sector for its' longer-term future. Nor does the Association believe the deliberations of this Review should be crowded out by focusing it as a recovery strategy only. Rather, the Review should address existing problems of policy and practice in an effort to prevent recreating or exacerbating those problems in the process of recovery.

The pandemic crisis should be recognised and leveraged for the disruptive opportunities it provides to challenge existing policies and practices.

Simply put, this submission pursues one principal theme, that whatever comes next must not recreate existing problems and vulnerabilities in the Victorian VET and TAFE sector, but be better than what is now.

During the consultations with the Review team, the sector has been challenged not just to restate the problems but to provide advice and ideas for reform. This submission takes as its challenge to answer 'what does better look like?'

The Association's 2018 Policy Statement *TAFE for Victoria: Five Policy Priorities for a strong VET sector*, proposed a forward-facing set of principles that look to 2025 and beyond. The Policy Statement envisages a thriving Victorian VET system that is world class and led by the public TAFE network. The statement recognizes that a long-term strategy is required to achieve this vision.

The five policy priorities in the Statement speak to the Review objectives and provide a platform from which to promote a vision for the VET system and recommendations for reshaping and strengthening TAFE within that vision.

We are aware that our members will respond to the Review individually and will most likely provide case studies and examples of on-the-ground activities. Hence this submission will not specifically feature such examples but we are happy to provide extra information where it would be helpful to illustrate issues.

The recognition and positioning of VET in the education and training landscape

The Association on behalf of its members is committed to achieving a highly successful vocational education and training (VET) system in Victoria, and claiming within that system the legitimate place for the public provision of education and skills development through TAFE and dual sector universities.

We do not approach this Review from a deficit model or view of VET or TAFE. We strongly advocate for a VET system that builds from what is good about the system and its public providers, who are continuously evolving to create new value in order to meet and exceed the skill needs of Victoria's growing economy.

The Association's policy statement 'TAFE for Victoria – Five Policy Priorities for a Strong VET Sector' is an agenda for change for Victoria's VET system. It proposes a bold VET Strategy to 2025 underpinned by strong commitment of stakeholders and policy actions. It advocates the need for change at a range of levels to give stability and direction to the TAFE providers, and to position the system to meet the challenges facing Victoria's evolving economy and communities.

Prior to the significant disruption of the current pandemic, Victoria's economy was performing well. But even without the pandemic, Victoria was still facing a period of significant economic and social disruption as new technologies and digital economies transform the economy and the way people work. The capacity of the VET sector and TAFE to respond to these issues under its current structures was also in question from within and outside of the sector.

In many ways the pandemic has served to speed up changes that were predictable and inevitable particularly in the realm of moving learning towards more digital delivery and learning platforms.

More than ever, Victoria needs a stable, robust and contemporary VET system to assist all Victorians to get the skills and capabilities to keep pace with rapid change and ensure they are not left behind in the economic recovery and into the future. There is a strong desire, as the public providers, for clear direction from government about what needs to be achieved. And alongside this the trust from government to get on and do what is needed.

What does better look like?

The Association echoes the voice of its members in proposing that reform should be based on the principles of:

- ✓ The need for a long-term vision in which VET and TAFE is actively promoted by government and industry as critical to Victoria's economic and social prosperity.

- ✓ The role of VET and the public provider (TAFE and dual sector universities) being valued and integral parts of Victoria's education sector.
- ✓ Creating an enabling environment in the TAFE sector. One that privileges collaboration over competition, as the driver for system wide improvement and meeting the skill needs and priorities of students, industry and government.

The need for a long-term vision in which VET is actively promoted by government and industry as critical to Victoria's economic and social prosperity

The full potential of VET in contributing to Victoria's economic and social prosperity can be realised through:

- A VET system is driven by skills and industry policy that takes a long-term view;
- A VET system led by TAFE and that consists only of high quality providers;
- VET keeping pace with, and ideally out pacing, the skill needs of changing labour markets;
- A bold VET Strategy underpinned by strong stakeholder commitment;
- A strong, sustainable public TAFE network at the core of VET strategy.

The Association holds the view that a stable, robust and contemporary VET sector can only be achieved through a comprehensive long-term VET Strategy. One that articulates a vision for VET built on stakeholder commitment and continued government investment in the public VET system.

The rapid and disruptive social and economic change that confronts Victoria will require such a system.

Exponential growth in technologies and platform and gig economics is transforming the way businesses operate and the way work is done. Job growth is shifting from traditional manufacturing to hi-tech and service industries. The race for innovation is demanding new knowledge and higher level digital, technical and innovation skills in the workforce. Businesses will need a steady stream of highly skilled, innovative and adaptive workers. Victorians will need a broad range of skills and capabilities to enter and remain in the labour market. Workers will need career and education advice and retraining to transition to new jobs in emerging industries.

Victoria's VET system – consisting of public TAFE institutions, dual sector universities and private for-profit and not-for-profit providers – delivers vocationally-orientated skills and capabilities to almost 1 million Victorian students each year. But the number of Victorians participating in VET is falling including apprentices and trainees, even though demand for skilled tradespeople is strong and industries continue to report skills shortages.

The Review notes the reputational damage to VET in recent years. Major factors contributing to VET's damaged reputation include a series of well-publicised funding scandals, mismatches between government funding and labour market needs, depleted VET budgets and ongoing uncertainty in policy and funding settings. The combined effect has undermined public confidence and interest in VET qualifications and careers, with flow-on effects to the TAFE network.

Victoria needs a long-term strategic policy for this decade and beyond that will reboot the system and ensure VET is fit to deliver graduates with strong educational foundations, employment related skills, and practical and technical skills for Victoria's changing economy.

Key objectives of such a strategy would be to raise the status and reputation of VET, reverse declining VET participation rates in Victoria and position a strong public TAFE network as steward of VET in Victoria's broader tertiary education system.

Building confidence in VET qualifications and outcomes in Victoria is a priority for VET policy. Understanding the role of VET and its place in the tertiary education arena is critically important. Without naming and claiming this space, VET is liable to remain lost in the continuous debates about education that focus on schools and higher education. Pausing only to mention VET as a failed system. VET is unfairly targeted as the reason for skill shortages and related unemployment rates, and a poor industry innovation record. By virtue of its prominent role in the VET sector TAFE's reputation suffers by association.

