



# **HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING**

**Reference: Role of institutes of TAFE**

**MELBOURNE**

**Thursday, 26 February 1998**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Members:

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Mr Bartlett	Mr Latham
Mr Brough	Mr Marek
Mr Charles	Mr Mossfield
Mr Dargavel	Mr Neville
Mrs Elson	Mr Pyne
Mr Martin Ferguson	Mr Sawford

The Committee is to inquire into and report on:

the appropriate roles of institutues of technical and further education; and

the extent to which those roles should overlap with universities.

## WITNESSES

<b>BAKER, Mr Barrie Charles, Director, South West Institute of TAFE, PO Box 674, Warrnambool, Victoria 3280</b> .....	<b>339</b>
<b>BARRETT, Ms Anna Marie, Victorian Education Officer, National Union of Students, Victorian Branch, c/- Trades Hall, cnr Lygon and Victoria Street, Carlton, Victoria</b> .....	<b>399</b>
<b>BRIERLEY, Mr Edward John, President, Victorian Association of State Secondary Principals, Unit 2, 13-21 Vale Street, North Melbourne, Victoria 3051</b> .....	<b>323</b>
<b>CLARKE, Mr Ralph, President, Council, Wodonga Institute of TAFE, PO Box 963, Wodonga, Victoria 3690</b> .....	<b>307</b>
<b>COOKSON, Ms Christine, Director and Chief Executive Officer, Melbourne Institute of Textiles, 25 Dawson Street, Brunswick, Victoria 3056</b> .....	<b>355</b>
<b>CURRY, Ms Katrina, National Education Officer, National Union of Students, 102 Victoria Street, Carlton South, Victoria 3053</b> .....	<b>399</b>
<b>FORWARD, Ms Patricia An, Federal TAFE President (National) and Vice-President, TAFE (Victorian Branch), Australian Education Union, 120 Clarendon Street, South Melbourne, Victoria</b> .....	<b>383</b>
<b>LINDSEY, Mr Thomas William, Convenor, Greater Green Triangle Association Post-Secondary Education Consortium, and Interim Chairman, Greater Green Triangle Regional Association, Brown Street, Hamilton, Victoria</b> .....	<b>339</b>
<b>MADDEN, Mr Mark, Manager, Strategic Planning and Marketing, Melbourne Institute of Textiles, 25 Dawson Street, Brunswick, Victoria 3056</b> .....	<b>355</b>
<b>MARTIN, Mr Peter John, Executive Officer, Australian Secondary Principals Association, Unit 2, 13-21 Vale Street, North Melbourne, Victoria 3051</b> .....	<b>323</b>
<b>NEWCOMBE, Ms Jennifer Mary, Federal TAFE Research Officer, Australian Education Union, 120 Clarendon Street, South Melbourne, Victoria</b> .....	<b>383</b>
<b>ROGERSON, Mr Geoffrey Albert, Executive Director, Victorian Association of Directors of TAFE Institutes Inc., PO Box 14039 MCMC, Melbourne, Victoria 8000</b> .....	<b>294</b>
<b>SMITH, Mr Geoffrey, Director, Wodonga Institute of TAFE, PO Box 963, Wodonga, Victoria 3690</b> .....	<b>307</b>
<b>TOMLINSON, Dr Michael Anthony, Executive Officer to the Vice-Chancellor, Swinburne University of Technology, John Street, Hawthorn, Victoria 3122</b> .....	<b>370</b>

<b>WALLACE, Professor John Gilbert, Vice-Chancellor, Swinburne University of Technology, John Street, Hawthorn, Victoria 3122</b> .....	<b>370</b>
<b>WILKINS, Mr Charles, President, Victorian Association of Directors of TAFE Institutes Inc., PO Box 14039 MCMC, Melbourne, Victoria 8000</b> .....	<b>294</b>

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STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

*Role of institutes of TAFE*

MELBOURNE

Thursday, 26 February 1998

Present

Dr Nelson (Chair)

Mr Barresi

Mr Sawford

Mr Pyne

The committee met at 9.10 a.m.

Dr Nelson took the chair.

**ROGERSON, Mr Geoffrey Albert, Executive Director, Victorian Association of Directors of TAFE Institutes Inc., PO Box 14039 MCMC, Melbourne, Victoria 8000**

**WILKINS, Mr Charles, President, Victorian Association of Directors of TAFE Institutes Inc., PO Box 14039 MCMC, Melbourne, Victoria 8000**

**CHAIR**—Good morning, and thank you for producing a submission and taking the time to come along and speak to us about it. My name is Brendan Nelson. I represent the Liberal Party Sydney metropolitan seat of Bradfield. On my right is Rod Sawford, the Labor member for Port Adelaide. Both he and Christopher Pyne, on my left, who is the Liberal member for Sturt in Adelaide, have a long-standing interest in educational issues. Perhaps you could just give us a five-minute precis of your submission and tell us a little bit about the organisation.

**Mr Wilkins**—We have derived the acronym VICAD out of the name of our association and we trade under that name. VICAD is a body of chief executives of TAFE institutes here in Victoria. Currently there are 25 institutes. That number will be reduced over the next few months as amalgamations proceed. The association has been in existence for many years. Its predecessor was a conference of principals of technical colleges.

The objectives of the association are described in the brief or the pamphlet we have there. Whilst we are a body of chief executives, we certainly take it upon ourselves to provide leadership throughout the system here in Victoria, and many of our activities are involved in the promotion of the qualitative aspects of delivery of TAFE in this stage. The president is elected by the members of the association. Geoffrey Rogerson, as executive director, is an employee of the association. That is a little bit of background on our association.

The association is made up of member institutes. In Victoria, the characteristics of those institutes vary quite considerably, from industry-specific institutes to large, multipurpose institutes, to country, rural and regional institutes. Also, we have as our members TAFE divisions of universities. So I can assure you it is a very difficult role to represent the views of all of those constituent members because they each come with a slightly different approach to the delivery of TAFE, according to their own bailiwick.

We speak in a generic way. We do not attempt to represent the interests of one type of institute. We note that many of the institutes have put their submissions forward, and we just wish to acknowledge that fact, and the fact that we have a more generic interest in the furthering of TAFE.

I will say just a few words about where we come from. We would describe TAFE as a young sector. Many attempts have been made to try and categorise TAFE, but I think we should remember that TAFE, as a word—it is now a word in our language in Australia—came into being only in 1973, so it is a very young sector of education. It was then described by Myer Kangan as the Cinderella, and in many respects we would argue that it is still suffering a little bit of that taint of being a Cinderella in the educational industry.

It has evolved—and I think that this evolving nature of TAFE is something which we would support, or we believe should be supported—in that it has responded variously to state and federal governments and community needs. I think that is part of the dynamism of TAFE, and certainly one of the things that excites

many of us who work in it. It is something that is very dynamic, and it is changing.

One of the problems we see with TAFE is that it has been very poorly defined, and I think that that sometimes makes it very difficult to defend when one is cast into a role of having to say what TAFE is and what it stands for. It is very significant that your terms of reference use the words 'appropriate roles of TAFE institutes', and, in fact, that implies a certain ambiguity or a little bit of difficulty in trying to work out what TAFE is. In fact the original definition of TAFE was what it is not, not what it is. I think that has been something of a disadvantage for the sector over the 25 years of its history.

We would argue that TAFE has multiple roles. Certainly it is a very diverse sector of education. Our member institutes reflect that multiplicity of roles and that diversity. This means that people who attend or experience TAFE will define it in various ways. Sometimes I think that that operates a little bit against us because when people think of TAFE, they think of either their experiences or their sons' and daughters' experiences, and they can vary quite widely across the Australian community.

I suppose a final point I would just make is that I think we are also, given the way TAFE is structured in this country, caught between the tensions of policy, of priorities, and the objectives of the two levels of government. That has led to a reduction in the resources that have been made available to TAFE because there have been those tensions between those two levels of government. Perhaps I might just stop there.

**Mr Rogerson**—The only point I would make is to emphasise something Charles said, that VICAD represents very much the practitioners of TAFE, the implementation at the cutting edge, rather than having a bureaucratic role, necessarily, in terms of management and not necessarily governance. VICAD in its representation, et cetera, on statewide committees, comes very much from a practitioners' viewpoint. We do not confine ourselves to that, but that, I suppose, is our basis.

**CHAIR**—Thank you very much. Yesterday, I think it was, the Barton Institute told us that they had tendered for vocational employment placement under the new system of privatising employment placement. Is that something you would see as a legitimate role for TAFEs, or something you feel you ought to be moving toward? It formalises what I think you do to some extent anyway.

**Mr Wilkins**—Yes. In fact I think we make a reference to that, that there has been some restriction on TAFE institutes becoming involved in employment services and training services, particularly those related to group training companies. The announcement that Barton and other institutes, in fact, have been successful in the employment placement services sector, we believe, is legitimate. If you look at it in terms of outcomes, of what a TAFE institute is involved in, one of those outcomes is, not just course completion, not just module completion, but employment because we are a vocational training organisation, and the placement of our graduates in employment is, I believe, a very critical factor in determining how successful we are. So, yes, I see TAFE involvement in employment agencies and services as a very legitimate extension of what we do.

**Mr SAWFORD**—You mentioned group training, but what are the federal restrictions on TAFE in terms of employment provisions?

**Mr Rogerson**—We have never been allowed, in the past, to become employment agencies in the way

we now can.

**Mr SAWFORD**—So you are talking about the past, not the current situation?

**Mr Wilkins**—Yes.

**Mr Rogerson**—Things have changed since this was written in October, because that development has never emerged.

**CHAIR**—Perhaps it should now read ‘will allow’, because I suppose it is going to happen now.

**Mr Wilkins**—And these are now being won through an open tender process. We do not have any problem with that. That is quite right, the way we see that.

**Mr Rogerson**—The group training companies and the private providers emphasise in their marketing their placement as a result of students going through those sectors, whereas TAFE has never been able to. All we want to do is to be able to compete on an even basis, so that our marketing can also say, ‘We are getting employment here. Come to us.’

Another point we made in our submission was that clients or students should be able to make informed decisions as to where they go for their education and training, whether they choose TAFE or private providers, or whatever, and that informed decision-making should be on the basis of knowledge about the institution, its employment rate, its placement rate, its success rates, et cetera, and its relevance to industry. We have been limited in the past, until very recently. Times are changing.

**Mr SAWFORD**—What expertise would TAFE bring to employment provision? Someone mentioned yesterday that 76 per cent of their graduates gained employment by May, I think, of that year. That is not a bad result.

**Mr Wilkins**—Yes.

**Mr Rogerson**—Yes.

**Mr SAWFORD**—But the employment provision we are not worried about. That is easy. Those kids get their own employment. It is the other 24 per cent. What skills do TAFEs bring to employment provision for the other 24 per cent?

**Mr Wilkins**—TAFE has had a very good record in dealing with that cohort, that 24 per cent, through a lot of the labour market provision. That has changed. That has also been something that is a moving feast. It depends on government policy as to how that will be structured. To go back into the 1970s, we had unemployed youth programs and very good outcomes were being achieved there. We have people in TAFE in Victoria in pre-employment programs—early school leavers, young people at risk—and we have achieved a lot of employment outcomes for those students.



The nature of TAFE institutes is such that, increasingly, they have become customer focused. They have always had a good relationship with local and regional employers. There has been a lot of criticism of TAFE at the peak body level, but certainly if you go around the community and talk to local and regional employers you will find that there is a good understanding of what their local TAFE institute does, and that they have a good relationship. So TAFE has that relationship which leads to employment. The teachers and the staff of the institutes are in touch with local industry and through that local knowledge they are able to obtain employment outcomes for the students who are within the institute. Sometimes we do not give enough credence to that and it probably does not show up too much in the global picture that is gathered through the statistical collections that go on.

**Mr PYNE**—Early in your submission you said that when TAFEs began in 1973 they were defined as what they were not, as opposed to what they were. But over the last 20-odd years they have carved out a niche for themselves which they fill very successfully. Given that, why would TAFEs want to take their eye off the ball, so to speak, by starting to be employment agencies also? I would have thought that if you were doing your core business—vocational education and training—very well, then to want now to be doing employment agency work also would be opposite to the direction that TAFEs should be in the future.

**Mr Wilkins**—No, it is an add-on. It could also be described as a value-adding component of what we do. TAFE institutes are very broad in what they do. The clientele we deal with is incredibly broad, from 15 years plus through to 60 years plus. We have people who are in employment, people who are unemployed, and people who are undertaking courses for career change purposes. We deal with industry, employers, and unions. It is a very broad and very complex area of education. The students come to us 52 weeks in the year, seven days a week. Most of the institutes in Victoria are operating in that kind of environment.

It is a very broad thing, a very complex thing. The employment service is not core business, but it is a part of the core business. It value adds to what we do. If we are able to place a graduate in employment, we believe that is a good thing. That is what we seek to do now without being involved in this type of arrangement which is just being announced today.

**CHAIR**—In fact, as we were discussing earlier, I was wondering whether it ought to be a core activity. If TAFEs are on about training people so that they can keep their jobs, or so that they can get jobs and fulfil needs in the marketplace, a part of it is getting people from the TAFE into the labour market, so I suppose it seems a logical extension.

**Mr Wilkins**—As an example, I have a parallel experience. In the United States if you visit a community college there—they are parallel to our TAFE institutes—about the second thing a chief executive will tell you is, ‘We have an 85 per cent placement of our graduates.’ It has been something that has had a big impression on me and it is one of the things that we have tried to introduce. If we are looking at outcomes, placement of our graduates has to be one of the key factors that we look at in terms of our success, or otherwise.

**CHAIR**—Perhaps it is an ethereal thing, but one of the people who spoke to us yesterday remarked that TAFE unfortunately does not have an overall vision. Is there an overall vision statement which exists for TAFEs in Victoria?

**Mr Wilkins**—I think that each of our institutes has a mission statement which probably could apply to any organisation: to be the best, and those sorts of things. But going back to what I said earlier, the definition of TAFE has not been worked on sufficiently, I think, and it is one of those things that we would urge governments at both state and federal level to do—to come up with a definition.

The other thing about it is that TAFE is valued by the community. A few years ago there was a study commissioned by ANTA to look at whether TAFE was an accepted brand in the community, and there was some pressure to get rid of it, to change it to VET. The market research people came back and said, 'You have got something there, hang on to it. It is marketable.' We have had that endorsed in my own institute in our region in south-east Melbourne, where our own market research points to very strong community acceptance of TAFE and what it does.

**CHAIR**—We have got to write a report about the role of TAFEs. A part of that role, you would feel quite comfortable in saying, is employment placement, apart from all the other obvious things it does?

**Mr Wilkins**—Yes.

**CHAIR**—Last week, in Perth and Adelaide, we came up against the issue of fees, and yesterday, I think it was, the Gippsland TAFE was telling us that they have got \$300,000 to \$500,000 a year in concessional fees because they have students who come from low income backgrounds. For me that was surprising; it was not something I had thought much about. Is that a big issue for TAFEs in Victoria? We understand that if you are taking in a lower socioeconomic cohort, you discount the fees, but the state does not then compensate you in any way. It just seems that perhaps it makes things harder for TAFEs that are operating in low-income areas. So the issues for us might be: should state governments be compensating in some way for that? Should there be some sort of deferred payment scheme, perhaps a modification of the HECS model, preferably administered by the same people? Do TAFEs that are working in that sort of environment need some kind of financial assistance?

**Mr Wilkins**—Most TAFE institutes would have somewhere between 30 and 40 per cent of their full-time students who are in receipt of that concessional benefit. That is, they do not pay fees. It is a part of the access that TAFE provides. TAFE is described—and I believe there is a lot to support it—as one of the most accessible forms of education, and I think that is something that we would say needs to be preserved, also. So the concession for lower socioeconomic groups we accept as part of our educational sector. So I do not think that we have ever seen it as a major impediment to us. We just know that that is possible income foregone, but that has also been a part of the scene of education that we work in.

**CHAIR**—You would not be recommending some sort of model to help TAFEs in that situation?

**Mr Wilkins**—I suppose that central Gippsland's budget must be in excess of \$30 million. If we are talking about \$300,000—

**CHAIR**—They told us \$20 million.

**Mr Wilkins**—\$20 million, yes. I am not sure that—

**Mr SAWFORD**—Of \$500,000—that is, four per cent.

**Mr Wilkins**—Four per cent.

**Mr Rogerson**—Yes. It is significant.

**Mr SAWFORD**—And even if it is half that, two per cent, it is still two per cent.

**Mr Rogerson**—The access and equity issue is a community service obligation, if you like, imposed by government because it is government policy which we would support anyway.

**CHAIR**—They were not whingeing to us, by the way, we were just drawing it out of them.

**Mr Rogerson**—No. But it is an issue, particularly in regional areas and some of the lower socioeconomic areas of the city, particularly the western suburbs in Melbourne. It does affect some business decisions because it is income forgone which can be significant, but it is not an area that we would want to get out of because it is very much second chance education.

**Mr SAWFORD**—In the school system, for example, in my state there would be some compensation payment for that huge percentage of school card or the same thing, basically, to forestall the fees.

**Mr Wilkins**—I suppose, going back to what I said, there is a tension there between the state and federal policy.

**Mr Rogerson**—Obviously it would be ideal and individual institutes would argue their case.

**CHAIR**—The CEO from Gippsland nine months ago moved from the Gold Coast and made a comment,=. I said, ‘Okay, what did you notice was the difference?’ and she said, ‘Well, I would’ve liked to be able to charge full fees up at the Gold Coast,’ because they were drawing from quite a significantly more affluent population who could easily have afforded to pay higher fees. I represent an electorate that is very affluent and we have TAFE on the board of the electorate. I know that there would be very few concessionals actually going through there, whereas in the western suburbs of Sydney or Gippsland or areas like that it is quite a different story. You just wonder whether there ought to be a bit of deregulation there, perhaps a bit more flexibility, and some kind of compensation provided even if it is just a deferred loan scheme for those concessionals, a la HECS, to help them through. The TAFE at Gippsland said that they wrote off only about \$12,000 to \$20,000 a year, I think, in terms of money they are not getting back.

**Mr SAWFORD**—I want to explore a couple of questions. Both Chris and Brendan asked you questions of definition. I was with you until your latter comments, when you were saying that, in the ANTA survey, TAFE is very well understood within the community. I was interested particularly since I think the ‘technical and further education’ term originated with John Walker, the former and probably the greatest director-general of any state system in Australia, who had only a very short term. He was a great believer in technical and further education. I am not sure of this but I am sure the term goes back to him in the 1960s.

**Mr Wilkins**—In South Australia, yes.

**Mr SAWFORD**—Of course he used the term in the 1950s. But in regard to the definition part the real question I wanted to ask is this: yesterday, and again in Adelaide, we had information given to this inquiry that the research skills—and the time, the availability and the personnel—in TAFE are severely lacking and that this is in fact a disadvantage. I am not talking about scholarly research that universities do, but universities are also very good at using their research base to defend their own status quo and improve their status quo. In this definition would you like to comment on research in TAFE? I am not talking about the scholarly stuff, I am talking about the stuff to defend yourself and also to present arguments to both state and federal governments.

**Mr Wilkins**—Yes. To pick up your initial comment: TAFE as a brand was known and accepted but remember people have various experiences of TAFE.

**Mr SAWFORD**—The same thing applies to schools and universities; they are not the same.

**Mr Wilkins**—I believe that is one of the Achilles heels of TAFE, in that we have not adequately developed research skills amongst our staff. We do not have the time to do that because certainly the emphasis in TAFE is upon the delivery of services, and that is educational services, to the community. Our people work longer hours involved in that process in terms of contact with their students.

**Mr SAWFORD**—That was not always the case, was it, in the contact hours? That has been recent. If you go back 20 years—I can remember having some experience in TAFE—the contact hours were pretty poor.

**Mr Wilkins**—You might have been in an inefficient organisation, I do not know.

**Mr SAWFORD**—I was not in TAFE, I was an observer.

**Mr Wilkins**—But I think it is a weakness that we do not have the depth of skill, or have not developed the depth of skill in TAFE. We are also a little bit critical here of the federal body, ANTA, in that when they have attempted to foster research into TAFE, and a number of TAFE institutes have, in partnerships with universities, been involved in that research, only to be knocked off by that research going into universities. So we get caught in that circular thing; we do not have the skill to do the research but we do not have the opportunity to get those skills to do that research.

**Mr Rogerson**—VICAD has had a position for a long time—thank you for the opening to say it—but we believe that one of the best ways we can develop our own research skills in a sector is, if not on our own, at the very least in partnership with universities in research into TAFE and VET related matters. We want ANTA or federal research grants not to be given to universities on their own, but we would want universities to be encouraged to joint venture with TAFE in tendering for research grants, so it builds up the skills and strength in our own sector in working in partnership with the universities.

While universities are given research grants on their own without any TAFE or VET involvement, then they are going to continue to be theoretical research rather than practitioners themselves involved in their own

sector. It is a message we have been trying to get across for a long time. You still see workplace training assessment grants handed out to the University of Melbourne, et cetera, with no TAFE involvement whatsoever.

**Mr SAWFORD**—Did you make any recommendation, Geoffrey, to this inquiry about research in TAFEs? There is none in your submission.

**Mr Rogerson**—No, we did not in the submission.

**Mr SAWFORD**—No, but would you?

**Mr Rogerson**—We would be prepared to.

**Mr SAWFORD**—I am not trying to put you on the spot right here, but maybe you would like to forward some thoughts on the issue for the committee after this inquiry.

**Mr Rogerson**—Okay.

**Mr Wilkins**—We have been involved in one piece of research here in Victoria, and that is looking at the entry level competencies of teachers who are involved in TAFE. We were funded or used by the state agency here in Victoria to oversee that project. The successful tenderer was a partnership of a university outside of the state and TAFE institutes inside the state. We believe we are practising what we preach, that we are building the skills of our staff, but we realise that we need the expertise of the universities in the research methodology side.

**Mr SAWFORD**—Geoffrey, you made the comment ‘the cutting edge’ in your brief introductory remarks. Yesterday it was pointed out to us by witnesses that TAFE lacked some vision in the context of it being practitioners dealing with what has happened and what is going on at the moment. Is ‘cutting edge’ really the right term or is it ‘current edge’?

**Mr Rogerson**—It is hard to generalise again, because institutions vary enormously across the country. Our institutes, including VICAD, have worked very closely with institutes in other states and territories. Charles is in a group, for example—and he might refer to it—where they are looking at new ventures with a view to cutting edge, and that would be looking at leading into technology and moving into education training markets that we have never been into before. One of the models we might have used, I suppose, is what is called the League for Innovation, in the United States. I suppose they would see themselves as the cutting-edge group of, I think, 13 or 15 top community colleges in the States, and they work very consciously in that area. So I think ‘current edge’ is a bit mediocre. It does not venture enough. We have to—

**Mr SAWFORD**—Is it more accurate?

**Mr Rogerson**—For some, not for others.

**Mr SAWFORD**—Would you like to give us some examples of where you think TAFE in Australia is

at the cutting edge rather than the current edge?

**Mr Rogerson**—Charles would be better than I, because he is in the field.

**Mr Wilkins**—My institute, for example, is involved with the plastics industry. We have a centre which is second to none in Australia. It is second to none in the world, we would say; we have had a look at it around the world and we can hold ourselves very high there. That has been a joint venture involving industry. We could not do it on our own. An injection moulder costs \$350,000, and you want to turn those over every three or four years.

We have a research laboratory, a testing laboratory, which is NATA certified, and we are able to offer services to the industry in terms of the testing and applied research that industry requires. I know there are other types. If you went to the Melbourne Institute of Textiles you would find that they are at the cutting edge in some of what they do. There are examples of that, but it is not something you can say describes typically the TAFE institute system, where we are struggling to be current in a number of areas. I would say that at times we swing from being behind to being current to being cutting edge.

**CHAIR**—The way it was put to us yesterday—by a very articulate and erudite witness I must add—was that TAFE is very good at training people for the present and the past but very poor at training people for the future, and to some extent that relates to the nature of the game. You are training people for jobs that are not going to be around in the next six months.

**Mr Rogerson**—And we are funded to be responsive.

**CHAIR**—Mr Marek, the National Party member from Queensland, who is not here at the moment, made the point that he runs a panel beating shop, for example. His apprentices go off to TAFE and they are learning paint technologies that are five years old, and they are not actually doing what is happening today. One of the witnesses said that some of the industries were complaining because the students were going to TAFE and learning on equipment that was 10 or 15 years old. That is our interest. There is multimedia technology, there are biotechnologies and information technology areas that you would certainly say are on a cutting edge, and we are just wondering whether there is a need for a fluid sum of money.

