Education and Economics: Enterprise Activities in TAFE

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INTRODUCTION

Enterprise activities require those involved to operate in new, inventive ways, in response to opportunities. This means that there is no single pattern or formula for success: each situation will require its own response. This paper therefore does not make specific recommendations as to ways in which TAFE colleges should develop initiatives with industry.

Instead it discusses a number of very different examples of successful TAFE-industry enterprises to provide ideas and models. These are presented in a context which describes how enterprise development in education is being fostered in many developed countries, and why this is happening. It aims to enable readers to gain a wider understanding of the Australian government's push for TAFE to become more innovative in response to industry needs.

This report has been written for those involved in TAFE enterprises whether as developers of saleable intellectual property (such as inventions, ideas, resources, concepts), providers of a course or other service, as negotiators of contracts, marketers of TAFE services or as policy developers concerned with the overall organisation of TAFE and the place and purposes of enterprise activities within this.

Most importantly, the major implications of these enterprises for TAFE are described, and potential and existing concerns discussed. It is hoped that this will assist those responsible for implementing new enterprise development in TAFE to do so with a better knowledge of the potential benefits and problems associated with it, and with some new ideas to build on which may increase their chances of success.

In the current and foreseeable economic climate it is unlikely that there will be significant increases in public funding for TAFE, except in those areas targeted by the government as important for Australia's economic development (Scott, 1989). Changes to the commonwealth's TAFE funding policies are designed to bring these more closely into line with the government's economic priorities. As in many other western style democracies, notably in the USA and Britain, increasingly policies are being based on economic, rather than ideological arguments. Current government policy in these countries is that market driven allocations and responses are the appropriate and most effective means of overcoming economic problems.

Economic rationalism and the enterprise culture are leading to major rethinking about the organisation of Australian TAFE. Commonwealth funding now is dependent upon TAFE authorities making administrative arrangements to enable colleges to retain revenues from their entrepreneurial efforts. In allocating its funding the commonwealth has
placed particular emphasis on industry contributions; in 1988 $4m was available to TAFE authorities on a competitive basis for buying equipment where there was a substantial industry contribution (Dawkins, 1989).

Award restructuring means that re-skilling and continuing skills formation will lead to increased pay for employees. This means that unions will be pressuring industry to fund more courses for their members. This will have implications for TAFE: not only will TAFE be expected to provide training but will act as a neutral body in such sensitive issues as conducting skills audits to determine levels of payment. GOTEC (1989) reported that restructuring has created a heavy demand for further skills training for tradespeople and anticipates that this demand will continue. Mageean (1989) argues that the government's growing emphasis upon skills formation for the workforce will place increasing pressure on TAFE to provide courses which meet industry's needs.

However, responding to government, industry and unions is not sufficient. It is crucial that TAFE is pro-active. Marginson (1987) cautions that the immediate financial interests of investors in education are not always congruent with long-term national economic interests. TAFE requires long-term strategic plans which are independent of short-term market forces, as it is impossible to anticipate new training needs until they show a clear and direct effect upon the labour market. As lead times in education are long, overcoming these shortages in skilled labour could take years.

Drucker (1985, p.170) states:

Public service institutions will have to learn to be innovators, to manage themselves entrepreneurially. To achieve this, public-service institutions will have to learn to look upon social, technological, economic and demographic shifts as opportunities in a period of rapid change in all these areas.

This pragmatic approach need not mean that relatively short-term and narrowly defined goals will take preference over long-term public good. It does mean that those involved in enterprise activities in TAFE must carefully consider what is to be achieved, how, and what both the short- and long-term costs and benefits are likely to be. Long-term cooperation with industry, rather than merely meeting specific short-term needs, is a way of ensuring that an educational and long-term perspective is maintained while providing special courses for industry.

The CIM Techniques Training Centre at Sydney Technical College is an example of a joint TAFE-industry enterprise which has been developed to ensure this. It will link advanced technology with sophisticated training for key economic industries and enable TAFE to respond to fee-for-service requests as well as providing state-of-the-art training for TAFE's mainstream courses. The CIM centre is administered by a steering
committee with representatives from industry, TAFE staff and unions, and chaired by an industry representative. Funds generated by the CIM centre will maintain and update its equipment.

Drucker (1985, p.169) asserts:

Where public service activities can be converted into profit-making enterprises they should be so converted.

This would seem an extreme view of economic rationalisation; for TAFE the qualification should be added, that such rationalisation should not lead to a distortion of TAFE's mandate.

Drucker lists the essential factors required for educational institutions are to become enterprising:

- a clear mission statement focused on objectives rather than programs;
- a statement of attainable goals;
- the flexibility to accept that some objectives may be unattainable and if they have not been attained after serious attempts their validity should be reconsidered;
- the constant search for innovative opportunity should be integrated systematically into policies and practices.

Drucker's factors are applicable to enterprise development in TAFE. Careful consideration of them would assist those responsible for TAFE enterprise development policies to provide the clear guidelines and framework for enterprise activities to be well integrated into the TAFE system.
CHAPTER I - WHAT IS ENTERPRISE?

The Organisation for Economic co-operation and Development (1989, p.7) defines enterprise as:

... a group of qualities and competencies that enable individuals, organisations, communities, societies and cultures to be flexible, creative and adaptable in the face of, and as contributors to, rapid social and economic change.

This definition has implications not only for TAFE's responsiveness to industry needs, but also for its educational provision for students if it wishes to foster these qualities and competencies in them.

Enterprise development requires the interaction of two essential factors. Firstly you need an environment in which enterprise can be nurtured and flourish. And secondly you need entrepreneurs with the wish to achieve, and the capacity to perceive, evaluate and take advantage of changes occurring in their environment, currently and in the future. These entrepreneurs must also have the ability to make decisions, to take calculated risks and to solve problems as they arise. (Technonet Asia 1981; Meredith et al 1987; Ross 1988).

Oliphant (1985, p.18) defines TAFE entrepreneurship as:

a policy and a set of attitudes, which are geared to the vital, energetic, creative, innovative, progressive functioning of the college in the community. It is an attitude which seeks new frontiers and makes its own rules, rather than waiting for central authorities to send approval in due course. Entrepreneurship is concerned with an adventurous, spirited approach to maximising the delivery of TAFE. Entrepreneurship therefore comprises a range of commercial and recurrent-funded activities. It is not solely concerned with money, and in some cases will not directly generate any funds at all.

Oliphant's definition suggests that entrepreneurial activity occurs without constraints and 'makes its own rules'. However, as TAFE is publicly funded, this is neither possible nor desirable. What is needed is quicker delivery and more flexibility than TAFE has been able to offer previously, but at the same time still maintaining accountability.

Recently the word 'entrepreneurial' has acquired the negative connotation of putting profit before principle. The word 'responsive' on the other hand, while more positive, suggests a reactive, rather than pro-active approach. It was therefore decided in this paper to use the term 'enterprising' and use it to describe those activities which enable a college to develop and market goods and services to meet clients' needs.
Enterprise requires strategic thought and decision making, together with psychological and organisational commitment. For TAFE, strategic thought involves understanding the college's relationship to its environment, both geographical and political, and considering potential enterprises within that framework. Decision making requires decisiveness and timing; knowing when it is appropriate to introduce change. Commitment is required to carry this through.

It is interesting to see how enterprise activities are also being fostered in overseas tertiary institutions. Taylor (1986) classifies enterprise activities in technical and community colleges in the United States into three types:

- **customised training programs**, which are short and individually designed to meet the particular needs of companies;
- **quick start programs**, which are also customised training but can be initiated in under two weeks; and
- **technology transfer programs**, which involve the government acting as a broker or link between educational institutions and their client firms.

In England, the *Further Education Act of 1985, Commercial Activities in Further Education*, clarified the position of colleges engaged in profit-making commercial activities and encouraged others to engage in profit making activities. It permitted colleges to sell, at market value, goods and services which were by-products of their educational activities. Russell (1988a) listed the major advantages for English colleges in establishing college companies. His list, which follows, is very similar to the benefits anticipated for Australian TAFE college companies. They are:

- to improve their commercial credibility and market image with industry;
- to better manage their income and have greater financial independence;
- to ensure that the college is not liable for unsuccessful ventures;
- to raise capital through loans, which colleges are unable to do;
- to provide students with authentic commercial experience;
- to produce goods and services;
- to free themselves from bureaucratic restrictions and so become more competitive through employing staff on different
terms and conditions in more effective ways, (generally higher salaries and reduced holidays) and using them in more effective ways such as reducing administrative duties for academic staff.

However, Russell found that company and college staff sometimes resented the perceived advantages of the opposite group. There also was the a problem, especially for newer and smaller companies, of being obliged, without sufficient resources, to do the administrative work involved in employing staff. Sometimes this was avoided by contracting the college to supply staff, but this reduced the flexibility of the company to make appointments.

Russell (1988b) divided the types of enterprise which further education college companies undertake into the following categories:

- the delivery of government funded services;
- the design and delivery of training programs;
- the production of goods, such as software packages, musical instruments, educational games;
- the provision of consultancy services including the establishment of computer systems, product development, management systems and animal breeding programs;
- the provision of a range of other services, such as office services, desktop publishing.

Russell's research indicates that the general trend of these further education college companies was to encourage the expansion and extension of their existing activities. The commitment of finances, and the emphasis upon accountability and profitability encouraged maximum use and efficiency of the company resources. An example of this is the college company which was marketing computer training and subsequently expanded into tailor-made software, desktop publishing and secretarial and business services. As clients paying commercial rates expect quality products there was a general improvement in the quality and presentation of learning materials which then led to improvements in the whole college provision. TAFE enterprises are leading to similar benefits in Australia, as described in chapter III.
CHAPTER II - THE RATIONALE FOR TAFE ENTERPRISE DEVELOPMENT

In 1953 Australia was 8th in the list of world exporters. By 1987 it had dropped to 23rd place. World markets for primary industries and mining are stagnant while there is dramatic growth in demand for manufactured goods. Yet, currently, 80% of Australia's export income is from agriculture and mining and only 16% from manufacturing. In comparison OECD countries average over 60% of their export income from manufactured products. It is apparent then that Australia has suffered as a result of the European Economic Community and United States agricultural subsidies, the reduced prices being paid for basic goods, and the world-wide recession. Australia now has a huge international debt (OECD 1989).

This economic situation has created considerable national debate and a growing recognition by government, industry and unions of the need for change. Education and training have been emphasised recently in a number of government policy documents including: Industry training in Australia: the need for change (1988); Skills for Australia: improving Australia's training system (1989); and TAFE 1990 commonwealth programs and priorities (1989). Each of these emphasises the need to make changes in vocational education and training which will increase diversity and broaden the skills of the workforce, so facilitating the process of economic development and structural change.

These and other reports from government, industry and the unions spell out the economic rationale for change in Australia generally, and specifically, within the education and training system. Dawkins (1988a) in Industry training in Australia: the need for change explains this rationale which is based on the concept that better education and training will lead to greater productivity which in turn will lead to greater economic growth. As a major beneficiary of this increased productivity and economic growth, industry should invest in education and training by contributing to the cost of the specific training it requires. The government is therefore encouraging TAFE to respond to industry's needs by providing specifically designed fee-for-service courses.