It is clear that VET is perceived in the education community as the 'poor cousin' to universities. School students from a young age form the impression that universities are far preferable to VET for prestige, educational quality and career opportunities.¹ In addition, Victorian employers are frustrated by constant policy and funding changes and are concerned that VET may not meet their future training needs.² The concerns extend to the apprenticeship and traineeships system.³

Public providers of VET are concerned with policy and funding changes delivered 'on the run' that drive financial and planning uncertainty and impact on operational decisions and the capacity of providers to adapt to changing market needs.

What better looks like

The Association trusts that this Review, as a result of its extensive consultations with VET stakeholders, will develop a comprehensive and long-term Victorian VET strategy. One that builds on the achievements of VET, agrees the purpose of VET, and provides a vision that stabilises the sector in order for TAFE, government, other providers and industry/employers to take responsibility for delivering a quality VET system.

¹ Gore, J, Ellis, H, Fray, L, Smith, M, Lloyd, A, Berrigan, C, Lyell, A, Weaver, N & Holmes, K. (2017). [Choosing VET: investigating the VET aspirations of school students](#), NCVET, Adelaide.

² Victorian Chamber of Commerce and Industry (2016). [Reforming the Victorian Vocational Education and Training \(VET\) System](#). Victorian Chamber of Commerce and Industry. Higher Education Taskforce Report, page 3-4.

³ Victorian Skills Commissioner. [Rebalance and Relaunch](#). October 2017.

VET does not exist in a vacuum it supports and operates best alongside a well-functioning labour market. A new VET Strategy should aim to re-position and recalibrate the VET system to align with and support 21st century industries, businesses and workplaces; and re-establish a strong working relationship between public VET providers and government. It will also provide direction, stability and clarity for stakeholders and build confidence in Victoria's businesses and communities that public investment in VET is well placed for future generations.

Getting the VET strategy and the policy frameworks right will require strong collaboration and co-operation across VET stakeholders. The Association recommends that either a new statutory body be created that is responsible for the VET sector to oversee this collaboration and co-operation effort; or the role of the existing Victorian Skills Commissioner be reassessed and restructured to provide the mechanism for all stakeholders, including providers, to engage with industry in a more collaborative and structured way.

In the longer term, we recommend that the Victorian Government consider developing a broader Tertiary Education Plan for Victoria⁴ to overcome the reputational and structural divide between VET and higher education for a more coherent and accessible tertiary education sector.

TAFE at the core

A sustainable and strong public TAFE network is essential to the stability, quality, continuity and good stewardship of Victoria's VET system. TAFE's public foundations distinguish TAFE from the private, for-profit training sector in competitive markets and are highly valued by the Victorian community.⁵

The TAFE network at the core of a new VET strategy will be the critical contributor to Victoria's economic and social prosperity.

TAFE doesn't just deliver skills, TAFE equips Victorians of all backgrounds with the skills and capabilities they need for successful jobs and careers, productive lives and good citizenship. Victorian TAFEs graduate thousands of skilled workers into the economy each year, partner with Victorian businesses for workforce development and innovation, support local communities to grow and prosper, and promote Victoria as a premium destination for international students.

The strength and agility of the Victorian TAFE network during the sudden shock of the pandemic demonstrates our commitment to continuing to evolve, transform and adapt to changing industry and community needs. There is no doubt that more can be done for Victoria if the policy settings are right for VET and the TAFE network.

⁴ As proposed by the VET Funding Review in 2015 and by Professor Kwong Lee Dow and colleges in 2009
<http://www.education.vic.gov.au/Documents/about/research/devterteduplan.pdf>

⁵ KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*,
<https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>

However, the high value ascribed to the TAFE network by the community places institutes under pressure to meet their expectations. The pressure is most acute for institutes operating in regional locations over large geographic areas and in training areas where delivery is expensive. The high costs impact on TAFE's capacity to sustain services and ensure quality learning experiences and outcomes for students and local industries.

For the TAFE sector, the cost of maintaining aging infrastructure and digital systems can be prohibitive and also directly impacts on the quality of physical and online learning environments. Over 70% of the TAFE network's portfolio of property, plant and equipment in Victoria requires ongoing maintenance.⁶ In addition, dual sector universities do not receive Victorian Government funding for maintenance of TAFE infrastructure. The Association recommends that as a part of this Review such anomalies for dual sector universities are addressed.

What better looks like

The Association recommends to the Review that the Victorian Government should strengthen and sustain the role of the TAFE network by allocating funding to institutes according to their specific training markets, operational and infrastructure needs and community contributions. This includes addressing the funding anomalies above and reviewing rural and regional loadings for TAFE institutes against the full cost of provision.

We also reiterate the need for the Victorian Government to fully utilise the breadth of capabilities and geographic locations of the TAFE network to deliver training projects and activities for government agencies as their preferred training partner. TAFE's successful networked response to training the disability workforce across Victoria for the National Disability Insurance Scheme (NDIS) project demonstrates the potential of this kind of strategy.⁷

The role of VET and the public providers (TAFE and dual sector universities) being valued and integral parts of Victoria's education sector

From a TAFE perspective, educational outcomes and skill development are mutually inclusive elements of a student's learning. A well-functioning VET system should support and facilitate the life-long learning ability of a student no matter their age or entry point.

Key to understanding and defining the role of VET and the place of the public provider as integral and valued parts of the education sector, are issues of:

- The naming and claiming of a place for VET in the education landscape as critical to understanding what is unique to the system and how it interacts with the whole education sector to produce value and add value.
- VET being understood as more than just an isolated or narrow pathway to employment, but for its full remit as an education model that develops education, skills and knowledge, blending theory and practice through applied learning.

⁶ Victorian Auditor General's Office (2015). Technical and Further Education Institutes: 2015 Audit Snapshot, Page 11.

⁷ TAFE for Victoria: Five Policy Priorities for a strong VET sector, Victorian TAFE Association, April 2018, p.17

- The valued role of VET being recognised and demonstrated through a dedicated public authority, the role of which is to plan and promote VET, allocate resources, develop policies, and advise the Victorian Government, including the Minister for Training and Skills on matters related to VET in Victoria.
- The promotion of VET as different but equal to higher education and esteemed as a pathway to a rewarding career and life-long learning capacity.
- Seamless pathways between VET and higher education being accepted and functioning as a reality.
- VET having a distinct identity and legitimate place in the tertiary landscape and one that provides an important educational voice.