In business, for example, there is a technology development fund that has been made available by the Commonwealth to tap into resources. Say in your case you could automatically, instantly set up a training program for something that might be just about to come on line. Earlier we were discussing this issue of concession—\$300,000 to \$500,000. If I were on your side of the table I would be beating the bloody government over the head over this, because instead of saying, ‘Well, we think we can just cope with it,’ and all that sort of stuff, you have got an opportunity through us to actually do something about it. Half a million dollars could surely buy some stuff to put you on the cutting edge, or put some money into research or do things that perhaps would strengthen your position in the marketplace.

**Mr Wilkins**—In response to the panel beating one: one way that TAFE institutes have dealt with that problem is by forming alliances and partnerships with companies. My own place is a training centre for Spies Hecker, a German based paint company. Our staff have access to the latest in paint technology. Our staff are

up to date with water based paints, which are not even yet in use in Australia.

**CHAIR**—These are anecdotes and—

**Mr Wilkins**—That is where we have got to be careful with the anecdotes. For every one of those that you can bring forward to say that the TAFE is not performing, people can bring forward examples where it is performing. That is where we need to have some measure of—

**CHAIR**—It just seems that perhaps there should be a technology innovation fund to which government industry, the institutes themselves, contribute so that you are not constrained by the inflexibility of bureaucracy. If there is a technology that is being developed in Australia where they are going to need to be some trained people, you can get access to some money and you can know where you are going.

**Mr SAWFORD**—This not only applies to TAFE, it applies to industry itself in Australia. Some Australian industries are so far behind the eight ball that they are laughable. They wonder why they cannot make a profit and they cannot sell a product, and the market is rejecting it. I have got examples in my own electorate where a furniture factory is producing beautiful Queen Anne furniture but no-one wants to buy the damn stuff, whereas someone down the road has employed a designer—he is an entrepreneur.

He knew nothing about furniture. He has one of the most exciting furniture factories in Australia and it has grown dramatically because, not only do they do a quality product, but they meet the needs of the market. They are using the most up-to-date technology. His view of that is that because he knows nothing whatsoever about furniture, except the look and the design and maybe a way of selling it, he employs the very best of people. In other words, he is not conditioned to a traditional way of producing furniture.

**CHAIR**—We are just about out of time but Mr Pyne has a question that really is very important to our inquiry. Would you just give some thought to it. This issue about the concessions and the money that is available is very important, because in the end that is money that you can use for other things. Give a little bit of thought to this whole question of some kind of access to some kind of funding for collaborative research and training in cutting edge kind of activity. I know that some of the TAFEs already do that and do it very well.

**Mr Wilkins**—Are you aware of the technology park in Sydney?

**CHAIR**—Yes. I am on the board of one of the companies involved there.

**Mr PYNE**—One of my concerns is that there is a growing crossover and a blurring of the lines between universities and TAFEs, with universities offering certificate 4 courses, et cetera. In your submission you argue that TAFE should be able to offer vocational degrees. Would it not be better if universities and TAFEs tried not to cross over and blur the lines and offer vocational degrees or certificate 4 courses, but defined more clearly what it was that they were doing rather than TAFEs trying to compete with universities and universities trying to compete with TAFEs?

**Mr Wilkins**—I think this is an example of where, if we try to be rigid in defining what our education

provision is, we can get into difficulty. Our preference would be that universities do what they do best and not become involved in areas where we do not believe they have the expertise. But, if there are areas where there is overlap, we would prefer that the two are able to compete on equal terms. TAFE institutes in this state have responded to the government policies of user choice and the competitive training market. We do not have any problem with that, but what we are saying is that there are areas, and this is one of them, where universities appear to be able to enter that marketplace without impediment. We do not have that same flexibility, that same freedom to enter that market.

We are not looking at overlap here. We are fairly specific. We are saying vocational or technical degrees where there is not a provision through the university. We just do not look for some equal treatment, if you like, in this arena.

**CHAIR**—Thank you, and thank you for being brief. It was a very good presentation. That is excellent. Please give some thought to those issues. We are not trying to badger you. We are actually trying to help you.

**Mr Wilkins**—If we develop a paper on those issues, we could send you a copy.

**CHAIR**—Yes, if you would not mind. I come from the medical area, but the model of the future is collaborative, obviously. That is industry, government, providers, the user.



[9.55 a.m.]

**CLARKE, Mr Ralph, President, Council, Wodonga Institute of TAFE, PO Box 963, Wodonga, Victoria 3690**

**SMITH, Mr Geoffrey, Director, Wodonga Institute of TAFE, PO Box 963, Wodonga, Victoria 3690**

**CHAIR**—Good morning. Thank you for producing a submission and coming along to speak to it. My name is Brendan Nelson. I represent the Liberal Party, in the metropolitan seat of Bradfield in Sydney. On my right is Rod Sawford, who is the hardworking Labor Party member for Port Adelaide. He has a longstanding interest in education, as does Christopher Pyne, who represents the Liberal Party seat of Sturt in metropolitan Adelaide. Please give us, say, a five-minute precis of your submission, and then we will have a chat about it.

**Mr Clarke**—Gentlemen, thanks for giving us the opportunity. We consider any inquiry that probes into the field that we are in could be very helpful to us. We have come along to this meeting on the basis that we believe we have got something to say. We have got a clear view of our role, and we would hope that what we have to say will add to the value of the debate and the collection of information—I guess, our views of life. I will talk more about policy, and Geoff will talk about the practical application.

We have got a very strong regional relevance. We are not centralist, we are regionalist and make no apology for it. We believe very strongly in a vocational education culture as distinct from a university culture, and distinct again from a school culture. We have got a very strong sense of community. We believe that a successful TAFE can be a vital part of regional life, regional community, and certainly regional industry. We believe that our role is linked closely to employment and economic development, and has to be more so in the future, rather than our being an institution standing on its own.

We see our basic role in life as to be of material benefit to industry and business in our region in providing a skills base and a training provision that equips those businesses to be equal to anything in the world. We do not want to be in a position where a business which wishes to relocate in our region has to take second best. That is a very lofty goal, but it is one we have embraced and we are chasing it very hard. Geoff might like to comment on the practical application of those things.

**Mr Smith**—The submission which was provided during the end of last year certainly covered some of those areas in terms of the importance of regional provision, and the need that in many ways is a different ball game in central Sydney or central Melbourne or central Adelaide. We are probably seeing now in this state a realisation that there are different models of provision that we need to take into account. In some areas of Australia we have probably been heading towards the larger, big is beautiful, model as the only one, but in many ways that is not a model that particularly meets the needs in regional Australia. We would certainly make that comment loud and wide.

The submission does pick up some specific aspects in relation to the Albury-Wodonga region, which we will cover at a later time, and also the fields of the alignment of what we do and the importance of that to the economic development and the employment development of that particular area.

Institutes of TAFE are an absolutely vital link in that whole area. I suppose I look at our outlying campuses in places like Mount Beauty and Corryong, which are an hour and a half or two hours drive from Albury-Wodonga, over some pretty terrible roads, and I look at the resources we have put into that from an institute's point of view. We very much push those communities to use those resources in other things as well as the provision of vocational education and training, and so I very much support Ralph's views that we are an excellent resource. To me—and we will probably cover this in your questions later—we have a clear charter.

I believe that in regional Australia our institutes are looked on with great pride and ownership. I often joke with my colleagues in metropolitan Melbourne that they can walk out the door at 6 o'clock at night and disappear into the mist, and there is no sense of ownership. That is not the case in regional Australia, and I think the potential for our future development in that field is very strong.

I pick up some of your points to the previous witnesses, and many of those aspects are certainly being picked up by some very strong regional institutes throughout this country. I think the comment of some of our bureaucracies, within both the national and state fields, 'You're only in the country,' is far from the truth. I am not just protecting our areas. Certainly in our field there have been some very interesting developments that we have been able to commence and push and that have now been picked up right across Australia.

**Mr Clarke**—I guess that in the educational field everyone is familiar with the three Rs. We have got three different Rs driving our institute: relevance to industry and business in the region, responsiveness to its needs, and reliability. We believe if we can keep our eye on those balls—being relevant, being responsive and being reliable—we will fulfil the requirement of us to be responsible and high quality deliverers in our region, and very supportive of industry and the regional development and regional lifestyle.

**CHAIR**—That is a good one for the report, I reckon—three Rs.

**Mr PYNE**—Could you perhaps describe a few of the industries in the Wodonga region that your TAFE would serve?

**Mr Smith**—We are Albury-Wodonga, even though we are from the Wodonga Institute of TAFE. We are in a unique situation where we have two big cities that straddle that strip of muddy water called the Murray River. That is a population heading for 100,000, so we have a responsibility for a number of areas in the total population, not just Wodonga.

To pick up your particular question: food manufacturing and processing is probably the biggest industry in our field, and we have led the way in many areas in that particular industry, particularly in workplace delivery. We work with those industries in their companies, using our trainers or their trainers, or a combination of both. Many of our staff are starting work at 11 o'clock at night and finishing at seven in the morning—a whole range of models. So that has been an exciting venture that we have been able to build through an ANTA grant in our region for that food industry, and now that has catapulted right throughout Australia.

**Mr Clarke**—Some of the names we have got might be meaningful to you: Uncle Toby's, the breakfast food people, and Uncle Ben's. It is probably not traditional food but pet food, but nevertheless a very

significant producer. We have got the Bunge organisation, a huge multinational, the biggest piggery in the world. Food processing and the value adding of food is very important, but those names I think help.

**Mr Smith**—We have food manufacturing and processing. Health and human services is a big part of our operation for the whole area—that is an emerging field in the fields of programs in the aged care field—and in sport, fitness and recreation I could double the enrolments this year. Certainly there are employment opportunities in there. We have hospitality, tourism and, as you were saying to the previous witnesses, the sunrise industries of information technology, multimedia. We have agriculture and horticulture, and we are very close to the major forest resource in our part of the world too, so forest timber is a big part of our operation.

Albury-Wodonga is a big transport distribution area, so we provide nearly all of the training for the transport and distribution industry—and building and civil construction. So we have a wide range of responsibilities. Whilst not all of that is on campus for school leavers—I make that point from perhaps what you were saying before—a lot of our operation is in the workplace, working hand in hand with companies and businesses.

**Mr PYNE**—Do you think it would be fair to say that TAFEs in the city offer courses and then hope students will be attracted to do those courses, in consultation with industry, but in the country, in a regional area like Wodonga, the TAFEs really basically offer the courses that they know will be suitable for the regional employment in that area?

**Mr Smith**—Yes. I think it is foolish to have what I am calling a university view of TAFE institutes, that you are concentrating only on school leavers. They come in March, we load them all into the bucket then and we take them out in November, and perhaps we couldn't give a stuff along the way if they drop out of the bucket. I am saying that that is only part of our operation. Yes, we do take in school leavers at the start of the year, where the profile is aligned to where we think the best job opportunities are, but nearly a third of our operation is provision of vocational education and training in the workplace, where we are working hand in hand with our colleagues in Uncle Toby's and Bunge. I have a staff member full time in the Bunge organisation at the moment, developing training plans, sorting out the training requirements for them.

I talk about the trilogy of the three balls in the air—we have got the school leavers, the workplace delivery and, with Ralph's other hat on in terms of various consultative committees, a responsibility for the labour market area as well. I think that is where many people, even in the community, look at you and say, 'I suppose you've got a lot of students arriving in February-March,' and just do not have a perception that people are moving into and out of the organisation all through the year. What you see at 15 McCoy Street, Wodonga is a home base, but in workplace delivery we operated in the food industry last year in every state in Australia, working with some particular industries.

**Mr PYNE**—You would not offer any courses at Wodonga TAFE that were not going to be useful for the local region, though?

**Mr Clarke**—Absolutely. May I just add, with regard to your question, that I believe that the future of TAFEs will be in almost a business structure, that a region should have a vision for where it is going. In our

region we should be value adding in food, fibre and timber, which we do very well. The TAFEs should be supportive of that plan of where a region is going and how it sees itself over the horizon. Because we are close to the employers, as distinct from the city where you do not have that connection, we are better able to interface and get to the senior decision makers, for whom it is very difficult in many cases to see the vision over the horizon.

We can be there when they want those people. So TAFE is not being static but being a living thing, interweaving itself into the region and supporting the region's aspirations for where it sees itself going. We have got a very strong industrial base around Albury-Wodonga, and that gives us a very clear focus of where we should be going.

**Mr PYNE**—Would it be fair to say that the TAFEs in your area and regional areas of Victoria would fill quite a useful role in terms of keeping young people in those regional areas because they are training young people for relevant jobs in the region?

**Mr Clarke**—Yes.

**Mr PYNE**—So you are actually slowing down the drain of young people to the cities?

**Mr Clarke**—That is what we are trying to do, but there is another side to that coin in that because we have to provide a very wide range but we do not necessarily get all the economies of scale which are available in the city, where the kid can get on a train and go to the TAFE somewhere up the road. So we have some limitations on us. However, I believe those are small penalties or small costs for a society to pay.

**Mr PYNE**—Do you cross-subsidise between courses?

**Mr Clarke**—Yes. That is what we try to do.

**Mr SAWFORD**—There is nothing worse than a past educationalist who just turned to be a politician, so you will forgive me for this.

**Mr Clarke**—We will try. We will take you on face value.

**Mr SAWFORD**—When you use terms like the 'three Rs', unlike Brendan I do not agree. Let me explain. The three Rs, reading, writing, arithmetic, are the most useless descriptions of what happens in education in schools, because they are incomplete. Arithmetic is the lowest intellectual part of mathematics, reading is just a receival skill and writing is a transmission skill that forgets about speaking and listening. In other words, it does not give a total view of what education is.

May I, with respect, suggest that your three Rs ought to get forgotten as motherhood statements, because basically TAFE needs an ideology, a rationale, it needs a why, and these are all hows. There are no outcomes. You need a trilogy. You mentioned the trilogy, but in education—I think any education—you need a rationale, you need a process, and you need a task. The language is immaterial, but you need something you believe in, you need how to do it and you need a result—outcomes. I think any trilogy of statements that does

not cover those three areas is really a bit useless. Anyway, I have got that off my chest.

**Mr Clarke**—As long as we can agree to disagree, at the end of the day we will be fine.

**Mr SAWFORD**—They are all motherhood statements. They do not mean a damn thing.

**Mr Clarke**—If we are not relevant to industry, well, we are in real trouble.

**Mr SAWFORD**—I am a bit cynical about smart little statements. I want to ask a couple of questions. I think this inquiry has more relevance to regional Australia than perhaps any other area. It is very expensive for governments, whether they be state or federal, to provide infrastructure for universities, TAFEs, and whatever, and so the alliance models of TAFEs and universities are very important, as I see it, in regional areas. Could you tell us what alliances you have with higher education, and some of the advantages and disadvantages.

Can I perhaps draw some stronger comments from you by saying that previous witnesses in Western Australia really worried me in that the people from the former CAEs, the second level of universities, and the people involved in TAFEs, were very positive, in my view, towards the dual-sector role in regional Australia. When it came to talking to the professor from the sandstone university in Western Australia, he was quite determined, saying, 'We'll run the show,' basically.

**Mr Clarke**—Exactly.

**Mr Smith**—I think you have put your finger on it.

**Mr SAWFORD**—'We will run the show.' Now, that creates a huge problem.

**Mr Smith**—It does.

**Mr SAWFORD**—So can I just draw that out?

**Mr Smith**—Yes, I am happy to be drawn out, and I will not use any acronyms but we will stick by our three Rs. Just to paint a picture of our part of the world, we share a campus with La Trobe University's Albury-Wodonga campus. They are an outpost of the Bundoora situation here. My view is that in regional Australia the days have gone when we can have a university campus on one hill and a TAFE institute on the other, with two libraries and two lots of this and two lots of that.

Let me just speak about our situation. We are two separate organisations with our own markets, and we protect that. We have the one library. We have the one student association. My institute provides all of the student services—counselling, finance, course information, Koori liaison, disabilities services, the whole range of things—and the university pays for that. So in terms of the infrastructure sharing, I think it is a fantastic model.

But I—as you said, Rod—would fight to ensure that our image of TAFE is always visible. Now, we are quite clear in our two markets, and we can share things. When you come to the multisector syndrome in

Victoria, I have some real worries. I obviously talk to my colleagues in the Melbourne institutes, and some who are facing absorption into universities in the near future. I have exactly the same worry as you do in terms of, 'We'll run the show and TAFE will be an appendage down here on the end.' I think that is a real worry.

TAFE, to me, has a wonderful market. Whilst not being in total agreement with your previous witnesses, in that we need to be pushing up towards vocational degrees and all of that, I am very clear, from a regional director's point of view, that we have a very big market in the operational area here, a market where we need huge numbers of skills of the Australian work force. There is a lot to be done there. I was just commenting, coming down on the plane this morning, that I am not convinced when you put a multisector situation together, and it is a university-run arrangement, that that type of arrangement has the wherewithal or the ability to relate to our part of the market as well as it should.

I do not want to unprofessionally put down my colleagues in the university, but an example I used in the plane is that we have a situation in Victoria where, in Ballarat, we have had a Ballarat University and we have had a School of Mines and Industries, which has been the TAFE provider. I do not know whether they are giving evidence to you. That has been a well-recognised organisation. Suddenly, for a variety of reasons, they have all been put together and we have now got Ballarat University with a TAFE division. That is a hell of a put-down, to me, and I think industry will react to that.

They do react in our region, and I am sure they do in other parts of Australia. Institutes of TAFE and the brand of TAFE is now getting a real acceptance, and industry and business feel very comfortable with us being out on their workshop floor. If we are at Uncle Ben's, in amongst the offal, we can talk to them about their training needs and some of these aspects. I have real worries about the ability of our colleagues in the other sectors to do that, and their encouragement of multisector arrangements to pick that up.

**Mr SAWFORD**—Can I just pursue that. I am glad to hear you talk about the use of infrastructure on a joint shared basis. What about the administration of it? Are there any problems in that administration? Is it joint? Is it an alliance model?

**Mr Smith**—It is joint, because in the case of the library the university put in staff and we put in staff. It is called the Wodonga Campus Library. It services the La Trobe University and the Wodonga Institute of TAFE. There is a head librarian that La Trobe put in, and I put in a deputy librarian, and we run it that way. We also share some of the programs there, too, because they do not have laboratories in science. So I provide teachers and laboratory space for the bachelor of science degree. I do about a third of it; they do the other two-thirds. But, no, we do not have a drama in amongst that.

**Mr SAWFORD**—No drama?

**Mr Smith**—No.

**Mr SAWFORD**—Is that because there is a good personal relationship between the people?

**Mr Smith**—It could be.

**Mr SAWFORD**—What if there was not a good, strong personal relationship between both sectors? Would there be problems?

**Mr Clarke**—Can I just take it up there. I think, Rod, where you do not get a conflict of culture, you are on safe ground with sharing. Do you understand? So in administration there is no conflict of culture. When you get to the conflict of culture about whether we are going to be terribly academic, or whether we are going to be blue-collared and hands-on workers, then the problems come in. With the things that Geoff has pointed out, there is not a problem. There will not be a problem with admin as long as the cultures do not clash. But when we start to say, ‘We want to push up to degrees,’ and they say, ‘No, we want to go down into the training and vocational area,’ that is when you can get the conflict.

**Mr SAWFORD**—What about access and availability in terms of limited infrastructure available? Is there any problem with the higher ed sector wanting things at the same time?

**Mr Smith**—We have worked through that, Rod, and that might mean we have got to work more on a Friday or a Saturday or some of those things.

**Mr SAWFORD**—Does that cause problems?

**Mr Smith**—I do not believe so.

**Mr SAWFORD**—You have negotiated?

**Mr Smith**—We have a commitment between our two organisations. We have got this amount of resources. I am very supportive of the degree programs La Trobe are running, because I think it provides some input to the region. They are very supportive of what TAFE is doing. Yes, there will be some skirmishes as to whether that kitchen can be used on that day, for instance, but that is minor stuff. The other good thing—and hospitality management is a good example—is that we are very strong in the hospitality and tourism area, from entry level right through to diploma. They then pick up the diploma and take that to the degree level, and we—

**Mr SAWFORD**—In what degree?

**Mr Smith**—The Bachelor of Business (Hospitality Management). We do a big section of the practical side of that within our operations, using our staff and our facilities, and we are now about to move to the dual-credentialled arrangement where La Trobe will advertise it as a Bachelor of Business (Hospitality Management) and a Diploma in Hospitality from us. So there is a recognition that in our region there is a lot of sense in working together.

**Mr SAWFORD**—On the alliance model with the Riverina area, there is a different sort of funding system.

**Mr Clarke**—Have you got a minute, because that is something that we would like to put on the table.

**Mr SAWFORD**—Brendan, I have just asked the question about the Riverina, and Ralph has indicated he would like to put it on the table, and he has also indicated, I think, he is going to take some time.

**CHAIR**—Yes.

**Mr Clarke**—No, I will try and be brief.

**CHAIR**—That is all right. Go on.

**Mr Clarke**—In the context of a region having a vision of where it wants to go with industry and all the rest of it, to us it is crazy that there are in fact two TAFEs, one sitting on each side of the river. Although Albury-Wodonga as a community might look to be strong from the outside, as a community we are feeling the tensions of two state governments which, under economic rationalism, are tending to retreat from the perimeter. It is a natural thing, but they are tending to pull back. So there are some tensions across that stretch of water between the states.

Now, we believe that to get the best value from the TAFE system, the vocational education system, in our region, if it is going to be supportive of employment policies of the government, and economic development policies of the government, there should be one institute of the region, for the region. The two states have totally different cultures. The New South Wales culture is a centralist culture, where all the decisions are made in the centre. Victoria has a devolved system. As president of this institute, I feel great control over helping direct the policies and development of the institute. When you go across the river, they have to ring Wagga, which is their head office, and then they have to refer it back to Sydney. We believe if the government of the country really wants to get the biggest bang for its buck, then we should not have that division within one community. I have got a suggestion for how it might be addressed.

**Mr SAWFORD**—Go.

**Mr Clarke**—I suggest a model put into place when the Albury-Wodonga Development Corporation was set up, back in Gough Whitlam's time in the 1970s, with a ministerial council, and the ministerial council is represented by a fed—he chairs it—and the two relevant state ministers. That overcomes the tensions of state jurisdictions conflicting. So you would set up a ministerial council that brought those two institutes together. Eighteen months ago we signed a memorandum of understanding which was countersigned by the New South Wales and Victorian ministers to say the two TAFEs should be working together. However, that legislative impasse between two state jurisdictions is always going to put some limitations on that.

My suggestion is that if you put a ministerial council over the top, then you can overcome those things. The model is there for economic development, and I cannot see why it cannot also be applied to the TAFE sector. Then you have got a more homogenous group that can devote its time and energy to the development of the region.

**Mr Smith**—Rod, just to follow on from that, the memorandum of understanding between the Riverina TAFE and us has certainly got us doing some joint planning. We are talking about a region of nearly 100,000 in the city alone. Riverina Institute is a big institute that goes from the South Australian border to the Snowy



Mountains, and has 18 campuses. Our view is quite clear that it would make a lot of sense to extract the Albury campus out of Riverina, put that with Wodonga, and use whatever lateral thinking we can to make it work. But the logic of it and the sense of it to industry and business in our region is just overpowering. We have got to work through how we do that.

Just to paint the picture of Albury-Wodonga, we are saying there is a way forward in TAFE. Also in our city we have, as I have already mentioned, a campus of La Trobe University. On the other side, we have a campus of Charles Sturt University. So, in essence, we have four post-secondary education campuses in the one city. Whilst not getting into the multisector modes and those things, in an ideal world you might encompass all of those four in some arrangement. But we are saying, as a first step, let us do it in TAFE as a matter of urgency.

**Mr SAWFORD**—Can we discuss the matter of university staff and TAFE staff being paid under different awards.

**Mr Smith**—Yes, I know what you are talking about, and in some areas that does cause some concern. I can only say that that is not an issue at Wodonga and La Trobe.

**Mr SAWFORD**—Is that because it is in regional Australia?

**Mr Smith**—It could be, yes. I think there is a commitment, and we have got a view of our assistance within those degree programs, and they are very comfortable with our staff being involved in the academic teaching of that on our awards and our arrangements. I can honestly say, Rod, in the five or six years that La Trobe have been there we would not have had one spat over industrial relations issues on that area.

**Mr Clarke**—You talked about sharing university infrastructure. Can I suggest that the panel apply its mind, perhaps, to the advantages that can be gained by using TAFE infrastructure—let us talk about electronic communications, and we will pick the little town of Corryong, where we have a mini-campus. I believe there are great opportunities for the infrastructure of videoconferencing, et cetera, to be used for economic development and business development where Johnnie Bloggs, small widget-maker in Corryong, can access that infrastructure and, through a central thing, we may even be able to eventually put him in touch with overseas people.

