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William Angliss Institute

Response to:

Inquiry into the Role of Technical and Further Education System and its Operation

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Introduction

William Angliss Institute (WAI) welcomes the opportunity to contribute to the inquiry into the role of TAFE and its operation.

This response has been structured around the terms of reference but concentrates on the particular role of the only specialist public provider (TAFE), William Angliss Institute and the impact of changes in tertiary education policy and direction to its operation and future. Firstly, a summary (key messages) is presented, followed by the description of the specialist role of the institute and then each of the terms of reference are separately addressed.

Key messages

William Angliss Institute has played and continues to play a very significant, specialist, leadership role in the **development of skills in the Australian economy**, in the area of foods, tourism, hospitality and events. It provides opportunities for education and training from certificate through to bachelor degrees in these areas of specialisation to a diverse community of learners and enterprises across Australia. The scope of services delivered by the institute is broad and far reaching and contributes materially to what we understand are the skills development policy objectives of Australia, its states and territories. The continued delivery of these services at the high standard stakeholders expect is particularly challenging in the current circumstances.

WAI, as the specialist provider and leader in this field, makes a particular contribution to innovation and development of the industry. Though committed to continuing to make this contribution it is more difficult in the current environment. How, in the future, will both state and federal governments ensure this contribution is maintained?

WAI is integral to the implementation of state and/or federal government policy objectives. WAI is focussed on meeting objectives of the foods, tourism and hospitality industries in particular but also other government policy objectives. These areas of support include providing effective pathways across the AQF, encouraging the acquisition of higher qualifications, providing access to education and training for disadvantaged groups and supporting the development of language, literacy and numeracy skills. Are these objectives still considered important and how does the government (State and/or federal) intend to ensure they are supported?

The Institute sees a move away from quality and promoting a world class VET system and a valued export, to one driven by price, limited emphasis on quality and in Victoria a market system driven more by supply than it ever used to be. WAI operates across Australia, is registered to deliver in every state and territory and can therefore offer specialist education and training **opportunities for Australians**, wherever and whoever they are, **to improve themselves and increase their life and employment prospects**. Through its national delivery approach and strong connection to industry, WAI has been able to successfully **support regions, communities and disadvantaged individuals to access training and skills and through them a pathway to employment**. Of note is the Institute's success with graduates obtaining work or further study. WAI graduates were 83% successful compared to the 79% for all other RTOs across Australia (NCVER Graduate Outcomes Survey 2011).

The Institute's role in **the operation of a competitive training market** has been extensive. National delivery is a challenge when a national market does not exist. Every state and territory has its own policies and priorities, rules and regulations which add administrative costs, constrain the operation of a truly competitive training market, create barriers for training delivery to enterprises operating in more than one jurisdiction..

The impact of recent (May 2012) State (Victoria) budget has required substantial change to the operation of WAI. These **funding decisions** have negatively affected support for learners; capital infrastructure; maintaining quality of teaching and learning; the capacity to lead innovation and development for the industry. WAI is working through a transition period to ensure educational quality is maintained however

services have and will continue to be adjusted. Managing stakeholder expectations through these changes is seen to be equally important. The impact of the May budget has required substantial change to the operation of WAI. The impact has been exacerbated by the very short time frame (six months) to adequately respond to such a paradigm shift in the owner's expectations and major business operation of the institute.

WAI is focussed on delivering quality specialist education and training. It is recognised by the public, industry and international community for the quality of its specialist, vocationally relevant programs, recognition that is apparent in the continuing popularity of its programs and its graduates. However the ability to maintain that quality (of facilities, equipment, support services and teaching) is challenged by the current financial constraints and the ability to reinvest in the operation.

The often unnoticed contribution from TAFE is in the broad industry support and specialist expertise. The requirements of the funding changes have and will further reduce capacity of the sector to support community programs, experiment with innovation, support broader skills and industry (export) development programs that encourage engagement with education and skill development, industry development and productivity as well as government policy.

The role of the only specialist public provider: William Angliss Institute

WAI William Angliss Institute (WAI) is the leading specialist education and training provider in foods, tourism, hospitality and events in Australia. This positioning is supported by a deep understanding of the industry, rich relationships and over 70 years of focused education and training for the industry. This position is further supported through organisational culture and values, educational partnerships and alumni.. WAI is recognised and respected by Government, industry, business clients and students in Victoria, nationally and abroad.