Australia reconstructed (ACTU/TDC 1987) is the outcome of an overseas study mission by a team of representatives of the Australian Confederation of Trade Unions and the Trade Development Council. One of the objectives of the mission was to consider the implications of technology, work organisation, education and productivity, for international competitiveness. This report spoke of the urgent need to develop a production consciousness and culture in industry and in the community which would promote involvement and participation, and a sense of individual responsibility for productivity, industry and service.

The importance of vocational education and training is made clear in Australia reconstructed. It points out that economically successful
countries are adaptable, innovative and learning techno-cultures with an integrated relationship between continuously emerging technologies, work organisations, skill formation and industrial relations. It stresses the need for an overall policy which integrates industrial, scientific, technological and social factors giving a major role to education and training.

Similarly, in *Skills for Australia*, (1987) the commonwealth government, provides a practical agenda for change. This document points out that over the past two decades the world's most successful economies have given high priority to education, skills and competence at work as vital factors in economic performance. Australia must now do the same.

Both *Australia reconstructed* and *Skills for Australia* recommend improving the quality and flexibility of Australia's education and training system. *Skills for Australia* states that new ways must be found to assist people to gain the less quantifiable skills on which Australia's future prosperity depends. These include life-long learning, enterprise and initiative, pursuit of excellence, communication skills, teamwork and responsibility. Both the Australian government and the Australian trade unions are emphasising the need for a productive culture and the importance of enterprise skills in achieving it.

Buckingham (1987) states emphatically that the federal government should strongly support enterprise activities in TAFE and encourages it to take a close look at the opportunities.

Clearly there are two components of TAFE enterprise activities - fostering enterprise skills in students as a way of developing a more enterprising and innovative workforce, and undertaking collaborative enterprise activities with other organisations, specifically industry, to develop and broaden the skills of the workforce.

The government's purpose in encouraging enterprise activity in TAFE is to provide:

... a basis for industry and individual contributions without threat to the public financing of TAFE ... the commonwealth has undertaken that it will not reduce the level of the general recurrent grant on account of fees revenue generated.

(Buckingham 1987, p.2).

Buckingham then goes on to say that the government believes that the pressures of the market place as transmitted through industry will encourage TAFE to become more rational, efficient and flexible.

The commonwealth is trying to increase the current low level of private investment in skills development which characterises Australian industry (Pattison 1987). It is doing this by encouraging industry to take a greater share of the financial responsibility for the continuing training of the
workforce and also by bringing industry and TAFE closer together by encouraging TAFE to be enterprising in providing the expertise for this training. As Pattison, one of the (then) directors-general of TAFE states:

Quite clearly the commonwealth is using TAFE as a lever to extract investment in skills development from industry. If TAFE funds are linked to an industry commitment, TAFE staff will have a significant incentive to persuade industry to contribute (p.7).

The most likely model for that investment is one in which preparatory and initial vocational training is publicly funded while the skills upgrading, retraining and other professional development of people in employment becomes increasingly the responsibility of their employers. Significant growth and demand are occurring in training for management and supervision, justifying considerable expansion of TAFE services in these areas (Moore 1989).

Some colleges are already succeeding in generating a large proportion of their revenue from fee-for-service activities. For example, Rockingham College of TAFE in Western Australia, produces up to 20% of its total recurrent funds from enterprise activities.

Whether or not TAFE officers are in favour of TAFE enterprise, it is now an established part of TAFE. As Pattison (1987 p.14) points out:

In future our commonwealth funding will be linked to our capacity to attract industry support for activities, and to attract an industry contribution in cash or in kind. In addition we will be expected to be able to provide training to industry on a fee-for-service basis in an entrepreneurial manner.
CHAPTER III - THE IMPLICATIONS FOR TAFE

TAFE, like all other educational providers, is in the midst of many changes which impact on its organisation and service provision. One of these changes is the rapid development, both technical and organisational, which is occurring in industry. These require TAFE to become more responsive to industry needs and more efficient and effective in that response. Readers are referred to an earlier TAFE National Centre report - TAFE industry partnership: towards more effective relationships in course development and implementation (Hall 1988) which discusses many issues relevant to TAFE enterprises. In particular this report discusses those issues relating to TAFE-industry liaison, those affecting curriculum management, those concerning curriculum development and those issues of particular concern for the federal government.

Enterprise is not a new concept for TAFE - it has, for many years, marketed its courses and been concerned to meet the needs of its community (students, industry and the general population). Hall (1988) pointed out that already there is considerable TAFE-industry liaison, and that the relevance of TAFE courses to industry compares very favourably with its United Kingdom counterparts.

However, Sheldrake (1988) discusses TAFE-industry liaison and finds that much of it has been advisory rather than a practical sharing of tasks. Research by Ker (1986, p.2) indicates that much of TAFE's previous effort has not met clients' needs due to the following reasons:

- existing, short non-award courses are: too general, lacking in industry specificity, and do not assist in solving problems;

- existing short courses are too 'classroom oriented' and lacking in innovative presentation techniques;

- there is a lack of qualified and trained presenters;

- courses are developed without adequate prior analysis of training needs;

- there is a lack of awareness of available programs among potential participants;

- there is little or no evaluation of the effectiveness of training programs;

- there are significant gaps in the availability of teaching resource materials;
due to lack of co-ordination there has been duplication of effort and inefficient resource utilisation in providing short training courses.

A strategic change is required. Training, with more appropriate content, must be delivered in the right form, at the right place and at the right time.

Ker's report shows the need for TAFE to adapt to its users and not to follow time-honoured formulae, and for delivery to match clients' needs. This type of response is well illustrated by the successful, innovative program which has been developed by TAFE, industry and unions at Collingwood campus in Victoria (described in detail in Chapter III of this report).

Innovation, imagination, judgement and the ability to overcome resistance to change are necessary qualities in those who wish to make TAFE more enterprising. Judgement implies that only realistic challenges be accepted allowing calculated risks to be taken to achieve measurable outcomes. It also implies selectivity in the type of enterprises TAFE should undertake - the provision of technical and further education to people over the age of compulsory schooling. The Scott report (TAFE restructuring) (1989, p.30) states:

TAFE should actively pursue commercial, financial and other direct links with industry, including:

- joint ventures to develop skills;
- direct industry sponsorship of students and/or courses;
- training contracts for teachers to work in industry;
- lease/share arrangements for equipment and facilities;
- joint investment in facilities, equipment and property;
- commercial partnerships;
- 'barter' arrangements;
- joint consultancy arrangements;
- multi-company/TAFE training agreements.

The operational guidelines for South Australian college enterprises (SA DTAFE/1986) include a number of non-commercial aims:

- enhancing the program of the college by creating learning environments associated with existing and future technical, technological, employment
and commercial activities relevant to the college and to the occupations and industries it serves;

- using the expertise of staff more effectively;
- increasing the cost-effectiveness of TAFE services;
- making staff and students more competent entrepreneurs and innovators and better at transferring technology into industry and commerce.

Other non-commercial potential benefits from TAFE-industry enterprise include serving the Australian community by enhancing its skills base, assisting industry in a time of economic pressure and responding to commonwealth policy. However, all of these could be achieved by other methods. This suggests they are positive side effects from what is usually regarded as the primary purpose of TAFE enterprise activities: the generation of resources.

Usually these resources are financial but they may also be donations of equipment, the use of industry facilities or equivalent, the exchange of expertise or non-financial capital ventures. These extra resources enable TAFE to expand and improve its services. These improvements may be made through increased college revenue but, they can also be made through the associated staff development and increased college responsiveness. The potential for conflict arises in determining who should benefit - the providing staff, industry, the TAFE schools involved, the whole college or system, under-represented and/or under-resourced groups.

Being enterprising means researching and anticipating clients' and potential clients' requirements, responding to these and ensuring clients are aware of how TAFE can meet their needs. For colleges to do this they need to identify accurately what is wanted from them (the demand for their 'products') and to find out whether existing 'products' meet the needs of their potential and existing clients. This challenges the all-too-prevalent assumption that TAFE staff already know their clients' needs and how best to meet them.

Ker (1986) identified key problems facing would-be providers of training. They were:

- ambiguity and reluctance on the part of businesses about identifying and analysing their training needs;
- little agreement among businesses about the content of specific training needs;
- complex and overlapping needs within the market;
- sensitivity about costs which makes pricing decisions difficult;
apathy among many employers and employees (and even negative attitudes) about the need for, and benefits of, professional development.

The problems have significant implications for professional development. In particular they highlight the need for managerial skills and for a much increased return-to-industry program for TAFE staff, especially in areas with rapidly developing technology. Guthrie and Bone (1989) found that at Regency College, South Australia, enterprise activities were usually undertaken by existing TAFE staff who had to learn enterprise skills on the job. They recommended that professional development in marketing should be incorporated in an overall strategic plan to develop the college's business enterprises. This seems sensible as colleges' ability to succeed in these activities depends very much on the skills, knowledge and activities of their staff which do need to be fostered. Professional development will also be needed to assist TAFE staff to accommodate change and to be flexible in their areas of contribution. As TAFE becomes more conscious of the advantages of enterprise activity and government pressure mounts, it is also becoming more willing and sophisticated in its provision of support for enterprise activities.

Certainly TAFE has much to gain from becoming more enterprising: the closer association with industry will bring many benefits, staff will find new professional challenges and rewards at a time when progression through traditional career paths is likely to be very slow, and students will learn valuable enterprise skills.

Organisations which provide the encouragement and support for enterprise:

1. allow the practitioners to be part of the decision making process;
2. provide the discretionary resources to explore and develop new ideas;
3. accept risk, failure and mistakes and have the patience to carry innovations long enough to see if they are viable;
4. encourage new ideas rather than the maintenance of the existing situation;
5. tolerate the simultaneous exploration of multiple and even competing strategies rather than looking for the 'best' strategy to enforce.

(Nimmervol, 1985)

In other words, Nimmervol is advocating more openness to new ideas, and more acceptance of the need to take calculated risks. This will require a
change from the 'public service mentality' which has held back innovations in TAFE. It is a change which is in keeping with the new spirit of innovation which is being fostered in TAFE. The (then) South Australian minister responsible for TAFE (Arnold 1988) identified the key purposes of TAFE enterprises as increasing TAFE colleges' innovation and business management, assisting industries, and generating income to update both staff and operations. Other frequently mentioned purposes are those of generating funds to provide extra student places, particularly for groups which might otherwise have been excluded, and to comply with the demands of federal and state governments. Not only the more conservative elements in TAFE, but also their counterparts in industry will be forced to reconsider old assumptions.
The following examples of successful enterprise activities in tertiary institutions provide models which other institutions may adapt to their particular situations.

**The University of Technology, Sydney**

One successful response to the government's pressure for tertiary education to be more responsive to industry is the Co-operative Education Program in Computer Information Systems at the University of Technology, Sydney. In this program, 50 students in each year of the course are sponsored by a group of 25 major private and public companies.

Fry and Hughes (1989) describe the program in detail and point out that it involves industry-academic co-operation at levels unprecedented for the university. The program is managed by a joint industry-academic steering committee, and is conducted on a co-operative basis, on-campus at the university and off-campus in industry, the periods in business being accredited as an integral part of the academic program. The course leads to a Bachelor of Technology (Information Systems). Accreditation of on-the-job learning is an important issue for TAFE which is discussed at length in Mageean (1988).