So, in addition to looking at it from where there might be compatibilities and cross-overs between universities and TAFEs, I believe there is a tremendous opportunity there for a regional TAFE, if it is committed to the region and issues of employment, vocational education and training and economic development, to develop the infrastructure to be useful to a much broader base than just people coming in to access vocational education.

**CHAIR**—What is stopping you from doing that now?

**Mr Smith**—No, we have started some of those areas. I think it is probably the encouragement of those communities to use it and perhaps the encouragement of other sectors of government to think we are not all a little series of isolated pockets, are we, in labour market development or economic development; that we have

got a resource and we need to work together. Certainly in regional Australia that is absolutely essential. We spoke about that in terms of TAFEs and universities working together. We do not have things on either hill.

**CHAIR**—I wrote a note at the start that really you are integral to the economic and social development of your region and the community owns you; I mean you are obviously a part of it.

**Mr Smith**—Yes.

**Mr PYNE**—I have been very impressed with the very clear vision of where you would like your institution to end up and the fact that you have a very strong attitude to the role that TAFEs play and the people that they look after, the industries that they work with, et cetera. What we have found in the last couple of days—I have not been to Perth and Adelaide for these submissions, but in Melbourne—is that the regional TAFEs have a very clear vision of what they are doing and why they are doing it, and that they are not competing with universities. I think you have made a very clear rendition of that with La Trobe and the campus, and their using infrastructure together, which I think is fantastic.

The city campuses of the TAFE seem to have an attitude that—some people would like them to be pseudo-universities, to an extent, which is the reason why the system was split in the late 1980s in the first place—was to stop CAEs from trying to be universities, and have these two very different sectors both doing very important tasks. Do you find that within your association of institute TAFE directors or whatever that there is any tension between city TAFE directors and regional TAFE directors about this issue?

**Mr Smith**—Yes, very much so.

**Mr PYNE**—Would you like to expand on that?

**Mr Smith**—I think you have hit the nail on the head. We have a clear vision of our role within regional development in Australia and probably, in my operation, which is 13,500 full- and part-time students, and looking at my program profile, we would not see our entry into the degree field as a priority at all; no priority. We have got more market down here than we can cope with. I understand where my colleagues in Melbourne and Sydney are coming from in terms that there may be some difficulties of universities now thinking about associate degrees and some of those aspects, but in all honesty, in regional Australia, of all of us outside the metropolitan area, I would not think that the provision of degree programs within the TAFE system would be a priority at all.

**Mr Clarke**—I will just go on and add to that: people in our community mean something to us whereas, if you are in the metropolitan area, the disadvantaged do not hit you quite as much in the heart as they do in the country areas. I am a farmer, amongst other things. There is a feeling of clumsiness amongst my colleagues about academia. As a result, that sort of mind-set impacts on the way we run our TAFE. We see Johnny Bloggs unemployed or Johnny Bloggs uncomfortable or clumsy in an academic environment very clearly. You walk down the street and you really say, ‘What can we do for this bloke?’

So we are running our institute on the basis that people will look after up there; they are clever enough. We see more market development going this way, as technology disenfranchises people on the shop floor. We

see more requirement for us to be going that way than trying to be pseudo-universities, if that makes sense to you.

**Mr PYNE**—Yes, it makes a lot of sense. One of the points of this whole inquiry is to try and work out the roles between universities and TAFEs. I have had a very clear exposition from the regional TAFE directors about their roles and I feel that I have not had quite the same clarity of mind from the metropolitan TAFE directors.

**Mr Smith**—Can I just give you an example, Christopher. The city of Albury and the city of Wodonga, considering that strip of muddy water between them, have just recently declared post-secondary education a vital industry for the region. They are now marketing post-secondary education in all of their development: in attracting business and industry to the area, ensuring that those that are there in existence are using these resources. That is a terrific compliment, I think, to post-secondary education and particularly vocational education and training, that that sort of statement has been made. That is very good support for us in the sorts of things we are doing.

**CHAIR**—Just perhaps changing the subject a bit: you are involved in dual recognition programs in schools. Can you just explain to us what sort of involvement you have? Are the kids who do VET in secondary school more likely to end up in TAFE?

**Mr Smith**—Our involvement is probably stronger in the outlying areas, the outer isolated communities, their secondary colleges and ourselves. We have got a number of links in there using the videoconferencing and a number of other joint programs that we involve and, yes, many youngsters involved in those would come into the field, into our situation.

I have a few concerns in that, Brendan, particularly with, I suppose, the danger of building more edifices on the hill. While I totally support VET in schools, I see that as a collaborative partnership between the schools and the TAFE institute sector, which is generally what is happening, and certainly in our region. But we are seeing emerging in Victoria a bit of a danger, where some of our school principals are seeing this as perhaps another way into some major capital development. So you might end up with a new commercial kitchen in a school and two kilometres down the road you have got a TAFE institute with all of those facilities well available. I am not protecting my own patch but as a taxpayer I have some real problems with that. It is not unlike the La Trobe TAFE model that I mentioned to you; that we really need to work in partnership on these things.

Back to your other area: we spend a lot of time with the schools because, yes, I think that if we can involve them in the importance of vocational training in their VCE or HSC and we can recognise some of those components in year 11 and 12 and give them some TAFE credentials, then they are certainly able to take those through. The only other danger in Victoria at the moment, from the schools part, is that we have to be a little careful with the staffing of it. You would be aware, certainly in my institute, that the industrial experience of our people is very strong. I know school principals are saying to me, 'We have got very good staff in many areas. They may not have the necessary experience and skills in some of the vocational aspects.' That is why it is still important to use us as some sort of partnership.

**CHAIR**—When we were in Adelaide, I think the fellow in charge of the engineering sections told us that he was concerned about the secondary schools putting in a lot of infrastructure and spending a lot of time on VET which he felt really ought to be done by TAFE and that schools ought to be concentrating on more fundamental things—I will probably say it while Mr Sawford is not here—like reading, writing and arithmetic. There is a government level of interest in that, by the way. Whilst you obviously feel that secondary school students ought to have access to VET, should they be coming to TAFE to get it?

**Mr Smith**—I think it is a combination of both. Say in office skills, office administration—schools have got computer labs where we can recognise that curriculum and recognise that teacher. Why shouldn't it be done there? But if it is, say, aspects of the early certificates in commercial cookery and some of those aspects and we have got a kitchen with all the bells and whistles and all of those things and you have got a very minor facility in schools, why not use it; that is what it is there for. So we have got to open those doors and break down the pathways to talk to one another.

**CHAIR**—What are the barriers to doing that? Is it the schools themselves who have a great reluctance to do it?

**Mr Smith**—I think communications both ways. Perhaps again in a regional area where you might come across your counterparts in schools, in a restaurant or at a football match or something, you know one another and you can relate. I would imagine in a big city that might not be as easy, but it is a personal situation.

**Mr Clarke**—May I just make an observation or two. It is not just the provision of the facility. We have got to get an outcome in this thing. One of the things that we are always focusing on in our TAFE is: are our deliverers up to speed with what is happening in industry today? We have got an industry release program where teachers go back into industry so they get themselves right up to speed. Apropos your question, there is a need to be sure that that training, if it has a current day relevance to industry—if that is the outcome we want—is in tune with what modern industry is about and what is over the horizon. It is not just the infrastructure; it is the capacity of the people delivering that training. So we have got to keep these skills up. It is not just the infrastructure; it is a bit bigger than that.

**CHAIR**—If a secondary school wants to provide VET for its students and then either TAFE people come along and help, or they perhaps preferably are sending the students along to TAFE facilities, do the schools purchase that service from TAFE? How is it financed?

**Mr Smith**—The funding is a bit of an issue. At the moment, I think in this state, there is a view that it is all rolled into the school's funding and they have got to find it. Whilst the rhetoric of VET in schools and sharing resources in this state is very strong, there are some difficulties in funding that ability to do it. We can read in the literature that ANTA are providing \$20 million for VET in schools, but when it comes down to me sitting down with the principals in my area there are some difficulties in meeting some of those costs. Obviously, if I am providing a teacher or the resource then I need some recompense for it.

**CHAIR**—So we should have a real look at the money trail.

**Mr Smith**—Yes, very much so.

**Mr BARRESI**—Do they have a capacity to raise the necessary funds through commercial—

**Mr Smith**—Schools?

**Mr BARRESI**—Yes, commercial interests?

**Mr Smith**—I would not think so, no.

**Mr Clarke**—I presume though, obviously, if the students are doing something that is going to count for some TAFE thing, the poor old parents might get the bill.

**Mr BARRESI**—Even though the VET could very much be industry specific to the region and it is in the interests of that particular industry, wouldn't the industry itself find it beneficial to contribute its own funds to the school?

**Mr Smith**—It may.

**Mr BARRESI**—I am thinking more of regional rather than metropolitan.

**Mr Smith**—Yes, I do not think there would be a lot of evidence that that is happening. I am not saying it is not possible.

**CHAIR**—Unfortunately we need to finish but perhaps one of the things we should do is actually have a look at the money trail in terms of secondary school VET and just see how it works and what the barriers might be.

**Mr BARRESI**—Just a short question: on that ministerial council that you are proposing for Albury-Wodonga, are there any other examples in Australia where that could apply?

**Mr Smith**—You mean in the VET sector or in any agency?

**Mr BARRESI**—Yes.

**Mr Smith**—You mean that model anywhere else?

**Mr BARRESI**—Yes. You are proposing a ministerial council to oversight Albury-Wodonga.

**Mr Smith**—I suppose the Coolangatta-Tweed Heads one is the only other big population centre that straddles a state border, isn't it?

**Mr BARRESI**—Is there a TAFE on both sides of the border?

**Mr Smith**—Both sides, yes, there are.

**Mr Clarke**—Just one other quick one: that business about sharing facilities, what we would not like to see at Wodonga, in our area, is a splitting of funding so that we end up with two second-class facilities doing the same thing. It just does not make sense to me. What we would think is there should be one first-class facility and it should be accessed by whoever wants to come into the thing. That is our solution.

**CHAIR**—I know all about the health problems in that area inside out and back to front. It is the same problem.

**Mr Clarke**—Same problem.

**Mr Smith**—But it has got to be fixed, Brendan. Thank you for the opportunity to share that. I hope you found it useful from a regional perspective.

**CHAIR**—Thank you very much.

[10.40 a.m.]

**BRIERLEY, Mr Edward John, President, Victorian Association of State Secondary Principals, Unit 2, 13-21 Vale Street, North Melbourne, Victoria 3051**

**MARTIN, Mr Peter John, Executive Officer, Australian Secondary Principals Association, Unit 2, 13-21 Vale Street, North Melbourne, Victoria 3051**

**CHAIR**—Thank you for going to the trouble of providing a submission and putting it together, and coming along to talk to us. It is not always the easiest thing to front up to a group of politicians and have a chat. I represent a Liberal Party Sydney metropolitan seat. Rod is the Labor member for Port Adelaide, and he has a long involvement in education, as does Christopher Pyne, who is the Liberal member for Sturt, a metropolitan Adelaide seat. Down the end here, Phillip Barresi is the Liberal member for Deakin here in Melbourne. Perhaps you could give us a five-minute precis of your submission, and then we can have a talk about it.

**Mr Brierley**—I am the president of the Victoria Association of State Secondary Principals, and an executive member of ASPA, the Australian Secondary Principals Association. I apologise, first of all, for the absence of Karyn Hart, who is the president of the Australian Secondary Principals Association. She apparently considered that a subpoena to court is more important than a meeting of politicians. She apologises for that.

**CHAIR**—Okay.

**Mr Brierley**—In a sense I think I am wearing two hats. first of all, to take the broader view with the ASPA submission, and then to embellish it with the VASSP submission. But, coincidentally, I am also principal of Wangaratta High School, and Geoffrey Smith, who was here before, is just up the road. Wangaratta High School is a school of 1,200 kids. We have extensive experience in VET programs. Believe me, we have experienced all the problems that there are, and I will be looking forward to sharing some of them with you.

**Mr Martin**—The Australian Secondary Principals Association represents virtually all government secondary school principals in the country. We have about 1,700 members of our association. It is organised on a state basis, where each of the states and territories is an affiliate of our association—that is, eight affiliates—and we draw on their experiences from each of the states and territories. We meet regularly in Canberra with groups such as this, and other groups. What we try to do is synthesise an overall situation based on the Australian experience. Where we do not get agreement—because states and territories do differ, as you would well know, not just in the medical area, but in education—then we say so. If we cannot represent an overall view we say so.

**Mr Brierley**—First of all, the ASPA submission is brief, because we think that there are major points but they are fairly obvious. From the secondary school perspective, it is important for us to be able to access TAFE, and TAFE facilities and TAFE expertise. I think as Geoff was saying before, secondary schools do call upon TAFE institutions to deliver sections of modules, or modules of work, in various certificates. Secondary

schools offer anything from level 1 certificates to level 4 certificates. My school does that, offering two courses at the level 4 certificate standard.

**Mr SAWFORD**—What courses are they, Ted?

**Mr Brierley**—At Wangaratta High School it is a certificate for professional writing and editing, and a certificate in hospitality. Hospitality is a very popular subject in Victoria, and we have had some four years' experience in this, and I have got to tell you that the merging of theory and practice, I guess—which is the great strength of vocational education and training—is definitely on the agenda, and is big business in secondary schools, even down as far as year 9. So don't get the idea it is just years 11 and 12; it is not. There are operations which occur at lower levels where this is happening. We need TAFE to provide expertise and facilities for some of those courses—not all of them, but some of them.

Funding is a real problem, as Geoff was saying. There are all sorts of games being played between states and the federal government, and we have great difficulty in getting access to funding. To Dr Kemp's eternal credit, ASPA assisted Dr Kemp's department, DEETYA, to monitor the delivery of moneys into schools. Where some states were a bit slow in farming out money to schools to pay for the outsourcing of these students to TAFE for TAFE courses, then we were able to provide a bit of an impetus. So in that sense ASPA has provided the facilities to be a bit of a watchdog. It is in our own interests, or the interests of the students, that we do that because basically I have to tell you that all schools in the nation have been using their own resources to support these courses, and it is getting a bit wearing.

My own school has spent \$100,000 over the last four years of our own money in supporting students in VET courses. Basically, we cannot keep on doing that. Unless it gets easier, and funding is easier, I, as a principal of Wangaratta High School, against all of my professional judgment, am going to drop VET courses in about two years, unless money comes through. I am not prepared to spend moneys raised by parents generally in this area, because it will break us eventually. That would be the experience, I think, of most schools in Australia. Different states have got different quirks, I guess, but I do not think Victoria is too atypical of the nation.

**CHAIR**—When you finish, Ted, can you come back to how much money is provided, and where it comes from, et cetera?

**Mr Brierley**—I certainly can. So in order to get moneys out to schools, we believe it should go direct to schools, where you get the full benefit of the federal moneys provided. I will get back to that later, as you requested. Important is the concept of credit transfer of learning, either gained in the secondary or the TAFE sector, so that you can get credit transfer either into a TAFE certificate, or, vice versa, credit transfer from a TAFE certificate back into your own schooling certificate.

For instance, in Victoria, the VCE is set up so that you can get credit transfer. For example, it is possible for my hospitality students—my certificate for hospitality students—to get credit for 31 VCE units, whereas the normal one is 24, or sometimes 22 in schools. So because of that credit transfer arrangement—and this occurs, by the way, over three years, not two—it is possible to get credit for the work done in TAFE modules back into the VCE, and vice versa. That is important.



The merging of TAFE and university into single institutions has attractions, because we do not think that there should be differences, per se, between those two sectors. There are certain risks. Of course, standards is a question which no doubt you would have heard about before. What we think is that if that occurs, then there is more choice for students in those institutions to mix and match modules or units to take on or support their particular career aspirations. It always amuses me—and, Brendan, you would be a better judge than I on this—that medicine is seen as the most academic course, but in fact it is probably the most vocational course there is, along with law.

**CHAIR**—It is training, it is not education.

**Mr Brierley**—Exactly. I think that is a cultural thing that we have, particularly with parents, although not so much with those who are aware of the situation. But it is an interesting thing to point out to some parents. In fact, where you get the three institutions working closely together, it really does broaden the opportunities available for students. As I said before, I would argue that students from year 9 up really should have access to as much choice and as many resource options, if you like, as is possible.

I think that that will probably lead me into the last dot point of the ASPA submission, and that is that that would lead to a coherent and worthwhile educational system for Australian students, which is not fragmented, where they do not have to move around the place in order to get bits of one and bits of the other; it would make delivery easier. We think that seamless education systems are the way to go. How you work that out between the higher institutions and TAFE—well, good luck!

Basically, also, I think that it is about time that the nation's leadership took seriously the issue of education in Australia. With secondary education, for instance, we have heard some fairly big statements out of Bill Clinton, and Tony Blair in England, about the importance of education, and the priority which it has in those nations—a very big priority. Here we have words, but hardly backed up with actions, I guess. As we have been talking to various other inquiries about, for example, teacher morale, it has that sort of gap, and that vacuum has certain effects on all sorts of individuals in the education sector.

We think that there is room for leadership, there is room for a program or an initiative which brings all of these things together, and we look forward to it taking place. There are a few problems if you do bring institutions together. One of them would be, for example, with the TAFE colleges being able to offer diplomas and advanced diplomas. Sometimes you get similar diplomas or advanced diplomas operating together in higher institutions and also in TAFE—for example, tourism—and I am not quite sure that the two are seen as equivalent. So the issue of worth of the certificates is important. Is a certificate gained in TAFE, for example, of as much intrinsic worth as one in higher education? The impression out there is that it is not. I am not quite so sure that that is the case, but a national accreditation scheme is the way that we are heading, and I think that needs to be supported.

The other issue that I would like to inject here—because I am mixing and matching both the VASSP and the ASPA efforts—is the fact that because you are dealing with year 9 students and up, and because you are dealing with issues of accreditation out in the workplace, students and employers need to be supported. They need to be supported in the workplace, particularly if we are going to enlarge the capacity of our nation for industry, placement of students into industry. We need to put more emphasis on small business, because

basically the larger employers are doing a good job but schools feel guilty about using them up.

Yet there is going to be an explosion in the number of students undertaking VET courses over the next few years. There has been an explosion in Victoria. I think this year it is up to about 12,000, and that is VCE only. These people have to be placed in work placements. Therefore, we have to increase the places in which we can utilise them, and employers are loath to do that unless they are supported. I know that the biggest difficulty, as far as we are concerned, with students of year 9 and up, is sorting out the wrinkles which inevitably occur in the workplace between the kids and the supervisors. A fair bit of time goes into smoothing out those wrinkles. Schools have resources to do that, and the knowledge.

Also what has to be done, I think, is that employers have to be helped in being able to accredit the competencies that are being taught to the kids, that are being demonstrated by the kids, in the workplace. Again, particularly in small business, they have not got the personnel departments which are going to help them with that. They need support. Without that support, these work placements are not going to take place, and we need to make sure that in fact we do support them.

With respect to funding, I will limit my remarks to the Victoria experience because I do not have specific details about other states. I do know that Victoria has undergone a bit of an explosion of work placements.

**CHAIR**—First of all, Ted, does the Commonwealth provide money? If so, roughly how much is it, and how is that distributed to the states, and then go into the state situation?

**Mr Brierley**—The big problem that we had up until last year was that we had no way to pay TAFE for delivering a module. Schools in Victoria are not allowed to charge fees. We cannot charge fees. So if a student is a school student, and if the school outsources to a TAFE, the status of the student is still a student at the secondary school, and therefore we are bound by state regulations in Victoria about charging fees. We cannot recover the moneys from the parents. There are various backdoor ways around that, but they are all illegal, and we prefer not to do it. So what has tended to happen in the past is that TAFE colleges have struck deals with secondary schools about cut-rate courses and things like that, because TAFE colleges can see it is in their own interest to get these kids in there, starting off on a certificate course, with the hope that eventually they will take them on for more advanced courses, and TAFEs, by and large, have been bending over backwards to assist schools.

It is very patchy, however, and our principals, a subcommittee of VASSP, did a survey last year on the charges made by TAFE for various courses around the state. Not only did charges for the one course vary immensely, but one institution charged two different schools differing amounts for the one course, and they were large differences. So there is no real predictability about the charges that will be incurred as a result of outsourcing modules or sections of modules or using facilities in TAFE by secondary schools, and that makes planning very difficult.

Last year we had funding which was forwarded down through ANTA to the state education departments, and then that was fed out to schools. In Victoria it was fed out on the basis of the number of students, in government schools, that is, who were undertaking a TAFE course or a VET certificate, and the

amount varied between the type of certificate that was being undertaken. For instance, certificate 2 in information technology you did not get anything for, because you could deliver that within your own school with no extra facilities—that was the theory. Hospitality, however, and things like that, you did get additional for, because you had to use outside institutions, so there was a sliding scale.

The federal government has got a different funding situation with private schools, with non-government schools. Because there is no system for independent schools that you can feed moneys through, they tended to feed money out to independent schools based on year 11 and 12 enrolments, whether or not those students were undertaking a VET course, and it is still going on today. So there are independent schools out there who may not be offering a VET certificate, yet are getting moneys to do so, simply on the basis of enrolment. I am not quite sure how they organise the Catholic education system.

**CHAIR**—So does that mean, for example, that a school like Xavier, a great school, which probably is not offering a lot of VET because there probably is not a lot of demand for it but, irrespective of that, gets the money? The Commonwealth says, ‘Here’s your money. Take it.’

**Mr Brierley**—That is right.

**Mr Martin**—The argument was that it was the quickest way of getting some funding out.

**Mr Brierley**—That may have been acceptable last year. It is not acceptable this year, and we met with Senator Ellison two weeks ago and asked that same question, and the situation has not changed, so that argument falls, I think.

**Mr Martin**—Other than the senator did say that funding in future would be based on evidence that courses had been offered. There are various ways you can do that.

**CHAIR**—Some of the schools possibly deserve more and others probably should not be getting any.

**Mr Martin**—Exactly.

**Mr Brierley**—That is right.

**Mr Martin**—That was our view, too.

**Mr Brierley**—In Victoria we have been told that the funding will be for a three-year period, when in fact I think federal budget allocations are for a four-year period, from 1996-97 for four years, but in Victoria we have been told that after three years the courses will have to be self-sufficient, and there has been a sliding scale of allocation of funds, so we got a lot of money in the first year, a bit less in the second year, and we will get even less next year, and none, presumably, the following year. That is causing great disquiet in the Victorian secondary schools community, because it means, as I opened up with before, unless there is a better way of doing things, then schools are going to drop VET like a hot brick, and that would be a terrible tragedy.

**CHAIR**—Can I just be clear about that, Ted, and Peter: there was funding for three years, which was

heavily weighted in the first year, and then after that you have got to be self-sufficient. How the hell do you do that?

**Mr Brierley**—Exactly. That is the question we keep on asking our state government authority, and we do not get any satisfactory answers. I am not quite sure. Regarding the way I spend my funds—let's take last year: I have got a TAFE bill for about \$35,000 for the students that we outsourced into TAFE. We are arguing about that, but that is the nature of bartering, I guess. But also of significant expenditure was about \$20,000, perhaps a bit more—\$22,000—that my school spent in employing a workplace coordinator. The workplace coordinator did the supervisory things that I was talking about before. And, as I was saying before, I think if we are going to be using small business, which I think we will have to in the future, we are going to have to step that up and not only give them student supervision, but also assist the employers in being able to accredit courses and modules and competencies.

So there are two arms to it. There is funding down through ANTA, which is there to pay for TAFEs, and that, in Victoria, looks like dribbling up, although the argument of Senator Ellison is that it should not, but I think the funding allocation was for over \$80 million for four years, but the number of students doing these VET courses is rising almost exponentially, and hence it does not take a mathematician of great skill to work out that per capita it is going to be down as time goes on.

The second great draw, which has not been considered in any great extent, is the need for workplace supervision. That in the past has been accessed through the ASTF, the Australian Student Traineeship Foundation, which is a semi-independent body with some government influence in it, and they have got the job of disseminating funds to support these sorts of things, but the approach appears to be different in different states. In some states they like to see schools cluster, in other states they will fund individual schools, and that is, I guess, the nature of the nation. Katherine High School, for instance, is very satisfied with the ASTF.

I have got to tell you that in Victoria we are not satisfied with the ASTF, because you have to go through too many hoops in order to get the money, and the money that you do get is soaked up in things like—'Well, we have to have a strategic plan for the cluster, we have to have a business plan, we have to do this, we have to do that'—et cetera. What I want is a person on the ground out doing the job with the kids, supporting them and supporting employers, and not getting our money soaked up in massive planning and accountability exercises. That is a problem, but I guess we can work our way through that.