Founded in 1940 by prominent Melbourne businessman Sir William Angliss, as the country's first dedicated training facility for the food trades, the Institute has gained national and international recognition, building on the core foundation of training excellence through engaging industry and Government to achieve international recognition within its specialist fields.

As the only public provider in Australia dedicated to the foods, tourism, hospitality and event industries, WAI enrolls in excess of 25,000 students annually and boasts an extensive alumni network worldwide. WAI graduates are recognised globally by industry with 83% (compared to 79% for all VET providers in Australia) finding work or moving on to further study, within 6 months of completing their course.¹



In recent years, WAI has seen record numbers of international students with over 1,300 students from more than 50 countries enrolled onshore annually at the Institute's Melbourne campus. A further 1,300 students

¹ National Centre for Education Research (NCVER) Student Outcomes Survey (2011)

are enrolled offshore through its partner campuses in China. WAI's Malaysian partnership operations begin in 2013 with Berjaya University College of Hospitality as does our Thai partnership with Dusit Thani College in Bangkok. These international activities reflect the broader industry development with East Asia forecast by the World Tourism Organisation to be the fastest growing tourism region in the world to 2020.

Areas of specialisation

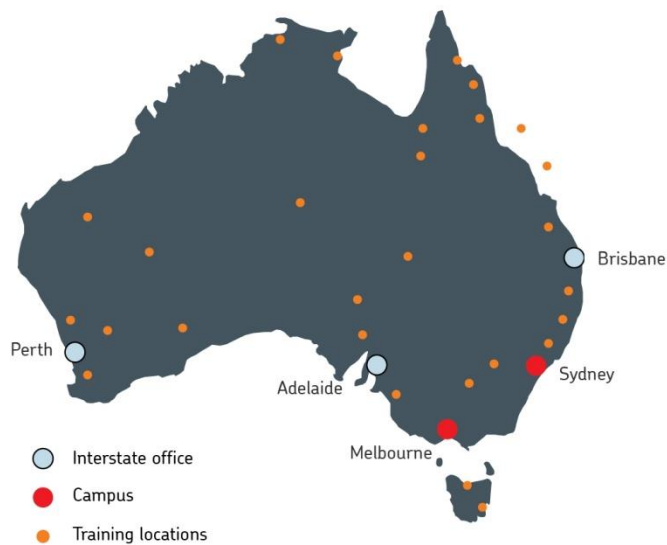
With over 55 nationally accredited course options available William Angliss Institute offers market-leading training in the following fields in Victoria, nationally and internationally:

		Victoria	National	International
Foods	Commercial Cookery	●	●	●
	Food Processing (Butchery and Bakery)	●	●	●
	Patisserie	●	●	
	Confectionery	●	●	
	Food Science and Technology	●		
Tourism	Hotel and Resort Management	●	●	●
	Business and Franchising	●	●	●
	Industry Compliance	●	●	●
	Retail	●	●	●
Hospitality	Eco Tourism	●		●
	Tour Guiding	●		●
	Event Management	●		●
	Entertainment Operations	●	●	●
	Travel	●	●	

Programs are offered from certificates through to degrees in Hospitality, Tourism and Culinary Management. Through strong industry demand, apprenticeships and traineeships are offered through a variety of part-time or workplace training options, across Victoria and other States and territories.

The Institute's main campus in Melbourne is a leading educational facility with industry standard training facilities including innovative simulated classrooms, specialist teaching staff and visiting industry practitioners. The Institute also has a proven track record in operating offices and/or conducting courses away from its Melbourne head office. It is a Registered Training Organisation in each State and Territory and flexible training solutions have been provided (in regional and remote areas) to clients at locations throughout all states and territories of Australia – east to west from Karratha to Byron Bay and north to south from Groote Eylandt to Cradle Mountain.

Enrolments & Students



International Campus:

- William Angliss Institute Tourism CET Centre, Singapore

Joint Venture Campuses:

- Shanghai University, China
- Tourism College of Zhejiang, China
- Nanjing Institute of Tourism and Hospitality, China
- Nankai University, China
- Dusit Thani College, Thailand
- Berjaya University College of Hospitality, Malaysia

Total enrolments: 25,850

Total students: 20,583

WAI also delivers hospitality and tourism training to the indigenous workforce at the Ayers Rock Resort through new funding supporting the Indigenous Land Corporation's (ILC) National Indigenous Training Academy.