While VET is primarily known for its role in skilling people directly for a pathway to employment, it is *not* defined by this role. It should *not* be defined by narrow choices and outcomes but by diverse objectives and outcomes. Indeed, the diversity of VET confounds its role, confuses its definition as a system, and surprisingly or not can serve to marginalise it in the tertiary education landscape.

Articulating the demands placed on the VET sector help to insert and assert its value proposition in Victoria's education sector. The Productivity Commission Report 'Shifting the Dial' notes the important and complex role of the VET sector:

"Not only does the system need to provide broad ranging job-related training relevant to employers, it must do so for a wide variety of students with very different needs. It is expected to be a place where young people leaving school can pursue non-academic pathways, where workers can retrain and gain new skills to keep pace with a changing economy, and where people marginalised by the traditional education system can get a second chance."⁸

The 2008 Bradley Review of higher education considered the need for a broader tertiary education and training system with closer links between VET and higher education. The Report indicated that the stark contrasts that once delineated VET and higher education no longer exist due to shifts in the demands on each sector of learners, communities and industry. Nevertheless, the Review concluded that diversity in tertiary education provision remained necessary to continue to meet shifting demands, but that there should be better connections across tertiary education.⁹The Association

An effective tertiary education system needs a sustainable and strong TAFE network across the country, in the same way it needs a strong public university network.

Business Council of Australia 2017

supports the creation of a broader, unified tertiary education sector built on an integrated and equal relationship between higher education and VET. One with seamless pathways between both for people seeking learning and skill development across their lifetime. Ideally the tertiary education sector would be absent from the biases that reinforce a hierarchy of

⁸ Productivity Commission 2017, Shifting the Dial: 5 Year Productivity Review, Report No. 84, Canberra p.92

⁹ Review of higher education: Final Report (Bradley Review), December 2008 p.180

educational choices, leading students in one particular direction towards university education. Moreover, there would be a more balanced approach to promote the value of VET as a positive post-school, career pathway.

The defining feature for claiming University status is the nexus between teaching and research. No such definition exists for Vocational Education and Training and as such it is not easy to define its place in the tertiary education sector, to promote its place or indeed determine its place, as the edges overlap and are permeated by higher education and post school education. Recent policy directions at a national level, to ‘vocalise’ higher education by redirecting university courses towards developing a job-ready workforce, shift the purpose of higher education and further challenge the place of VET in the tertiary education landscape.¹⁰

The Association also recommends that the Review should differentiate the place of TAFE and dual-sector universities from their private counterparts. This would manifest (among other things) in the way funding is disbursed, including through provision of long-term funding to explicitly support and enable TAFE to meet community obligations and manage capital investments.

It would also manifest in pricing policies that recognise the diverse markets, cohorts and thin industry sectors that would cease to function without the presence of TAFE. Explicit recognition of the special role of TAFE would also require the refinement of existing non-financial performance measures, to more properly gauge the rich contribution of TAFE, and to enable a fairer comparison of its role and public value *vis a vis* private training providers.

TAFE remains the main training provider in regional Victoria and contributes significantly to local economic and community development and raising regional participation in education and employment.

Regional members of the TAFE network play a critical role in providing VET to local communities, even in ‘thin’ training markets and remote locations across Victoria. Their importance to regional areas cannot be underestimated. Proximity and convenience to an educational institution is often a key factor in decisions regarding further study. The presence of TAFE contributes to the participation of regional Victorians in tertiary education and addressing issues such as regional youth unemployment and disengagement from education.

Indeed, Victorian dual sector universities and TAFE higher education providers play an important role in raising higher education participation. Thousands of Victorians, many from disadvantaged backgrounds who are traditionally underrepresented in higher education, choose vocationally-orientated higher education qualifications in TAFE for their applied learning model. It is not surprising to find university graduates studying in TAFE to gain high-level skills and employment opportunities. TAFE institutes also have strong partnerships with universities to facilitate the transition from VET to higher education for their students.

¹⁰ The vocalisation of university education’ Ian Marshman and Frank Larkins, Campus Morning Mail June 21st, 2020.

The naming and claiming of a place for VET in the tertiary landscape is critical. This involves a better recognition of how VET is focused on applied learning, workplace learning, professional competence, high levels of proficiency and mastery in technique and technical skill, and teaching over research.

Employers, frustrated with the VET system, are questioning if traditional models of VET will produce the broad range of skills and capabilities they require in their workforce to remain competitive. The system is too complex and difficult to navigate and it is evident that traditional VET qualifications, based on technical competencies for one job that are obtained early in a person's career in a single tertiary learning experience, no longer meet the needs of 21st century workplaces.

What better looks like

Valuing the role of VET and managing its importance and complexity is reason enough to propose the creation of a dedicated public authority for VET, the role of which would be to plan and promote VET, allocate resources, develop policies, and advise the Minister for Training and Skills on matters related to VET in Victoria.

The Place and Public Value of TAFE in Victoria

Establishing the place of TAFE and its public value is equally important in developing a VET strategy for Victoria.

The TAFE sector has been living the regular debate about the value of public vocational education and training while getting on with the job of providing it.

The public value (and continued existence) of the other elements of the public education system – public schools and universities – while sometimes questioned and subject to criticism, are not subject to the same level of scrutiny and uncertainty about their ongoing existence as the TAFE sector.

While we can and will make the case for the public value of TAFE - *the conversation needs to move on*.

The Association trusts that one result of this Review will be to do just that.

The Association understands and acknowledges that in order to claim a leading role for TAFE in a new VET strategy, it is important for government to clearly articulate the public value of TAFE based on the demonstrable achievements of our member institutes and dual sector universities.

The case we make for the public value of TAFE is to go further than the two issues traditionally cited, namely their role in market failure (thin markets) and their community service functions.

While these things are very important, the public value of TAFE does not stop there.

Testament to its public value should be attributed to its educative purpose; the diversity of its clients; the breadth and depth of the course offerings; the geographic delivery; and the quality of the staff, including the excellence that comes from a combination of pedagogical training, industry expertise, and industry experience.