**Mr BARRESI**—We heard from the previous witness of the possibility down the track—and I am starting to see it with one of the schools in my electorate, Heathmont Secondary College—that they may actually set themselves up as a centre for a particular industry. Heathmont, for example, has a very good automotive mechanical workshop. Perhaps by doing that they may then be able to justify increased capital funding from the state. Do you agree with the previous witness that it could actually be a trend for schools, and will the money they get from any possible capital funding be sufficient?

**Mr Brierley**—Yes, it will be possible, but even in a high density state like Victoria—dense in terms of population—there are different models that are operating. For example, there is one down around the eastern shore of Port Phillip Bay on hospitality, I think it is, and that is a big one, too—another industry. So, yes, you do tend to get schools in certain areas taking on certain specialities, but rural schools have not got that option,

and if you are not close to an industry or have not got public transport to an industry of some size, then you really cannot afford to do that. So it is a matter of trying to see what are the interests of the students, and the employment opportunities at the time, and trying to devise programs like it. We should have a system which is flexible enough to do all that, to allow schools like Heathmont to set up their speciality. I cannot see that the state government is going to be that enthusiastic about funding it, because I do not think they have tipped that much money into these sorts of things on a large scale basis. They may well have done with a very small number of individual schools, but I am not aware of those either, but certainly that would not be the case Victoria-wide.

Experience shows that kids in Nhill, et cetera, are just as interested in vocational education and training, in mixing and matching academic work and hands-on work, if you like, as the kids are down in the city, and they should not be denied that opportunity either. Hence, any scheme that is implemented needs to be flexible enough to cover all those possibilities. Funding again is the issue. There are possibilities for example in the bush, where you have a dormitory type of centre, say in Bendigo or Ballarat, in the provincial centres, where kids come down and do their work experience or their work placements, and get support for their accommodation down there. All those things are around, and have been trialled, but have not been implemented on a large scale.

**Mr Martin**—I was going to make the observation earlier that the flow of funds varies from state to state. Ted has illustrated the Victorian case. We know, for example, that Tasmania got none of that ANTA funding until comparatively recently, so what the government or ANTA were doing with it in the meantime we do not know. One of the advantages of the structure that Dr Kemp set up was transparency, in that the principals through our organisation knew that the money was there, knew how much it was, and knew the trail it should have followed, so they were able to continue to ask questions about, ‘Where’s the money? Why haven’t we got ours yet?’ and I think that was an advantage, and I would hope to see that repeated in the future.

**Mr SAWFORD**—Ted, thanks for your comments. I appreciated your frankness, and so I hope you do not take offence at some of the questions I am going to throw at you. Are secondary schools in general short-changing the aspirations of 70 per cent of the students who do not aspire to universities?

**Mr Brierley**—Unless schools can provide courses which are going to keep students in education, and are of value to them, then yes, I think they are. But, by and large, schools have been making herculean efforts not to do that. Using again Wangaratta High School as an example, we have students in these courses who have actually said to me—about a half a dozen of them from different courses—‘If it hadn’t been for this course, I wouldn’t be doing my VCE.’ Some schools are large enough that they can offer normal non-VET courses which will keep kids in there, and will service those students, and keep them interested, and are valued and valuable courses. I see vocational education and training, though, as an essential component in secondary schools to ensure that we do not short-change the 70 per cent of kids who do not go on to university, and also it had the added advantage of being conducive to their style of learning.

The sort of kids we are talking about are those who do not really take to book-learning as enthusiastically as the 30 per cent who do go to university, and that is a generalisation, I know, but the more we can do for these students, the better off the nation will be, both in terms of the social welfare commitment

and liability that it has, and also the skill base. We have to broaden the curriculum base of our schools so that it encompasses these sort of approaches which will be of great value to the kids, and are seen as being of great value.

**Mr Martin**—Can I just add to that, that principals are probably the greatest advocates around the place of what Ted is talking about.

**Mr SAWFORD**—It was not always the case.

**Mr Martin**—I do not know whether that is so or not. I do not know what your evidence is. But the problem is that we have a great educative function to perform, too, with the general public and with the press and the media and everybody else who tends to concentrate on TERs as being the epitome or the mark of what a good school is. Our contention is that that is not so, and we have been acting with Dr Kemp in other places to try to get rid of this league table mentality, which is the big problem.

**Mr SAWFORD**—He introduced it, of course.

**Mr Martin**—That is what causes the sort of statement that you made. Perhaps by bringing TAFEs and tertiaries closer together, we might be able to knock some of those views over as well. As long as the media and the public generally just stick with the superficialities of the results of a very small percentage of the kids in particular schools, then we are going to continue to have other people saying, 'Well, you're neglecting the other 70 per cent.' It does boil back, in many ways, to funding and ranges of choices available, as well as learning styles.

**Mr Brierley**—One just has to see the gleam in these students' eyes when they are out in the public serving the public, doing things that they are proud of, and with skills that they have learnt, and it really is a great head start. They love it.

**Mr SAWFORD**—It gives the boss a kick too.

**Mr Brierley**—It gives the boss a kick too. That is right.

**Mr SAWFORD**—I am not ignoring the implications of funding, because that is critical, but I noted your provocative statement of, 'If we don't get any damn funding, then the VET sector in my school is going to go.' I do not believe you would do that in light of the way you have been speaking. Can I put another provocative question to you. You must spend that amount, if not more, on your academic subjects in your school. The same question goes the other way, doesn't it? Why don't you satisfy the 70 per cent in VET and do the other thing?

**Mr Brierley**—Academic courses are very cheap to run. There is nothing cheaper than a maths course or an English course. In fact, principals love maths and English courses. They are cheap. Photography is not. It cost me, in my school, \$4.90 per maths unit at year 10, a bit more for English, about 6 bucks, and \$80—I am talking about semester-length units here—\$80 for a photography unit.

**Mr SAWFORD**—It is probably a very narrow view of mathematics, but I am not going to get on to that. Okay, I take the point. What about your links with primary schools? Primary schools have been duded in terms far worse than secondary schools, by the way, if you want to go through the system. 25 years ago the differentials between the various sectors were pretty marginal and justifiable, in my view. They are not in the current context. So what are your relationships like with your local primary schools? I am talking about Wangaratta.

**Mr Brierley**—In terms of VET?

**Mr SAWFORD**—In terms of VET.

**Mr Brierley**—Basically the primary schools are the primary agents responsible for the early inculcation or the early skilling of literacy and numeracy, which are the passports, if you like, to any career. Therefore, the links with our primary schools are essential. In Victoria, for instance, we have been clustering over the last few years in the districts where there is much more liaison between primaries and secondaries. We support them as much as we can, including by sending teachers out to them for lengths of time and also taking primary teachers into the school.

What we want to do is to get a lot closer and allow students access to our specialist resources just as, I would suggest, TAFEs need to be a bit more accepting of that sort of concept with secondary schools. Yes, we have close links with primary schools. They are essential, and they are an essential cog in the machine. Without them and without the funding, particularly for early literacy and numeracy, then even VET will not make a difference, because the kids are gone by the time they are 15.

**Mr Martin**—Could I make an observation about the differentials in funding. It is easy to make a simplistic argument, as you did. We could make the same—

**Mr SAWFORD**—I could make a very complex argument, a very detailed argument, if you would like me to. We have not got the time.

**Mr Martin**—I could respond in similar terms.

**Mr SAWFORD**—It is not simplistic.

**Mr Martin**—I am making the observation that we could use exactly the same argument if we compared secondary schools with TAFEs, or even secondary schools with universities. We are, in many cases, dealing with the same bunch of kids and yet the funding differentials are pretty hard to justify, particularly if secondary schools take on greater responsibilities than most TAFEs do for the welfare of their kids.

The point is that if people expect secondary schools, as they do, to provide photography, to provide physics, to provide courses which are very expensive, with small groups, then they cannot expect to pay the same as if you are simply providing for a grade 3 primary student.

**Mr SAWFORD**—I do not disagree at all. In a sense, we have got a literacy and numeracy crisis in

this country because we duded the primary sector in this country.

**Mr Brierley**—Let's face it, mostly—

**Mr SAWFORD**—I am not saying you.

**Mr Brierley**—90 per cent of the expenditure in schools is on human resources.

**Mr SAWFORD**—That is right.

**Mr Brierley**—Teachers. These things are governed by industrial awards. That is out of my bailiwick. I will leave it to my betters to sort those out, but while we have differences in there, you are going to get a necessary difference between primary and secondary, plus you have got the additional complexity that, by necessity, as an individual grows or a cohort of students grow and become older, their abilities and their ability range becomes wider in all sorts of areas. You have got to cater for the edges as well as the centre, and it is a lot easier to deal with in primary schools because the ability range is a bit narrower. As you go through secondary school, you are dealing with much more complex situations requiring much more complex resources.

**Mr SAWFORD**—There is a countervailing argument to that, which we could go on about forever and a day, and that is that the older the learner, the more independent and the more self-sufficient they become.

**Mr Brierley**—Have you got any adolescent kids?

**Mr SAWFORD**—Yes, and I have taught in all three sectors of education, so I know what I am talking about.

**Mr Brierley**—I think you had better start writing a book. I could sell it for you.

**Mr SAWFORD**—You could sell it for me? Perhaps I will. It is an interesting sort of concept, because you mentioned leadership and education in this country. I commenced my educational career with some of the most outstanding educational leaders in this nation, such as probably the best minister of education this country has ever had, in Hugh Hudson; and perhaps the history of the best director-general any state has ever had, even though he only served for 18 months; in John Walker and Alby Jones and all those people who followed on—John Steinle and so on.

**Mr Martin**—Frank Tate fans would probably want to disagree with you, and Fenton Sharp fans too.

**Mr SAWFORD**—With John Walker? I doubt it. You would not have the name TAFE, except for him. We can argue about that, but I acknowledge your point about the lack of leadership. From our point of view, I do not think the political leadership is there, either at a state or federal level, and I find that disappointing. There is no equivalent of a Hugh Hudson around today.

**Mr Martin**—What we are seeing now is a great shortage of teachers.



**Mr SAWFORD**—Let me finish because it is not just politics.

**Mr Martin**—You have made some pretty provocative statements, if I could have a go back.

**Mr SAWFORD**—Well, you can have a go back, but I think it is also true of the system itself that it has not actually thrown up the leaders that have been able to forge the alliances with the political scene as well as with the practitioners who actually carry it all out. Maybe that is a little bit lacking in the sense of the current thing. Perhaps it is also because of the aged cohorts of the sector, which is post-50, and the introduction of impetus of new ideas and new personnel into the whole sector. Whether it is university, TAFE, secondary school or primary, it is sadly lacking because the opportunities for those teaching positions are simply not there. Would you like to add any further comments on leadership?

**Mr Brierley**—I would like to comment, and this is probably a part of ASPA's fault as well. With David Kemp it has been the first time, I think, ASPA has had the opportunity to discuss, one on one, and on a number of occasions, issues of education in Australia. We appreciate that and I hope, no matter which particular government is in, that will continue. I am sure it will because I agree with you. We need to get closer, the politicians and the practitioners, and I would hope that both sides of the house would be able to see the sense of that.

**Mr SAWFORD**—I am saying this in a bipartisan way, not in a partisan way. One last one: careers advice. A previous inquiry of this committee was highly critical, not of the careers adviser himself or herself in the school, but of situation after situation all over Australia—like your numbers, 1,000, 1,200—the careers adviser-teacher, from what we gather, in a general way. In fact, this is the repetitive thing—selected by the short straw method—and we know what we mean by that. The teacher involved often having limited knowledge about local industry and labour market programs and so on, also having other responsibilities in the school. Would you like to comment, concerning your school, on the regional area and whether in fact this committee also ought to be recommending to government again the crucial role that those people play; that they ought to be part of a significant staffing formula; and that one per 1,200, whether it is private or public, is just unacceptable.

**Mr Brierley**—I agree with you. In fact, without getting specific, I would agree that up to say 10 years ago that was the method of selection and it was not satisfactory.

**Mr SAWFORD**—This inquiry was only last year.

**Mr Brierley**—Yes. I went to Wangaratta in 1992. There were eight periods per week given to a school of 1,200 kids for career advice, and I think that is pathetic. What I did, or what we did, was to treble that straightaway. It was split so there were 24 periods, which is a bit over a teacher, a full-time teacher, given to really boosting the work education department. We put in a leading teacher 2. Symbolically it was seen as an important area, and that was one of the 20-odd leading teacher 2s in the school, so she had that particular department. The whole area was given 24 periods and I also appointed a work experience coordinator, which is now a work placement coordinator, as well as a careers adviser.

So we have three people, each with a significant time, about a third of an allotment each in time

allowance, working collaboratively together, each with discrete responsibilities but all of them pitching in when the need is there, to provide support for the students. It is my view, particularly these days, that unless you give the opportunity for students to sort out in their own minds what their strengths and weaknesses are and plan their course virtually from when they move into the school, but certainly from year 9 onwards, then those students will be at great risk of going into the wrong areas. No-one can guarantee that you will guide someone into the right area, but what you can do is to make sure that the programs are there which are going to minimise that chance. I agree with you that you have to give a lot of emphasis to the support for students. Unfortunately, that particular approach has not been taken up by this government, nor was it taken up by the last one in Victoria.

**Mr SAWFORD**—It has not been taken up by any government.

**Mr Brierley**—Yes. Something has to be done.

**CHAIR**—We need to finish, but I would like to ask you something that is very important to this inquiry. You recommended that the universities and TAFEs be merged to broaden the opportunities for students.

**Mr Martin**—I do not think we recommended it. We said that it had some advantages. We could see some advantages.

**CHAIR**—As to one of the problems, do you see that it is possible—and there is a polarisation of views although most people are in the middle somewhere—without diminishing the value and quality of university education and also without diminishing the focus that TAFEs obviously have on vocational education and training?

**Mr Martin**—I think there are dangers with that, but as long as there are checks and balances my personal view is that it is likely that the universities will tend to specialise. I cannot, for example, see the University of Melbourne becoming involved intensively with TAFE, unless it is seen as a source of funding to boost their own research in other areas. That is a danger, that a university may get hold of TAFE funds and then use them for research, unlike the polytechnics in Hong Kong, for example, where there is equal emphasis given to research with an industrial bias as there is for pure research. So there is that danger, but my feeling is that probably tertiary institutions will specialise. Some will go for this in a big way; others will use it as a point of difference not to be part of it.

The other point is that there are probably some advantages for students. I cannot, in my own mind, for example, see any reason why students doing TAFE should not be eligible for HECS as they are if they do university courses. If that is a side effect of it, then I would think that would be a good thing, again speaking both as a parent as well as a principal.

**Mr SAWFORD**—Do you think the introduction of HECS into the TAFE system—this has been raised before in the inquiry—may initially be of disadvantage and discourage participation in TAFE?

**Mr Martin**—No, I think it is likely to have the opposite effect.

**Mr SAWFORD**—Why do you say that?

**Mr Martin**—My view would be that it would encourage it, because I think there are students—particularly the students who might benefit most from TAFE—who cannot fund it, or who cannot be supported by their parents, or who just see, ‘It’s just not on. I’d never apply because I won’t be able to keep myself.’ This is particularly true in the country where, even to do TAFE, you would have to leave home.

**Mr SAWFORD**—We heard from the East Gippsland TAFE, I think, that 50 per cent of their students—

**CHAIR**—54 per cent.

**Mr SAWFORD**—do not pay fees, and they are subsidised.

**CHAIR**—They are concessional.

**Mr SAWFORD**—They pay concessional fees.

**Mr Martin**—That surely must inhibit the development of that particular institution, if that is the case.

**Mr SAWFORD**—We do not disagree with that, but that seems to be fairly common.

**Mr Martin**—Again I think you will find that country TAFEs are more amenable to doing that sort of thing than city TAFEs, because they are closer to the community.

**Mr SAWFORD**—I do not think there is any distinction between them. I think you will find the evidence is that concessions, if they are there, range from total subsidy to part subsidy, and they are cross-subsidised via TAFE’s funds. That is the current situation. That is what I mean. HECS may in fact be a disadvantage.

**CHAIR**—It stands to reason, to me, if you are a student going into the TAFE system and there is an up-front fee, that some sort of deferred payment plan as an option—a bit like HECS, when you start repaying only when you reach a certain income level—would surely be an attractive option.

**Mr Martin**—It seems to me to be a social justice issue. I do not see why we would need to differentiate.

**Mr Brierley**—Going back to the point about getting TAFEs and universities together, I think these days that people, particularly with appropriate career advice, are looking more at the departments of the institutions, rather than an institution itself. There are departments in universities and in TAFEs which take pride in themselves and have fine reputations. I think that is more the way that things are panning out, rather than looking at this institution or that institution and thinking, ‘Will this one be diminished by the addition of that?’ or whatever.

**Mr SAWFORD**—Ted, are your views and those of the previous witnesses coloured by having a more than satisfactory situation in the Albury-Wodonga area?

**Mr Brierley**—I did not say that.

**Mr SAWFORD**—I know you did not say that. I am putting words in your mouth. But maybe some of your city counterparts would not have that view.

**Mr Brierley**—I deal with Wangaratta TAFE. I would think that, by and large, my country colleagues would say, ‘We are over a barrel because we can’t go shopping,’ whereas my metropolitan colleagues can. If the price is too much here, you can go down the road. These TAFEs here are well into cutting each other’s throats. I do not have that luxury up in Wangaratta.

**Mr BARRESI**—We did hear from one of the TAFEs yesterday—I think it was Barton—who said that they look at their region as Victoria-wide, and we will start seeing TAFEs going beyond what was their foothold in the region. So maybe you do have that ability to go shopping.

**Mr Brierley**—Yes, but the only situation where that would occur, that I can think of, is that of La Trobe University, which I think is the one that runs the hospitality school up at Mount Buller. But, practically, to look at what happens now is that if you do not tend to go outside your area in the bush—and there are very few—

**Mr Martin**—It is more likely that the kids would move than the institute.

**Mr Brierley**—Yes.

**Mr Martin**—And there is a financial problem and sometimes, for parents, other sorts of worries about having kids at 16 or 17 leaving home to go to study.

**CHAIR**—Thank you very much. That was very useful.

[11.33 a.m.]

**BAKER, Mr Barrie Charles, Director, South West Institute of TAFE, PO Box 674, Warrnambool, Victoria 3280**

**LINDSEY, Mr Thomas William, Convenor, Greater Green Triangle Association Post-Secondary Education Consortium, and Interim Chairman, Greater Green Triangle Regional Association, Brown Street, Hamilton, Victoria**

**CHAIR**—Welcome. Thanks very much for producing a submission and taking the trouble to come along and speak to us about it. It can be a frustrating experience talking to parliamentary committees. Perhaps you could give us a five-minute precis of your submission, and then we can have a discussion about it.

**Mr Baker**—I have been the director of the South West Institute of TAFE for 12 years. It is a multicampus institute with three base campuses: Warrnambool, Hamilton, and Portland. Our submission is relatively simple, so I thought I just might spend a couple of minutes picking up three issues which are probably the key ones in terms of the fairly finite terms of reference, in one sense. It was a finite set of words, although it was a very open brief.

The three things I would like to pick up on are the differences in the program areas between universities and the TAFE sector; the element of accessibility, and the significance of that in TAFE, and probably specifically within the regional TAFE setting; and, thirdly, the difference in the student cohort, the different type of population that we are dealing with as students.

**Mr SAWFORD**—Barrie, before you do that, could you give us just a little bit more information in terms of what your organisation does and perhaps how it differs from a metropolitan campus.

**Mr Baker**—Victorian TAFEs you are now fully familiar with, I guess, in that they are relatively more autonomous than the other states in terms of their operation. It is interesting that the submissions you have received show the Victorian TAFE institutes having a lot of representation and some of the others not having so much. We feel free to be involved, I guess.

Our institute serves a population of about 100,000. Last year we had just over 8,000 enrolments and a student contact hour rate of 1.4 million student contact hours. If you boil that out to university-speak in terms of EFTSUs it would be about 2,000 equivalent full-time student units. We have a budget of the order of \$14 million and a total payroll of about 400 staff—but 200 of those are specialist short-term appointments, so there is a standing payroll of about 200 EFT staff, or a bit over—and about 240 total staff on contract or permanent employment. Is that a reasonable thumbnail sketch?

**Mr SAWFORD**—That is fine.

**Mr Baker**—As I say, we operate off three campuses. They are disparate in the way they work. We have a campus at Warrnambool, which is certainly our main campus and which is where the action sprang from a number of years ago as a spin-off from the old Warrnambool Institute. Just prior to its becoming part

of Deakin University, as with a lot of the regional TAFEs, they separated out at that point of time, and the Warrnambool institute subsequently became part of Deakin University. They have a campus in Warrnambool also.

Of our 8,000-odd students we would have about 6,000 at Warrnambool and a bit over a thousand at each of Hamilton and Portland campuses. The Hamilton subregion again has a population of about 20,000 people, and Portland has about the same. The urban areas in each case have a bit under 10,000 people.

**Mr SAWFORD**—Do you take in Hamilton as well?

**Mr Baker**—Yes. The Hamilton subregion has about 20,000 people, and the Portland subregion has about 20,000 people, with the cities in each case having just under 10,000. Then Warrnambool historically has also picked up the Corangamite area, and so that population base there is just under 60,000. The Warrnambool city has about 28,000 residents in the immediate urban area. So that is the sort of demographic spread.

To move on to the programs: the significant difference I see between TAFE operations and university operations—and because we work in a town with the two operations beside each other, it is fairly clear—is that clearly the TAFE programs are relatively shorter-term, very focused in terms of what they are on about, and very much applied. I think one of the fundamental differences between TAFE training and education and university training and education is that the vast bulk of our programs are not intending, really, to set people up with a total educational framework for life. We are very much concerned with what people want to do now, for the next year or two, and the expectation and the reality in most cases is that people then come and take another sample a couple of years down the track to upgrade and update their skills, to move on to a different patch. That shows in the student cohort, and I will come to that a bit later.

There is often comment that increasingly there is overlap between the types of programs that are offered in TAFE and the ones that are operated in university. I contend that there is overlap in titles but often not in style and in content. For example—an example close to me, but I think it is a useful one—my wife has recently moved into doing management work with local government. When she did that, she decided that she needed some more management skills and she came to do a diploma of management at the TAFE college. Subsequently she discovered that it would be to her professional advantage to do a specific management course—a diploma course—run through Deakin University, which was targeted specifically at local government, and so she has been doing both courses in the last three years.

While they are both diplomas, one is notionally open entry, in that there are no prerequisites for it apart from the interest to do it, and the other is notionally postgraduate, but not presuming any prior management experience so it could be postgraduate anything. So they are both really starting from a zero management skills base. She felt they were both useful, and they both contributed, but they were quite different. The TAFE program was hands-on, in the sense that when they were doing the HR unit in the TAFE program it was workshopping in the classroom, role-playing about different interview situations, performance assessment situations and so on, and the HR unit in the postgrad diploma was very much more theoretical about the history of human relationships development, how the system works, and so on.

Likewise, there was a difference in a couple of the units: in the TAFE program there was a unit about

information technology, which was very much a hands-on thing about what sort of programs are currently available, or what sort of pro formas are available to management that you can conveniently pick up on a word-processing package—so that you do not have to be an excellent typist; you can pick up a pro forma and put things in—but there was no equivalent unit in the Deakin course. The Deakin course, on the other hand, had a unit on analysing statistics and understanding that sort of thing.

So, in a sense, there was quite a mind-set difference in what, on the face of it, just from a look at the two qualifications on paper, in terms of the extent of the course, the level of the program and so on, would be very similar. I think that is symptomatic of the difference between a TAFE style and a university style. It is not to say that one is better or worse, obviously, but they are complementary and different.

That applies in a lot of things, in the interface area, but the other area is that TAFE has a vast array of programs which do not touch on that interface area, and increasingly in an organisation like ours there is more emphasis on short programs, industry commissioned courses, and that sort of specialist activity. Some of our growth areas have been in things like coxswains courses at Portland for people working on fishing boats, and short computing courses. We now do the training for pre-licensing motorbike riding—all sorts of odd things that people need training for and which are not covered in any other education sector. Perhaps we can explore that better in programs later.

Accessibility is another of the big differences, and certainly that is significant in the regional area in terms of the programs that we have. I do not think it would be unfair on Deakin to say that they feel that their Warrnambool operation, which has got about 2,000 EFTSUs, is a fairly marginal campus. They work very hard at the rhetoric of maintaining those numbers and trying to keep the campus together and in a good psychological state—keeping the morale up.