Industry partnerships represent a significant and growing portion of WAI's education and training delivery. The successful implementation of these projects on a state-wide basis led to enterprises such as the Taverner Hotel Group and Rydges Hotels & Resorts requesting the model of delivery being expanded to their properties in other states and territories. The Institute has since grown to provide quality education and training and consultancy services to a large number of national and multinational clients including Jetstar & Qantas, Compass Group Australia, Morris Corporation, Coles, Woolworths and Peter Rowland Catering.

International Partnerships

As WAI moves towards 2020, the United Nations World Tourism Organisation expects Asia, East Asia and the Pacific, to record growth at rates of over 5% p.a., compared to the world average of 4.1%. Europe will maintain the highest share of world arrivals, although there will be a decline from 60% in 1995 to 46% in 2020. Asia and the Pacific will grow from 14.4% to over 25% of arrivals during this period. Education and training for hospitality and tourism will be in demand as industry seeks to service both the current activity as well as future growth.

WAI has been developing partnerships and undertaking skill development projects in Asia and the Middle East. WAI has been operating in China since 2000 and currently has five education partners: Shanghai University, Nanjing Institute of Tourism and Hospitality (Nanjing), Nankai University Tourism & Hospitality Institute (Tianjin), Tourism College of Zhejiang, (Hangzhou), and Zhongshan Polytechnic (Zhongshan). To date, over 1500 students have graduated in diploma and advanced diploma courses at these international campuses. A further 248 will graduate this coming June. 92% of the graduates gained immediate employment post graduation evidenced as taking up a labour contract within 3 months of graduating. The remaining 8% went on to immediate higher education either locally or overseas. The employment success of the graduates from our China education programs is very successful when compared with tertiary graduations generally in China. The attrition rate has averaged 5% over the period of our China operations.

In 2010, William Angliss Institute through a successful tender bid secured a new three-year partnership with the Workforce Development Agency (WDA) in Singapore. Commencing in 2011 the partnership allows the Institute to deliver over 2,000 training places annually for the tourism workforce in Singapore through a new Continuing Education and Training (CET) Centre for more complex tourism products.

WAI has developed two further partnerships in Malaysia and Thailand. Centred on higher education delivery these programs will provide the opportunity for two way student exchanges as well as create a new market for WAI programs in South East Asia.

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WAI, in partnership with the East Timorese government and funded by the World Bank, delivered training to future leaders of the emerging tourism industry in Timor Leste. East Timorese trainees undertook studies at WAI's main campus in Melbourne in 2011 and 2012, with delivery also being conducted in Dili (Timor Leste), in the Diploma of Tourism.

The reputation of WAI as a specialist is regarded highly amongst our many International partners and clients. The Institute is active across a number of strategic projects throughout Asia, the Pacific and the Middle East including specialist consultancy services to support the Association of Southeast Asian Nations (ASEAN) Secretariat to achieve the regional objectives of its 10 member countries.

Addressing the Terms of Reference

- **the development of skills in the Australian economy;**

The only specialist public provider, William Angliss Institute, has played a highly significant role in the development of skills for the foods, tourism, hospitality and events industries in Victoria and more recently in Australia. WAI was originally established by Sir William Angliss as a Food Trades School in 1940. Since that time WAI has extended its reach into tourism and hospitality and has also seeded the development of other hospitality training organisations across Victoria, both public and private. Its graduates have become leaders in their fields and many have become teachers and leaders in the development of the foods, tourism and hospitality workforce. With the inclusion, since 2007, of higher education in its portfolio of programs of study, WAI continues to lead knowledge and skills development for the foods, tourism and hospitality industry. WAI has a particular role in innovation and development, borne of its specialist nature, close connection to the industry and its ability to contribute to creating new knowledge for the industries.

There has been considerable concern with the quality of skills development in recent times. The **VET quality report**, Industry Skills Councils, NSSC and DIISTRTE commissioned report released March 2013, noted that it was "*established in response to the concern the ISCs have minimal ability to ensure RTOs consistently interpret, deliver and assess the requirements of the standards*" in the industry training packages and other accredited qualifications. WAI prides itself on delivering the best outcomes for learners that make them sought after by industry. This is evident in the number of students coming to WAI with low level certificates and/or units for credit from other VET providers wanting the WAI qualification. Employers also seek out WAI graduates. The WAI commitment is to building well rounded, skilled citizens as well as workers, who can contribute to the society and economy, to development of the body of knowledge in the foods, tourism, hospitality and events industries/ discipline and hence contribute to innovation and development.