TAFE does the 'heavy lifting' in training and skills development in Victoria;

- TAFE provides over 70% of all apprenticeship training in Victoria;
- they provide the majority of skills development in priority industries, in industries where skill development is intensive and sustained, in foundation and preparatory learning, in regional provision, and in responding to government priority areas for skills development;
- they are leaders in developing partnerships to deliver industry projects; and
- they are leaders in providing international skills and training to onshore and offshore students.¹¹

In general, smaller private providers do not have the infrastructure, staff or commercial imperative to engage in high intensity, long term skill development (with the exception of some industry-based enterprise RTOs) this is the role and purview of TAFE.

Financial returns from Victorian TAFE endeavours are reinvested into the VET system, and the social and human capital outcomes are reinvested into the Victorian community and economy.

We confidently make the claim that TAFE transforms the lives of Victorians, supplies the Victorian economy with skilled graduates and underpins economic growth and community well-being.

The Victorian TAFE network delivers industry relevant training to over 200,000 students, including those studying VET and higher education courses and about 6,000 secondary school students. In addition, Victorian TAFEs generate substantial export income for the Victorian economy, employs 10,000 Victorians across metropolitan and regional locations, manages almost \$2 billion of Victorian public assets and ensures the delivery of high-quality public education for Victorians of all backgrounds and geographic locations.

Qualifications supplied by TAFE include pre-vocational and foundation courses, vocationally focused secondary school qualifications, VET certificates, diplomas and advanced diplomas, higher education associate, bachelor and master degrees, and apprenticeships and traineeships.

TAFE students represent a broad and diverse demographic profile. Large numbers are 25 plus years of age. Students from low socio-economic and culturally and linguistically diverse (CALD) and non-English speaking backgrounds are well represented in TAFE, as are indigenous students, women, students with a disability and those with low or no previous qualifications.¹²

Many of the TAFE network's students' study in Victoria's main employing sectors and priority skill areas. A significant number are working and re-engaging with TAFE to acquire new skills and capabilities. TAFE is also involved in local innovation eco-systems and supports communities through economic transition in partnerships with government and industries.

The Victorian TAFE network is also active in international markets, attracting thousands of international students to Victoria each year and delivering 80% of the transnational education

¹¹ TAFE for Victoria: Five Policy Priorities for a strong VET sector, Victorian TAFE Association, April 2018, p.11

¹² Ibid p.11

provided by TAFE institutes nationally.¹³ TAFE's international activities build the global knowledge and capabilities of Victorian students and graduates that industries need to compete in an increasingly globalised economy.

In 2018, the Victorian TAFE Association commissioned KPMG to undertake an analysis of the contribution made by Victoria's TAFE institutes to Victorian prosperity. The resulting report, *The Importance of TAFE to Victoria's Prosperity: Final Report*, outlined the many ways in which Victoria's 12 standalone TAFEs and the TAFE divisions of its four dual sector universities contribute to Victorian wellbeing and provide public value through VET provision.

The report demonstrated that TAFE made an economic contribution of almost \$3 billion to Victoria's Gross State Product. But more than that, the report showed that the contribution made by TAFE is more than a matter of economics and finance and includes a large 'social footprint' that champions and delivers "equity and access to education and training for all Victorians".¹⁴

The KPMG report is a reminder of the need to differentiate between private training providers and TAFE, on the basis of the public value of TAFE, with TAFE fulfilling a public and social charter' that is a product of history and design and which is often explicitly required through legislation and other policy instruments.¹⁵

TAFEs are informed by more than whether or not an activity will generate a profit, but by a civic duty to the wellbeing of the communities in which they are immersed and serve. Indeed, the community itself holds TAFE to this more exacting civic standard, with an expectation that TAFE institutes fulfil or contribute to the attainment of a suite of social and cultural indicators and to the maintenance of society.

The demonstration of public value is seen at many levels, such as:

- **Multiple campus locations:** for example, Victoria's TAFE institutes and dual sector universities operate more than 90 campuses spanning the state. Their existence is based not on economic grounds solely, but also on community need, providing access to education and training facilities to communities that would otherwise go without. Proximity to an educational institution is often a leading factor in decisions regarding further study, so the presence of TAFE campuses within regional areas contributes to participation in tertiary education and training for regional students who would otherwise be disenfranchised. Indeed, the KPMG report showed that Victoria's regional TAFE institutes train proportionally more regional students than private providers or universities.

¹³ Victorian Government (2017). International Education Sector Strategy.

¹⁴ KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>, accessed June 2020.

¹⁵ By way of example, section 3.1.13 of Victoria's *Education and Training Reform Act 2006* explicitly requires Victoria's TAFE institutes to be public spirited in their operation, including by providing "programs and services which are responsive to the needs of the community"; and by providing "facilities for use by the community".

- **Profile:** TAFE institutes have an expansive education and training profile that operates across industry sectors and AQF qualifications. This expansive profile is driven by a social expectation that TAFE serve diverse industry and community sectors by providing the skills required for the successful functioning of society.
- **Thin markets:** this is related to profile and refers to a situation where there are few learners, that is, there is low demand for VET; and/or there is limited supply of training VET providers.¹⁶ A thin market can apply to “occupational areas, industry areas and geographic regions particularly in rural and remote locations”. While these areas can (and sometimes are) catered to by private providers, such providers can (and do) decide to leave a thin training market if they deem it economically preferable to do so that is, if they do not make a profit. But for TAFE institutes, the decision rule is not forged in matters of finance alone but takes account of the many social and environmental factors that contribute to community, social wellbeing and resilience.
- **Community development:** Victorian TAFE institutes play an important role in leading and coordinating efforts to rebuild communities that have experienced economic dislocation and transformation. Examples such as the Skilling the Bay initiative led by The Gordon Institute and delivered in partnership with Deakin University and the Victorian State Government, demonstrate how this collaborative effort enabled the people of Geelong to access opportunities to address issues resulting in the closure of important industries like motor vehicle manufacturing, and to engage with emerging sectors.¹⁷ In addition, the facilities and resources at TAFE campuses are used for more than educational purposes, being available for community and industry use for multiple purposes, including in times of crisis such as the recent bushfires and in response to the current pandemic.
- **Partner with Industry:** Victorian TAFE can be defined by its symbiotic relationship with industry. Victorian TAFE institutes have responded to the changing definition of industry by building relationships with industry and employers across the wide range of employer requirements for learners across a similarly wide range of job outcomes and qualification levels. Victoria’s TAFE network is well known for its strong links and partnerships with industry and for industry-based learning, recognised for well-developed industry engagement strategies and the delivery of education and training that is strongly informed by employers and industry partners. Increasingly, TAFE is known for its applied and translational research activities, that put research into practice in real-world industry settings. The TAFE network is highly skilled in providing ‘fresh eyes’ and practical solutions to solve the industry problems and assist to enable industry innovation.