The program has succeeded in benefiting industry by providing more graduates in areas of high demand and short supply, who are readily assimilated into the workforce. Students have benefited from the sponsorships which provide a living allowance, from learning from current industry practitioners using state-of-the-art technology, and from an accelerated career start. The university has gained from the close association with industry in designing the curriculum, the stimulation of academic staff, and the opportunity to have some teaching provided off-campus thus saving resources. A critical factor in this success was the achievement of a curriculum acceptable to both the university and industry. Industry required state-of-the-art content which the university was unable to resource. This was overcome by teaching these elements off-campus in industry, and using industry facilities and technologies. Teaching then became immediate and relevant and students developed a first-hand understanding of industry needs and methods.

**Royal Melbourne Institute of Technology (RMIT)**

RMIT in central Melbourne, is a tertiary institution incorporating TAFE and higher education. Technisearch is a private, subsidiary enterprise company of RMIT which the chief executive officer describes as 'here for one purpose, to make a financial profit'. In this it has certainly been successful, having a multi-million dollar turnover. This would seem to be in conflict with Russell's assertion, discussed in the previous chapter,
that it is the net gain to the college which is paramount. However, these views can be reconciled - while the company exists for profit, that profit is returned to the college for the benefit of the college. The college sees profit not as an end in itself, but as a means of improving its service to the whole community.

The success of Technisearch can be attributed to its strictly business policies: its employees are hired by the company, not the college, and they are paid at commercial rates. Its provision is based on an analysis and development of RMIT's (potential) competitive strengths.

Technisearch has exploited its expertise in standards testing and now has a very profitable share of the market. The company has automatic rights to develop the intellectual property of the college and any profits from this are divided equally between the investor, the college and the company. Technisearch has already become very successful in providing courses for fee-paying overseas students. Expertise gained in this way has enabled it to provide a very useful service to the college (at full cost recovery) in providing information for mainstream overseas students at RMIT. Technisearch provides fee-for-service education and training in areas not serviced by RMIT, for example, management training for corporate clients, and general interest courses. It also has a corporate services section providing legal, accounting, property, and general administrative assistance.

**Regency College of TAFE**

Regency is a large South Australian TAFE college in an industrial suburb of Adelaide, with approximately 300 full-time lecturers and 8500 students. As the state's major provider of training in hospitality, and because of its highly respected skills centres, it draws students from all over the state, as well as nationally and from overseas. It enjoys a very close relationship with industry, especially in the hospitality and mechanical engineering industries.

A detailed discussion of its enterprise activities can be found in Guthrie and Bone (in press). They found Regency was operating a variety of successful enterprises, notably in its schools of hospitality and mechanical engineering. The skills centres in the mechanical engineering school have been set up in partnership with industry and enable local industry to use appropriate state-of-the-art technology. The skills centres give ready access to TAFE expertise, provide education which fosters research and development, and enable industry to contribute to training in ways which will provide favourable publicity.

The school of hospitality is involved in a variety of innovative enterprises. It has succeeded in attracting large numbers of fee-paying students from overseas, runs a very popular, quality restaurant and organises festivals and exhibitions related to food and wine. Its enterprises have provided the funds to bring overseas experts to the college and to enable college staff to go on study tours overseas, to provide scholarships for students.
and lecturer exchanges overseas, and to work with industry and the government in research relevant to the school. All of this has enabled the college to provide a great deal of professional development for its staff, enabling them to keep up-to-date with world developments, and to attract world class experts on to its staff.

Regency college senior staff regard interaction with industry as a significant component of their work duties. These carefully nurtured professional relationships are a major reason why the college has been able to be so responsive to industry, to develop successful enterprise activities and to have received so many donations. This indicates that the organisation of the college college leads lecturers to anticipate that enterprise activities will bring tangible benefits, both to themselves and to their department and college.

A large number of Regency College staff will be involved in a new joint enterprise between the college and Qantas airlines. This is a major venture to provide both more efficient and effective initial training, and continuing professional development for career progression, for Qantas customer service staff. It will integrate formal training with recognition of continuing on the job experience. The awards which will be earned during this training are accredited nationally and accepted by industry.

Teaching on this program will be provided through an extended campus - a national network of colleges providing the same context using distance education and employing Qantas, as well as TAFE training staff, through collaborative delivery systems. To ensure that quality of provision is maintained, Regency will monitor the standard of the network colleges.

Care has been taken in devising the program to ensure that it meets industry's needs and also satisfies the personal/professional development needs of the individual students. Career path planning is an integral part of the course: students' needs and aspirations are discussed and alternative employment opportunities considered. By providing this training, the college is following the government's new awards restructuring guidelines.

**Rockingham College of TAFE in Western Australia**

Rockingham College is located 50 kilometres south of Perth in a heavily industrialised area. It has three small campuses in the region, all within 50 kilometres. Its proximity to large industries, particularly in the heavy metals, electrical and instrumentation fields has helped create a strong demand for its training services.

Although it is a relatively small college with a teaching staff of 70 full-time teacher equivalents and 40 non-teaching staff, it has fulfilled several industry training contracts of over $1 million over three years. Based on research of likely demand, 7 or 8 additional lecturers are employed in areas where it is anticipated industry will be requiring fee-for-service courses. The salaries of these people are paid through a loan from the
central office which is repaid from the enterprise activities. Because of these additional staff, TAFE lecturers providing the industry courses are able to do most of their industry teaching in normal duty time. However approximately 1/3 is in overtime for which they are paid at standard contract rates. This is considerably higher than TAFE overtime and provides an extra incentive to participate.

To run its enterprise, Rockingham College has a business centre with a business manager and three support staff. The position of business manager was advertised outside of TAFE to ensure the appointee had appropriate enterprise experience. The profits of the centre are managed by a trust committee which allocates the funds across the college on the basis of bids from departments for professional development or equipment. In this allocation the committee is mindful of what each department has earned, but is also sensitive to the fact that some departments are much less able to generate funds than others. Approximately 10% of the profits go into social justice programs which have not generated profits. This is an example of how enterprise activities can benefit the whole TAFE community.

Ship building is one of the large industries near Rockingham college. Both the navy and private industry are looking to the college for assistance in implementing award restructuring. Often their first point of contact is to ask for advice about the training they should provide before award restructuring is in place. In particular, these industries want enterprise-based training which will be given some recognition when the national curricula are devised.

Approximately 70% of the training Rockingham provides on a fee-for-service basis is tailor-made for the industry and increasingly this is being designed to receive some credit towards a mainstream course. Many people who have participated in such courses go on to complete the program in which they have gained credit. The State Electricity Company has commissioned training for its tradespeople to undertake a second apprenticeship on site to provide them with cross-skilling.

The college provides a consultancy service to industry, mostly by providing skills audits and predicting training requirements as a basis for training analysis. Most of this training is provided by TAFE on a fee-for-service basis. The college does not charge at the level of full cost recovery as it considers that this could be seen as ‘double dipping’ as equipment and capital replacement costs are already met by the government. (Other colleges do operate on a full cost recovery basis. It is important that those involved in TAFE enterprises make a decision about this issue.)

**Collingwood campus**

The Northern Metropolitan College of TAFE, Melbourne spreads over 15 campuses and has approximately 900 staff. Collingwood campus, with 390 staff, has 6000 students and is located in an inner residential
suburb. Collingwood provides an excellent example of the ways in which TAFE's mandate to serve its community, in particular those groups under-represented in TAFE, (in this case under-skilled, mature-aged women process workers) can be married successfully with the imperative to be enterprising in meeting industry's needs for a more highly trained workforce with a broader skills base. This has been achieved by using an innovative approach to course development and by working in partnership with industry and unions through the tripartite Textiles, Clothing and Footwear Training Council.

Traditionally, Collingwood has been committed to training apprentices in four different areas of footwear production. Until the TAFE staff visited factories and discussed with workers their training needs, they had not considered a different, broad-based training to integrate all four processes.

These visits occurred in the process of developing a new TAFE-industry training program in response to the restructuring of the footwear industry. The removal of protective tariffs had created a crisis in this industry and had brought about urgent pressure for change. National agreement by the industry on the restructuring of awards based on identified skills and career paths, union amalgamation and support for the structural efficiency principles provided an organisational climate conducive to TAFE and industry efforts to integrate and provide broad-based training to allow workers to produce an entire shoe.

The visiting lecturers soon discovered that many of the factory workers, particularly older migrant women, would not attend a TAFE course voluntarily, nor did they wish to update their skills in their own time. The initial idea of extending the existing apprenticeship training mode was therefore altered to providing training on site and in company time, wherever appropriate machinery existed (Rea 1989).

This means that the special access needs of the (predominantly middle-aged, female) students can be met by providing workplace courses which will enable them to broaden and deepen their skills and so progress towards more challenging and better paid levels of work, thus participating in the benefits of the restructured awards. (Rea 1989). This is particularly significant as Australia has a heavily gender-segmented workforce, in which women have clustered at the low skilled end and have been passively excluded from much of the training which has enabled men to progress in their careers.

The new program consists of self-paced modules; student progress is documented in journal sheets recorded by both TAFE and industry trainers. This record can be used by workers to apply for salary increases in accordance with the new industrial award.

Existing TAFE equipment was inadequate for the integrated program and it was considered that the usual TAFE processes for acquiring new equipment would be too slow. As a solution, a skills centre was established to complement TAFE programs. An initial grant from the
Victorian State Training Board was used to convince industry that government sponsorship could be provided, and so their contributions would assist in gaining more funding. This strategy succeeded and further funding was obtained, with industry making a voluntary contribution of $70 per employee.

Key features of this project are the constant matching of curriculum with resource and delivery requirements and regular tripartite workshops on programs and resources. These allow employers to discuss training issues with TAFE staff who can then quickly visit the factories and contribute to solutions.

Award restructuring and the removal of tariffs have provided the catalyst for increased TAFE-industry co-operation in accordance with TAFE's goals and those of the government. This is assisting the footwear industry to compete in the world trade market and to earn the export dollars our economy requires. At the same time it is helping process workers to develop skills which will enable them to perform more meaningful work in which they have the satisfaction of completing a whole task.

**Rockampton College of TAFE**

This college is in the Queensland cattle country 700 kilometres north of Brisbane. The college has approximately 100 full-time and 320 part-time staff, and 3000 students. It serves a community of about 85000 with approximately 15% unemployment in real terms, so one of the college's goals is to create employment opportunities.

Rural and tourism industries predominate in the region, and there is very little manufacturing industry. Despite this, the college has been able to generate $250000 through its fee-for-service programs and consultancies (approximately 50% from DEET and 50% from private industry) and an additional $600000 through its restaurants. The college is allowed to retain only half of its profits, which does act as a disincentive to enterprising staff.

There are four schools of study: business and general, community welfare and cultural studies, applied sciences (including hospitality, hairdressing and horticulture) and technology. Each school has a business venture.

The School of Business and General Studies is providing retail training in a retail environment in a room in a K mart store, donated by the firm. Industry members and groups can request special training programs which are provided on a fee-for-service basis.

The School of Applied and Cultural Studies is running a co-operative program with local secondary schools and is accrediting schools to run certain vocational programs. The college provides a professional development program for the teachers involved which is funded through Secondary Education.
The largest amount of revenue is raised by the School of Applied Sciences, in particular its hospitality section. It has two divisions, business and training, and runs a resort training centre as a free enterprise, self-funded model. It is open over the weekends and students are paid full award wages while gaining expertise. It serves the local community by acting as a field placement centre for other training organisations.

