Address to the TAFE SA Conference
"Learning Future: Are you part of it?"
at the Adelaide Institute of TAFE
on 30 June 1997.

Jozefa Sobski
Director, South Western
Sydney Institute of TAFE

NATIONAL POLICY LANDSCAPE

After years of discussion, policy papers and national meetings around training reform and training markets, nationalisation of industry standards and qualifications frameworks, we have returned to some debate about the role of the key provider, the national TAFE system. It is a welcome return because we were feeling neglected and marginalised, the butt of unfair or uninformed criticism without much leadership about which way forward to the future in the new market driven system.

ANTA in its November 1996 paper on the training market remarks that:

TAFE Institutes have in the past given great emphasis to the needs of individuals. As the imperative for rapid workforce re-skilling accelerates and emphasis is placed on flexible delivery of training, there is now a disparity between the views of some TAFE staff and the training aspirations of enterprises and governments. The challenge is for TAFE to respond to the new approaches to training in how it packages its training and services as well as in how TAFE operates. (ANTA 1996:22)

Further it makes comment on governance of TAFE Institutes stressing "that institutes with higher levels of autonomy are better placed to deliver responsive training". While it concedes that competition between institutes, could create opportunities for specialisation and differentiation, it is likely also to lead to the loss of TAFEs position "as the sole beneficiary of government funding". (ANTA 1996:23) This is not really viewed as problematic since "if TAFE institutes are to capitalise on the opportunities presented in a competitive training market, they should be able to operate as freely as possible."
In their commentary on ANTA’s policy pushes over recent years, Fooks, Ryan and Schofield are critical of competition as a policy instrument to bring about a greater client focus because it has failed to entice a significant number of "genuine alternative providers into the market." Additionally, they see competition as a failed policy instrument to achieve public sector training reform because:

- TAFE Institutes were never given preparation for a market environment or allowed to establish themselves as truly competitive.
- The principles to underpin the introduction of competition were never articulated in a systematic way.
- Community service obligations were not specified adequately.
- No public interest tests were applied to determine whether benefit might or might not flow from increased competition. (Fooks et al 1997:4)

They do, however, strongly support a move towards autonomy for Institutes in a training market with robust alternative providers competing for available funds and cooperating around key matters of mutual benefit.

In the report to ANTA CEOs responding to the ANTA paper, ambitiously entitled, Identification of a Vision for Vocational Education and Training, among much discussion about a new approach to the development of a national strategic plan for VET, is the canvassing of some concerns about market reform with a focus not on competition, which it assumes is accepted, but on variants of the reforms, including user choice.

The report prepared by the consultants Phillips Curran Pty Ltd acknowledges that there is a concurrence among CEOs on broad strategies, for example, most States and Territories are:

- allocating a proportion of their funding on a contestable basis to both public and private providers - most are intending to increase the proportion allocated in this way;
- using some form of tendering to encourage efficiencies and stimulate the development of the training market;
- operating or examining the merits of establishing a division between the functions of purchasing, regulation and provision;
- using benchmarking as a strategy to pursue efficiency and quality improvements; and
- implementing or trialing some form of user choice in relation to entry level training.
This concurrence, however, is not without considerable reservation about the impact of the broad strategies and the concerns of CEOs include:

- the potentially adverse implications of unconstrained user choice in thin markets;
- the possible substitution of public for private funding;
- the industrial relations barriers to flexibility in TAFE and consequent costs of change;
- the risks of fragmentation of effort and loss of quality and economies of scale in a diverse training market;
- the ways in which community service obligations should be funded and delivered in a competitive training market; and
- the political speed limits to change imposed by decisions to protect certain providers or activities which would not be viable in an open market context. (Phillips Curran Pty Ltd 1997:15)

On the issue of objectives for the future, the Phillips Curran report points to agreement around four key objectives

1. Equipping Australians for the World of Work
2. Enhancing Mobility in the Labour Market
3. Overcoming Skill Development and Recognition Problems for Target Groups

On the issues of competition among publicly funded VET providers and autonomy or governance or community service obligations, it is explicitly silent although much may be inferred from elements of the paper regarding the views of CEOs on these issues. What has been quoted recently in the Senate Estimates hearings early in June "that while only about 20% of the VET effort nationally is associated with training under contracts of employment, they had an impression that this 20% tail seems to be wagging the 80% dog, at least in policy terms." (Phillips Curran Pty Ltd 1997:10)

I have used my point of departure for this paper, an overview of some of the key policy issues facing the TAFE system for the future. I now want to turn to the point of arrival and focus on my themes to plot a path for the future of TAFE in this policy context. I want to explore the elements which contribute to competitive performance and how these relate to the achievement of equity and efficiency.