¹⁶ NCVET (2008), *Vocational education and training providers in competitive training markets*

¹⁷ <https://www.thegordon.edu.au/stb/about>

- **Partner with government:** TAFE institutes partner with government to deliver and implement policy, and to ensure the delivery of projects that require the utmost integrity and skill. An example is the deployment of the Victorian TAFE network to deliver bespoke business and governance development training to 800 Business Managers in Victorian public schools. This training need was identified by Victoria's Independent Board Against Corruption (IBAC), and Victoria's Department of Education turned to the expertise and strength of the TAFE network to design and deliver the training.
- **Diverse cohorts:** TAFE plays a major role in providing opportunities for those who come from disadvantaged backgrounds, with a student cohort that includes large numbers from diverse backgrounds. Research by KPMG showed that in Victoria alone, the TAFE network delivered training to three times as many students from low socio-economic backgrounds and about four times as many Indigenous students as higher education providers.¹⁸ Further, TAFE plays a crucial role in the delivery of English language and vocational training to culturally and linguistically diverse (CALD) communities, helping to address barriers to employment faced by this cohort. Without the conduit provided by TAFE, many from disadvantaged cohorts would likely be excluded from tertiary education and training and from engagement with society.

In Victoria's competitive training market, where TAFE competes with private for-profit and not-for-profit providers for VET funding, TAFE brings leadership, stability, quality, continuity and equity to Victoria's education system.

What better looks like

A strong Victorian TAFE network at the core of VET as essential to Victoria's economic and social prosperity. The case for maintaining a diverse and mature system such as the TAFE institutes and the dual sector universities in Victoria is evident and needs to be promoted wherever possible.

TAFE leading through collaboration

Creating an enabling environment in the VET sector. One that privileges collaboration over competition, as the driver for system wide improvement and meeting the skill needs and priorities of students, industry and government.

The Review issues paper acknowledges the subject of greater collaboration in the VET and TAFE sector. The Association proposes a broader interpretation of collaboration to include the relationships between key stakeholders – between public VET providers, and with government and industry. Achieving the benefits from collaboration involves a

¹⁸ KPMG (June 2018), *The Importance of TAFE to Victoria's Prosperity: Final Report*, <https://vta.vic.edu.au/document-manager/research-applied/848-the-importance-of-tafe-to-victoria-s-prosperity-final-29-06-18>

mindset by all stakeholders that it is a first principle approach to developing policy settings and effective relationships.

Throughout the consultations to inform this response, our members have confirmed their willingness to engage with issues around the further development of shared services and centralised development of curriculum and assessment. However, this would need to be driven from the perspective of improving quality not just cost efficiencies. For example, savings achieved through shared services could be reinvested into teacher continuous professional development (CPD) and/or increased support services for students.

Current initiatives such as the successful Regional TAFE Alliance Project have clearly demonstrated the capacity of the sector to share resources to build a better quality product for the benefit of all.

The collaboration between our members during the current pandemic to provide continuity of services, support and learning to students and communities is a further demonstration of their capacity to collectively take control of issues, share intelligence and apply solutions consistently across the sector.

In a very short space of time, and working closely together, the TAFEs and dual sector universities pivoted learning delivery to more digital platforms, marshalled the human and technical resources to support staff and students on and off campus, and agreed and implemented a range of personal and financial support students to facing hardship to keep them engaged with their studies.

What better looks like

The Association believes the aim of collaboration, however, should not be narrowly applied just to the TAFEs themselves. In order to apply collaboration as a driver for improvement across the sector, we have to take a broader view and address issues of more mutually effective collaboration with our principal and cross-portfolio government partners; and issues of better and more structured collaboration with industry.

The rapid and disruptive change confronting Victoria will require a stable, robust and contemporary VET system. Victoria's VET system – consisting of public TAFE institutions, dual sector universities and private for-profit and not-for-profit providers needs certainty in its policy and funding settings.

Building mutually effective collaboration with government partners

The Victorian TAFE sector is well up to the challenge of shaping the education and training environment in Victoria in which they have a central and leading role. Effective collaboration is built on mutual trust and transparent communications. Several challenges inhibit effective collaboration.

“...as public institutions, TAFEs are subject to the control of the State as the owners, and at times this relationship has been unproductive. Improved performance and accountability, financial sustainability, and strategic leadership for the network and the State is expected and will be ultimately the best protection and mechanism for innovation in TAFE and the dual sector universities in Victoria”.

Strengths and Benefits of the Victorian TAFE Model, LH Martin Institute 2017

As a network, TAFE is constantly challenged by the changes that surround them and that affect the environment in which they operate. While TAFE is not directly in the business of predicting the future, good practice determines that planning, reflection and forward thinking are essential business tools.

VET policy developments are often rapid and focused on the short term. TAFE CEOs and their dual sector counterparts have the contextual knowledge of the system and how it actually works. Co-creating policy with them enhances the likelihood of successful policy implementation and greater overall benefits to students and the Victorian community.

A strong TAFE network is best served when the TAFEs themselves fully included in the design, development and responsibility for implementation of reform.

The expertise and experience of Executives, Board Directors, staff and students of TAFE and the dual sectors should be valued, respected, and better reflected in a more collaborative relationship with government. The Association, on behalf of members, would be as bold to say that a transparency, trust and a ‘nothing about us without us’ approach should be the basis for any relationship between TAFE and its government partners (or other governance authority).

The Victorian TAFE sector has welcomed the stability that Skills First has delivered and the reassurance that TAFE is central to government policy but, and notwithstanding the current pandemic and the responses demanded by a crisis situation, there is currently no Ministerial Statement of Expectations or a Compact, that articulates the Victorian Government’s priorities and objectives for the TAFE sector.

In order to work more collaboratively and effectively, there needs to be a clear vision for VET and the role of TAFE – which encompasses the role of skills in the long term plan for growing Victoria’s economy, and now the role of skills in the pandemic recovery.