The School of Technology is closely involved with the government in the Stanwell Skills Development Program to build a power station which it is anticipated will take 5 or 6 years to complete. The workers are being trained on-site, with a competency-based program to make them multi-skilled. The 350 people who will be required to run the station will be drawn largely from the construction workers and re-trained on site by the college, with DEET funding. In this project the college is able to contribute to the community and assist in overcoming local unemployment while operating an enterprise venture.

The college has a full-time marketing manager with a background in business and marketing who has been seconded from the School of Business and General Studies. He is assisted by a full-time research officer. Their salaries are paid by the enterprise profits. Rockhampton College's success shows that a college without much local industry can devise ways of generating funds while assisting the local community.

Overview

These case studies demonstrate that TAFE can indeed be enterprising in its response to industry's needs. Working closely with industry, TAFE has been able to change dramatically in ways which have not only generated income and enhanced its credibility with both industry and the general public, but assisted TAFE in providing a better service for all its clients. It has provided invaluable enterprise training and experience for students and professional development for staff.

Both TAFE and industry have acquired new skills - TAFE has learned to translate vocational education into productivity terms so that it can share a common language with its partner. Industry is gaining a greater understanding of the complexities of formal education provision.
Chapter V - Potential Conflicts and Tensions in TAFE Enterprise Activities

The management review of NSW TAFE (Scott 1898, p.11) points out ambiguities and inconsistencies in TAFE's role. The report says that TAFE is expected to be, at the same time:

- a government department;
- an educational organisation;
- a quasi-social welfare organisation;
- an independent market place provider in a competitive environment, attempting to serve a volatile and increasingly changing clientele and market.

The operative imperatives which derive from these multiple roles often contrast with the needs of TAFE's commercial clients. The result is that TAFE's methods of service provision are often extremely defective in market terms.

A different ethos

There is a different ethos in TAFE from that of business. The primary purpose of TAFE is to provide education whereas the primary purpose of business is to make money. Theodossin et al (1988) found that in the UK there was a fundamental incompatibility between the cultures of colleges and businesses; many academics were unaware of today's business world and how to liaise with it and, some academics were contemptuous of commerce.

In Australia there is understandable concern that TAFE's priorities could be distorted and that courses might be offered because of their profitability rather than their social good. Similarly, too great an emphasis on market forces can lead to goal displacement where resources are diverted from long-term goals to areas where there is a quick profit. This is an important reason for separating the college and the company, administratively and financially.

Clearly a balance must be struck, and sensitivity to this issue will help TAFE to maintain this. TAFE authorities have mission statements or charters which detail their purposes and priorities. TAFE enterprises which remain consistent with this can contribute positively to the ethos of the college, helping it to modernise and be more responsive to all its potential clients.

The principal of Elizabeth College of TAFE sees enterprise activities as one of the ways in which the college can serve its clients and be part of a total service offered to the different members of the public. Industry is
part of the community which TAFE has been developed to serve. In this context the needs of fee-paying clients are neither more nor less important overall than those of mainstream clients. The priority and resources given to either group will depend upon how best the college can serve the whole community. Profits from Elizabeth College enterprise activities indirectly fund better provision for disadvantaged groups.

Clear policy guidelines should be formed by TAFE authorities and the enterprise activities should be objectively monitored by a committee representing all interested parties. This committee must include representatives of areas of TAFE not engaged in enterprise, that is, unions and industry. Some TAFE authorities do not yet have the infrastructure for educational enterprises, and legislation may have to be changed to remove restrictions to this (Buckingham 1987).

The Victorian State Training Board has been established to break down the barriers between industry, with its specific training needs, and education with its broader goals, values and purposes (Devison 1988). Devison points out that the generic skills identified by employers as crucial in the workforce can best be gained by broad general education. These include flexibility, creativity, problem-solving abilities and cooperation.

These are almost identical with the skills required by those involved in enterprise activities as identified by the OECD (1989). The OECD also saw these as vitally important qualifications young people will need as they enter the workforce. By being at a college where such skills are exhibited, and particularly by developing them in participation in TAFE enterprise activities, students are gaining additional skills which employers value. The Human Resources Manager of the Adelaide Casino which employs over 1400 people considers that the skills of new recruits are not as crucial as their attitudes, as skills can more easily be taught (Jeffries 1989). Yet, many employers, particularly in small businesses, consider that courses which develop these personal qualities and attitudes are 'optional extras' which can be dispensed with to reduce costs and training time.

Australian working life is about to undergo dramatic changes as award restructuring occurs. The Australian Institute of Training and Development supports this notion saying that:

(award restructuring) is a process driven by economic imperatives, and yet, consideration needs to be given to the forms of social skilling which will be required ... to enable them to work together in this new reality. Thus far, the debate in this country has focused on the need for increased technical skills and this is both limited and limiting ... (1989 pp.7,9).

The debate now is more about a reshaping of the Australian culture with an understanding that learning and quality are highly valued...
The Assistant Secretary of the Australian Council of Trade Unions, Laurie
vocational education required and has considerable experience in such
workforce.

The success of award restructuring and its associated changes will
depend on a change in the attitudes as well as the skills of the Australian
workforce. It will require a profound cultural shift in Australians'
concept of work and its meaning and value. Increasingly work will be
organised so that it is group-based and collaborative and job demarcation
is minimised. TAFE is ideally placed to provide the broad-based
vocational education required and has considerable experience in such
provision. TAFE must market this concept to industry.

Staff reluctance and concerns about quality

It is unrealistic to expect that all TAFE staff will be supportive of TAFE
enterprises or that consensus will occur. Some TAFE staff have
commented on widespread concern among college staff that their
professionalism as educational providers is being eroded, that the general
educational content of many of the courses provided for industry is
minimal, and that they are simply training employees rather than
educating the whole person. Such a superficial response to industry's
requests for quick solutions is not in TAFE's long-term interests, and it
must be understood that TAFE will be judged by the quality of its
products and that industry's investment in it will depend upon its
credibility.

The Assistant Secretary of the Australian Council of Trade Unions, Laurie
Carmichael (1989) pointed out that a convergence of broad education and
technical education is now occurring and is crucial for the new systems
approach to the future productivity and development which is required if
Australia is to develop the skilled workforce required for economic
success. Educational organisations need to work with companies and
the companies' suppliers to develop a systems approach towards skill
formation and work organisation. Teaching employees to learn, and to
develop their creativity, are as crucial in this process as training in
practical skills.

Linking courses run for industry to mainstream awards by offering credit
for them is one means of ensuring that educational quality is maintained.
It also means that these courses will provide access to TAFE for many
people who otherwise might not have considered undertaking further
education. Once they have some credit towards an award, and realise
that they can succeed in the course, many people then enrol in award
courses.

The closer relationship developing between TAFE and industry is leading
many TAFE lecturers to redefine their roles - no longer are they only
teachers: many are now becoming consultants to industry. The
implication for their teaching is that they will bring a greater awareness of current practice and policy in industry to their students which will be more relevant to those students' working lives.

The possible alienation of TAFE from enterprise activities may be reduced by their active participation in informed debate and decision making. Participation must be accompanied by strong leadership which accepts the responsibility for choices and decision making. However, until a full-time manager is in charge of the enterprise, that job is usually performed by the college principal. This places an extra burden on that person who is usually already carrying a very heavy workload, managing a large and complex organisation.

Conflicts in priorities

When enterprise activities are integrated with teaching, conflict can arise between the need to provide students with the most valuable experience, and industry clients' demands for fast, effective service. Russell (1988a) provides an example of a college providing office services which might wish to delay a process so that a particular class could be involved, causing delays unacceptable to the client.

Priorities should be determined before such situations arise, and if such delays may occur this should be explained before contracts are signed with clients. For example, training restaurants in TAFE colleges warn patrons that service may be slow or awkward, in return they receive the meal they receive at a very competitive price.

The OECD report *Towards an enterprising culture* (1989) concludes from its study of member nations including Australia, that changes are needed in education provision to foster the enterprise skills which will be vitally important for future members of society. By observing TAFE enterprise activities and particularly by participating in them, students learn valuable enterprise skills. Projects such as the Regency College student-run 'A Taste of Adelaide' provide very useful experiences for students. This is an important benefit of TAFE enterprises.

At Elizabeth College of TAFE in South Australia a conscious effort has been made to encourage as many different staff as possible to participate in enterprise activities on a part-time basis. The college company is seen by most staff as dynamic, and working within it motivates the staff and encourages innovation. Many staff also see it as an opportunity to run the courses people want without bureaucratic intervention. However, the principal of the college conceded that fee-paying clients demand quality service, and unmotivated staff, who might benefit most from the involvement, could not be used. Involving only the most dynamic lecturers in enterprise activities does suggest that students of mainstream courses are left with a less consistent quality of teaching. The principal considered that, overall, mainstream students benefited from the enterprises which influenced even those lecturers who were not involved to be more dynamic, innovative and responsive to clients' needs.
Colleges have always had to replace staff who have returned to industry for periods to update skills. Participating in enterprise activities provides similar benefits and can be justified similarly.

Careful checks are required to ensure that enterprise activities do not become privileged in competition for resources and do not displace other activities for which need has been identified. Overseeing by impartial committees which can monitor what is happening and control any overzealous entrepreneur can ensure that TAFE enterprises are in harmony with, and in fact contribute to, other TAFE provision. H R and H (1985) found the advisory committees sometimes used by English colleges can be a valuable pro-active force working on behalf of a department.

**Competition for resources**

Setting up enterprises requires an investment of time and money, which are in short supply in TAFE. So it could be said that they are competing with other objectives. It is therefore important to determine what criteria will be used in determining which ventures a particular college or central office will support. Possible criteria include:

- Is the enterprise consistent with the host organisation's mandate?
- Is it relevant to the community the host wishes to serve?
- Does it draw upon areas of existing expertise and/or resources?
- Will it enhance the host's expertise and/or resources in areas in which the host wishes to expand?
- Has preliminary research indicated that it will become self-funding or profitable within a reasonable period?
- Will it enhance important links with industry?
- Will it be manageable without placing an excessive strain upon resources required for mainstream provision?

There is a finite number of excellent experienced staff. If enterprises are to succeed they must produce a quality product; they are often in competition with other programs for the best staff and resources. Diverting good staff (and other resources) to the enterprise and replacing them with less experienced staff can cause, and in some cases has caused, a lowering of quality in other services provided by the college. However, the recent relevant industry experience gained by lecturers in Box Hill College of TAFE enterprises has provided benefits for all the college's students by providing them with a more responsive and enterprising environment.
Some colleges have developed policies to ensure that enterprise activity is not achieved at the expense of mainstream provision. For example, the policy of the Northern Metropolitan College of TAFE, Preston campus (1988) stipulates:

Commercial activities should, in the end result, make a positive contribution to the quality of recurrently funded programs and should not limit the access of recurrently funded students to the resources established for those (recurrently funded) programs.

Such clear policies would be very helpful should there later be any conflict of interest between enterprise activities and recurrently funded programs, and should serve to reassure those lecturers who may be concerned that enterprise could undermine other traditional TAFE provision.