As with other TAFE providers WAI takes a whole-of-industry approach to workforce development, considering both the immediate needs of the employer and the broader needs of the economy. The difference with WAI is its specialist focus and close alliance with the foods, tourism and hospitality industries.

It provides a community service, not simply delivering high profit programs with those profits paid out to shareholders or owners. TAFE institutes like WAI reinvest in the development of the workforce, economy and society through the continued development of knowledge and skills. WAI offsets low profit with higher profit programs to be able to provide much needed programs in specialist, niche areas or to disadvantaged groups.

It does this because the Institute's commitment goes beyond running a successful education business. It is grounded in a public sector ethos that is about serving the needs of the community, region and economy. TAFE institutes like WAI are integral to the implementation of state and/or federal governments' policy objectives. In the case of WAI, the objectives set for the foods, tourism and hospitality span both education and industry development and export development portfolios. However WAI is also a significant contributor to the development of Australia as a preferred provider of education to and with the international market. It enhances Australia's international reputation. WAI supports other government policy objectives in providing effective pathways across the AQF, encouraging the acquisition of higher qualifications, providing access to disadvantaged groups and supporting the development of language, literacy and numeracy skills. Are these objectives still considered important and how does the government (State and/or federal) intend to ensure they are supported?

The Institute sees a move away from quality and promoting a world class VET system and a valued export, to one driven by price, limited emphasis on quality and in Victoria a market system driven more by supply than it ever used to be.

- **the development of opportunities for Australians to improve themselves and increase their life and employment prospects;**

One of the aspects that make WAI a very special public provider is its capacity to offer a variety of learning experiences to meet the diverse needs of the Australian population. WAI offers programs that are hands on, full of practical applications, industry engaged, relevant and current and which provide opportunities for success for learners. At the same time learners are able to gain confidence in their ability to learn valuable skills and knowledge and to find engaging and satisfying work. This confidence in the ability to learn encourages the return for further learning and to building a successful career in the foods, tourism and hospitality industries. WAI offers a full range of specialist qualifications and opportunities for prospective learners to access education and training and build a successful career.

Applied learning methodologies are the speciality of all TAFEs. TAFE nurtures the learner and build learners' personal confidence and sense of worth. The great strength of TAFE is as "a marriage of hands and minds leading to work readiness". TAFE institutes like WAI also provide the bridge to higher education, without having to attend a university. Degree offerings in TAFE build on the qualities of applied and theoretical learning in situ in a familiar environment and where pathways are in place. Local access mitigates the cost of travel/accommodation and maintains the local community connection.

It is important to note that WAI graduates are more likely to be employed or in further study than other RTOs across Australia. The last NCVET survey indicates 83% of WAI graduates are in work or further study, compared to 79% for RTOs across Australia.

- **the delivery of services and programs to support regions, communities and disadvantaged individuals to access training and skills and through them a pathway to employment;**

WAI's solid base, its specialist industry expertise, its strong connections with the foods, tourism, hospitality and events industries across Victoria and Australia enable it to provide services and programs across regional as well as metropolitan Australia. WAI has offices established in South Australia, Western Australia, Queensland and an industry training centre in Sydney in addition to the main campus in the Melbourne CBD. It is registered to deliver training in every state and territory of Australia and does so, generally in partnership with enterprises and organisations from, or related to foods, tourism, hospitality and events industries. Programs focussed on disadvantaged individuals have also been a hallmark of WAI operations, again usually in partnership. Some examples include the training of indigenous young people with the Mission Australia restaurant project, Charcoal Lane in Melbourne and the Ayers Rock Resort, in the Northern Territory. Another example is the HEAT program for disadvantaged young people in St Kilda.

WAI also works with the Compass group, providing training for indigenous people in WA to work in food services for the mines and with the Morris Corporation for the mines in Queensland.