Our 2,000 EFTSUs make us quite a comfortable operating unit because we have different styles, different operations and different expectations. In fact, our operations at Hamilton and Portland—which in each case have got about 17 staff, about 1,000 enrolments at each place and about 150,000 student contact hours—would relate to somewhere between 150 and 200 equivalent full-time student units, which a university would clearly not consider a viable local presence. Those three campuses are each more than 100 kilometres apart. So in relativity terms it would be equivalent to talking about Ballarat university and Deakin University, Geelong and RMIT Melbourne, as being the three campuses. Our campuses at Warrnambool, Hamilton and Portland are in fact in a triangle very similar but a little further apart than those three.

People in Hamilton or Portland obviously do not see going to Warrnambool as something they would do for an evening course—the travel times and distances and so on are not convenient. Accessibility becomes a big feature and the fact that the TAFE institute can operate on smaller unit size and therefore, in a regional area, provide a much better spread of training access is one of the significant differences between the TAFE operation and the university operation.

The third thing, just briefly, is the difference in the student cohort. I was interested to hear the conversation going on in the previous group, which was very similar to many conversations you hear and to some extent reflects the government mind-set too, at least in this state, that there is somehow a presumption that TAFE is the alternative to a university as a post-school destination and that is its principal function. I

would say that is far from its principal function; it is one of its spin-off functions. Its principal function is for the ongoing skills development in the community.

In our case, for example, we had 8,000 students last year. About 10 per cent of those students are full-time students; the rest are all part-time in some form or another. The average age of our students is a bit over 31, which means that 50 per cent of our students, 4,000-odd of them, are 30-plus, going up to quite substantial cohorts in the forties, fifties and sixties. So the client group that we deal with is not a post-school client group in the main. It is serving quite a different function in that sense, and therefore again there is a different style of focus in terms of what we are on about. Our basic function is supporting community at large, not training post-school students, not to say that is not an important component of it, but in the real weight of activity that is not the bulk of people we deal with. That is our fundamental difference. Coupled with the different style of program and coupled with the accessibility, it makes for a quite different organisation and mind-set about what we do.

**CHAIR**—Thanks very much.

**Mr Lindsey**—I guess we are an interesting duo in that we bring probably different perspectives to a similar issue. For your benefit, the Greater Green Triangle is a regional development organisation, one of the first two which was ordained under the previous federal government's program, and it still continues on in a very robust way. It covers both the south-east in South Australia and the south-west in Victoria, 70,000 square kilometres, 25,000 people. It is now fully funded by local government; it is picked up by 18 local governments across the region. It has got primary issues, it is taking up post-secondary education which covers both TAFE education and university education, and that is where the consortium idea, which you read about here, came about.

There are other things which it is taking up but in the context of this, I just want to put some context to economic development and post-secondary education. It is from that slant that the Greater Green Triangle presented the paper and which I address the group on today. The consortium comprises Barrie's TAFE and the South-East Institute of TAFE in South Australia as well as the universities, which are the Melbourne University campus, Deakin University campus, and the Wool Research Institute. So all post-secondary sectors are represented on it and they primarily came together to look at a more cohesive approach to post-secondary education: the linking of training and higher education in with economic development, integrally linking it. So there are pluses from a regional perspective and also back into the organisations.

I guess my interest has always been a seamless approach to regional development which is linking all the intellectual knowledge and power you have, and although sometimes I guess people become confused when they talk about regions, in regional Australia the ideas of regions and organisations and groups, such as educational providers, government authorities, water authorities and so forth collaborating together, is something which we are pushing very strongly. So we are looking at these organisations in the context of the integral part that they play in regional Australia.

Barrie provided me with some figures which come out of the recent ABS. There have been some suggestions, difficult to prove, that the presence of universities and TAFE sectors in regional Australia actually has a positive impact upon the retention of kids or younger people in those really vulnerable age cohorts,



which is 15 through to 24. The most recent figures which have come through show that in the context of South-West Victoria—I am talking South-West Victoria here—there is a substantial drain in relation to those two areas, except the trend is reversed very substantially in Warrnambool where Warrnambool is represented with a TAFE college and also Deakin University. If they were there at the present stage we can only start to ponder, I guess, what the position might be.

**Mr SAWFORD**—Are you prepared to give us that information?

**Mr Lindsey**—There are no problems at all. It is a handwritten one but we can take a copy of it for you. So that is interesting. We have submitted a response to the West review obviously, so I have seen it in the context of what the West review is doing, and also clearly we have submitted a response here. It was in this context. Let me put on my economic development hat, my paid job. I have got a few unpaid jobs, but my paid job is director of economic development at the Warrnambool City Council, so I am a local government employee. We take a substantial regional role in the context of the ability to be able to provide a stitch-in-time training, the capacity to be able to say to prospective investors in new businesses that we do have the capacity with TAFE colleges and universities. In the context of the investment attraction in those sorts of things, the mere presence has an enormously positive effect. But in the context of the regional economies, those figures speak for themselves in the context of the skills retention and the capacity to train the people within our region.

So in fact as a regional centre and as a regional area we can contain our competitive—I am not saying our competitive advantage but we do not go into a competitive disadvantage mode.

It is in that context really: it is about regional leadership which is critical to regional areas, and the TAFE colleges and the universities provide those. Leadership comes out of those. It is in relation to the input they have into the regional communities in the context of their expertise, their intellectual capacity, the applied research which Barrie talks about, all those sorts of things, which need to be looked at together in a more holistic approach, I believe, rather than just looking at a single sector.

**CHAIR**—We just need to ask you a few questions.

**Mr PYNE**—In your submission, Barrie, you made it very clear that the TAFE in the south-west region had a pretty good understanding of its direction and what it wanted to achieve in linking in closely with the region and providing skills and VET to people who are looking for jobs in that region, and reskilling people too over a lifetime, which is something we have not really touched on much in this inquiry but it is very important.

Why then do you think that there is such a clarity of thought in regional areas about TAFEs but the same clarity of thought is not evidenced in the city about the visions for TAFE? In the last couple of days we have heard at least one person say that what TAFE lacks is a vision, but listening to you and listening to the person from central Gippsland and listening to the person from Wodonga, there is absolutely no doubt that they have, and you have, a very clear idea of where TAFE should go. But when we come into the city we find that people are trying to—I feel that they feel slightly inferior or something to universities, and rather than realising that they have a specific role which they do very well, they want to make themselves pseudo-

university type institutions. How do you resolve that difference of opinion?

**Mr Baker**—I think it probably relates to the different understanding of community. In a sense we have got a very much easier case in that we are living in that community and it is the community that calls on us for that support. Unlike some of the other comments that were made before, we have got plenty of competition coming in from outside too, but very clearly we see our role as a regional provider and our focus as providing support and training opportunities for that community, and the employers in it and the community in it and so on. I guess when you get into the metropolitan area it is less obvious what your community is that you are servicing.

**Mr PYNE**—You would share infrastructure with the universities in Warrnambool and so on, wouldn't you?

**Mr Baker**—No, we do not, in fact. There is some cross-linkage in terms of the operations of the libraries and that sort of thing. Otherwise very little of the infrastructure of the university in fact resides at Warrnambool, so there is little to share. That was one of the concerns, I think—and Tom may like to comment—with the restructuring of Deakin; that a lot of that economic benefit from having an institution in town has gone away because the buying of the institution is now done remotely and therefore purchased from remote organisations; the administrative staff has been substantially reduced. We do not have much in common in that way at all. We certainly link a few programs and we have good relations with the academic staff, but we do not have any administrative links.

**Mr PYNE**—Is there a tension then between the regional directors of TAFEs and the metropolitan directors of TAFEs in terms of your associations and groupings when you get together and talk about what you should be doing?

**Mr Baker**—Yes, there is some. There are two tensions. One is a tension of function and they often do see a somewhat different role for themselves. There is also a tension in terms of things like the funding structures and those sorts of things because again they are dealing by and large with larger student populations than we are and therefore operate in different ways. So we are not always pedalling in the same direction, as occurs in any industrial organisation, I guess.

**Mr PYNE**—So do you think it would be particularly useful for TAFEs in say your regional area to be able to offer the vocational degrees that some of the metropolitan TAFEs seem to want to offer?

**Mr Baker**—I would want to assess what they were targeted at in the same way—whether they have a real life within our region. Again you would want to assess what your potential group is, what the demand might be for that operation and therefore whether they have something to add. In lots of cases, when we are looking at full-time students, the full-time students can move to where the course is. The more critical thing is that you retain the capacity and expertise and so on to operate for your part-time students, and that is an important equation. Sometimes you might even run a full-time course for the sake of generating the expertise that can then have those part-time spin-offs, but you would not run it just for itself.

**Mr PYNE**—Would it be fair to say it would be a retrograde step if TAFEs operated too much on the

top end of the scale, like this vocational degree suggestion, in

competition with universities at the expense of their core business, which is what you described this morning?

**Mr Baker**—Again two answers to that. I would think yes, it would be a pity for the institutions to be concentrating on that. The converse is that there are a number of areas where there is not appropriate post-basic skills training.

We do not in Australia have a history of skilled craft people being able to extend their skilled craft in a lot of areas. The university courses tend to go into more theoretical type approaches as opposed to really extending the skills of a skilled craft person. So there is certainly a role there which probably needs to be filled. I am not sure that institutions such as ours would necessarily be the right ones to do that.

**Mr PYNE**—Thanks.

**Mr SAWFORD**—Barrie, you differentiated the roles of universities and TAFEs very clearly, perhaps more clearly than anyone else has before this inquiry, so I thank you for that. Just in terms of following on from what Christopher was asking about the alliances that TAFEs can develop with universities in regional Australia, in some areas we have heard that they do, in fact, share the administration of the alliances—access and availability and whatever. Do you see any problems—and let us confine ourselves to regional areas, first of all, and separate them from the city—that there is a distinct possibility that government could think very seriously about a dual sector role operating in regional Australia between the two, where it is not dominated one by the other, but a shared alliance, both administratively in terms of access and availability and so on? Do you have any angst against that proposition?

**Mr Baker**—I have no angst against it. I think we would want to explore fairly carefully what the benefits would be. We have explored joint administration with a couple of the other regional TAFE institutes. It is not immediately obvious always what the gain really is. It is not as simple as some of the equations would like to suggest. I think that by amalgamating your accounts, by amalgamating your payroll, doing something of that kind, you will in fact make gains out of that. It would need to be treated with care but, if there was the opportunity, certainly that is a possibility.

The basic difficulty would be that the regional TAFE institute is the head office, if you like, and by and large the local university operation is the branch office. So blending the administrative arrangements is not always easy. If you are dealing head office to head office, you have got more commonality in administrative functions and you would be able to perhaps gain more that way. But that is very rarely the case. Possibly Geelong would be the only example in Victoria where the head office of both the university and the TAFE would be in a regional centre.

**Mr SAWFORD**—I suppose it is a hypothetical question for you but, if those alliances are developed in regional Australia, what are the different awards that people in higher education and TAFE operate? What is your response to that?

**Mr Baker**—My view of that is that I think there are sufficiently different psyches involved, that there

is good reason for collaboration and for joint activity, but not a lot of good examples of really rolling the things together. Again, if we were delivering university programs—and we are, we are looking at delivering a couple of Ballarat programs, we have got joint programs with Deakin—we always use the university staff or university-appointed staff to do that job. We do not use our staff for that, because again there is a different style about it and I think you lose both styles if you try to roll them together.

**Mr SAWFORD**—Tom, just a question to you. The previous witness has made some comments on the different culture in New South Wales and Victoria, in reference to Albury-Wodonga. I do not know whether you were here . You operate over two state boundaries. Would you like to make some comments on how you work within two government systems?

**Mr Lindsey**—It goes back a little bit further because this version of the Green Triangle Regional Development Organisation is preceded by a state funded version, about 1986.

**Mr SAWFORD**—Which state—both states?

**Mr Lindsey**—South Australia put some money in; Victoria put some money in. The only reason I mention that is there has always been a recognition, within our part of the world, in the context of agriculture and the context of transport networks—and that goes through from fishing to dairying to the wine areas and so forth—that the only things that impact upon our development in a lot of cases is in fact the state boundary which separates two parts of a region in the context of distance to Adelaide from the south-east of South Australia, the distance to Melbourne from here. There is an enormous amount of integration across the border—shopping and all those sorts of things—so, really, we do not have the cultural problem. The arrangements work incredibly well and one of the major focuses of the group was to look at the hindrances a state boundary causes, so we can try and overcome those.

**Mr SAWFORD**—Are there any?

**Mr Lindsey**—There are, in relation to issues of transport, for starters. There are different legislation requirements in relation to fishing and all sorts of things.

**Mr SAWFORD**—What about funding?

**Mr Lindsey**—Yes, funding is different. Certainly in relation to economic development it is different. They have got a completely different system in South Australia. They have got substantially larger state based regional organisations. The whole of the south-east of South Australia is made up of one of those organisations. If I just go back one step, I will just mention Albury-Wodonga consists of a very large city which is one city which is divided by a river. We have got Mount Gambier in South Australia and Warrnambool, Hamilton, Portland in Victoria, and there is not that sense of desperation between them that there might be if they were substantially closer together in proximity.

**Mr Baker**—There is an educational thing, if I could just bring it in on that too, which is this. I am not a vast advocate of the user choice principles as a generality, because they have got some silly fringes to them. In general terms, I think the idea of user choice has been good. One of the advantages that has arisen is that in

our particular case, previously the Mount Gambier or the South-East College, if they were not running an apprenticeship area, for example, the students would have to go to Adelaide for their training. In a number of cases we were running the training 150 Ks away, and much more psychologically close relative to the people involved. The introduction of user choice has now made it possible for those apprentices to come across to Warrnambool to do their training instead of going to Adelaide. So that is one little quirk that has happened as a result of that user choice arrangement, which has been very positive, I think.

**Mr SAWFORD**—One last quick one. Are there any particular apprenticeships, traineeships, in your area that you specialise in that may not be in other areas of Victoria?

**Mr Baker**—We have got some unique programs in the fibre arts area, which are a function of history. We have got a professional tapestry weaving diploma, for example, which is the only one of its kind in Australasia—and organisations like the Victorian tapestry workshops are fairly notable organisations full of our graduates. The course attracts people from all over Australia. We also operate that on an open learning basis, so they do not have to come to Warrnambool for the majority of their program. They in fact come down for two-week workshops only. So very strange parcels arrive in the mail from time to time with tapestries turning up from all over. That is one area.

The other area, which we have developed a lot of expertise in, is workplace based traineeships. In fact, we are offering those all over Australia at this point, particularly in the sport and recreation field, which is one of those booming traineeship areas and where again there is the potential for remote individual trainees who have got to be picked up in some way. One of the advantages of being a smaller centre is that we have had to learn to work with smaller numbers and therefore we can service individual students in smaller numbers better than a lot of the bigger colleges can.

**CHAIR**—The Australian Business Chamber suggested a non-indentured training option ought to be available. Is that something that you would look upon favourably?

**Mr Baker**—It depends what they mean. I would say probably 30 per cent of our students are on non-indentured training options.

**CHAIR**—Yes, someone who is not indentured to a particular employer who nonetheless is essentially doing an apprenticeship. You know what the problems are obviously, particularly the first two years of an apprenticeship as far as an employer is concerned. Is that something that you think TAFEs could handle and handle well?

**Mr Baker**—There is a move towards that already in real terms because in a number of the trade areas there are now appropriate pre-apprenticeship programs, which often parallel an equivalent traineeship. With the demise of a lot of the vocational training in schools over a number of years, which is now a trend they are trying to reverse, a lot of employers have sought out the students that have done those training programs and it has been a very effective way of doing it. It means that the students had some knowledge of the field they are going to go into.

If they want to be an automotive mechanic, for example, they have spent 12 months doing it. They

know that is what they want to do. They have already got a little bit of background information for it. By and large they will get advanced standing in terms of their schooling and therefore be more valuable to the employer, rather than taking somebody raw off school that may or may not like the business when they get in there and are starting from a very low skill base.

**CHAIR**—To what extent do you think TAFEs should be involved in school activities, school VET?

**Mr Baker**—I would hesitate to try and be an expert on what schools should be doing.

**CHAIR**—No, to what extent should TAFEs be involved in the school vocational education and training programs?

**Mr Baker**—I think we can have a very substantial role in providing that, again because we have got the difference between schoolteachers who might not have so much current industry contact trying to teach a vocational area, as opposed to the VET teacher coming in from outside, in a sense, or the students going to the local college to pick up that training in a more direct way.

**CHAIR**—Do you guys do any of it, or much of it, and, if so, what do you do?

**Mr Baker**—We have got programs running both ways in that we have got quite a strong VET program in the region. Some schools like to do their own thing but most of them come to us for at least parts of their VET programs. In a number of cases—in the metals area, hospitality area and automotive area—we run holiday programs, so during the school holidays the students come to us to run through modules that they cannot get at school, and that works very well. The students certainly are very receptive to that. We do that because it is very hard otherwise to coordinate timetables between a number of schools to bring it in, and that allows schools to have relatively smaller numbers in groups and still make it work.

**Mr BARRESI**—I was actually going to ask that question, Brendan, because the previous witnesses were speaking about the difficulty for school principals. I do not know whether you heard their submissions. They were talking about the difficulty of maintaining VET programs two or three years down the track because of funding problems, about the fact they may have to bow out of it. I did not ask them the question that Brendan has essentially asked you, but if they do bow out, do you see that TAFE would take up the gap that is left behind?

**Mr Baker**—The constraints on that basically become financial. The constraint on the school—why they are bailing out is because at the moment they are getting supplementary funding and the reality is that they are getting funded for all the hours that the kids stay at school. In Victoria, with the schools of the future program, they have a fair degree of discretion as to how they use the funding that comes in, and they can use some of that funding to buy in specialist expertise. If they only need six hours of automotive teaching, they can buy that six hours off the local TAFE college. However, because of the way they have structured their schools, they prefer not to do that, so they are only doing it while they have got special funding coming in. So that is the one thing.

The converse is that at this point of time we are not allowed to provide training to kids that are in full-

time secondary education, because the government believes, of course, that they are already funding full-time education for those kids, so they do not want to fund them twice.

**CHAIR**—You can provide it, but I do not think you would be paid for it.

**Mr Baker**—That is right, yes. Given that we are funded on the student contact hour basis, that becomes an issue.

**Mr BARRESI**—We hear a lot about the alliances that are set up between the TAFEs and the universities. Would it be helpful to have those same sort of arrangements, those alliances, with the schools instead?

**Mr Baker**—I think there needs to be a freeing up of the capacity. To some extent the school sector now is the precious one, in that in a sense they have got a guarded territory, at least within this state. I am not sure what the arrangements are in other states. We run an adult VCE program that school students cannot do because the rules from the Board of Studies here are set up such that it is not possible. Nobody can enrol. But there are a number of kids for whom, I think, a TAFE college type of environment might suit a lot better. Again, in user choice terms, you would think that option might be open.

Conversely, if there was a freer understanding of people being able to choose where they want to get their options from, and the schools can mix and match their program a bit, I am sure there would be quite a bit of interest in following it up. So it is really funding constraints at the moment that stop that interchange from happening.

**Mr BARRESI**—What is the unemployment rate in the south-west of Victoria—south-west, south-east—basically your catchment region?

**Mr Lindsey**—It is called south-west. Geelong basically is included in that, so it is about 10.5, 10.6. It is certainly above the national average. There are various pockets. It is not consistent across the whole of the area.

**Mr BARRESI**—What success rate do your students have once they leave your courses, in terms of employment and continuing employment?

**Mr Baker**—In terms of our graduate success rates, and the NCVR surveys last year, in fact our success rates are approximately 10 per cent above the national and state averages.

**Mr BARRESI**—Which is what, sorry?

**Mr Baker**—I think 67 per cent or something is the national average. We are about 75 per cent.

**Mr BARRESI**—75 per cent would get a job?

**Mr Baker**—Within the first four months. The survey is taken in May, so by that point of time they have reached that success level in picking up employment in their preferred area.

**Mr BARRESI**—Do you do any follow-up in terms of where that employment is? Do they actually find employment in the region or are they leaving the region?

**Mr Baker**—No. There is no follow-up which specifies that. It is a national survey conducted by a neutral party.

**Mr BARRESI**—Are you training people for the region, or are you training people for the state? That will determine the type of curriculum that you are offering.

**Mr Baker**—Yes, that is right.

**Mr Lindsey**—In relation to that one thing, at a Greater Green Triangle level, what will happen is that there is about to be a complete skills audit and input-output analysis for the whole of the region. That, I am sure, as Barrie has said, will be of interest in the context that we have got a fair idea of what industry sectors are doing well at the moment, or have the capacity to do well, and the growth areas. There are various reasons why we can make those assumptions. The strategies are imposed for those industry sectors. Now we are in the process of finding out where the skills shortages are at the present stage, and where the opportunities for input and replacement are. So that is going to then feed into what sort of training, more specifically, we might need. Barrie does a lot of work in that himself anyway, but it is going to give a much more focused connection between the training and the economic output and the future of the region for the next 10 to 15 years.

**Mr Baker**—In our curriculum policy we prioritise five categories of programs. The first one is training in areas in which there is clear local employment. The second one is training in areas which provide trainees with a clear passport potential, if you like, so they can go and pick up work somewhere else.

**Mr BARRESI**—Just to name an industry, do Alcoa in Portland play a significant role in your consortium? In other words, do they avail themselves of your services?

**Mr Baker**—Yes. In fact, last year we had a full-time trainer in-house at Portland. We have not renewed it so far this year. So one of our staff is on their training staff. We do a lot of training with Portland. We do a lot of training with all the dairy companies. We have got a training room at Midfield Meats, one of the local abattoirs.

**Mr BARRESI**—To your knowledge, does Alcoa have a similar relationship with the universities in your area?

**Mr Lindsey**—Yes. Deakin University has a relationship with Alcoa and that is more based in the research component.

**Mr BARRESI**—So there is a distinct difference in the relationship between Alcoa, as an industry, as an example, and the TAFE and the university.



**Mr Lindsey**—Absolutely. They certainly both bring certain skills and capacity to Alcoa. Deakin have just signed up an agreement, because also they have got the arrangements at Geelong, but theirs is substantially more research based, and yours is obviously on a training base.

**Mr Baker**—Yes. We are doing forklift truck training, we are doing advanced welding, and those sorts of things.

**Mr SAWFORD**—Although we are at the very beginning of this inquiry, and it is exploring the links between TAFE and higher education, and although appreciating that there are a number of people in TAFE institutions, more in the city, perhaps, trying to push this agenda as well, and there is a very mixed report card in terms of the links with higher education, and a very mixed report card of the relationship between TAFE and schools, in the national interest, should this inquiry actually have been exploring the links between TAFE and schools? If you were the minister, where would you put priority? One is more attractive, perhaps, than the other, but what is in the national interest? What comes first? Can both happen at the same time?

**Mr Lindsey**—I would have thought, in fact, they could both happen at the same time. Perhaps it is clearer from our area, because there has been an enormous amount of work done by the institutions, it seems, from my perspective. I have had more to do with Deakin. I have a relationship with TAFE, but I sit on some groups at Deakin, looking at its arrangements within the south-west region. It seems clear to me that the linkages and some course articulation and things which are happening between Deakin and TAFE are very smart and very sensible, but in the context of what they do, they are quite different organisations.

There is no reason why there cannot be collaboration in the exploration of where they can cooperate and how they can do things. I think Barrie made a very good point, though, in relation to the cultures of the place. When you start mixing cultures, at some stage you lose the essence of what each might be about.

In relation to that linkage between the schools and what happens to the kids who in fact do not go on to the university or straight into employment, there needs to be a clear path which is created there. I do not purport to be an expert. I am not sure whether there is a void which is being created by the tech school programs and so forth which were in more the vocational area, which have ceased, but I cannot see any reason why it could not actually be looked at concurrently, and then you could have a seamless education and training program. Otherwise the seamlessness, it seems to me, starts to escape the whole system.

**Mr Baker**—I would have a rather different response. Generally, I think they would be parallel, and in fact the issues are probably equally large. I am not a great enthusiast for seamlessness, because I really think they are different. While there is an understanding for some sort of difference, and while there is an understanding of the different cultures that are involved with the different organisations, I think there need to be strong interfaces at both levels, and therefore that is significant, yes, in that sense.

**Mr Lindsey**—Can I just reword my comments. I will just go away from ‘seamless’ and talk about ‘vertical integration’, which was what I was talking about.

**Mr Baker**—There is still in the community mind some feeling that there is some sort of continuity or hierarchy in the programs, and there is not. There is quite a different style of operation and a different focus in

what they are doing. Therefore, while they interface in a whole range of ways, there is no continuity to it, and it is not one between another. In terms of the issues, I think it is just as important that there is a TAFE-school interface as there is a TAFE-university interface.