Before I embark on that journey, however, what needs to be understood about the policy landscape which we now inhabit is that it exists within a global landscape. It has not evolved
in an isolated Australia. It is also intimately related to economic and social policy and program shifts, and changes, as I am sure all here appreciate.

INTERNATIONAL CONDITIONS

The economic settings in most western democracies with which we share the problems of advanced capitalism are as follows: slow or inadequate economic growth, persistent and apparently intractable labour market problems characterised by long term unemployment and an unease in the community exemplified by social and economic insecurity and anxiety about the future, less hope and more hopelessness. The continuation of industry restructuring featuring job shedding, workplace reform, technological regeneration and demand for new skills, feeds the insecurity and anxiety. As a TAFE system needing to respond, we are not sheltered from these effects and, indeed, cannot escape their impact on the way we do business or on the way we structure our workplaces and develop our staff.

An OECD report of 1995 acknowledges the problems created by the international economic climate and its concomitant impact on public expenditures and the huge budget constraints imposed within an environment of increasing social problems.

In a section on managing the mix of public and private responsibilities, the OECD report talks of partnership between the public and private sectors and comments that "competitive market forces are relied upon to maximise efficiency in the economy. When market failure occurs, the public role is to intervene to prevent or to compensate for such failures." (OECD 1995:14) It stresses that "even efficient market outcomes may at times diverge from societal objectives, and government intervention may be required."

What the report explores is the relative balance between public and private effort required to achieve social goals and makes a plea for policy coherence and clarification or definition of roles of public institutions in partnership with the private sector. This plea is of course echoed in the Fooks, Ryan and Schofield report, but has been given insufficient or inadequate attention to date by ANTA or national policy makers.
Another aspect of this policy landscape which also needs to be understood is the changing role of government in the post-industrial era. Against a background of globalisation of markets, the debate is turning around the core role of government. What do we want governments to do, and how, what they do should be paid for? What institutions should they operate and what services should be publicly funded? Increasingly, governments are divesting themselves of functions and retreating into concepts of the contract state with governments as the purchaser of services from a range of providers.

As Sturgess stresses in a recent paper:

In the past, government relied heavily on public ownership and command and control to achieve objectives. We are now seeing a much richer international mix, with private sector providers and public-private hybrids, not-for profits markets and communities, co-management and performance-based regulation. (Sturgess 1997:8)

He discusses equity in terms of "who pays" and sees that social or distributive justice as still important, but increasingly under challenge from user pays, forms of social insurance and hypothecated taxes. He sees the expansion of the non-State public sector as essential and defines the core role of government as confined to regulation and to those functions which add value.

ANTA is also concerned with these overall issues in its discussion of the government as a funder as distinct from purchaser and its recognition of community service obligations of TAFE institutes, and the importance of responding to market failures and promoting equity. (ANTA 1996:20)

But, it also argues the strong case for the expansion of access to public funds and publicly funded infrastructure while conceding that the government will continue to own and invest in a TAFE system. (ANTA 1996:17) The extent and form of that ownership, however, is by no means certain for the future.
COMPETITIVE PERFORMANCE

In this policy landscape, what elements contribute to competitive performance for TAFE and how do we achieve the goals of equity and efficiency demanded by government of public institutions?

In the purist sense, it is important to understand also that TAFE as a public institution falls outside the application of competition principles as agreed by the Council of Australian Governments. It is not a public monopoly. It is not solely engaged in business activities generating profits. It is not a public trading or financial enterprise. Its facilities are economically feasible to duplicate in the private sector and, as such, third party access is not critical to the expansion of the training market. Third party access is important more to sustain and support diversion of public finds to private and industry providers, since underutilisation of public assets would not be tenable or defensible to the community, whose tax dollars have been applied to their construction and expansion.

What then is the teaching and learning future if the system is to be competitive within the market being nurtured?

As a director of a large metropolitan Institute, I think there are a number of key strategies or priorities, the Institutes and the system have to adopt in order to perform competitively and retain market share and expand into the new and emerging markets which we hope will result from the Commonwealths New Apprenticeship initiative married to user choice within a national training framework. Importantly, also we have to win and maintain the confidence of governments, industry and the community generally in our ability to perform irrespective of market and funding pressures and regulatory constraints.

First, we need to continue to change our culture from one of self-service, self-maintenance and self-perpetuation, to one which respects our custodial role in terms of public assets and resources; focuses on our students as partners in the learning enterprise; encourages community and industry involvement in our institutions and sends out professional staff into the communitys industries and enterprises to come to a better appreciation of the market pressures, margins and skill requirements which daily they confront.