- **the operation of a competitive training market;**

WAI has been very successful in the competitive training market with a substantial amount of its funding sourced commercially. Fee for service activity including full fee paying students both domestic and international usually constitutes at least 50% of revenue to WAI. Changes to government policy regarding student entitlements to government subsidised places in VET and in higher education (for universities) have impacted on the proportion of activity that is government funded. In some cases it has increased. In Victoria for instance the share of the foods, tourism and hospitality market for government subsidised students has fluctuated with changes in policy. In 2012 the proportion increased as students chose WAI over other providers, many of whom had diminished their offer following changes in funding rates for hospitality and tourism programs. For WAI, the specialist centre, there was no thought of shifting out of hospitality or tourism. We remain committed to our industries and to offering high quality training, skills and knowledge development for the foods, tourism, hospitality and events workforce. On the other hand the opening up of higher education places for universities, and the subsequent lowering of their entry requirements was a challenge for both our diploma and degree programs. Nevertheless the degree program in particular has held its ground and in 2013 we have seen an increase in demand for our vocationally focussed, industry embedded degrees in hospitality and tourism management and culinary management.

The key to our competitiveness is our specialist nature which, coupled with the commitment to a high quality experience for learners and equally high quality outcomes for the workforce/ industry, makes the institute the best option for clients, employers and learners seeking rewarding careers in foods, tourism and hospitality.

It should be noted that competition does not always work to the benefit of the state or nation. Private, for profit especially, RTOs don't enter markets that are not clearly profitable (providing returns to the owners/ shareholders). Adequate funding is needed for niche and low volume training where a skill set is required by an industry and/or a region or community. Historically it has been TAFE institutes (specially funded as with full service provider payments) that have stepped into the gap. Similarly the willingness to invest in an emerging industry's skills needs is not promoted in the current competitive training market. In the past this was again the province of the public provider where there was an expectation that emerging markets would be supported. Without the stability of funding or the additional funding applied to the public provider, it is no longer as possible for TAFE institutes like WAI to invest time and energy into this aspect of skills and knowledge development.

It has also been argued that there is competition in name only. Different jurisdictions have different rules to entry to the market and barriers to entry (eligibility, subsidies, regulatory barriers, bureaucratic barriers) also vary. In reality the student and employer choice is limited by these differences. It is also particularly difficult to meet the needs of companies operating across state borders. The whole VET system as well as Australia's populations and industries would benefit from a truly national training market.

- **those jurisdictions in which State Governments have announced funding decisions which may impact on their operation and viability.**

In Victoria the most recent funding decisions, arising from the May 2012 state budget has impacted the Institute's longer term planning. The removal of the full service provider payment to TAFE institutes in Victoria has meant WAI has reduced services through a reduction of staff in educational delivery and educational support areas. The short lead time and requirement to self fund all current structural adjustments, including redundancy, has placed on hold further investment in facilities, communications technology and infrastructure until the Institute operations adjust and a clearer view of the market and government policy direction is established.

These decisions have not been taken lightly. For years WAI has augmented government support for capital and equipment. In 2010 and 2011 WAI's contribution to capital spend was 40% and 57% respectively. The short lead time and uncertainty created by funding changes in October 2011 and May 2012 have required the Institute to review and reconsider its business planning and capital investment. The institute remains committed to ensuring specialist facilities that are utilised regularly by industry and required to support the development of quality technical skills in baking, food technology, culinary, confectionary and patisserie are provided.

WAI has long been committed to providing its students and clients with the very best training resources, facilities and support services designed to enhance their learning outcomes. With the reduction in student contact hour rates across a number of WAI's programs, effectively overnight the cost to the student, both continuing and new, changed. Gaps exist in the entitlement framework for career change students seeking a qualification not at Diploma level and unable to access VET FEE HELP. Government commentary in relation to programs of "less vocational outcome²" does little to encourage those students (and parents) seeking a career in those areas to pay more let alone assist an industry recruit skilled staff across a range of occupations in all labour market areas including regions.

With the new funding structure, the traditional learning support offered to students has had to be adjusted. This has included reduced service levels in language, literacy, numeracy and study skills; disability support; library and broader learning resources. The reduction in service should not be interpreted as a reduction in student need. The challenge is now to provide a balance based on available resources with limited or no community service obligation.

Within its transition planning William Angliss Institute is committed to working through the many issues to ensure quality within educational delivery and employment and career pathways for students remain at the highest level. A major challenge has been the combination of a dynamic new market combined with short lead time for the paradigm shifting removal of the Full Service Provider payment. With an eye to the future WAI recognises it has led the development of education and training for the foods, tourism and hospitality industry for over 70 years in Victoria. It was from WAI that other Institutes built their training offer for these industries. WAI is increasingly recognised for its leadership nationally and internationally, thus enhancing Australia's efficacy and reputation in this area of specialist education and training.

² The Vocational Education & Training Market 2012, DEECD, page 4.