**CHAIR**—Thank you very much for giving us a very interesting and informative presentation. If there is anything else that you think of that ought to be added, do not hesitate to send it on.

**Proceedings suspended from 12.18 p.m. to 1.25 p.m.**

**COOKSON, Ms Christine, Director and Chief Executive Officer, Melbourne Institute of Textiles, 25 Dawson Street, Brunswick, Victoria 3056**

**MADDEN, Mr Mark, Manager, Strategic Planning and Marketing, Melbourne Institute of Textiles, 25 Dawson Street, Brunswick, Victoria 3056**

**CHAIR**—Thank you very much for preparing a submission and coming to speak to us. There are four of us here at the moment. My name is Brendan Nelson. I represent the Liberal Party in the metropolitan Sydney seat of Bradfield. Mr Sawford is the Labor member for Port Adelaide, and he has a very longstanding interest in education issues. Christopher Pyne is the Liberal member for Sturt in metropolitan Adelaide, and Mr Barresi is the member for Deakin, which is currently a Liberal seat, in Victoria. Perhaps you could give us a five-minute precis of your submission, and then we will have a talk about it.

**Ms Cookson**—Thank you very much for the opportunity to appear. I have been at the Melbourne Institute of Textiles since 1990. I have been in the TAFE system since 1974. I started teaching as an RMIT teacher, so I have been in multisectoral institutions and I have also been in large TAFE institutions, in addition to the role I currently have at Melbourne Institute of Textiles.

**Mr Madden**—I joined the Melbourne Institute of Textiles last year, and have worked on a whole range of submissions, both for this inquiry and for previous inquiries which are also mentioned as part of the submission in this one as well.

**Ms Cookson**—I think you have seen our submission. We have also tabled a briefer version of it today, which I will talk to, to guide our few minutes in opening up. Clearly, we come from a very distinctive perspective, that of being an industry specialist institution within the TAFE system. We have been around for 50 years this year, or since 1949 when our first classes started, so you can argue over 50 years and when it starts and finishes. We were established by the textile industries and the Commonwealth government in a big meeting in 1943. We have been in the technical and the TAFE systems through that entire time, but we are a very different model of the wide range of models I am sure you have seen in the TAFE system across Australia.

The sort of advantages of being in our kind of model are summarised in the submission, but in this document here I would like to focus on them, because I think they are part of the heart of your inquiry. In our institution, industry is the driving seat, and has been since it created the institute back in 1943. In addition to the textile industry, the clothing and footwear, wool and fibre, and floor covering industries have joined in. The Dry-Cleaning Institute of Australia has joined in.

For example, the Dry-Cleaning Institute of Australia, which represents all dry-cleaners, and its counter-body, the Laundry Association, who work very closely together, have worked with us as an institute, and they see us as their national training centre. When they need to develop codes of practice, we do that kind of work. It is a little different from average multi-sector or multi-functional TAFE institutes. For example, last year we developed the code of practice for dry-cleaners across Australia in the safe use of some of the chemicals in that industry. That is the sort of link that we have always had.

Our council, unlike many TAFE institute councils, comprises 12 people who are hand-picked through our textile industries, through their peak industry bodies, so we are very much driven by industry, much like an industry board, or directors of a company. We are driven by a group of specialist industry people. Our teaching and training faculty are generally selected because they have got hands-on experience in the industry. We are less interested in people who can teach international trade than we are in people who can teach international trade and have worked in those areas with textile, clothing, footwear, or fibre industries somewhere in the world. We have that as an extra component of the selection criteria we look for when we fill our positions.

We have clearly got, I think, a very important ability to influence industry policy and industry action plans. Last year we appeared before the Industry Commission inquiry into the TCF. Can I say there were less of them, but they did not look as good as you guys do. Appearing before the Industry Commission was fascinating work for us. We appeared twice and presented additional submissions to the two prime submissions that we made, on request by the Industry Commission.

We played a pivotal role in identifying best practice education and training, research and development, product development, and industry intelligence systems across the world, and we were able to do that particularly because of our international experience, identifying things that happened in the States, in Canada, in Hong Kong, and in Pakistan, that are really relevant to the way the Australia government did in fact ultimately approach its industry policies under the new TCF plans the Prime Minister released last September. As a consequence of the kind of role we played in that, the Prime Minister announced \$10 million would be given to boost a national centre of excellence based around our institute in the textile, clothing, and footwear arenas.

I also serve on Minister John Moore's TCF Advisory Panel. I am the only non-industry person on that panel, apart from Commonwealth bureaucrats. I am also an active member, by invitation, of the APEC Textile, Clothing and Footwear Business Forum. I just want to emphasise that, because it gives you a sense of the perspective from which you can ask questions and we can give you particular insights into the roles of TAFE. What I am really saying is that the strategic directions of the Melbourne Institute of Textiles is summarised currently as training for free trade. That will give you an insight into the kind of role we think TAFE has, and which is emerging much more strongly for the non-industry TAFEs now.

We are in the business of training for free trade. We train people in these industries to be able to compete in a free trade market, or one that is heading there. It is not there yet, as we all know. We think that is a very important link. One of the issues we will be pleased to talk to you about is the links between education and training policies and government's industry policies and plans. So we are actively involved in the development of action plans for the TCF industries as announced by Prime Minister Howard and John Moore last year. And unfortunately when we talk to the education and training system, there is no knowledge outside of our institute of those sorts of industry policy developments.

Our model is well understood overseas—I have given you some examples of that model—through the China Textile University, Scottish College of Textiles, New York Fashion Institute, New York School of Dry-Cleaning, et cetera. We have some 50 or 60 alliances along the lines of these special bodies. It makes sense in many places. Our own Victorian Premier is just investing \$30 million to establish an international fibre centre

here, based partly here in our institute, and partly in Geelong. I have already mentioned the Prime Minister's announcement of a centre of excellence.

We think our particular model helps us to be very focused on the needs of industry, and very lean and agile. We do meet or surpass every performance indicator of the education system at the state and federal level. More importantly, we are trying to communicate to you the link between our role with industry policy links, but also the ability to customise our education and training for each company. Because we understand and track the changes in employment, the changes in revenue, in income, when companies are investing in new technology, when they are changing their staffing profile—we track this regularly—it helps us to be part of each company's business plan, and to customise our training to that, as much as industry policy.

Unlike most TAFEs, I think we are the only TAFE which has internationally registered testing laboratories. We provide commercial testing services to the textile, clothing, and footwear industries of Australia, across Australia and into Asia. Our staff appear as expert witnesses. I know there have been six instances this year where we are appearing in criminal and civil cases as expert witnesses where customers have grievances about dry-cleaners. For instance, in the big tampon scare last year it was our expert witness that probably prevailed in respect of the final decision in textiles. So that is really why we wanted to emphasise the very particular role we think that TAFE has, which we think needs to be strengthened, not weakened, in terms of links to industry policy and companies.

The majority of our students are not school-leavers, they are already in the workplace. In areas like textiles, we are talking 90 per cent, not 50 per cent or 40 per cent, and these are people in the workplace who need to increase their skills, to get new skills, as the industry is changed. Many of our companies recruit directly from the institute, as well as giving students experience. That link is one that we treasure.

I am able to update you from our submission of last year. You are aware the Victorian TAFE system has recently had a review of Melbourne metropolitan institutes. It is on the public record that my institute and our industries wish to continue as a stand-alone industry specialist. That was not the final decision. We are to be merged with RMIT. We have decided to accept that, and we are going to make it work. Our early discussions with RMIT have been very productive and very positive. So you are now talking to an institute that has been proud to be stand-alone, and is now working enthusiastically towards a merger with the university.

I probably should indicate that we have shared a campus with the university for three years, and so part of the perspective we can give you in your questions comes from that. Obviously we want to be very fair and objective about these things, because these things always have their pluses and minuses. How we came to share a campus with the university was this. Our main campus has been rebuilt over a 10-year master plan process. That campus was initially shared with the Melbourne College of Printing and Graphic Arts, which was also an industry specialist institute. This made sense. They served their industry, we served ours, and we shared essential services that gave us cost efficiencies: libraries, cleaning, security, canteen, student services, and these sorts of areas.

The Melbourne College of Printing and Graphic Arts got itself into some difficulties and was merged forcibly with RMIT, at the beginning, I think, of 1994. That put us into a new arrangement where we were sharing a campus with the university. Many of the issues—the similarities and the differences, the advantages

and the disadvantages of TAFE and university—are ones that we see daily. We will be very pleased to answer honestly any questions we can on that arrangement.

In our merger, you will see there that our council have required us to ensure that, whatever happens in the merger with the university, industry remains in the driving seat, and we mean that totally and completely; that the programs and services for industry and students are enhanced; and that we get greater efficiencies and increased value for the training dollar. They are three very simple statements, but we believe we can manage the merger with the university to achieve those three things.

That is another part of the perspective that we are able to offer you, having commenced on a merger with those three prerogatives in mind. Every issue that we have approached so far has considered those matters. There may be some very practical experiences we can help you with.

That brings me to the end, in summary, of the potential areas that we will be very pleased to talk about and where we feel able to comment—to give a practical view of our experience of the similarities and differences between TAFE and universities; a very strong sense of the role that TAFE should have in its links with industry, and with industry policy in particular; and how we can ensure that the different arrangements between TAFE and university for making those links with industry are continued. We can give you a very early view of the advantages and disadvantages. Obviously, we have assessed both in our merger. We are pleased to respond to your questions and comments as well as we can.

**CHAIR**—Chris, regarding the concept of training people for a global economy, is there anything in the way you are funded that acts as an impediment to enabling you to do that?

**Ms Cookson**—Probably most everything about the way we are funded is potentially an impediment.

**CHAIR**—The reason I asked that is that the Vice-Chancellor of RMIT—I think—said that TAFEs are very good at training people for the present and the past, and they are not very good at training people for the future. He did not go on to say it, but it seems fairly obviously to us that, amongst other things, the way TAFEs are funded might be a part of that. We have had discussions with other witnesses about research, or lack of research, and the need for what they call sunrise industries and multimedia, biotechnology and information technology industries to have training which is right on the ‘cutting edge’—a phrase we use all the time. So what would be an ideal funding structure that would actually help you to train people much better for the present and the future?

**Ms Cookson**—You will see that in our summary today we have used the words ‘respond to’ and ‘anticipate’ industry needs. That is our polite way of saying that most of what the system gives us is today’s and yesterday’s needs. All the structures that we have within our institute currently to help us anticipate industry needs are really funded by our own commercial work, particularly our overseas work, and the fact that I work on industry policy in Pakistan, China and Indonesia comes back and then forms what we do here. We are linked to World Bank and United Nations banks of data which track these industries worldwide as they have relocated into Asia. All of that stuff is unfunded, except through our own commercial sources. The very heart of the way TAFE is funded is to deliver student contact hours based on historical trends and annual comments from industry training boards. I believe it is very dated. There have been many attempts to review

it. Those institutes that care find other mechanisms for anticipating rather than just reacting.

**CHAIR**—Have you given thought to an ideal model?

**Ms Cookson**—One of the comments we made to the Industry Commission last year was that within the Australian Commonwealth government alone there are five government departments which currently have databases on, let's just say, our industry, from AusAID, Austrade and Foreign Affairs right through to the education and training and industry portfolios. None of those talk to each other. We have got one which links through with the World Bank, which is one of the best databases, and with some London and European based databases. We actually proposed through the Industry Commission that part of minister Moore's funding should go to developing that kind of intelligence base.

In every country you work in, the governments and the industries are able to tap computerised databases which tell everybody what everybody else is doing. The Australian industries and the Australian government have got that in a piecemeal mode. What we have now done in terms of our forthcoming merger with RMIT is to pool that idea, and we and RMIT have prepared a draft proposal for such a service for our industry.

**CHAIR**—A national database?

**Ms Cookson**—An international database. A national database is too limited. This is a very global industry, and our industries need to know what is happening to, say, spinning in Pakistan this week to make informed decisions.

**CHAIR**—Could you send us more information about the concept, in terms of its perhaps applying across the TAFE sector generally. It sounds like a good idea.

**Ms Cookson**—We will certainly tease a few ideas out and send you what we can.

**Mr Madden**—The other issue, building on that, is the process that you go through to actually develop and accredit training. You might anticipate a need and you might be ahead in anticipating that need, but the process to develop an accredited curriculum, which can then attract government funding, could, by the time that process is all over, put you behind the eight ball.

**Ms Cookson**—Too late.

**Mr Madden**—The processes of state and national industry training advisory boards are very complicated and overlapping. The training package process is a way through some of that, where a certain amount of each package can be customised for local training, but that process of development and accreditation is a very longwinded and complex one. It frustrates both the providers and also industry, who are asked to have an input into the development of curriculum, because it is complex. They get annoyed. They do not see progress being made, and you often end up with a product at the end which is very different from the intention of the product when it first started.

**CHAIR**—How long does it take from start to finish? If an industry says today, ‘We really need you guys to be training somebody in skill A,’ how long does it take to get it up and running?

**Ms Cookson**—I think the most quickly it would ever go through would be in six months, but more often, in many cases, it has taken years. No, the official answer you will get from the central systems at the moment is, ‘We are deregulating accreditation of curriculum,’ and ‘Significant percentages of government accredited programs can be customised,’ but from a practitioner’s point of view we find that the words are right but the reality is not quite matching the rhetoric, and that our teachers have to be more creative than one really would have energy for, to deliver it appropriately.

**Mr BARRESI**—Christine, didn’t the minister, David Kemp, introduce legislation—I think it might have been in our first year in government—which would speed the process for approval and development of new programs so as to get through the industry training boards a lot faster? I thought what he was proposing was a dramatic difference from what had been historically.

**Ms Cookson**—Five or six years ago there was a major report called the Allen report, which gauged the level of industry and provider dissatisfaction with the curriculum processes. Both the previous Labor government and the current government attempted to respond, and although I think the rhetoric is right the reality down at the grassroots is still that, once the legislative changes come through and the policy changes come through, they go to the national training authorities, the state training authorities. We have had a policy of deregistration of accreditation for 2½ or three years as a prime priority, but it actually does not happen yet at the majority of TAFE institutes. We do not have the framework in which we can actually self-accredit.

**Mr BARRESI**—So where is the problem?

**Ms Cookson**—This is probably a question for the state training authorities and the National Training Authority. I can only tell you that at our level it does not happen.

**Mr BARRESI**—Is it different in Victorian from in other states?

**Ms Cookson**—I do not believe so. I have served as president of the Australian Association of TAFE Directors, so I have good networks throughout the country, and I know this is a shared frustration which has not been much eased, despite the attention it has had for a few years.

**CHAIR**—Perhaps I am naive, but is there a place for something like a national training innovation fund, to which government, institutes, industry and so on would contribute, to enable us to get training courses up quickly in rapidly developing industries? In a sense it is risk taking, because it might end up that the particular industry does not evolve. Examples would be biotechnologies or multimedia, which was an area that was put to us as one where there is something changing and happening every day. People suddenly want trained people, where six months ago you would not have even heard of the technology. Would there be any place for something like that?

**Ms Cookson**—You must have been reading our submissions to the Industry Commission. When they asked us to do some work on the things that were really working overseas in education and training for these



industries, that was one of the models we ranked highest. We are a little different from some people in that we have a strong view that foundations like that are needed, but they really should be tripartite. One of the dilemmas I see after 26 years in the system is that governments are still the ones putting their hands in their pocket, and industry are not putting their hands in the pocket enough. It means that then they do not have commitment. We have seen a lot of money wasted at all levels through all years, and yet a lot of times when there were great projects and no money for it.

We are strongly committed at our institute to the notion followed in America, where they do it industry by industry, not across the board. In America there is a model called AMTEX, which is a foundation not of the state but of the federal government, with the American textile industries and a network of participating universities and community colleges, and it is dollar for dollar between industry and government. They agree on the broad directions annually, in the form of industry action plans, and then an industry board receives the submissions from providers for education, training, research, product development and data services, and the industry decides, on a rolling triennium, both short-term and long-term projects it will fund.

**CHAIR**—And you would support that?

**Ms Cookson**—We would love such a system.

**CHAIR**—Could you send us the details?

**Mr Madden**—Yes. If you were to sum up our submission to the Industry Commission, it would be that education and training must be a part of industry policy and must follow industry policy. The question is: how do we get the industry to this point? The issues of workplace change, skill development and stuff have to be attached to that, and then those priorities have to feed back down through the system. That is what we argued strongly with the Industry Commission and through the Commonwealth bureaucracy as well, and the final report I think reflected that strong view. It was not an unreceptive audience, I must say. It was quite receptive to those views. So that is very important, and possibly a better way of actually setting national and local priorities.

On the issue of funding, a model for funding could flow: what are the priorities you want to set, and how do you actually provide funding to move the system in a particular way, right down to the various levels of it?

**Ms Cookson**—I will give you a very specific example that might bring that alive. We try not to have anybody working in our institute who is not fully cognisant with the APEC developments, the GATT agreements and world trade, understanding the principles behind them, because we do not know how anybody could really serve and provide education, training and intelligence to the TCF if they do not understand those very real issues. I have come from multisector and multipurpose TAFE—large TAFE institutes—and served at senior management at director and deputy director level, but I never saw the broader TAFE institutes really understanding this, which means that the teachers would not. I think that is a very real example of how the links are not serving the country's benefits at the moment.

**Mr PYNE**—You are obviously a unique institution. When you join RMIT, if you have not joined it

already, you will be adding to the uniqueness of that institution. I am interested in one aspect of what you have said in your submission, with respect to moving to higher university level courses in technology, engineering and management, which are integrated and built on TAFE and VET courses. Are you suggesting there, rather than TAFEs offering university-type degrees, TAFEs working with universities—for universities to pick up the next stage after TAFE and VET courses in those areas, to build on the degrees that are based on some of the skills that the students have started in the TAFEs? Could you explain perhaps what you mean by—

**Ms Cookson**—I personally lean to the latter. I understand the position taken in our own Ramler review, here in Victoria, that if we do not get improved seamlessness between the systems in two years, if it does not start to happen better than it has, maybe TAFE should offer vocational degrees. My preference is really that we have got to just get it right. We have taken it a little further, and again I will give a practical example that illuminates it. We have students in India at Pearl Fashion Academy, who through licences with us are offering the first year of our certificate program to our quality control. Graduates from there come to Australia and do second year with us, which converts to the Australian diploma, and then there are pathways for them to New York, to the Fashion Institute of Technology, where in a further two years they have got a degree. All those three programs, by agreement and alliance and by working closely together and massaging Australia's accreditation and curriculum arrangements, we have put into place over the last few years.

If you had a teenage son or daughter and you could give them an opportunity of getting three interrelated qualifications in three countries, where they see three markets and build up business and industry networks in three countries, what a way that would be to start their life. That is certainly the sort of program I would be looking for today in the difficult world of getting work for young people. This is where the high achievers get attracted to these industries.

We find it initially far easier to develop those creative pathways offshore, while still retaining quality control of a high level, than we did in Australia. Interestingly enough, it was only when we started to become known for some of the work we were doing with students moving between two and three countries that we found we started to get a warmer reception across Australia.

The only other university that ran textile technology at degree level in Australia was the University of New South Wales. After nine years we still have not got any agreements from them; they are now going out of the area. But we have, over the last three years, jointly developed and are now jointly delivering a textile technology degree with RMIT, which is a two plus two—they do two years of our diploma and then go on and get two years in RMIT.

**Mr PYNE**—And they get full credit for the work they have done in the first two years?

**Ms Cookson**—In truth they get about one and a bit years for two years.

**Mr PYNE**—So you are quite happy with the—

**Ms Cookson**—It is a bloody good start, compared with what we have had in the past.

**Mr PYNE**—So you are quite happy with the idea, in your area, of people doing a couple of years at TAFE, which then counts towards a university degree two years later, for a total of four years?

**Ms Cookson**—I am very comfortable with the two plus two model. It is one of the best models I have seen in the world.

**Mr PYNE**—Would you be happier if it were two years and then they were awarded a diploma, and then they could go on to do a degree for another two years?

**Ms Cookson**—That is really the way it is working at the moment.

**Mr PYNE**—I am more comfortable with that, that you do two years—

**Ms Cookson**—That is what I mean by the two plus two.

**Mr PYNE**—So you do two years, you get a diploma and you can either go out and work with your two-year diploma or you can then—as most people are encouraged to do—do the extra two years and get a degree from RMIT.

**Ms Cookson**—That is right.

**Mr PYNE**—So you have a diploma and a degree but they are two separate courses.

**Ms Cookson**—That is our preferred model. The benefit of that model is that the students are getting the closer links to industry in the practical vocational, and they are also getting the academic, the research. That goes to the heart of the difference between TAFE and higher ed—the ability to look at it in a wider picture. Thinking young workers today need both, and that is why I think that in four years they get a bit of the best of both in that model.

**Mr PYNE**—That is a very good proposal. We support what you are doing.

**Ms Cookson**—If you do nothing but achieve that we will be grateful forever.

**Mr Madden**—Just on that point, there are pathways from our other programs into other universities and university courses, but the amount of credit you get varies wildly from each course and from each organisation.

**CHAIR**—Yes, we understand.

**Ms Cookson**—Some of it is useless.

**Mr SAWFORD**—Could I just clarify the example you gave that finished up with the New York Fashion Institute. You have had students go through that pathway?

**Ms Cookson**—Yes.

**Mr SAWFORD**—How many?

**Ms Cookson**—Only a few. The pathway started two or three years ago. Two of our students have just written to my institute council after having completed the program in New York. They did only the Australian and New York parts of it—they are two Australians—but they and their parents wrote to our institute council for the February meeting, saying that it was the most remarkable experience they have ever had and thanking us for the opportunity.

**Mr SAWFORD**—You might have said this in your submission; I have forgotten: how many student full-time equivalents do you have enrolled?

**Ms Cookson**—Our total in heads and bottoms is about 4,700 a year. Universities use the EFTSU model, we do not. It is probably a bit less. The TAFE system does not count it the same way. It is not a figure in my head. It is probably about 2,000. It is a significant number for a small specialist institute.

**Mr SAWFORD**—I like the way you make your presentation and then suggest the question that needs to be asked. I am going to ask one of those, but before I get to it: who do you regard as your client—industry, government, student?

**Ms Cookson**—We regard ourselves as having two clients, and we put industry first—both the broad directions, long-term and futuristic, of the industry and then each particular company. Then our second level client is the student. We debate this regularly. The reason why we go that way is that, if our courses and services do not meet and anticipate the needs of industry, we are doing a disservice to our students. They are not as employable or promotable as they might have been. But, in terms of the way we conduct our daily operations on the campus, the students are the first priority because they are the ones living and breathing the course and its services. So planning our work and allocating our resources is very much driven from the industry perspective, but the service is at the daily level of the students.

**Mr SAWFORD**—I will go to your last question. There must be a reason why you are putting them down here; perhaps you think you are going to get a few across. I will be very aggressive in asking the question!

What is this about a very early view of the advantages and disadvantages of TAFE merging with the university, since you are in the early days of an amalgamation with RMIT? While you are thinking about that: you said ‘in a sense 1943 formed’. Are industry specific TAFEs a bit of an anachronism, and is that why, as you wrote, ‘The minister decided that we are to merge with RMIT’?

**Ms Cookson**—Yes.

**Mr SAWFORD**—Maybe you can give us a view of why you think the minister did that, and tell us about some of your earlier experiences in terms of your merger with RMIT.

**Ms Cookson**—Let's maybe talk with the early view of the advantages and disadvantages and we will work through your list of questions. Some of the advantages of a university and TAFE working together are those things like the industry intelligence database. What we would like to offer, and what we are proposing to offer, has been significantly enhanced by talking hard with the university about what they can put on the table, and I think that is very important. I think the industry will end up with a much better intelligence database with the coming together of the two.

In terms of research and development, we are the only TAFE I know who runs a small research laboratory, and we fill a very applied gap for our industry. But I see millions of missed opportunities daily in product development and blue-sky research. The kind of research that postgraduates do through their masters and PhD work are equivalent—one of the best centres of textile education in the world is at Leeds. Leeds University Textile Centre has been around for hundreds of years and in its library it has got a collection of 5½ thousand PhD reports on various issues to do with the industry. We do not have anything like this in Australia. So that is another—

**Mr SAWFORD**—It did not save Leeds, though.

**Ms Cookson**—We have just signed a memorandum of understanding with Leeds, so maybe between us we will. I was born in Leeds. I think the information technology multimedia skills and strengths of universities are much broader and much better resourced than TAFEs. That is another advantage we look for, the opportunity to use resources. RMIT has not been in the textile technology business until recently, but it has been in fashion and textile design. They have got resources; we have got the same resources. We have all got gaps and we have never planned it together and used it as well together. Those are real ones that we will make work well, as is the enhancement of student life. We provide the normal range of student services and our students get a real glimpse into working life, most of the students being part time and people in the workplace. We need some of the school leavers, to keep that pool being reinvented. The quality of the campus life of the university might help too. So they are some of the advantages.