The Associations’ 2018 Policy Statement cited earlier proposes that:

- TAFE institutes are autonomous, efficient and financially viable public institutions working in partnership with the Victorian Government.
- Victorian VET providers are accountable to the Victorian public for VET outcomes.

What better looks like

The Association believes that TAFE should have a greater voice in VET policy development including funding, workforce planning and accountabilities. TAFEs have the depth of expertise and experience in managing the sector, research, information and foresight that can help to improve the system. Working together through trusted and transparent communication would better enable TAFE and government to protect the public's investment and achieve the best possible social and economic returns on that investment.

The TAFE network's drive to be more innovative, cost-effective, and responsive to changing industry and labour market needs is constrained in Victoria by legacy industrial agreements and the red tape associated with multiple reporting obligations and complex government contractual and funding arrangements.

TAFEs have a strong understanding of the actual cost of course delivery, and good brand attraction status within and outside their communities. With more flexible workplace relations practices available, a stable funding model and greater governance autonomy they are likely to benefit greatly from being sufficiently agile to be able to adjust their discipline mix and course offerings to optimise enrolment and funding outcomes.

While the Association does not propose a specific funding model, we believe any model should be underpinned by the following principles:

- long term strategy and at least three year planning and funding cycles;
- recognition of the real operational costs of stand-alone TAFEs and dual sector universities;
- TAFE funding should recognise their strong community service obligation and profile;
- access to government subsidised training is determined by demonstrable public benefits;
- risk-based quality assurance and continuous improvement of all VET providers;
- full recognition of the reasons for cost differentials between public and private providers.

Red tape directly impacts on the productivity, competitiveness and performance of TAFE institutes and impedes the productivity and cost-effectiveness of government departments. Significant time, effort and resources across the TAFE network are allocated to multiple reporting obligations, with disproportionate impact on smaller TAFE institutes.

In consultation with and in order to support TAFE to improve productivity and responsiveness to local industry, students and businesses, government needs to identify the best ways to streamline red tape.

An independent review of the Commercial Guidelines for TAFE should be undertaken to provide TAFE Boards with more autonomy to make business decisions and respond quickly and effectively to local community and industry needs. Less red tape and more autonomy will free the TAFE network to deliver high-quality VET for industries and communities more efficiently and cost-effectively on behalf of the Victorian Government.

Recognising that VET doesn't exist in a vacuum and that it supports and operates best alongside a well-functioning labour market, there is an argument for a cross portfolio review between the departments responsible for education and industry policy to identify and prioritise the skills needed across the workforce. It is the job of VET and TAFEs to respond and prepare the workforce, and it is the role of responsible government departments and industry to oversight and give directions for workforce planning for the state.

The price for quality: collaboration to invest in TAFE's teaching workforce

A strong VET sector will be driven by the quality of the workforce that delivers it and state-wide workforce development strategies will drive excellence in VET and deliver improved participation in TAFE.... Greater collaboration between TAFE and government to create and implement state-wide workforce development strategies would build teacher professional capability in:

- Professional inquiry and applied research,
- Course design, delivery and assessment,
- Capacity to work with industry and in cross-cultural contexts.

It is well recognised that the achievement of high-level educational outcomes relies heavily on the quality of teaching that is delivered to students. This is as true in the delivery of VET and outcomes of participation in TAFE.

A key priority for the TAFE Network drive for innovation is the development of TAFE workforce capability to generate graduates for 21st century jobs and careers. It is clear that traditional teaching practice, while well suited to some learners and teaching contexts, do not deliver the broad skills and capabilities graduates need for work and life in the future. Contemporary teaching approaches, such as inquiry-based learning (problem-based, research-based and innovative learning) are more likely to encourage students to question, research, analyse and interpret complex information, make judgments with sound evidence and apply their findings in new and enterprising ways.

Inquiry-based learning approaches however require teachers to have well-developed inquiry, research and innovation skills and capabilities. These are professional capabilities that underpin lifelong learning and continuous improvement and, along with digital and global capabilities, are essential in 21 century work environments.

Most new jobs require workers to be lifelong learners, to be technically and digitally skilled and to work across different cultural contexts. It makes good sense that teachers have these professional capabilities as a matter of course and model them to their learners. It also makes good sense that students start developing these capabilities early in their VET studies as preparation for innovation, higher learning and higher-skilled work.

In addition, the capability of teachers to design courses and assessment tasks, deliver and assess in industry and operate in cross-cultural contexts both in Victoria and offshore are priorities for excellence in the TAFE workforce.

Continuous professional development and attracting new entrants into TAFE is critical.

What better looks like

The Association proposes that the Review recommends the Victorian Government collaborates with key stakeholders to implement strategic, state-wide initiatives that foster these capabilities for the future. The ‘Scholarship Project’¹⁹ in England is an excellent example of a government-funded initiative developing scholarship capability in public further education colleges delivering higher education. The ‘Outstanding teaching and assessment program’²⁰ is another initiative designed to enhance the quality of teaching, learning and assessment in post-16 education and training including teachers’ digital capability.

Many TAFE institutes and dual sector universities have implemented teacher capability frameworks to guide their workforce development programs and some are actively developing scholarly capability across both the VET and higher education teaching workforce. State-wide workforce development strategies however, will lay the foundations for a systemic culture of teaching excellence, lifelong learning and continuous improvement in TAFE and bring the investment of individual institutes into a strategic, consistent and transformational continuous professional development (CPD) platform for quality teaching, research and innovation in VET.

Allied to professional development should be the creation of a state-wide, voluntary professional registration system for VET and TAFE teachers. Interested teachers would be assessed against a set of professional standards to determine their CPD needs and career paths. A system would be developed to track CPD activities, as other industries successfully do to sustain professionalism in their workforce.

Integrating such a system into a VET strategy will raise the professional status of VET teaching and promote lifelong learning and quality teaching. In England, this approach is making a difference to the status of VET teachers and the quality of teaching and learning. Teachers who register can strive to achieve ‘Qualified Teacher Learning and Skills (QTLS)’ status if they choose. Over 15,000 teachers and trainers have achieved QTLS since its introduction in 2008 with clear links emerging between high performing colleges and the number of teachers with QTLS status.²¹

A new or existing government agency could perform a teacher registration function and one of a number of professional capability frameworks that have been developed for VET teachers could be utilised.