As I have said frequently to my colleagues, we are here to serve the community not to keep ourselves in comfortable jobs in perpetuity. Sometimes, all of that is characterised as having "a customer orientation". I think that is too readily reduced to simplistic notions of being friendly and courteous and promptly answering the phone or dealing with complaints.
The ANTA paper in its, all too brief, section on challenges to providers enjoins us to "be willing to negotiate with clients and be better aligned with client aspirations including encouraging flexible modes of delivery, tailoring and customisation of training packages with realistic on the job component, and competitively priced training". (ANTA 1996:31)

Like customer orientation, this could be reduced to a simple strategy of responding to every call on our resources and intellectual capital. I foresee this as developing a "carpetbagger: culture which is not conducive to quality teaching and learning and which could, potentially, undermine our status and standing with industries and communities that respect the depth, professionalism and values we bring to our work - social as well as educational values. Fooks in a recent paper encapsulates this approach as "dont try to be all things to all people - if you decide you are in the quality end of the market, stay there". (Fooks 1997:16)

This position certainly implies that the much proclaimed and vaunted industry leadership of the system: is neither desirable nor is it necessarily in the public interest. Of course, equally as importantly, I do not believe it is in the core business or capability of industry to lead training systems, nor is it a pre-requisite for developing systems which are client focussed and customer orientated. What is important is that we build effective partnerships, relationships or alliances with a range of industries at the local level to ensure the currency and relevance of what we offer through our mainstream and our customised commercial programs. This means developing an understanding of workplaces and workplace structure, culture and organisation. We cannot and should not rely on industry training advisory bodies as providing the link in this chain of relationships.

The ANTA CEOs quoted by Phillips Curran in their consultancy report assert the limitations of these bodies as sources of advice. They cite:

- the highly variable quality of ITABs;
- their generally poor information on regional needs;
- the lack of insight into emerging areas;
- inadequate representation across industry; and
- participation by training managers rather than key decision-makers from the industry (Phillips Curran Pty Ltd 1997:19)

Secondly, we need to diversify our revenue base as institutions by expanding commercial activities, tendering for contracts which open new "business" opportunities for us or which improve the relevance of our current range of training related services to industry and
community clients, such as skills audits, job evaluation, organisational design and development, training needs analysis and so on.

This requires risk taking and a degree of adventurousness and entrepreneurialism to be nurtured among our staff who are accustomed to a highly regulated system obsessed with contact hours and working conditions. It should be emphasised here that much has been changed in the attitudes and behaviour of our professional staff, but much is yet to be done if the lingering strait jackets of past practice are to be discarded.

The winning of new business, however, requires us to support, stimulate and regard innovation and strive for the best practice. Local, state and national leadership is integral to this as well as a "resourced" commitment to the continuing education and professional development of our staff.

Leadership is not attained and retained without an investment in maintaining and preserving our intellectual capital, our professional edge in relevant spheres of expertise in which our institutions specialise or excel. Such leadership equips us to participate and compete internationally in knowledge and skills transfer and in the application of new communication technologies to vocational education delivery.

Thirdly, we need to expand the range and mix of courses delivered flexibly and experiment with modes of delivery. This particular ingredient of competitive performance requires an iconoclastic and irreverent attitude to instruction led, teacher or institution-based delivery. It also requires some understanding of the workplace as a potential site of learning. For those whose major workplace has been the classroom, workshop or laboratory, this understanding may be limited and the prospect of delivery in the workplace can be professionally threatening as well as challenging. It can reduce confidence and create dilemmas. We need to appreciate the professional needs that it will produce and ensure that support is provided.

The importance of opening workplaces as spheres of learning has been highlighted in numerous studies. Drake in his paper on the Economics of Learning on the Job made some significant observations about its emerging and growing importance. While his perspective was largely focussed on firm and the benefits of experience led learning, many of his comments reinforce its importance as a part of the repertoire of vocational education. We need to understand the thinking about work organisation which underpins the promotion of workplace learning. Such understanding will help build our contemporary relevance and also stimulate our professional colleagues and ourselves to learn on the job rather than to do just the job.
Drake explains the merits of on-the-job learning in a modern workplace as going beyond learning job-specific skills. He comments:

...emerging technologies and the gradual permeation of firms by post-Taylorist forms of work organisation are gradually building up a demand for post-Taylorist (ie learning) workers. Such workers are accorded greater autonomy and need a far greater skill repertoire. These paragons need a practical competence which comprehends core skills like numeracy, communication and problem-solving; but also context knowledge and tacit knowledge. They need skills which can be transferred (transferable skills) and skills to enable them to apply in a new job and organisation (transfer skills). Above all, they need the reflective capacity to make good use of feedback, an ability to learn from all kinds of experience. (Drake 1995:193)

Introducing new learning and teaching paradigms has been part of the professional practice of our teachers for decades. In this era, it must incorporate communication technology as well as different sites of learning and the creation of new products and services.