Professional development costs

It may require a lot of money to re-skill some TAFE staff to the point where they can meet industry's needs, or benefit from the professional development associated with participating in enterprise activities. The Apple Computer Company has a joint venture with NSW TAFE, entitled Knowledge Link. Apple has donated $1.1 million, providing not only technical support but assistance towards the professional development of TAFE staff, enabling them to keep abreast of the latest developments in technology. TAFE staff will be seconded to Apple Australia while two TAFE staff members per year will be given work experience with Apple in the USA.

TAFE in Western Australia has hired top consultants to run special courses for industry and passed the costs on to the user. This has enabled TAFE to run many such courses without affecting its normal teaching. There is some involvement by lecturing staff so they can obtain professional development.

Who is to manage the enterprises

It is crucial for the success of TAFE enterprises that they are managed by staff who are respected by college staff members. Personal relationships are crucial in gaining support and co-operation, particularly when there is a need to act more quickly, and in a different way from usual college practice. It cannot be assumed that because someone is an outstanding academic they will be an outstanding business manager. The two roles are in some respects incompatible and have differing types of accountability, administrative arrangements and priorities. The chief executive officer of Technisearch considers that his job should be done by a person with extensive experience in business, rather than a college principal who would not have the relevant skills or time to manage a business enterprise. Technisearch is extremely successful and
contributes 10% of RMIT's total budget. The chief executive officer considers that the key element in its success is that it is controlled by business people, not academics.

However, until college companies are profit-making, the salary of an executive officer, drawn from private industry, cannot be met by small colleges, and many larger colleges do not consider the salary can be justified. So a circular situation arises - to be successful an executive officer is required, but one cannot be appointed until success has been proved. If TAFE is serious about undertaking enterprise activities, which involve taking risks, then risks must be taken which include the allocation of venture capital to set up college companies under managers with relevant expertise and experience.

Smaller colleges may wish to consider joining with others in their region to form a company. In their evaluation of Regency College in South Australia Guthrie and Bone (in press) found that the college company 'Applitech' did little marketing and that most enterprise activity was carried out at the school level. They argue that although individual lecturers and schools may market their enterprises, a more co-ordinated and strategic central approach would be more economical and effective, and they recommend the rationalisation of college-based business structures. This approach is more consistent with other colleges which have successful business ventures.

**Self funding may encourage government cutbacks**

If enterprise funds are used to 'top-up' areas of need, there is a risk that TAFE will, in becoming more self sufficient, make it very difficult to return to its traditional financial relationship with the government. Yet government and industry priorities could change with a change of government or an economic crisis. It is very difficult to generate sufficient money from enterprises to match or exceed inflation over years. This is especially difficult for small or country colleges which have a limited number of potential clients.

The special needs of these colleges, such as the expenses of servicing remote areas, small class numbers and the restricted pool of expertise in a small staff must be considered in overall planning, especially as commonwealth funding is now tied to enterprise development. Unless this problem is compensated for, we are likely to see the larger metropolitan colleges expand and become wealthier while smaller and more isolated colleges suffer. Consistency within TAFE would be eroded.

**Overseas students and restricted entry**

Should TAFE be selling places to overseas students when some Australian students are unable to get into courses? Should the energies and resources used in TAFE enterprises be used to generate more places for Australian citizens in other ways? The places for overseas students generated by TAFE enterprise activities are in addition to existing ones, so
do not displace Australians. In fact many are costed to make a profit which can be used to create places for Australians. These new ventures also provide extra flexibility for college planning. For example at Box Hill College excess humanities lecturers have been able to obtain sufficient external overseas students to ensure that their positions remain secure.

Not only can fee-paying students from overseas boost TAFE revenue, they can also provide cross-cultural enrichment and the stimulus of different intellectual traditions and technological environments to increase the awareness and broaden the experience of college staff and local students. They can also assist in making Australian education recognised and respected overseas.

Are enterprise activities appropriate for publicly funded organisations

TAFE is publicly funded, should it then be competing with private providers? Does it have an unfair advantage in the market place because costs have been subsidised through taxation, including those taxes paid by competitors? This objection can be overcome by scrupulous auditing, by ensuring that all related hidden costs are charged to the company and guaranteeing that it competes with industry only when capital and establishment costs are included in the costing. Failure to do this, and to publicise the fact, could lead to adverse criticism of TAFE and undermine its relationship with industry.

By running enterprises at total cost recovery it is unlikely that TAFE will be able to offer services for less than its competitors. However it does have competitive advantages:

- a national reputation for quality training;
- staff who are trained and experienced in providing training;
- equipment and facilities to provide courses;
- experienced support staff;
- the ability to provide accreditation and credit towards well recognised awards;
- a network across Australia;
- many past students in decision making positions;
- many past students who will require re-skilling under new award structures;
- award restructuring which requires tripartite involvement and, often, national guidelines. TAFE is ideally organised to work with these.
Oliphant (1985, p.13) correctly insists that:

The exploitation of students in producing product for sale, or the distortion of curriculum to generate more saleable product, are unacceptable.

Devison (1988) considers that because TAFE is a vast investment in public funds it is a community resource which should be able to provide training to industry as part of that community on a competitive commercial basis. This is the philosophy behind enterprise at Elizabeth College.

Devison states that systematic efforts are being made in Victoria to improve the competitive position of individual colleges and the whole state training system as they vie with the private sector in responding to industry training needs in a cost competitive manner. This should result in a better service for all of TAFE's clients.

**Concerns about access and equity**

TAFE has a commitment, as far as possible, to offer open access to its courses. When it is necessary to select among candidates for courses, effort is made to ensure that the criteria used are equitable and do not disadvantage particular groups. Fee-for-service courses introduce a new criterion - the ability to pay (or be sponsored). This is a form of elitism which has the potential to distort the character of TAFE. Again careful monitoring is essential to ensure that TAFE does not neglect its social justice commitments.

If, as a result of enterprise activities, TAFE becomes more flexible in both the content and modes of presenting its courses, it will increase the access of under-represented groups. For example many women spend time out of the workforce to raise their children. When they return to work, domestic responsibilities may prevent them from enrolling in time-consuming courses. These people can still acquire qualifications if short, accredited modules are available and can be undertaken when it is convenient for the student and over a longer period than has been usual.

Many disadvantaged people do not have the confidence to undertake a mainstream, formal award course. Success in a work-related module, and the knowledge that this carries credit towards an award, will often provide the encouragement for people to continue to study and to gain valuable qualifications. There is a pressing need for TAFE to develop more flexible accreditation procedures which will allow students the maximum choice in the way their study programs are constructed.

A dilemma could arise where fee-paying overseas students are enrolled, as extra places, in a course for which there is un-met Australian demand. Would a fee-paying Australian student be admitted? If so this is inequitable if other equally qualified but poorer students are excluded. If not, this is inequitable as Australian students would have restricted
access compared with overseas students. Clear and legal guidelines should be drawn up to prevent the risk of litigation. Increased responsiveness to the needs of industry must not be at the price of a reduced obligation to meeting the needs of disadvantaged individuals. It is important that the disadvantaged be provided with skills and qualifications which are needed by industry, if they are to overcome their disadvantage (Pattison 1987). Increased knowledge of, and sensitivity to, these needs in a more responsive TAFE system has the potential to improve TAFE's provision for disadvantaged groups.

What image should TAFE present

TAFE colleges may feel it is important to present a business-like approach to attract industry money. This may be reflected in the way the college presents itself and the manner of its staff. One of the reasons for setting up companies given by English further education colleges was to provide a more business-like image to make their ventures more commercially appealing (Russell, 1988a). This could be in direct conflict with attempts to integrate the college more closely with the local community and to increase the access of disadvantaged groups, for example by making college facilities accessible and welcoming to all. Can a business-like image be reconciled with encouraging mothers with toddlers to use the library, or encouraging street kids into the reception area?

Some TAFE colleges have been criticised for being (or even being assumed to be) a place predominantly for young males, where women and adult males do not always feel comfortable, and minority groups may feel they do not belong. It is important that colleges determine what image they wish to project, and consciously strive for this.

Theodossin et al (1988) describe ways in which a college can be made more efficient and still foster access by the whole community. These include longer opening hours, efficient telephone answering service and friendly front desk service which will appeal to both business and the general community. Colleges such as Elizabeth are doing this in Australia. Elizabeth is open from 8 am to 10 pm 50 weeks a year and runs weekend courses every second weekend. Dial-up computer contact is available at all times. Many programs, both enterprise activities and access programs, are provided off-campus to suit clients' needs. The college is thus able to project a suitable image to the many different groups in its community.

Presentations for business can be conducted in a hired, more sophisticated environment when the user pays. Russell (1988b) found in the United Kingdom that the usual aim of college companies was to make costs equal expenditure and to provide the college with additional facilities and resources. College companies usually improved colleges by providing extra secretarial assistance and office equipment, better reception areas and more skilled receptionists.
Potential for divisiveness

Enterprise activities could be divisive with departments, colleges and TAFE authorities vying with each other for courses and resources. Tempted by funds for developing resources or programs or the chance to profit from the commercialisation of the provision, TAFE colleges and authorities may no longer be willing to share their knowledge freely.

Concerns about the value of their intellectual property could lead to unwillingness to co-operate or share with others, so that each is forced to discover or reinvent skills and resources others have already developed. Such duplication of effort sometimes occurs now, but ways to prevent it are being found, for example by allowing external studies providers to have open access to each other's material. Curbing such sharing could well lead to expenses which outweigh the gains from enterprise. DEET is urging those involved in TAFE enterprises to co-ordinate their market research and resources both within and between TAFE authorities (Buckingham 1987). Guidelines which will foster both enterprise and co-operative efforts will require very careful construction.

A national workshop on TAFE-Industry collaboration was run by the National Board of Employment Education and Training in October 1989 to extend and change traditional perceptions of industry/TAFE collaboration and to foster more creative links relating to research, industry development, and skills formation. It enabled people involved in enterprise ventures to come together from across Australia. Networks were established and participants learned from each other's experiences. This style of national interaction of people from TAFE and industry is crucial to ensure that the maximum benefit in terms of a more skilled Australian workforce is gained from these enterprise activities.

Some TAFE authorities are co-ordinating their enterprises so that not only is the possibility of competition between providers reduced, but benefits can be achieved. In NSW the TAFE Business Support Service provides expert counsellors to assist colleges diagnose a business problem and opportunity. It provides expert advice and experience as needed in areas such as finance, product innovation, production, marketing and research. The team approach means that assistance to the different areas of a business are co-ordinated.

There are successful examples of colleges co-operating and jointly marketing their services. The Regency College/Qantas training program will involve a co-operative national network of colleges which will provide a standard quality-controlled program to Qantas staff in each state/territory.

In Victoria a consortium of colleges work together as a self-regulating group to co-ordinate and facilitate the provision of TAFE services to overseas countries and the recruitment of overseas students. This has been very successful; 400 full-fee paying overseas students are enrolled and the projected income from this venture in 1989 is over $2 million.
There is also the risk that by charging fees-for-service TAFE could damage existing good relationships with industry. Chapman et al. (in press) argue that some of the most successful links between TAFE and industry have developed through voluntary co-operation and the mutually beneficial exchange of information and resources. If a company is charged for TAFE services it is unlikely to continue to donate equipment or to give TAFE access to its facilities and equipment. Chapman et al. warn that government reductions in TAFE funding in the expectation of increasing revenue from fee-for-service activities could undermine the government's policy of creating better TAFE-industry co-operation.