¹⁹ <https://www.aoc.co.uk/teaching-and-learning/college-higher-education-scholarship-project/enhancing-scholarship-in-college>

²⁰ <https://www.aoc.co.uk/teaching-and-learning/outstanding-teaching-learning-and-assessment-project/about-the-programme>

²¹ Rasmussen, C. (2015). [Improving the quality, capability and status of the VET teacher workforce](#). An International Specialised Skills Fellowship, October 2016, page 11.

Synergies for international education collaboration: working with each other and government to strengthen the TAFE Victoria brand in international markets

International education is Victoria's largest services export industry²² with over 175,000 international students studying in Victoria each year. Of these students, approximately 25% study a VET qualification, with 12% of these studying in TAFE. The Victorian TAFE network also delivers over 70% of all transnational education provided by TAFE institutes nationally.²³

International education must be a key element of any new VET strategy. Vocational education and training is critically important to a strong Victorian international education engagement strategy and international education is important to TAFE. There is strength in government collaborating with TAFE to enhance the TAFE Victoria brand in international markets.

Engaging with international education both onshore and offshore benefits the TAFE network with diversified income streams, global knowledge and capabilities obtained through international experience, networks and business activities, and the achievements of its graduates globally. Victorian industries benefit from international students and graduates, education-related services and tourism. Domestic students benefit from an internationally-relevant curriculum, internationally-literate teachers, learning alongside international counterparts and from opportunities to learn in other countries as part of their studies. Victorians benefit from the diversity international students bring to communities, state education export revenue and the soft diplomacy fostered through TAFE's international partnerships and relationships.²⁴

There is significant scope for the TAFE network to grow inbound international student numbers, particularly in regional areas, and expand transnational delivery and engagement in offshore VET projects and consultancies. The TAFE Victoria brand is strong, Victoria's international student market is growing driven by demand from Asia²⁵ and international governments are increasingly looking for support for capacity building in their own VET systems.

To strengthen TAFE's international engagement, the Association recommends further collaboration with the Victorian Government to:

- i. Develop a strategic framework to support the TAFE network to compete successfully in international markets, particularly institutes new to international education;
- ii. Promote the Victorian TAFE network and the TAFE brand as the government-owned premium provider of quality VET, higher education and ELICOS qualifications and capacity building in strategic international markets and government relations;

²² <https://economicdevelopment.vic.gov.au/priority-industries-sectors/international-education/economic-value-of-victorias-international-education>

²³ Victorian Government (2017). [International Education Sector Strategy](#), page 22.

²⁴ TAFE Directors Australia (2014). [Offshore Business Partnership Models](#). A project managed by TAFE Directors Australia through the Australian Government's Asian Business Engagement Plan, June 2014.

²⁵ Business Council of Australia (2017). [Future-proof. Protecting Australians through education and skills](#), Business Council of Australia, October 2017.

- iii. Raise awareness and understanding of VET and the opportunities offered by the TAFE network in Victorian Government representatives working offshore promoting the TAFE Victoria brand; and
- iv. Invest in opportunities to enhance TAFE international student experience, and student and graduate employability.

Better utilisation of the Victorian Government brand for International Markets

While the bulk of the value of the VET international education derived from fee-paying international students onshore, the nature of the international education sector is changing and, increasingly, students are making the choice to study offshore and online. Globally, approximately 35 million students are enrolled in VET courses, with 23 million coming from developing economies.

Victorian TAFEs face critical barriers when competing for international students and growing their offshore business including inadequate financial resources, strong global competition, insufficient influence and relationships offshore, capability gaps and the lack of a strong and coordinated, government-endorsed brand to back offshore bids. The use of a single TAFE Victoria brand would enable TAFEs to have a unified, government-endorsed brand presence when pursuing offshore opportunities, in turn strengthening the sector's visibility and credibility offshore.

What better looks like

Although TAFE institutes are backed by government, this is not communicated to prospective offshore partners by individual TAFE brands. There is an advantage to operating under a centralised model in this market as has been shown in other state jurisdictions. Advice from our members confirms that a coordinated, government-endorsed brand is needed.

And while some individual TAFE brands are recognised in certain markets, TAFEs have acknowledged that their individual brands struggle to achieve the required 'cut through' on the international stage. There are also efficiencies of scale to be gained for Victoria's smaller TAFEs that do not have the resources to undertake individual offshore marketing activities.

The government brand would not replace individual TAFE brands, but rather provide co-branding on offshore activity. The government could also undertake marketing activities to increase in-market brand recognition.

Regional Benefits

Victoria's smaller, regional TAFEs, with limited or no offshore operations, would benefit immediately from their participation in capability development through their collaboration with the larger, metropolitan TAFEs with established offshore experience and expertise.

This approach would assist regional TAFEs to build their offshore capability, while avoiding the risk associated with pursuing individual TAFE projects. These benefits can be expected to flow through to regional communities as their local TAFE institutes become more financially resilient, and profits from offshore activities are reinvested to support local training delivery and services.

Leading collaborative and innovative relationships with industry

Employer satisfaction surveys undertaken by TAFE Institutions, State Government, and national research bodies regularly and consistently rate TAFE at 70% and above for satisfaction with their services²⁶, and yet publicly the relationship between TAFEs and industry is often portrayed as strained.

Given comments from the Productivity Commission about employer satisfaction with university education – perhaps TAFE shouldn't take employer comments to heart:

Many employers are also not satisfied with the quality of recent graduates, with about one in six supervisors saying that they were unlikely to consider or would be indifferent to graduates from the same university. (Shifting the Dial p.103 Productivity Commission Report, 2017)

But the Association and its members do take them seriously.

Employers, frustrated with the VET system, are questioning if traditional models of VET will produce the broad range of skills and capabilities, they require in their workforce to remain competitive. They bemoan the system is too complex and difficult to navigate and it is evident that traditional VET qualifications, based on technical competencies for one job that are obtained early in a person's career in a single tertiary learning experience, no longer meet the needs of 21st century workplaces.

The Association acknowledges that TAFEs relationship with industry is not perfect but if we believe the statistics, we are more successful than not and have a platform to build further positive and effective engagement. During the course of the Review consultations issues have been raised by both TAFE and industry that also indicate that we have enough common concerns to build a productive conversation about how to work collaboratively on solving them.