A fourth priority must be to reform our workplaces. I am not sure the extent to which such reform has occurred across the TAFE system nationally. What I am aware of is the immense difficulties we are confronting in NSW with efforts for reform with the introduction of new modes of delivery. Set against very tight budget targets, we need change in outdated concepts of teacher:student ratios, course length and course structures which will yield efficiencies and not place in jeopardy the quality of the learning experience and the completion and graduation rates of our students in our mainstream institutional delivery.

Included in this priority, must be a new awareness of the cost of our professional time. We need to re-examine how we perform; what we produce; what resources we consume for the outcome we achieve and, importantly, how we spend our time, the most costly commodity and the one with which we can be most careless in terms of conservation and application.

Workplace reform also requires a re-examination of the role of the teacher or lecturer and an acceptance that this role must change. A learning environment in the modern, post-industrial age makes different demands on our teachers and creates dimensions beyond the boundaries of the traditional role. This may require the creation of new classifications of staff with a need for different sets of competencies and a range of qualifications and experience beyond those on which we have drawn in the past. I think we have much to explore in this area and we need to undertake the exploration cooperatively with our industrial and industry and community partners. The debate cannot and should not be confined internally to the profession.
EFFICIENCY AND EQUITY

Some of these priorities, with the strategies that need to be pursued to achieve reform, will inevitably contribute to a more efficient system. But there are a range of other priorities that must also be incorporated as part of our public accountability in order for governments to be persuaded to continue to fund and support our public institutions, our TAFE Institutes. One of these is the introduction and application of measures of performance which demonstrate our efficiency and accompanying effectiveness.

In a recent report by Schofield and Associates on Equity Performance Measures for the VEET Womens Task Force, some important observations are made on this issue of performance measurement. Although the report is concerned with equity measures, its content is applicable to general measures. While acknowledging the commendable record of the "VET" system (read TAFE) in developing measures, there are limits to the usefulness of quantitative data in drawing conclusions about quality in the system and, in particular, at the provider level.

Within our institutions, there is a need to introduce quantitative and qualitative measures of output and outcomes. There is also a critical need to improve financial management from the senior teaching ranks to other educational levels.

There are two key objectives which I have pursued relentlessly within my own institution which is a "business" in the community with an $80 million budget. One is to link educational planning to budget allocation and create the budgetary and regulatory environment which encourages managing for student results. Secondly, I have had a fixation on improving practice and standards in relation to resource use and accountability.

In many senses, our educational staff view financial management as antithetical to their core role, as conflicting with values which are fundamental to their commitment as teachers, as educators. Indeed, the drive towards a more commercial orientation is resisted and vilified. The language of "customer and client" instead of student, is similarly derided. Notions of our institutions as "businesses" appear to undermine notions of education as a public good, a right of citizens, as a community service and as the responsibility of governments to fund and support. The resolving of these conflicts of values is an important task of all our leaders and resolutions are possible without undermining the dedication and commitment of our staff to social and philosophical goals.
Social justice demands that we respect the public funds and resources placed in our custody. There is a gross inequity in squandering or carelessly dealing with these funds, when so much needs to be achieved in their allocation and application and, when there is so much disadvantage among so many groups in our community, not the least, those without employment and whose education has served them poorly.

In this sense, I would echo Butlers words from a recent paper that "equity needs to be a central organising feature of the structure and system of state and governance, rather than an add on." (Butler 1997:2) This needs to be applied to the governance and management also of our institutions. Improving outcomes for all groups in the community, improves our effectiveness and also our efficiency. The more we can expand access and opportunity through achieving efficiency, the more benefits accrue to the society and the local communities we serve.

Competitive performance demands further reform of our systems. Its achievement demands vision and courage from our leaders at whatever level. It demands that the boundaries between social, economic and educational policies be breached to achieve unity of purpose, coherence of policy and resolution of the conflict of interest which can serve to undermine the overall purposes of public institutions. Without entering into the complex debate about TAFEs purpose, for industry, individuals or the community, it is certainly clear to me that it must contribute to the prevention and elimination of poverty; it must reduce inequality; it must participate in processes and programs which create social integration and promote the benefits of cultural diversity as well as the skills and competencies for citizens to be productive in the economic spheres of our society.

I have traversed a vast landscape fertile with tensions and dilemmas, whether we are competing or collaborating I hope we share the same satisfaction in being part of this landscape.
REFERENCES

Australian National Training Authority; 1996 Developing the Training Market of the Future.


Fooks, D; Ryan, R and Schofield, K; 1997 Making TAFE Competitive, Australian College of Education, Canberra.


Sturgess, G; 1997 Leading the Public Service: The Challenges are the same but the rules have changed. An Address to the NSW State Conference of the Institute of Public Administration, Australia (NSW). Beyond Westminster, March 1997.

Fooks, D; 1997 Selling TAFE. Operating in a competitive training market, Canberra.

Schofield and Associates Pty Ltd; 1997 Equity Performance Measures for Women.