Another problem with may arise is resentment among TAFE staff in those departments which are not generating income through enterprise activities, towards staff in those departments which are. This is particularly likely when there are benefits for the enterprising department and even more so when there are financial or other strong benefits for the individuals involved in the enterprise. This potential for divisiveness is an important consideration when developing TAFE enterprises. Avoiding it may require strategic planning.

**TAFE staff frequently are inexperienced in enterprise development**

Inadequate preparatory training can mean those involved in establishing a new enterprise activity lack the skills and direction to do so efficiently. For example lecturers are likely to find themselves consulting with, and advising companies on, developing in-house training, or undertaking a completely new set of administrative duties in running the college company. It is common to find educational organisations, in Australia and overseas, staffing their enterprise activities with academics who, however competent in their own fields, are amateurs when starting to use the complex skills involved in enterprise development. Technonet Asia (1981 p.20) in its study of enterprise development in Asian tertiary institutions found:

> Most entrepreneurs show a lack of managerial skills and unfamiliarity with management techniques to deal with the management problems of the enterprise. More often than not, this inhibits the success and growth of the enterprise.

Not only can this damage the particular enterprise activity, and the image of enterprise activities in the college and its community, it may also seriously affect the self esteem of the individual involved, and have a negative effect on his/her professional development. Some TAFE lecturers interviewed described being 'thrown in to sink or swim' and felt that there was inadequate support and preparation. The NSW model described in the preceding section is one means of avoiding this problem.

(State Training Board 1989). The export of education is now a growth industry for Australia.
Drucker (1985) claims that enterprise skills can be learned, particularly through experience-based learning. The most effective, and widely used, methodology in enterprise education is a workshop program which combines theory with practical experience (Queensland Innovation Centre Ltd 1988). As learning arises from actions and behaviour in training the learning process itself is a positive reinforcement (Technonet Asia 1981). So those enterprises in which staff and students are actively involved are likely to produce the most long-term benefits.

Thorough preparation is crucial for TAFE enterprise staff. State-of-the-art training programs are available in Australia including the National Enterprise Workshop Program, State Innovation Centres and Centres for the Development of Entrepreneurs which are dedicated to fostering Australian innovation and entrepreneurship, and the National Industry Extension Service whose purpose is to facilitate the development of internationally competitive enterprises. Mageean (1987) found continuous staff development was crucial at a number of levels in college companies, to assist academics to develop commercial attitudes and to enable them to keep up with client needs.

In the United Kingdom, training programs in costing and pricing, marketing and selling, negotiating, customer relations and telephone skills were provided for further education college company staff. Some training programs involved staff attending team-building weekends, or taking staff away to work together on a project. Changes in staff attitudes were noticed, in particular an appreciation of the need to be cost effective (Russell 1988a).

Successful enterprise activities such as those at Regency College of TAFE enhance the college's standing in the community, increase the value of its awards and increase industry's willingness to work co-operatively with the college. At Box Hill College of TAFE the director aims to re-train his whole staff in new, more entrepreneurial skills which he believes will inject new vitality into the college and change the thinking and style of operations of the college.

However, not all TAFE lecturers are interested in marketing and many do not realise the value of their intellectual property. One NSW lecturer described how he had developed technology which had earned a private company a great deal of money. He had given the concept to them in return for some equipment for his college, but later realised that it had not been an equitable exchange. He recognised the need for a marketing manager who had the expertise and interest to negotiate contracts with industry.

**Pressure on participating staff**

Some lecturers reported that they were expected to do two jobs, the enterprise as well as their regular teaching, without being given adequate time. Guthrie and Bone (1989) found the day-to-day administration of
enterprise activities was usually undertaken in addition to a normal lecturing load.

At another college one lecturer considered that the fee-paying students should get priority, even if this meant other students were disadvantaged. This problem sometimes led to feelings of stress and conflict which had negative effects on the lecturer's personal relationships. Pressure on those involved also occurs in England. H R and H Marketing Research International Ltd (1985) found that most English college marketing was able to occur only because of the enthusiasm and goodwill of those involved, and was usually undertaken in addition to teaching commitments.

Need for support at high levels

Although there may be a determination at the highest levels of TAFE that these matters should be accorded very high priority in the Department's operations' (Pattison 1987 p.3) TAFE administration may be unaware of just what is demanded of staff involved in TAFE enterprises or even unsympathetic to the whole concept.

Occasions will arise where crucial decisions or negotiations at senior levels will require the principal's support. Lack of recognition and support can make it extremely difficult for those attempting to develop TAFE enterprises to implement the changes which they consider necessary if they are to compete in the market place. College enterprises require the enthusiastic support of the principal, so that they are considered in all relevant decisions.

Conflict between enterprise and bureaucratic systems

Conflict may arise between entrepreneurial activities which require rapid action and bureaucratic systems such as educational organisations with their expectations of checks and counter-checks. Theodossin et al. (1988) found British further education colleges were frequently disorganised and unsympathetic and had committee structures which ensured that decision making was slow. Clients were often expected to fit into existing time-table and organisational requirements, rather than the reverse.

It is likely that some TAFE colleges are presenting similar problems to staff wanting to be more enterprising. One lecturer interviewed for this project described her frustration attempting to organise fee-for-service courses for overseas students under the college principal/executive officer model:

An organisation in Hong Kong was keen for me to visit and speak with a group of prospective students. They had offered to pay my travel costs but I couldn't go until I had satisfied a number of people and committees that my overseas visit was justified. This took so long that the offer was
withdrawn and the organisation found another provider. Yet we could have met their needs very well. I thought college companies were set up to avoid this ‘redtape’ and bureaucracy!

This situation has led to the setting up of TAFE enterprise companies which are linked, but not responsible, to TAFE and which have their own sources of funds which can be tapped to seize such opportunities.

Enterprise companies provide the legal framework within which TAFE can engage in commercial activities in accordance with government objectives and consistent with sound business principles. This allows those involved to operate outside the industrial agreements on TAFE teaching conditions, so for example, courses can be offered during holiday periods. Exciting and innovative programs can then be developed which are not restricted by bureaucratic considerations or by accreditation requirements. This can serve as the stimulus to revitalise other TAFE programs and services. As TAFE staff become more aware of the need to be responsive to the fee-for-service client they are also learning to be more responsive to all (potential) clients.

One model of enterprise companies comprises seven South Australian DETAFE business enterprises, one departmental and the other six in colleges. Their business ventures, although operated through these companies, are part of the normal operation of SA TAFE, and the department is accountable for them.

The boards of management of each business enterprise are responsible to the state minister responsible for TAFE. These boards operate within wide powers delegated by the minister to the chairperson and deputy chairperson. The college principal chairs each college-based enterprise. All ventures, and the planned disbursement of profits, must be approved by the minister (SA DETAFE 1986).

The chief executive officer of Technisearch considers that college principals/directors should have a place on the company board but academics with demanding duties running the college are unlikely to have either the time or the business expertise and attitudes to chair the company board. The company must be able to develop its own mission and corporate culture which will be different from that of the college.

He considers that the boards should be as free to act as any other private company, and so should not be responsible to a minister. ‘The test of any company’s success is through its balance sheet’ (Cronin 1989). He believes that for college companies to succeed, the board should determine policy, with the advice of the executive officer. The way in which it is implemented should be determined by the executive officer, ‘they lay the rails and I drive the train’.

In contrast, Finlayson (1988) studied the development of college companies in Britain. He concluded that the college should always be
the major unit and the company its agent. Company managers should be committed to the college and regard the company as an extension of the college's provision.

Theodossin et al. (1988) found three distinct models of British further education college companies. The first is where the college company functions as an intrinsic part of the college, using college staff exclusively and serving college purposes. Those involved insist that profit is not a purpose. It is frequently directed by a senior college administrator. The second model openly pursues profit, sometimes competing with the college. It is a potential threat to the college. The third model is of a partnership either between educational establishments or between a college and a private company. All three models can be found in Australian TAFE colleges.

**Conflict between risk taking and TAFE's reputation for stability**

TAFE is a publicly funded organisation and so is subject to public scrutiny. This may extend to TAFE enterprises. Any failure by a TAFE enterprise can reflect badly on the college involved and even on the whole TAFE system. This may damage hard-won TAFE credibility and standing with industry, hence the caution sometimes shown by TAFE bureaucracy. The reverse is also true; the good relationship built up by college companies such as RMIT's Technisearch reflect well upon the institute and enhance its standing with industry. It is very difficult, especially when TAFE enterprises are new and those involved are inexperienced, to find the best balance between the speed required for entrepreneurial activities and the caution and reflection required to ensure long-term success.

TAFE Western Australia is very conscious of the need for enterprise activities to be provided within a total quality management system. This means meeting industry's needs through constant and predictable services which are relevant to industry's changing requirements, and by providing industry with sufficient graduates who have achieved the objectives of the course.

**Special concerns of particular types of colleges**

Special problems may arise for smaller country colleges if they are expected to supplement their income from entrepreneurial activities. Their size may restrict their capacity to provide for a dispersed clientele and local industry may be too restricted or depressed to support much fee-for-service provision. Where colleges are in single company towns, attempts to be responsive may allow that company to exert too great an influence upon the college. It is important to consider whether the balance of college-industry influence on mainstream priorities and programs could be changed by further dependence upon one or two key local employers. Even where country colleges have a very good
relationship with local industry, as at Port Augusta College in South Australia, dominance can be a danger if there is government pressure to market training for industry.

One country college principal expressed concern that large industries in rural areas, such as mining companies, tend to be very conservative with all male senior management which may not be sensitive to women's needs for vocational education, particularly in non-traditional areas. They are likely to be much more concerned with economic rather than social justice goals. For example, the above principal stated that the is under 'relentless pressure' to increase trade courses rather than access programs. Pressure on the college to market its provision, in such a limited market, would increase the influence of such companies over the college at the expense of other, less powerful, clients such as isolated rural women or other disadvantaged groups. This principal is very aware of having competing sets of responsibilities and the importance of distributing resources equally over the community.

Industrial development is small in the ACT, and government departments are trying to reduce expenditure. These factors combine to make it very difficult for the ACT Institute of TAFE to generate significant funds from fees for services to industry. However the institute has identified a market for training industry and public sector trainers and has opened a centre for training and development to offer recognised trainer training and provide a professional consultancy service to industry on a fee-for-service basis. Tasmania has a depressed economy and there are few companies there which can invest large amounts in TAFE. Clearly the extent to which TAFE authorities can generate their own resources will reflect their environment. Blanket expectations that all colleges should generate set percentages of their revenue would be inappropriate.

Fee-for-service assumes that those companies which require training for their staff are able to afford to pay for it. Most Australian businesses are small and many are struggling to survive. Yet it is often these which are most in need of training to help them improve their situation.

Many people consider that industry is 'rich' and easily able to afford the full cost of training. An interviewee explains in Guthrie and Bone (in press) that this is not true for most electronics industries in South Australia. They have significant human resources and talent, but very limited financial resources. In such cases arrangements other than fee-for-service would have to be explored if TAFE is to serve all its community.

Acceptability and portability of TAFE qualifications

DEET has identified a lack of knowledge, understanding and acceptance of Australian TAFE qualifications in the international market place. In the Asian-Pacific region degrees awarded by universities in Australia have much higher general acceptance (Buckingham 1987). Improving the image of TAFE awards as a means of marketing courses will also enhance
the value of all TAFE qualifications held by Australians who may wish to relate professionally to people in this region. To bring about this change will itself require a marketing strategy.