I think we have found our visions are shared—our philosophies are basically shared—and the proposal for a national centre of excellence is one we work on well together. I have to say also that universities enjoy more autonomy and independence, but TAFE, I think—with great respect to all of you gentlemen—is buffeted and gets blown around in the wind of a lot of political issues. Perhaps the merger also enables some issues to continue on a more even keel. But don't ask me any questions on that one!

The disadvantages, I guess, are more the concerns we are looking at at the moment. How do we ensure the links with industry, and that industry is in the driving seat, but not in the driving seat going the wrong way—the really anticipatory stuff? I think we do that better, currently, than universities. There is going to be a lot of massaging so that is enhanced and not decreased. That is a concern we have.

I think universities have a much broader charter. That changes the culture. If you came into my institute and asked my faculty what academic freedom means they would probably look at you and ask, 'What do you mean?' In a university people understand academic freedom, and it is a very important concept which I respect. But that is the kind of cultural difference you have because of the broader charter and the very industry focused charter we have had.

All of those are not necessarily problems, though. You will have been inundated with the other differences, like industrial relations terms and conditions. It is going to cost us a lot more to do next year under a university than it does this year.

**Mr SAWFORD**—So both the staffs will be paid under the same award?

**Ms Cookson**—They are different terms and conditions.

**Mr SAWFORD**—Different?

**Ms Cookson**—Our non-teaching staff moved to the university awards and we are just starting to do the assessment of those costs now.

**Mr SAWFORD**—Let me just get this clear: you can have the same award?

**Ms Cookson**—No. For our non-teaching staff the universities have a different award.

**Mr SAWFORD**—No, the faculty staff.

**Ms Cookson**—Yes. We were going to the university award for both university and TAFE; it is different from the one our employees have.

**Mr SAWFORD**—When you do the merger will your full-time staff have the same award as RMIT staff?

**Ms Cookson**—Yes. I did not answer all the rest but I got most of them.

**Mr BARRESI**—You partly answered this but I will ask it anyway; maybe there is another way of answering it from your side. Yesterday we heard two conflicting sets of evidence upon the Swinburne model and the RMIT model. We heard one witness say, basically, that the TAFE and the university combination has not diminished the credibility of RMIT's or Swinburne's courses in the eyes of the public. We heard another witness taking another line, basically saying that the morale and the entire HR relationships within those two organisations have suffered, and that what you may see and the reality taking place are two different things.

Are you concerned about the merger with RMIT? If not, what are you going to do in order to maintain your level of independence from RMIT? I ask that particularly in light of your last answer, where you were going to go into a common award as well. It seems to me that you run the danger—perhaps not this year or next year, perhaps in five or 10 years time—of being simply a department of RMIT rather than a partner.

**Ms Cookson**—You are asking all the right questions. I will answer the morale and impact issue by a very precise example. Our institute is ISO9001 accredited across all activities. Yesterday we had our first annual external surveillance audit. The external auditors have just completed auditing other TAFE institutes which are going through the same type of mergers and they have indicated that, of the three they have done in the last month, in the other two TAFE institutes to be merged morale was so bad that it was actually

negatively impacting on the ISO quality systems. They had not detected any of this at the Melbourne Institute of Textiles. What were we doing differently? Staff seemed to have high morale and a positive approach.

We have accepted the decision and we are getting on with it and we have told the staff openly our plans. In our early stages of discussion with RMIT they have indicated that they do not want to lose the good things, so we are looking at the full integrated department-faculty model, which we do not find attractive. We are looking also at the other end of the continuum, at a subsidiary company model of the university which enables the strength of the particular model we have developed over 50 years to be re-created. We are big believers in change, so we are not trying to take everything over. I think we will find resolution along that continuum that suits all parties.

We can, obviously, provide more information on those models, but they are really only early discussions. But I think that is a way in which the agendas of both organisations can be achieved to create something better, and if we cannot create something better, why the hell are we doing it?

**Mr BARRESI**—Thank you.

**CHAIR**—I would just like to say on behalf of the committee that we started our public inquiry hearings last week and we have heard from a lot of people, but your submission is just fantastic. If you could send us the information we asked for on training innovation ideas and funding issues, and anything like that, and if you have any other suggestions or thoughts to elaborate on Mr Sawford's prompting and questioning, we would be really pleased to receive it. Do not hesitate to contact any of us directly or in writing if you have any other thoughts. That is excellent.

**Ms Cookson**—Thank you. We are four kilometres away, and if any of you would ever like to visit the Melbourne Institute of Textiles we would be delighted to arrange it, on short notice or long notice. Thanks very much for your time.

**Mr BARRESI**—Thank you.

**CHAIR**—Yes, thank you. I will think of you next time a tariff issue comes up.

[1.53 p.m.]

**TOMLINSON, Dr Michael Anthony, Executive Officer to the Vice-Chancellor, Swinburne University of Technology, John Street, Hawthorn, Victoria 3122**

**WALLACE, Professor John Gilbert, Vice-Chancellor, Swinburne University of Technology, John Street, Hawthorn, Victoria 3122**

**CHAIR**—Good afternoon. Do you have any comment on the capacity in which you appear?

**Prof. Wallace**—My name is Iain Wallace. I am the Vice-Chancellor, or the chief executive, of Swinburne University of Technology, in Melbourne.

**CHAIR**—We thank you, for Swinburne, for providing us with a submission and making the effort to come along and discuss it with us, which often puts things into proper perspective. Brendan Nelson is my name, and I represent the Liberal held Sydney metropolitan seat of Bradfield. The deputy chairman is Rod Sawford, the Labor member for Port Adelaide. Rod has been around education issues a long time, as has Christopher Pyne, who is the Liberal member for Sturt in metropolitan Adelaide. Phillip Barresi is the Liberal member for the Victorian seat of Deakin. Perhaps you could give us a five-minute precis of your submission, and we can have a discussion about it.

**Prof. Wallace**—What I would like to do is just speak essentially to what is called the conceptual framework of our position in relation to the focus of the inquiry. I will speak to a couple of the principles, and I would like my colleague, Dr Tomlinson, to speak to the other two. It will not take us long. The keystone of our view of the matter, of the nature of TAFE institutes and, more particularly, of the interface between TAFE institutes and universities, is the concept of regionalisation. Regionalisation is a concept which is now receiving a great deal of attention across the globe. For example, in the United Kingdom, New Labour have spent a lot of time looking at it; in South Africa they have spent a lot of time looking at it, and I think we should spend more time in Australia looking at it than we are at the present time.

What does it mean? Well, it is what you think it is. In other words, it is simply looking at geography as a basis for making sense of educational provision. When I say ‘making sense’, I mean making sense of educational provision in relation to the major customers of education, not just at an individual level but at an organisational level, and also looking at the relationship between our expenditure on education, which is very large, and community needs, and specifically economic development needs.

The situation we have at the moment, not just confining ourselves to TAFE and universities, but looking across all forms of educational provision, is that because of the nature of Australian government and what has happened—if you like, history—we have an enormous variation across the country. So to seek to make sweeping generalisations about how we ought to approach the sectors is all very well, but if you actually begin to look at any of those principles in a geographically defined area you find that the applicability varies enormously. It makes good sense in some areas, and it is absolute nonsense in others.

It is as a consequence of that that we believe that government—and this is not just at your level, but



the states as well—ought to actually look at geographical regions and then ask the question: how can we best meet the community and economic needs of the region, given what is there now—whatever it happens to be—and given what we believe we have available to spend on education in the next period? Our basic argument would be that that is the way you ought to look at the role of TAFE institutes, and that you ought to look at the relationships between TAFE institutes, in some regions, and universities.

The thing about the region is that you have to make internal sense of it, once you have carved the map up into regions. You have got to find a method of getting appropriate relationships. Otherwise, the objectives I am describing cannot be easily attained. It would be our contention that in some regions—not in all, but in some—the best way to get that sort of relationship is to actually look at a university having an overview responsibility. That is, as you would be aware from our submission, the way in which we approached the recent Ramler review here in Victoria, putting the case that the eastern region of Melbourne, which is a pretty well-defined geographical area, can actually be approached in that way.

You could have a situation where a university like Swinburne is invited to take the overall view in terms of a planning role and, to a very significant extent, a financial resource distribution role. I should say—and perhaps this will come up a little later—that our structure is such that usually we describe ourselves as an educational service conglomerate. Part of that conglomerate is what you would call a university, and another part of that conglomerate is what you would call a TAFE institute. But the council of Swinburne, although it is deemed to be a university council, is actually like a corporate board running an educational service conglomerate. Our higher education, for example, is divided into two separate missions. We are now moving offshore with another division, which will be operated as a part of the educational service conglomerate. So regionalisation lies at the heart of it.

Linking to regionalisation—very quickly—is the matter of internationalisation. There are two points I would like to make. One is that, viewed from offshore, the particular way in which Australian education is divided up into sectors is, to say the least, incomprehensible. It is a function of Australian history, not of logic. What you need to do is to try to be able to present yourself internationally in a way that you can focus on what are the needs of the international market segments that you are dealing with. They are not the least bit interested in our internal organisational divisions, so it has to be transparent from their point of view so that it appears to be a one-stop shop. That, I would argue, is one of the key results of the type of approach to regionalisation that we are advocating.

The other one is that—as I do not need to tell you—internationally the competition is fierce, and educational service provision is no exception to the ferocity of the competition. For Australia to make out, we have to have large, muscular organisations that can compete with the international competition from the United Kingdom, Canada, the US, or wherever. You can do that with the kind of regional approach that we are talking about.

**Dr Tomlinson**—In our submission we said a lot about the theory of convergence, and we argue that there is a tendency for the missions and the practices of the two sections to converge a little bit towards the middle. There are a number of forces that are driving that. On the one hand, there is a tendency for the TAFE sector to aspire to deliver programs which are more advanced and which are dealing with more advanced educational levels. This is partly a result of the fact that the industries to which they are relating are

themselves becoming more sophisticated. For example, a diploma in electronics would not be terribly much below the level of a degree in electronics perhaps 10 or 20 years ago, because the industry has become more sophisticated and more advanced.

On the other side, the universities find themselves in the position where their government funding is declining, so they need to support themselves with more and more fee-for-service programs, and so they are looking to industry to offer fee-for-service programs and short courses, which potentially encroach on the territory which is supposedly the territory of TAFE. So, from both sides, both institutions are moving towards the middle and trying to compete for the middle ground.

To look at it from the point of view of institutions, it becomes more difficult to have a very strict demarcation line between the institutions, because they are both in the middle trying to do similar things. It is probably more appropriate to look at it from the perspective of the types of courses that are needed. From the government's perspective, what you want is to ensure that in a particular region, to use the regionalisation context, there is a complete spectrum of courses available, from basic to middle to advanced. You want to be assured that there are enough apprenticeships on offer, enough certificates on offer, enough diplomas and enough degrees.

The question then arises: how do we ensure that in organisational terms? Is it necessary to divide it up on institutional lines? Must we say, 'Only type X institutions shall do diplomas, certificates and apprenticeships, and only this type of institution shall do degrees'? We would argue that that is not necessary, or even optimal. We would argue that it is probably more appropriate to manage that demarcation within one institution. So the board at Swinburne university can say to the TAFE division, 'Your mission is to deliver certificates in, let's say, engineering. Your mission is not to do research. That mission is assigned to the higher education division.' We believe that that spectrum can be much better managed within one institution, rather than between the two different types of institution.

The other matter which we raised in our submission was that of industry specialisation, which was a very important issue during the recent Ramler review of the TAFE system in the Melbourne metropolitan area. The important aspect there is that in the public TAFE system and the university system large amounts of public money are being invested in those institutions, particularly in areas which require large capital investment, such as engineering. It does not make a whole lot of sense to allow a whole heap of different institutions to build up heavy capital-intensive capability in all of the different areas that require that.

It depends a lot on the area. In business, for example, it is not necessary to have heavy capital investment, so there is no particular problem in allowing a number of different institutions to provide business courses. But there is a good case for concentrating the provision of education in the heavy, capital-intensive fields in a number of institutions. That has been certainly one of the most important aspects of the Ramler review. The final outcomes of that have still not been finalised, but that is one of the most important aspects there.

**Mr SAWFORD**—Iain, when you started raising your point about regionalisation, I found myself nodding and agreeing often, until you got to the stage of talking about the overview and planning. I could not think of a worse group of people in Australia to be responsible for the overview and planning than a

university. I could not think of anyone more distant from the community than a university.

**Prof. Wallace**—You must come and visit ours. You will find we are rather dramatically different from what you are talking about.

**Mr SAWFORD**—I am talking in generic terms, not just in terms of Swinburne.

**Prof. Wallace**—Yes, okay. They are changing a lot, even the sandstone ones. They, with the financial pistol against their foreheads, are trying. For us to watch them trying is like watching an elephant trying to learn the minuet, admittedly, but they are trying to relate to industry and business in a way that you would never have seen even five years ago. So, with all due respect, we have got to keep away from the stereotypes. Institutions are not like they used to be at all. They are really dramatically different.

If you come to our end of the spectrum you find there is a hatful of institutions like us in the country, and, as I said before, we are essentially businesses. We are large, complex educational service businesses, and we are run like a business. If you let us plan the eastern region of Melbourne, I can tell you it will go like a well-oiled machine in terms of delivering value for money, because you really have to have the spread to get people to take on a mission and, if you like, to stick to the knitting.

It is the most natural proclivity in the world for people to look at what someone else's knitting pattern is and to begin to knit theirs rather than the one that is in front of them, and the educational scene is one of the worst examples over the years of that. You really require control to keep them on the task that they have been given, and that is what the community, industry and business need. They do not care who does it, provided it is within budget and on time and the quality is right. Talk to any customer and that is what they will tell you.

**Mr SAWFORD**—Perhaps I am listening in the wrong way, but now you are suggesting a more collaborative view, which I do not have any difficulty with, yet there is a lot of self-interest. We had the same reaction in Western Australia from one university professor. When it came to who would be controlling the show—you have used the word 'control'—we were told, 'It will be us. It won't be business, it won't be whatever. It will be us controlling it.' Why? Why will it be you?

**Prof. Wallace**—There is a variety of responses to that.

**Mr SAWFORD**—We are very good at protecting self-interest, and so is everybody else, it seems.

**Prof. Wallace**—Yes. I would like to believe there is a fair strand of altruism in what we are saying here. We are actually very heavily community focused, and what worries us as an institution is what we see out there. You have got huge duplication and you have got huge gaps, because of the tendencies I have been talking about.

Why should we control it? I am talking about Swinburne. I believe that we have the capacity to control a region in the way we are talking about because, although you think we are a university, we are not. We are an educational service conglomerate. Two divisions engage in university level activity. We have got a third

one which is about to become extremely large, which engages in vocational education. I signed a piece of paper yesterday that gives us another one, which will be in Thailand contributing to the Thai economy in the way that we currently contribute to the Australian economy. We will become transnational. We will approach that in exactly the same way as we do serving the community here. If you look at us as being, if you like, a traditional university, I would not say that I agree with you. A traditional university probably should not be put in charge of a polar milk shop. But that is not what we are talking about.

**Mr SAWFORD**—It is what this committee is talking about.

**Prof. Wallace**—Maybe you should think about changing the dialogue.

**Mr SAWFORD**—We are not talking about Swinburne. We are talking about the role of higher education and TAFEs, and the links.

**Prof. Wallace**—The thing about regionalisation is that you must not generalise.

**Mr SAWFORD**—I do not have a problem with your argument about regionalisation. I do have a problem with words like ‘control’ and ‘We are the ones who will do the planning and overview.’ That is nothing more than self-interest.

**Mr BARRESI**—I will just pick up from Mr Sawford. I have a vested interest in this, because I am the federal member for the eastern suburbs of Melbourne.

**Mr SAWFORD**—There will be no bias here whatsoever!

**Mr BARRESI**—None whatsoever. But I have to share Rod’s concern at some of the language that you are using. In a sense, is one of the reasons why there has been some resistance by the TAFE institutes in the eastern suburbs to the amalgamation of Swinburne is this notion of control rather than alliance? I understand that you are saying, ‘Come out and see us.’ That is fine, I am happy to do that; I am a graduate of Swinburne. But there is a perception out there that you are distant from the industry level. Whether it is true or not is another matter, but it does lend a bit of credence to the concerns that Rod has expressed. I am just saying that you may use the language of ‘come out’, but you have got a problem in terms of perception, not only with the other TAFEs but also with the industry.

**Prof. Wallace**—It depends who you talk to. We have a history of relevance because we started off as a technical school in 1908, and here we are in our 90th birthday year as a technological university running a very complex conglomerate organisation. Anybody who comes into our organisation has exactly the same opportunity to contribute to the process, which is a very elaborate and well-documented process, of setting the strategic goals for the whole organisation.

When I talk about control I simply mean that you have to have a systematic approach to determining what you are going to do and how you are going to distribute resources to do it. For example, our TAFE division—and of course we have already got a large one before we think about Eastern Institute or Box Hill or whoever—has the same status in our total structure as the two higher education divisions. They are all headed

up by people who report directly to me. They all have the same status. They all have the same input in terms of determining the outcomes of the process I just alluded to.

So what you are doing is conflating a couple of things. You are saying that control means totally downward manipulation. What I am saying is that control means a systematic approach—

**Mr SAWFORD**—I beg your pardon, but that is what you did say. You said, ‘We will do the overview. We will do the planning. We will do the control part of it.’

**Prof. Wallace**—But can I define the ‘we’? It is not an exclusive we, it is an inclusive we. The ‘we’ includes—

**Mr SAWFORD**—I gave you an opportunity to expand on alliances, and you did not do any of that.

**Prof. Wallace**—Let’s talk about alliances, and let’s stick to the definition in the Ramler papers. Alliances really are geared to totally voluntary forces, motivation, to rationalise what is happening. The record in this country of situations where you have got loose coupling and an expectation that rational outcomes will be achieved is rank bad, because organisations just do not do that. They pay lip-service.

You will get mounds of paper that high, agreements for cooperation, collaboration, and if you look at what they are actually doing, they are still duplicating. They are competing here, and over here is a gap that neither of them is dealing with. So if you want to try and take the line of least resistance politically, which is to go in for those sorts of agreements and think you have done something, that is your right, but let me tell you that you will not achieve anything by doing that. Alliances are empty.

If you want something which is going to give the community and industry and business an environment in which they are really getting what they need, then you have to have a situation where you actually have an organisational framework that encompasses the range of activities that you wish to have operating in a logical fashion. Until you do that, you are not going to get the outcomes.

That does not mean a dictatorship; it does not mean that we are like a university in the sky and that these other institutions are regarded as second rate, or second-class citizens, that do what they are told. That is not what I am talking about at all. I am talking about an organisational framework, and sitting on top of it a group of people who regard all the activities that are going on and all the people associated with them as equal. What we are about is finding out what a whole heterogeneous range of customers require, and delivering it. That is the philosophy of our institution.

**Mr SAWFORD**—And who are those top people?

**Prof. Wallace**—They are an interesting group of people. Some of them, of course, are drawn from an educational background. A number of them, for obvious reasons, are drawn from an industrial and business background, representing the external community. We have a very good council.

**Mr BARRESI**—Professor, from your opening comments I got the distinct feeling that the lines of

distinction between the TAFE and the university will become even more blurred in your scenario of the future world of Swinburne and TAFEs. If that is the case, isn't there a danger that the entity of TAFE, as such, will disappear, rather than having distinct responsibilities and credibility in the eyes of the public? Further down the track, would that then push TAFE to look at blurring its distinction, particularly with VET courses, from secondary schools, so that we end up having almost an education structure from birth to adulthood in which different elements are very indistinguishable?

**Prof. Wallace**—In a sense, what you have described is what is happening now, that you are having a very strong drift away from what is supposed to be the core definition of differentiation between the three sectors. You have got the upper reaches of school beginning to duplicate and multiply the activities of the lower reaches of TAFE institutes, and if you talk to people in TAFE you find they are quite worried about that. They see themselves as being elbowed out of areas that they regard as being part of the definition of what they are on about. You have got a very definite upward drift in TAFE institutes, some of whom would like nothing better than to be given degree granting power.

The relevance of that escapes me, really. It might make the staff, when they are looking in their shaving mirror in the morning, feel they have greater status, but that has got nothing to do with delivering what the community requires in the way of educational service. In fact, it gets in the way of it, because they begin to withdraw their undercarriage. You get a situation where TAFE institutes start overlapping and trying to do what universities do. Meanwhile schools, because nature abhors a vacuum, see TAFE getting out of what used to be the core business of TAFE and they think, 'Well, we'll do that,' and so you get a concertina effect.

What I am trying to say to you is that, in an organisation like ours, which is a genuine conglomerate organisation, what we try to do is to have each of the divisions semi-autonomous. They have a very clear definition of their role, but the benefit you get from them being in one organisation is that where genuine synergy can exist it is much more likely to occur. There are things—particularly offshore; I was talking about internationalisation—that require what in Australia is a TAFE element and also a university element to meet the offshore requirement.

**Mr BARRESI**—So in this semi-autonomous structure, which is still headed up by the Swinburne council as its overhead omnipotent force, do they have semi-autonomous ability to raise funds and distribute those funds and the resources that go with it, or does that all rest with you?

**Prof. Wallace**—No. What happens—and this is within our five-year plan—is that in each annual cycle we all contribute to determining what the goals are going to be in the next 12-month period. The money is then distributed as a block. In other words, there is a strategic goal and a block of money. How they go about pursuing those strategic goals, some of which are quite high-level goals and are not absolutely specified to the last jot and tittle, is up to the division to decide.

**Mr BARRESI**—So the block is given to each entity?

**Prof. Wallace**—To each division, yes.

**Mr BARRESI**—By whom?

**Prof. Wallace**—Essentially the council strike the budget, and the chancellery of which we are both a part and to which also the divisional heads belong is in fact the senior management group which services the council in setting that in place, and indeed in monitoring performance subsequently.

**Mr PYNE**—From what I can gather from what you have said, Professor Wallace, it seems that the Swinburne University of Technology have decided that what they will have is a university with a number of separate divisions within it, which have a very specific role and they understand their vision, about where they are going and why they are doing what they are doing.

**Prof. Wallace**—Yes.

**Mr PYNE**—It seems to me that you are not a supporter of a lot of the evidence that we have received in the last couple of days from many other TAFE directors and other people, that TAFEs should be given the opportunity to blur the lines with universities in terms of offering vocational degrees, as they are calling them. On the converse side, does that mean that you are therefore not a supporter of universities being able to offer say certificate 4 courses that should probably be offered by TAFEs?

**Prof. Wallace**—Perhaps it is somewhere in the submission that if you believe in regionalisation what you do is look, as Michael said, at the range of requirements in a region, and then you look at the institutions that are there, and then you plan to meet those requirements with the resources available. In some regions, particularly in more rural regions, there probably only is a TAFE institute or, in some cases, there may only be senior high schools.

We believe that in those circumstances what one should do in planning is actually to look at what they have in the way of human and other resources, and not to put obstacles in their way. In other words, there is no reason in the world why they should not have the first levels of degree work going on in them. They do now. In fact, it already happens, say in Mildura, where the TAFE institute is really a US-style community college rather than a conventional TAFE institute—and we have got a view on that, by the way, too. But that is happening in that case, as I recall, under the aegis of La Trobe University. That is fine. What we are opposed to is TAFE institutes per se becoming degree granting bodies, regardless. In the middle of Melbourne, that is just nonsense.

**Mr PYNE**—What would you say in response to the TAFE directors and others who say that the TAFE courses are of a quality that would connote a degree granting capacity?

**Prof. Wallace**—That might or might not be the case. It is an easy thing to say. You will find that the West review was having incredible difficulty coming up with a definition of what the essence of a degree actually is. In saying that, I am not trivialising it. I believe there is something about doing the whole of a degree as an experience that distinguishes it from doing a diploma, which has a very specific focus. I think they lead to different sorts of educational outcome.

We would see a situation—and this is not in this submission; it is what we have said to the West review, for example—where Australia should move to a four-year format. We believe that the current one, which is caught in the uncomfortable territory between three and five, as it were, in terms of the range, does

not really work well at all. Some of the worst downside of this occurs in terms of what currently is the interface between the sectors, between schools and tertiary institutions and between TAFE institutes and universities.