The symbiotic relationship between VET, Victorian TAFE and industry can be well demonstrated across a range of individual institutes with their local, statewide, and international industry partners. Exemplars are described in the Workforce Training Innovation Fund (WITF)²⁷ case studies and in institute submissions to this Review. By the same token, we

²⁶ Victorian Employer Satisfaction Survey, Annual Survey 2018; NCVER 2019, Australian vocational education and training statistics: employers' use and views of the VET system 2019, NCVER, Adelaide.

²⁷ The Workforce Training Innovation Fund Projects: Case Studies Victorian TAFE Association, November 2019 . The WTIF fosters partnerships between industry, Victorian TAFEs and other training providers to work together to drive innovative collaboration through new qualifications, approaches to the delivery of training and curricula.

can and do find adverse views to TAFE's capacity and capability to work with industry.

TAFE, industry, and employers should be allies not adversaries in developing their workforce skills, assisting to overcome workforce dislocation, and using applied research to advance innovation.

Industry/employer engagement as an integral part of a VET strategy plays to the strength of VET and TAFE.

Demands for lifelong learning and continual reskilling and upskilling in the workforce means that more and more Victorians workers will be in and out of education and training throughout their working life. Workers will be looking for shorter, more targeted and niche qualifications and courses to 'stack' onto their existing qualifications and work experience. Employers too are calling for micro-qualifications that their workforce can tailor to meet skill needs of their business and more 'freedom' to 'create' qualifications'.²⁸

However, inflexibility in packaging rules means that the skill needs of businesses, especially new and emerging industries, are not always met. Unfortunately employers/industry are not always aware that the responsibility for changes to training packages lies at the national level – which often leads to perceptions that TAFE is inflexible in responding to their needs.

There is a good case for change in Australia's training package system to ensure units of competency are not outdated and there is greater flexibility in the design of qualifications. The Association, in collaboration with the national TAFE body TAFE Directors Australia (TDA), is making representations to ASQA on these matters. Trying to create flexibility in an increasingly inflexible system – particularly when the pandemic has heightened the need for quick responses to skilling essential service workers.

To meet industry demand in Victoria in the meantime, a pilot of self-accrediting authority for approved and interested TAFE institutes to develop and accredit niche qualifications for employers in Victoria's priority industries could form part of a VET strategy. Outcomes of such a pilot for TAFE can inform a policy framework and standards for future development and more extensive roll-out.

The outcomes and experiences of TAFE and industry collaboration that is continually happening at a local and regional level must be shared and extended through a state-wide strategy for collaboration.

TAFE can do more to support productivity and innovation in Victorian businesses with:

- Options to self-accredit niche courses and micro-qualifications for employers;
- A VET funding framework that is expanded to fund niche courses and micro-qualifications for lifelong learning in priority industries and industries in transition requiring reskilling support; and
- Policy and funding support for industry-driven applied research partnerships.

²⁸ Business Council of Australia (2017). Future-proof. Protecting Australians through education and skills, Business Council of Australia, October 2017.

What better looks like

Supported by the Skills Commissioner, the Government has established an industry engagement framework. The Association recommends that a provider engagement framework would be a good complement to this where TAFE and other VET providers have the robust 'keep, chuck, change, add' conversations with industry and government partners.

The Association believes there needs to be a better structural relationship between industry and TAFE to understand each other's issues and better respond to them. To this end, the role of the Skills Commissioner should be reoriented and/or restructured to enable VET providers and TAFE to have formal and ongoing involvement in the work of the Commission (or a new structure). There needs to be a recognition that the pandemic has not created skill shortages, it has created unemployment and disrupted future employment and TAFE will need to work with industry to address these issues and the opportunities that may flow from them.

The Association also recommend that the Review consider additional initiatives that would contribute to a better platform for industry collaboration including:

- ✓ A review of the VET funding framework to better support lifelong learning for Victorian workers. This would encompass individual eligibility rules for workers with an initial focus on industries in transition in priority industries requiring reskilling support. Funding support for older workers, workers with disabilities, indigenous and CALD Victorians to continue learning and remain productive in the workforce. A collaborative approach working with interested stakeholders to ensure that lifelong learning funding models are financially sustainable and ensure sufficient 'buy in' from students, industry and the sector.
- ✓ Partnerships for industry-driven innovation - the value of applied research in public VET institutions such as TAFE for local businesses, economies and students is gaining recognition. International examples demonstrate how research partnerships between public education colleges and local businesses have led to significant and sustained technical and social innovation, and the transformation of college operations and outcomes for students.²⁹

Innovation will be critical to driving the COVID-19 recovery. Significant technological and social innovation will need to be generated. Specialised centres for the environmental sciences and technology, renewable energies and conservation, health and social services, agriculture, food technology, information and communication technologies, manufacturing, building technologies, forestry and fisheries, all lend themselves to 'new collar jobs'.

²⁹ The Canadian Government's College and Community Innovation (CCI) Program is administered collaboratively by three national industry councils: the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council and the Canadian Institutes of Health Research. Funds are allocated to colleges to build capacity for applied research and facilitate applied research with industry partners and the commercialisation of the outcomes.

Many TAFEs already have specialist centres and Centres of Excellence that could be leveraged for greater effort in these areas. Some Victorian TAFE institutes have already established applied research centres. The research they do investigates business and industry problems and ideas for new products, services, technologies and business practices. Much of their work is with SMEs who benefit from the resources, facilities and expertise in TAFE and from engaging with the broader research and innovation system. TAFE students and teachers involved in applied research projects benefit significantly from innovation and research experience in cutting-edge industry environments.

The Association believes there is great scope for closer collaboration between TAFEs, industry/employers, and government departments with responsibility for industry policy to understand and explore the potential.

While TAFE institutes are already engaging in industry-driven applied research, bold and strategic policy actions will empower TAFE as a network to contribute more fully to Victoria's innovation eco-systems and generate innovation on the 'shop floor' where most incremental innovation takes place.

In closing, the Association reiterates the need to talk about and act on these things with industry in a structured and formal way. A new statutory authority or reoriented Skills Commission ought to provide a vehicle for VET system-wide collaboration with industry. The Association and its members would welcome a 'where to from here' conversation with industry. We are hopeful that this sentiment will find its way into the Review process and provide the opportunity to demonstrate how a more integrated and informed approach will achieve better outcomes for all.

Key contact

The VTA welcomes the opportunity to speak further to the issues outlined above. Please contact:

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