RMIT has attractive advertising material designed specifically for this. Titled 'Four letters respected around the world RMIT' it speaks of RMIT's proud international reputation:

When you put the letters RMIT after your name, the whole world knows you have Australia's number one institute of technological education behind you.

While other institutions may dispute this claim, positive image is an effective exercise in marketing.

**Need for organisational change in TAFE**

North American experience indicates that five to ten years are needed for colleges to establish effective enterprises, even with supportive colleagues and administration (Theodossin et al. 1988). This development must be planned and phased strategically while being open to change and updating and recognising the resources, human and economic, which will be required.

The research of Theodossin et al. indicates that it is best to begin by establishing a market unit and a professional marketing manager. Efforts must be made throughout to win college support. The enterprise process should be based on market research coupled with organised staff development. The manager should not be teaching part-time as this perpetuates the hegemony of teachers and ensures that marketing remains amateur. They point out that private companies with the same budget would have a full-time senior marketing officer.
CHAPTER VI - WHAT CHANGES DOES ENTERPRISE ACTIVITY BRING?

TAFE, in common with other educational organisations has often been more concerned with the needs of its bureaucracy and its teaching staff than those of its students. For example, it has often looked more at the existing expertise of tenured staff than the needs of potential clients when deciding what courses it would offer.

College handbooks are not usually designed to answer potential students' concerns such as 'What could I do with this qualification', 'Does it lead to other opportunities', 'How much could I expect to earn', 'How plentiful are job opportunities', 'What alternative courses are available in this area and how do they compare?' A responsive college has very different priorities. The emphasis should be on what students will gain. Potted biographies of past students (with photographs) which relate the benefits of particular courses to those students are more appealing than photographs of middle-aged college senior managers or lists of staff and governing bodies. Educational jargon is inappropriate in handbooks for potential students, yet it commonly appears.

Oliphant (1985) stressed the importance of providing training for overseas students which is appropriate and relevant to the students' own environment, not merely transplanted Australian curricula. The RMIT handbook on international services emphasises its adaptability and is designed for its clients:

> We're not only large - we're also very flexible. You may need to run a course in your own country, or it may be more appropriate to take one in Australia. The structure of an existing course may be suitable, or you may prefer to have one specially designed. You may want a program that runs over a few days, or over a few years, from practical training to a higher degree. At RMIT we realise that training and educational needs vary widely, and we will seek to design a package that will meet your needs.

(RMIT 1989)

When RMIT was asked to provide a short course in energy management for Pacific nations, investigations revealed that the underlying problem was inefficient servicing of refrigeration equipment by unexperienced staff. RMIT designed a special course attended by technicians from seven Pacific nations which was repeated the following year.

An enterprise oriented college will be less provider-centred than is usual and more client-centred, assisting staff to gain new skills through a professional development program with both formal courses and industrial secondment. A closer integration of teaching with actual industry projects through enterprise activities is likely to influence not only those immediately involved but assist all TAFE staff to increase their insight.
into commerce and industry and so develop more 'state-of-the-art' curricula thereby enriching both teaching and learning.

In his study of the shared use of facilities by TAFE and industry, Sheldrake (1988) concluded that TAFE-industry partnership should be a major concern in the review and development of TAFE services as a whole. This requires real industry involvement in the planning of capital and recurrent programs in TAFE.

Regency College in South Australia has three state-of-the-art skills centres on campus. CADDSMAN (computer aided design), ATEC (research and development into high technology) and PARTEC (plastics and rubber technology). These support industry in the use of appropriate technology and are among the most promising approaches to joint TAFE-industry training provision. Users have ready access to the college's academic support systems in an educational climate conducive to research and development. Industry is able to contribute in material ways that attract publicity benefiting both the college and industry.

TAFE in Queensland, in partnership with industry, has a contract of over $3 million to train Indonesian technicians in scientific instrumentation. TAFE staff are working closely with people from a different culture in a new and highly specialised area. Many of the TAFE staff involved have reported benefits for both their professional and personal development from their involvement in this project.

Couger (1988) conducted a Delphi study of information services executives in Fortune 500 Firms (the 500 most successful firms in the USA), to identify key human resource issues in the 1990s. The highest ranked issues were the need to re-orient from their emphasis on technology to customer/business, to understand the goals of the business and to be more responsive to clients' needs. These are the same goals towards which enterprising colleges are striving.

Defining target markets, researching their values, needs and wants and communicating better with them can make TAFE more aware of, and responsive to, the values, needs and wants of all its potential students, and more conscious of the need to be accountable both for what is provided and for the costs associated with this. This awareness, and the liaison with industry associated with TAFE enterprise development, are significant contributions to the professional development of the TAFE staff involved. Jane Jeffries, the Human Resources Manager of the Adelaide Casino has found a tremendous increase in TAFE's responsiveness to industry, particularly in the hospitality area, over the past ten years. Sheldrake (1988) found there is a greater awareness of the importance of training now, compared with ten years ago, in both TAFE and industry.

Working in the enterprise can raise the morale of dynamic staff members who have been frustrated by the restricted career opportunities currently available in TAFE. Russell (1988a) in a study of college companies in England found that enterprise activities increased job interest and
stimulation, company staff reported getting a thrill from concluding a contract to benefit a cause they considered worthwhile. Box Hill College of TAFE reported that the options and flexibility offered staff by its enterprise activities has led to increased staff morale.

Student-centred learning, flexible entry points and delivery modes, increased articulation, transferable learning, the establishment of new specialist centres, joint schemes with industry and open learning are among the ways in which TAFE can respond to clients' needs. These have led to the development of high-level skills in new fields for both students and staff and the opening up of new areas of professional development. They offer significant opportunities to TAFE to change in positive ways which will enhance the learning of all its students. The students themselves, at Regency College, own, market and operate a company, 'A Taste of Adelaide'. This organises special events such as festivals associated with food and/or wine. Profits fund overseas educational visits and placements by the students. First hand experience of running a business, organising hospitality events and catering for these are highly valued by the students' potential employers.

It is essential to evaluate TAFE's responses to the clients' needs by assessing how effective TAFE's provision has been in meeting these. After courses or other services have been provided for clients it is very useful to evaluate them by asking the clients whether their needs have been met and whether improvements could be made in what has been provided, and in how it has been provided. This is an important form of quality control.
Theodossin et al. (1989a) describe marketing as the creative process of satisfying customer needs profitably and effectively. They stress the importance of involving clients actively in identifying and providing for their own needs. Employers want:

- quality in terms of making employees more effective and so increasing company profits;
- flexibility, fitting in with workplace requirements. This is particularly important for small businesses and those which have times when they are particularly busy;
- value for the time and money invested;
- programs which meet their particular needs.

The needs of the provider college must also be met if what is offered is to have long-term success. This complements the definitions of Cutter et al. (1988 p.4):

Marketing is the process by which an organisation can identify and meet client needs. It involves finding and exploiting a place in the market: by having the right product in the right place, at the right price and with the right promotion.

Public relations is the management of relations between an organisation and its public. Its purpose is to achieve understanding and goodwill. The process involves positive communication to ensure the perceived image reflects the organisation's strengths.

To make TAFE visible to its constituencies, and to gain optimum appreciation and support, marketing and public relations should be seen as complementary. Marketing makes available the programs, facilities, services and expertise of the provider; public relations promotes these products and highlights achievement.

Sheldrake (1988), after studying the joint use of facilities by TAFE and industry, concluded that TAFE has a major marketing task ahead of it to redress industry's lack of knowledge about its activities, and misunderstandings on some crucial issues. Without this, TAFE enterprises will not succeed in attracting an industry market.

Hawke (1989), a member of the Australian National Board of Employment, Education and Training, considers that TAFE systems have constrained lecturers in the past by requiring a full teaching program and under
valuing non-teaching activities such as research. With the much greater variety in teaching programs offered through enterprise developments Hawke hopes that TAFE lecturers will be able to develop closer working relationships with industry in projects such as applied action research, or developing new industry skills in response to new technology.

Unfortunately this is not usually the pattern at the moment. TAFE lecturers involved in enterprise activities interviewed for this project reported that they now had less, rather than more, nonteaching time. This emphasis on program delivery reflects a narrow conception of enterprise and responsiveness to TAFE - other responses such as research projects, are important ways by which TAFE can assist industry and increase the skills of the workforce.

As yet TAFE has not researched in detail the existing and potential demand for its services and its existing and potential competition on either a state/territory or college basis. It is crucial to investigate this context before starting an enterprise. One way is by desk research, that is, using published information which provides marketing indicators of threats and opportunities such as which employment sectors are increasing or decreasing, where there are potential, untapped markets, who are the main competitors and what are they offering. This information is crucial in decisions about whether to modify, abandon or proceed with a proposed venture.

Before beginning desk research it is important to determine:

- what information is needed;
- the scale and scope of the investigation;
- what information is available;
- how the information will be used.

Theodossin (1989b) advises people doing such research to be selective in what they use, choosing what is most relevant to their own situation as it is impossible even to scan everything that is produced. In marketing, he states, it is unwise to rely on data more than a few months old.

To research competition to TAFE, a study of the promotional material of private providers will indicate strengths and weaknesses in terms of course content and delivery, facilities and fees so that TAFE can offer appropriate competition. This should be regularly updated and linked to college department plans which will help determine the scope, strategy and budget for research, while the research results will assist in planning.

There are a number of important issues to consider when planning a market research project. The following list is adapted from Theodossin (1989b):
Evidence of need. Start with some knowledge based on desk research of un-met needs which your research will enable you later to define more accurately and to quantify. The South East Asia market for full fee paying students is growing at an estimated 15-20% per year. Australia had less than 10% of these in 1989 (Moore 1989). Clearly here is a possibility for further TAFE enterprise development. Market research which does not lead to improved products and increased business is a waste of time and money.

Focus. For example, if you are surveying local hoteliers to check out a proposed course, are you interested in all kinds of employers (e.g. from five-star international chains to semi-detached owner-run guest houses) or only one or two segments?

Sample. How many employees in the particular industry are in the college’s catchment area? With large markets a sample of about 30 per cent of the workforce would be acceptable.

Methodology. A small number of interviews (10-20) would help provide qualitative data to assist in understanding the employers’ view of the current business scene, problems and prospects, concerns and needs. For quantitative information telephone or postal surveys, either of which requires a questionnaire, should be used. These lead to further decisions (length, quality, printing, follow-up) which will affect costs and may influence response rates.

Staffing. Who collects the data? Can an administrative assistant do the telephoning? Can the same person analyse the returns? Is a senior staff member really needed?

Acknowledgement. If people give up time to talk to you, they should be thanked, usually by letter within the next few days. Procedures will have to be set up.

Time scale. When is the work to be completed? The market place is always changing. Delay could render the results inaccurate.

Investment. What will this cost, who will pay and what will be obtained for the money? A balance will need to be struck between probable cost and outcomes.

Krukowski (1985) studying college marketing in the United States found that it is the perceived prestige (or image) of an institution which attracts students and endowments. Organisations such as TAFE are judged by their target clients on the clients’ perceptions of TAFE’s performance which may not be the same as the performance itself. This means the
public relations aspect of enterprise activity is crucial. TAFE needs to ensure that not only does it do a good job, but that government funding agencies, industry and the general community are aware of this.

