

Inquiry into the role of Technical and Further Education system and its operation



Submission from Gavin Moodie

I welcome this opportunity to make a submission to the inquiry into the role of Technical and Further Education system and its operation.

**Vigorous, responsive, flexible and open competition should not be marketised**

- 1 Recent policy of the Australian and State governments has been to 'facilitate the operation of a more open and competitive training market', as paragraph 6 (c) of the 2012 national partnership agreement on skills reform provides.
- 2 Services may be made more responsive, flexible, open and competitive without necessarily being marketised, that is, where decisions on investment, production and distribution of services or goods are based on the price of those services and goods determined in a market.
- 3 For example, there is very vigorous, responsive, flexible and open competition between public universities for students subsidised by the Australian Government. While universities have the flexibility to charge fees up to maxima set by the Australian Government, universities mostly do not compete for students on price, but on admission criteria, program design, pedagogy, study mode, curriculum, services and other characteristics.
- 4 Likewise, governments should establish non marketised competition in Australian vocational education because the only way to assure quality and standards in education when there is competition on price is by external assessment, and external assessment is unacceptable in Australia despite being recommended by the OECD and by the Australian Workforce Productivity Agency.

**Governments should foster skills supply alliances, not transactional relations**

- 5 The provision of vocational education may be understood simply as a supply chain, where students are inputs, vocational colleges are producers and employers are consumers of the services provided by vocational colleges. This is clearly a very partial account of the vocational education supply chain since students are often consumers of education as well as contributing inputs.
- 6 The relations between the parties in a supply chain may be transactional, collaborative or an alliance. Because of governments' focus on price and arms length relations most relations in the skills supply chain are transactional. Yet this is the least effective level of cooperation between parties in a supply chain, resulting in mismatches of volume and quality along the supply chain and loss of the 'incredible benefits' (Sharma, 2010: 206) of skills supply alliances.
- 7 Australian and state governments should support the skills supply chain moving from transactional to collaborative relations and ultimately foster supply alliances.

## **Reference**

Sharma, Sunil (2010) *Supply chain management concepts, practices, and implementation*, Oxofrd University Press, Oxford.

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