The public perception of TAFE is sometimes negative - Ansett Airlines inflight magazine refers to TAFE as 'education's ugly duckling' and as being 'in crisis'. It asserted (Smith, 1989, p.52):

professional educators have been more at home with bureaucracy and ideological jargon than with concepts like multi-skilling and efficient resource management . . . this is part of the public perception that education has not delivered the economic product: the right sort of worker who is disciplined, literate and flexible.

While this article is extreme it does reflect perceptions of TAFE held by many people who know little about it. Similarly, at the Australian Manufacturing Council workshop 'Women in Manufacturing' (Melbourne 3-8-89) TAFE was criticised by representatives of industry and universities as being out of touch with current ideas and technology. Certainly TAFE can and is countering these accusations (Hall, 1989) however a massive marketing effort is required if the public perception of TAFE is to be improved.

The Royal Melbourne Institute of Technology incorporates both TAFE and higher education. Its business enterprise company, Technisearch, produces sophisticated marketing material which is a far cry from the familiar roneoed sheets TAFE traditionally provides. Their marketing information is professionally designed and printed and enclosed in an eye-catching folder with a key ring and address book inscribed withTechnisearch and its logo so that potential clients will be constantly reminded of Technisearch.

Unless TAFE is able to identify, assess and meet the market for its services it is likely to find some of its courses have low student attendance and retention rates. This means a waste of public money and lost opportunity for those potential students whose needs have not be recognised or have been given a lower priority. Research is also needed to evaluate the enterprise services TAFE provides to ensure that they do meet clients' needs and meet them efficiently and effectively. Hall (1988) discovered that TAFE staff are rarely used by industry in either the development or the implementation of company training programs. This is an opportunity for TAFE to market its services in an area in which it has considerable expertise.

TAFE enterprises allow a fuller use of the expertise (actual and potential) of staff and systems. At the South Australian College of Advanced Education an 'inventory of expertise' is being produced, listing the particular areas of expertise and interest of staff members. Such an inventory would be very useful for other organisations wishing to market the expertise of their staff.
Russell (1988a) found in England that college companies had provided promotion for some staff; several individuals had progressed from lecturer I or II level to become company managers at principal lecturer level. At the Royal Melbourne Institute of Technology some lecturers have been able to greatly increase their salaries during contracts with Technisearch, the business enterprise section. Involvement in enterprise activities provides a professional challenge and potential financial reward for dynamic and talented staff who might otherwise have been frustrated because of blocked career paths and limited options.
CHAPTER VIII - KEY CONCEPTS IN TAFE ENTERPRISE MARKETING

The options in enterprise marketing

Product, promotion, cost and distribution are the four general options which need to be balanced in the most appropriate way for each enterprise. For example, promotion may be very important in selling a course to overseas students and price less significant; whereas if the course has been designed to meet the training needs of a particular local company which is experiencing problems, promotion may be of little importance but price and place could be crucial for its acceptability by the client. The following table illustrates this balance:

The balance of options in enterprise

Courses, Options,  
Quality of Teaching  
and Administration, 
Liaison with Industry  
Off-shelf or Customised Product

PRODUCT  
or SERVICE

Advertising,  
Publicity,  
Exhibitions,  
Liaison with Industry, Other Educational Institutions,  
Private Providers,  
Funding Bodies.

PROMOTION  

COST

DISTRIBUTION

Colleges, Industry, Community,  
Centres, Other Educational Institutions, Distance Education, Outreach

Adapted from Davis and Scribbins (1985, p.6)

Those in the "education business" need to ask what that business really is, who are our competitors, what resources we have, what are our organisational strengths and weaknesses. The success of RMIT's Technisearch lies partly in the fact that its strategic planning is based upon the answers to these questions.

GOTEC Ltd. the business company of the Gordon Technical College is clear about its business:

To provide vocationally oriented training to meet specific needs to business, industry, government and individuals not
otherwise conducted as credit programs by the Gordon Technical College;

- To operate profitably to the benefit of the Gordon Technical College;
- To provide a timely and flexible response to requests for courses;
- To maintain the quality of courses at a high level;
- To maintain a high level of service to clients.

GOTEC (1989 p.2)

Young (1981) points out unless educational organisations are run as businesses with this type of strategic planning they are very likely to fail. She considers that future technological developments, such as home satellite reception will have dramatic effects on educational markets for which enterprising organisations will be planning. To market the new technology both clients and providers need technological literacy. Young says that the fear of, and bias against technology is the major cause of the lack of innovation with educational media.

Yet we cannot afford not to use technology if TAFE is to reach a much wider nontraditional clientele. Providing education through technological media is quite different from tying up large amounts of money devising and developing very expensive, one-off programs. These programs have sometimes led to financial loss for TAFE when technological progress has allowed competitors to produce comparable programs far more cheaply a short period later. Instead we should be using what existing resources we can, making adaptations as needed and ensuring that what we produce is of a professional quality.

**Assessing the target clients' needs**

This is a form of market research which investigates systematically the important factors which will determine the success of the service. Defining this helps to determine the balance of options. There are a number of key questions which those marketing TAFE's services should be able to answer before they begin to develop the particular service. The answers to these questions will help in the planning of enterprise activities.

- Who constitutes the target group?
- On what parameters are they definable? (sex, age, occupation, aspirations, location, special group).
What do they want? (a skills audit, accredited program of instruction, a short very specific course, hands-on instruction, self-paced modules, full-time, face-to-face course).

Why do they want this? (to get a job, to re-enter the workforce, to meet specific industry needs, to use new technology, to gain English language skills).

What is an appropriate price for this service?

Who decides whether to fund this and so should be a target for its marketing? (the government, the individual student, industry, TAFE administration).
CONCLUSION

On the national level, vocational education is an essential component of Australia's much needed economic development. An enterprising approach in TAFE will foster, in both staff and students, qualities which government, industry and unions have identified as important in the workforce if Australia is to develop economically. These include initiative, independence, tenacity, flexibility, creativity, adaptability and the ability to plan, to solve problems and to take calculated risks.

By being enterprising TAFE will respond more appropriately to the needs of both industry and individuals. The growing liaison between TAFE and industry is improving their communication and giving each a much better idea of the others' aims, needs and organisation. This is leading to a more flexible, relevant and responsive TAFE.

The key functions of TAFE enterprises are:

- contributing to the skill formation of Australia by increasing participation in vocational education and training;
- meeting the needs of the community, including but not exclusively, industry;
- enhancing the professional development of staff;
- motivating staff and adding value to their work; offering new and challenging opportunities at a time when progression along traditional career paths is much slower than it was a few years ago;
- providing students with valuable experience in enterprise developments;
- making TAFE more relevant to the workplace and more up-to-date in its curricula;
- industrial updating for TAFE staff through increased interaction with, and knowledge of industry;
- gaining resources;
- increased flexibility of teaching modes, venue, time tabling, materials, assessment and content;
- developing new approaches and materials which can then be adapted for mainstream TAFE courses;
- generation of funds.
responding to government priorities;

increasing the cost-effectiveness, productivity and efficiency of TAFE.

The order given to these, and the emphasis placed upon them will vary between authorities and between colleges, and reflect the policies and philosophies of the particular organisation. Strategic planning for TAFE-industry collaboration is needed nationally by TAFE authorities and by the colleges to ensure that the maximum benefit is gained. To avoid duplication of effort and so that TAFE colleges can co-operate rather than compete with each other, and so they may be more effective in raising the skills level of the Australian workforce, a co-operative structure is needed at the grassroots, operational level. This would enable TAFE people involved in enterprise activities to network, share resources and build upon each other's works.

There are a number of different forms of TAFE enterprises:

**Fee-for-service enterprises**

These include charging fees for courses provided by TAFE, for example courses designed for students from overseas and courses designed to meet the special needs of an employer. Clients may be charged at full cost recovery or only for the direct costs involved in running the particular course. Such provision raises concerns about TAFE priorities - should scarce expertise be directed towards such courses at the possible expense of social justice oriented courses, or of mainstream courses?

**Intellectual property**

These include ideas, inventions and resources which have been created by TAFE staff and which can be sold to industry, government or individuals at market value.

**Marketing of TAFE expertise**

As well as running courses, TAFE can offer services such as competency testing, skills audits, training analysis, developing company training programs and training the trainer.

**Non-commercial TAFE-industry partnerships**

These include skills centres and other joint projects from which both TAFE and industry can benefit. Frequently industry supplies the resources and TAFE the expertise as in the projects at the mechanical engineering school of Regency College described in chapter IV.

This project has demonstrated the need for a new and more efficient accreditation process. This should allow people to do short modular
courses of recognised standard as they need them and to gain credit for these towards a TAFE award which could be completed part-time over a longer period than has previously been available. This would be particularly valuable for women who because of their traditional roles and their responsibility for children often have broken employment histories and may be unable to devote large blocks of time to study.

Before deciding to undertake enterprise activities and to market their services it is important that the group involved (a department, a college, group of colleges or TAFE authority) answer the following questions:

- What organisational structure will be used? Will it be a college company? How autonomous is it to be from its parent college? Is it to be headed by a business person or member of the teaching staff?

- What is the group's enterprise potential? What strengths has it - areas of expertise, important contacts with the potential client group? (A skills audit may be appropriate.)

- Who are its (potential) clients? What is known about them? How can more be found out?

- How best can the clients be made aware of what is being offered? This will depend on the particular situation - often personal visits to industry are most useful.

- What criteria will be used in deciding whether to undertake a particular commercial venture? Must it be in harmony with TAFE's mission or its profitability alone sufficient? Are some ventures intrinsically worthwhile, even if they may incur a loss? What priorities exist for the relevant group?

- Who is to work in enterprise activities? Are as many staff as possible to be given the opportunity as a form of professional development or should the most competent staff be selected as fee paying clients expect the best?

When considering specific enterprises the following questions should be considered:

- What is known about this client? How can more be learned?

- What is the most appropriate product or service to meet this particular client's needs?

- What is the business plan to be followed?

- Where will the service be provided and using what mode?
What staff and resources will be involved?

What implications does this have for other programs?

What will be charged for this? What costs (direct and indirect) are involved? What is the current market price for this service?

What, if any, promotion is required?

What are the likely side effects of undertaking this particular venture? (staff development, resources, negative affects on the staffing of mainstream courses, experience in industry for students and staff, dominance of the college by a particular client, an opportunity for students to learn enterprise skills).

There are a number of critical elements for successful TAFE/industry enterprise activities. These include:

- the aims of the interaction should be action oriented, resulting in practical outcomes;
- both parties should play an active role in, and accept, joint but flexible responsibility for the complete process of the enterprise from the initial research and preliminary analysis to the evaluation of the outcomes;
- both parties should respond positively, but not uncritically, to change and be willing to be innovative;
- each must respect the other as making a professional contribution - industry should receive a professional product, TAFE should be paid market rates for its services;
- TAFE must be willing to adapt to industry's needs, for example by providing courses at venues and times which suit the industry and developing modularised courses based on possible career paths;
- colleges should maintain a diversity of industry networks.

For individuals, technical and further education increasingly is being seen as continual throughout the working life, helping people to make rational, considered career choices, to have more options in their present employment and to improve their ability to progress. Enterprises are now, and will be increasingly, part of TAFE. If their development is carefully controlled they can be a significant way of invigorating TAFE while contributing to Australia's economic growth.
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