If you approach it as a two plus two experience, however, you can define those first two years as being on the path, potentially, to what we define as a degree outcome, but what you are trying to do in those two first years has more to do with breadth and the competencies every citizen ought to have. Then there are the second two years, which you can come to in your own time and which really carry what one would see as the essential degree level. In other words, that would be conducted in a university and in an environment where research is going on, because that is important.

We do not think that every institution, such as a TAFE institute, ought to suddenly start doing research as part of qualifying to be degree granting. That, again, is rubbish. What one should do is actually have a situation where you can have the first part of a process that can end in a degree which is going on in an institution which is concentrating on very good teaching on those general competencies, but you do not have to have the staff engaging in research. People who are going to go on from that level to the degree do it in an environment which is associated with research.

**Mr PYNE**—Professor Wallace, I could not agree with you more, but my next question is, given that therefore Swinburne is a mixture of these three divisions—and soon perhaps to be four divisions—do you find that there is any lack of clarity with respect to each division about what they should be doing, or do they all operate in their own area, and successfully so, without you having any cause for alarm?

**Prof. Wallace**—I believe that they are operating successfully with a very clear sense of their mission. There is a very big communication task involved in doing that. You have got to have a situation where the strategic planning process I mentioned is open. People have to understand that is going on, that they can contribute to it, regardless of the level they are at, and the organisation, and in fact you communicate the results of that to them. So they understand not only the centre of gravity of the division that they are in but what it is trying to achieve in the next 12-month period, and notionally up to five years out.

A lot of weight in the day-to-day managerial situation rests on the key role of our divisional deputy vice-chancellors. We have been enormously fortunate in the people we have been able to recruit to these positions in that they are dedicated to the differentiation, but they also see the synergies. So they are not going off becoming feudal barons and building walls around the division, defying any other division to come near it. It is not like that at all. There is a very clear focus, but at the same time the synergistic aspects are always being looked for and worked with.

**Mr PYNE**—You talked about the concertina effect of some of the TAFE directors wanting to move to a sort of pseudo-university.

**Prof. Wallace**—Move up, yes.

**Mr PYNE**—Because for some reason, inexplicably, they have an inferiority complex about universities, which I think is totally misplaced, because I think that was in the past.



**Prof. Wallace**—I agree with you about that.

**Mr PYNE**—But there is that concertina effect, that they do believe that they need to have some sort of pseudo-university status, and the problem with the schools, which Mr Barresi brought out, about the vocational education and training. So how is that going to be resolved with the TAFE directors? How are they going to resolve this desire to offer vocational degrees, et cetera, when it is in the best interest of TAFE for them to be focused on the task at hand?

**Prof. Wallace**—You probably gathered—and I may offend one or two of you—that I am not an economic rationalist. I actually believe there is a role for government.

**Mr SAWFORD**—Thank God for that.

**Mr PYNE**—There are not too many economic rationalists any more.

**Prof. Wallace**—Not purebred ones, no; that is right. They are becoming hybridised by the moment. Anyway, what I am really saying is there is actually a role for government in all of this, because government, even in an economic rationalist frame, is by far, and is likely to remain so for the foreseeable future, the largest customer for educational services. If you are the biggest customer, you actually are in a very powerful position to control the tendencies we are talking about. A government should not be afraid to use that power. I know the temptation in politics is to try to be popular—

**Mr SAWFORD**—Make some decisions.

**Prof. Wallace**—That is right. You will find the community respects them. The community does not respect a sort of feather duster approach when it is quite clear that certain things are going in the wrong direction.

**CHAIR**—Yes, I totally agree. I just want to ask you one question which comes at it from a different perspective perhaps. In an institution such as your own, where you have TAFE and then university courses coming alongside—a dual sector—the TAFE sector traditionally assesses in competency based skills assessments, whereas in a university setting of course you have graded assessment. Are you happy to integrate those two things? Is there any pressure to move to graded assessment? Do you feel that the competency based stuff is likely to encourage a culture of mediocrity? For example, since you have taken on TAFE and university and put them in the same area, has AQF level 3 training changed at all, the level of it?

**Prof. Wallace**—Actually I am on the AQF advisory board, as it happens, representing the Australian vice-chancellors. We could have a long discussion about that.

**CHAIR**—Well, we cannot, unfortunately.

**Prof. Wallace**—I have no problem with the fundamental concept of competency analysis. It is an idea that has been around a very long time. It does not alarm me that in certain environments you ought to be able to say what people are going to be able to do after they have spent some time in a particular set of

experiences. I think there are tracts, quite wide tracts, of what is degree level activity which are amenable to that sort of approach. It is not by chance that some—the accountancy profession, the vets, and so on—are a way down this track already, because it makes sense. So I am not of the school of thought, as some of my AVCC peers are, that the word ‘competency’ is a dirty word in the context of universities. I do not think it is like that at all.

There are, of course, situations at the interface between TAFE and universities where, at the moment, this can be a problem. I think the answer to that is partly related to what I said about the four years, and that what you want is a situation where you essentially are giving block credit for qualifications. You really do not try to go right down into the minutiae of curricula and dig out competencies and say, ‘Does that mean the same as this part of a degree curriculum?’ I think we have got to get away from that idea. I just simply, in the spirit of the recognition of prior learning, say, ‘Okay, if you’ve done that diploma, two years full-time equivalent, with this competency analysis, we’ll give you that amount against a degree.’ Actually it ought to be two years and a four-year degree all the time; just get it out of the debate altogether.

**CHAIR**—Sure, but you do not feel tempted in the dual sector setting, from the university perspective, to bring graded assessments into the TAFE component?

**Prof. Wallace**—No, our TAFE runs on the terms of the TAFE system, and that is part of the differentiation that we have talked about.

**CHAIR**—I am sorry that we need to finish. I know Mr Barresi wanted to ask another question, but thank you.

**Prof. Wallace**—Come and see us. We are not far away.

**CHAIR**—Thanks very much. If you have any other thoughts or you feel that our questioning or comments provoke anything else you would like to contribute, please send it along. We would be very pleased to receive it.

[2.53 p.m.]

**FORWARD, Ms Patricia An, Federal TAFE President (National) and Vice-President, TAFE (Victorian Branch), Australian Education Union, 120 Clarendon Street, South Melbourne, Victoria**

**NEWCOMBE, Ms Jennifer Mary, Federal TAFE Research Officer, Australian Education Union, 120 Clarendon Street, South Melbourne, Victoria**

**CHAIR**—Thanks for producing your submission and coming along to speak to it. It is not often the easiest thing to do. I represent a Sydney metropolitan seat for the Liberal Party. Despite my best efforts, it is still one of the safest. Mr Sawford is the Labor member for Port Adelaide and he has been around education all his life. Christopher Pyne is the Liberal member for the Adelaide metropolitan seat of Sturt, and also Chris's primary interest is in education and employment. Is there anything else you would like to add regarding the capacities in which you are appearing here today?

**Ms Forward**—I am currently the federal TAFE president, but also vice-president of the Victorian branch of the AEU, the TAFE sector of the AEU.

**CHAIR**—When you say TAFE president, do you mean you are representing the employees, the staff?

**Ms Newcombe**—Indeed.

**CHAIR**—The teaching staff.

**Ms Newcombe**—Of the Australian Education Union. Perhaps I should explain that as well. The Australian Education Union represents education workers, teachers and other allied staff in early childhood government schools, TAFE institutes, adult migrant services and adult community education services. It has 157,000 members nationally.

I am just going to make a couple of general points. In fact, what I want to do is stress some of the points in our submission. There are a number of points that we made there. The first point is that our view, in terms of the purpose of this inquiry, is we believe the TAFE institutes and universities should be distinct and separate sectors. We are absolutely in favour of all manner of cooperative arrangements, partnerships and so on, particularly at regional levels, as exists already in a number of areas in Australia.

We would like to see more overall planning in terms of articulation between TAFE and higher education, and credit transfer arrangements. Those transfer arrangements up to now have been quite piecemeal. It depends very much on the arrangements at local levels. However, having said that, we would prefer quite distinct sectors. There is a particular point that we need to make on behalf of our members and on behalf of the TAFE sector about the very different history and culture and focus on teaching in TAFE institutes as opposed to lecturing.

If I could just explain that, in universities the predominant style of delivering education is through the

lecture mode, whereas in TAFE institutes—and this relates somewhat to the history, but also the different student population—we have very much a focus on a variety of delivery modes. There is a lecture mode, particularly at the associate diploma level, but our members, or TAFE teachers, are much more accustomed to working with smaller groups. They have in more recent years had to deal with all manner of what is called ‘flexible delivery’, which is a term that describes quite a lot of different arrangements, processes, and teaching and learning styles.

The history in higher education, of course, is that academics are mainly eligible for promotion or career progression because of the research that they produce, and we know that, whereas in TAFE institutes without necessarily that research focus it is mandatory in most cases for career progression to have teaching qualifications, by which I mean diplomas of education or educational qualifications. That is something that I think is very different about the two sectors, and quite appropriate in terms of the different clientele.

Connected to that is the industry focus. Our members, the TAFE institutes or the VET system, more than universities, in the last few years has undergone huge change. The industry focus has been very important, probably particularly in the Victorian system, which has been dealing with working with industry for a lot longer than some of the other states and territories. As to customising courses to suit industry, we have members going out designing courses for industry, delivering them at the appropriate times in whatever mode is appropriate to industry.

That connects with my last point. It has changed the attitude, or the teaching and learning strategies. There has been a cultural change that has gone with that, in terms of shifting TAFE teachers away from a purely classroom focus to connecting much more out there with industry and with enterprises. That is something very valuable in terms of our TAFE institutes at the moment.

The experience in the cross-sectoral institutions that we have now is that you do lose a focus on entry level training, and, even though there are plans to introduce more entry level training into the school sector, there are still a lot of implementation problems with that, particularly in terms of secondary school students having actual employment relationships—that is, apprenticeships and traineeships. There are a lot of implementation details that still need to be worked out in relation to that.

In relation to the entry level training and also the FE part of TAFE—the further education, second-chance opportunities for unemployed people, indigenous Australians, adult migrants, perhaps women returning to the work force—there are a whole number of groups that have been very well serviced by TAFE, and the entry level focus and the further education focus are two areas that are quite unique to TAFE and that would be gradually lost in a situation where there is a cross-sectoral institution.

The final point I would like to make is that there are plans, I notice, that the federal government has announced in terms of unemployed youth, and I believe \$170 million has been set aside for development of literacy and numeracy skills for unemployed young people. It is entirely appropriate, in our view, that a TAFE institute is the appropriate place for the customising and delivery of those sorts of courses to unemployed youth. A lot of that relates to what we sometimes call the community service obligations, but also the culture of a TAFE institute, which is very appropriate to youth: the student services, the libraries, the cultural activities, social clubs and so on that are present in that institution.

**Ms Forward**—I would like to focus for a few moments, because I think it is entirely appropriate, on our recent experiences in Victoria. You would be aware that in the Victorian system we have just been undergoing a fairly massive upheaval. We are in the process of it at the moment. In the middle of last year the Victorian government commissioned a review of metropolitan TAFE colleges and the provision of TAFE in the metropolitan area, which became known as the Ramler review.

The Ramler committee consulted fairly widely with a number of participants in the TAFE system throughout the second part of last year, and several days before Christmas the Victorian government released the Ramler review and its decision in relation to that process. It is fair to say that in substance the government did not adopt a lot of what was in Ramler.

From the union's perspective—and it certainly was the argument or the submission that we had made to the Ramler review—we argued very strongly for the maintenance of a distinct TAFE sector in Victoria. We argued in much the same vein as Jenny has argued, that there is plenty of room for, and indeed there should be, greater and more efficient articulation between TAFE and higher ed. We believe that those processes have been commenced, and well commenced, in the Victorian system to allow students to move between TAFE and higher ed.

Indeed, the irony in our system is that there happens to be a larger movement of people from university back into TAFE to top up their skills. Whilst I think none of us in the Victorian system would hold it up as a faultless system, we believe that there is certainly a lot of movement between TAFE and universities already—which we encourage—as teachers and certainly as participants in the system.

Really, I think you would have to say that the major findings of Ramler concurred with the union's view. They argued that there should not be mergers between universities and TAFE colleges. They argued very strongly for the maintenance of a distinct TAFE sector in Victoria, and a lot of the background papers that were presented along with the Ramler review concurred. That was the basis, presumably, upon which Ramler made the recommendations that they did.

Disappointingly, the government did choose to pursue three out of four of the amalgamations as amalgamations between TAFEs and universities with existing TAFE divisions. Swinburne university, the government decided, was to amalgamate with Eastern TAFE, one of the largest TAFEs in the eastern sector of Melbourne, with a transfer of an industry specific college, the Melbourne College of Textiles, to RMIT. Because of the disparity in size, you would have to describe it more as a transfer—some people say a takeover—between a very large and successful multisector institution, RMIT, and Melbourne College of Textiles.

For us, probably one of the most troublesome mergers is between Western Melbourne Institute of TAFE and VUT, which is one of the smallest universities now. Western Melbourne Institute of TAFE is a TAFE with an annual turnover I think of around about \$60 million a year. It is a very large TAFE. I hesitate to use the words 'jewel in the crown', but it certainly is a very strong symbol of what the TAFE system is in Victoria. It serves the western suburbs and it has an honourable history of innovative delivery of TAFE programs, and a very positive relationship with its local industry and local community. It means a lot to the people in the west.

Indeed, the amalgamation of VUT and Western Melbourne Institute of TAFE is problematic. The disparity in sizes is such that the size of the institution will be doubled by the amalgamation. Already there are some fairly grave concerns about that amalgamation process and the loss of TAFE identity. Even where the TAFE component is so large, the processes of the amalgamation are so troublesome that there are concerns about the capacity for the TAFE sector to emerge from that intact.

There is also in that merger process a fourth merger, a merger in the south-east between Peninsula Institute of TAFE, Barton Institute of TAFE and Casey Institute of TAFE. They are all in that south-eastern corner. They will deliver to Victoria a TAFE institute with a turnover around the size of \$100 million a year, and this despite the fact that the Ramler review itself posed a \$70 million annual turnover as an optimum size for a TAFE institute.

There are concerns all the way along the line about these processes, but probably the largest concern from the union's perspective, and the real problem with the maintenance of a TAFE identity in these university-TAFE amalgamations, is the speed with which these amalgamations are being pursued. In most cases the amalgamations are to be at least partially complete in six months—a substantial part of the process is to be completed by 1 July—and in addition to that the state government is not funding any of the amalgamation processes, so the colleges are being asked to resource the amalgamations out of their own resources.

I think it is fair to say that the Victorian system is a system in crisis at the moment, in terms of the sort of pressure that the government is putting on it. Indeed, I think also the government commissioned a review and a report about the nature and the future of the TAFE system in Victoria but then chose to make a decision which contradicted that review process. I will just leave it at that. Maybe you would like to ask some questions.

**Mr SAWFORD**—Just on the last one, Pat, in terms of the amalgamation with Swinburne and Eastern TAFE, what sort of anecdotal information has come back to you at this stage?

**Ms Forward**—In terms of the process?

**Mr SAWFORD**—In terms of the process. What is happening? What are people feeling?

**Ms Forward**—In each of the amalgamations between TAFEs and universities that is proceeding at the moment, the reality is that the universities are very keen on the amalgamation process, for a whole range of reasons, and the TAFE colleges are not, because they fear for their future and they fear for the identity of their sector within the process.

**Mr SAWFORD**—For the purposes of the record, would you care to put forward your interpretation of why the universities are keen? Why are they keen?

**Ms Forward**—I think it is for financial reasons. Anecdotally, and I think in reality, there is a perception that the universities can make money out of the TAFE sector.

**Mr SAWFORD**—Any other reason?

**Ms Forward**—There are possibly other reasons. I think it is to do with size. I think it is a very competitive market, and the size of the institutions at the moment is perceived to be very important.

**Mr SAWFORD**—A large, muscular institution, as a previous witness said.

**Ms Forward**—Indeed, yes. The universities are very keen on these processes—embarrassingly so, one could suggest. In that Swinburne and Eastern amalgamation, the people within the administration of Eastern Institute of TAFE have been very public about their concerns and have made their views very public in the local media and in their local community. One of the issues which complicate the merger process is that the Ramler review made a number of recommendations. Probably in some respects the mergers were one aspect of the recommendations in Ramler.

The other aspects were the establishment of centres for industry training. Nobody really knew what the centres for industry training were, but they were described as ‘specialist centres for the delivery of particular forms of high-cost training in the metropolitan area’, and the proposal was for a reduced number of points of delivery for eight particular trades in Victoria.

In that centres for industry training proposal, Eastern TAFE stood to lose a significant amount of its trade delivery. Peninsula TAFE, which is one of the other participants down in the south-east, in the proposal for centres for industry training in the Ramler review stood to lose 25 per cent of its recurrent funding. It stood to lose automotive, horticulture, furnishing and a whole range of other trades. Our evidence is very strongly, in terms of TAFE students in Victoria—particularly in the Peninsula area, which is a disadvantaged socioeconomic region and where there is poor public transport—that the nearest point for those students to go and access that trade training was right up much closer in metropolitan Melbourne at Holmesglen Institute of TAFE.

The evidence from Peninsula was that if Peninsula stands to lose 25 per cent of its recurrent base and those critical trade areas, those students will not travel up into metropolitan Melbourne to do their courses; they will be lost to the training system altogether. They will not travel up to get it. They will not be able to. They cannot afford cars, there is no public transport. Those students will be lost to the system altogether. There are some very grave concerns about the implementation of Ramler and what it means to the people of Victoria.

**Mr SAWFORD**—But basically you were saying earlier that some of the recommendations in Ramler were totally ignored by the state government.

**Ms Forward**—Yes.

**Mr SAWFORD**—In terms of the amalgamation, who is pushing it? Is it coming from some of the universities? Is it coming from the government on its own? Is it coming from the community? Is it coming from students? Is it coming from a combination of those things? What is happening?

**Ms Forward**—Our view is that in the period leading up to the commissioning of the review minister Honeywood made it very clear that his vision for the Victorian education system was for an amalgamation of

TAFEs with universities and an expansion of the university sector. We believe that the minister need not have commissioned a review because, frankly, he implemented what was his vision for TAFE in Victoria. I think that is the stamp that minister Honeywood wants to leave on the TAFE system here, that it become much more closely amalgamated with the university sector.

**Mr SAWFORD**—Just one last question: you said at page 9, I think, of your submission, that you believe these amalgamations will fail. Basically, when you put two disparate—or even allied—groups together, anyone can make it work in the first instance. I gather that what you are indicating is that down the track, after those initial relationships have worked themselves away, those key people have moved on as another group comes through. That is where I see the danger coming, in that the smaller group will always get swallowed up.

**Ms Forward**—That is why we have put the position we have in relation to TAFE. We do have concerns about the long-term character and identity of TAFE. But having said that, I would just like to put it very strongly on the record that the union will work now very hard within the merger process to make it work, and really to put very strong arguments wherever we can about the necessity to protect and continue that which it is about TAFE that is so particular and valuable for the community. I just want to make it clear that the reservations about the process that we have and that we will continue to have will not stop us working within the merger processes to make them work. I think that is something, despite the generally discouraged state of our work force in Victoria in the TAFE institutes, that they will work for as well.

**Mr SAWFORD**—I did not put this very clearly before. I will just restate it. Let's use Swinburne and Eastern TAFE as an example, rather than just pointing the finger at them. Say the current leaders in both of those organisations move on and someone else comes in. What is your prediction of what will happen?

**Ms Forward**—My prediction is not a stab in the dark. I think you need only to look at the evidence of what has happened at RMIT, and there have been recent studies done on that. My prediction is that at particularly the lower end of TAFE, if you like, the most precious end of TAFE—

**Mr SAWFORD**—The community service obligation part of TAFE.

**Ms Forward**—Certainly the community service obligations and the entry level TAFE courses will, at best, suffer. At worst, in some cases—for example, at RMIT—those courses are simply not economical for the institution to run and they are not run.

**Mr PYNE**—I appreciate what you said about how, within the mergers that are going on, TAFE institutes are trying very hard to make them work. I think we had that from Chris Cookson before from the Melbourne Institute of Textiles, who made a very cogent case for the fact that they had doubts about the merger but they are making it work, morale is good, and they think they will be all right in their area. I have great sympathy with your cause about mergers not necessarily being the right course. Can you give me any advice about how the Ballarat School of Mines, the University of Ballarat and the TAFE there are managing in terms of their changed circumstances?

**Ms Forward**—The merger between Ballarat School of Mines, Ballarat University and Wimmera TAFE was a very interesting study. It was a shotgun wedding, really, in the end, because at least some of the



participants in the process would have preferred a TAFE-to-TAFE amalgamation rather than a TAFE-to-university amalgamation. Nonetheless, the amalgamation has proceeded.

On the ground at the moment in the institutions there are some very grave concerns about how the process is proceeding. There are some very practical things, like distance: the distances that those institutions cover, especially the Wimmera campuses, Stawell and Horsham, are enormous. The new vice-chancellor, I think, who actually comes from a large Queensland TAFE college, is certainly sending all the right signals to the staff in terms of his preparedness to consult with the staff and teachers to try to facilitate a good merger process. But the concern is that he is located at the university, that he is not apparently even a full-time administrator of the TAFE division but rather has other responsibilities. Some part of his load—if you can talk about directors having loads in that fashion—or some part of his work is in relation to marketing some parts of the university's VET agenda.

There are a number of issues. The merger process is not bedded down and it is unclear. There is a large degree of hostility towards the university in the process, because the university had not ever in the past worked closely with the TAFE colleges, or cooperatively in the region, and indeed there was not a very good history between the two TAFE institutes in terms of their capacity to work cooperatively in the region.

Having said that I think the primary issue for us—and certainly it is the information we are still getting from that region—is that the capacity in the long term, under the present system of funding allocation in Victoria, for there to be continued provision of TAFE courses in the Wimmera is not clear. Despite the fact that the amalgamation was sold to the people of the region as a way of maintaining TAFE provision in that area, the economic circumstances are still so desperate in that region that there is a very strong question mark about whether those campuses will be able to be maintained, as indeed there is in many regional areas of Victoria.

It affirms, I think, another aspect of our attitude towards TAFE, which is that a lot of those regional colleges cannot survive unless they are given particular funding to support their particular needs—their distance, their special needs. Those colleges are highly valued colleges in their local communities. They are colleges which the local communities desperately need. They are huge employers in the regions, but they are particularly valuable resources in terms of the youth in those communities. They prevent, at least for some time, the exodus of the youth down into the cities. They form very close and particular relationships with local industries. Even in that recent merger which was conducted ostensibly to try to maintain the provision of TAFE in that region, there is still a very strong question about whether TAFE in the Wimmera can survive.

**Mr PYNE**—I was mindful during Jenny's evidence that she said that the very specific differences between TAFEs and universities was that TAFEs teach and universities lecture. I think that is a very apt way of putting it. The evidence that I have heard from the Ballarat School of Mines and the Ballarat university merger and the TAFE merger is that teachers from the TAFE are being told that they have to return to university to upgrade their qualifications if they are going to be able to teach or lecture for the various courses that are going to be offered by the merged institution. Does it concern you that therefore the merged institution might actually just end up being a university and lose that sense of teaching as opposed to lecturing?

**Ms Newcombe**—I think there are economic imperatives, too, in terms that clearly it is cheaper to have

200 or 300 people with one lecturer. There are examples of lecture mode in TAFE in certain circumstances, but, yes, I think that is of great concern. There are particular sorts of professional development, if you like, or ongoing continuing education that TAFE teachers do and need to do in terms of updating industry skills, which may indeed be a more appropriate form of upgrading qualifications than perhaps a postgraduate degree that situates them in the university sector.

That has, actually, always been a difficulty in terms of staff development with TAFE. If someone has been recruited from industry to become a TAFE teacher, and gains their education qualifications, they have a need to be constantly returning to industry to keep up with technological changes and other sorts of changes in the industry. So, yes, we would be very concerned about that.

**Ms Forward**—I think it is some of the evidence on the ground, where there have been mergers or where there are existing relationships—for example, VUT which has a TAFE sector, RMIT which has a TAFE sector, Swinburne, and all of those places are multisectoral institutions already—those relationships are not always as good as the marketing or the hype might lead you to believe. There is a sense in which the TAFE sectors are often treated less favourably in a whole range of ways.

Another good example is in the merger between VUT and the Western Institute of TAFE. One of the issues there is that the TAFE student fees are much less. I could not put an exact figure on it but in some cases they can be as low as \$50 a year. They tend to be \$1 per student contact hour. But they are much less than the student union fees for university students.

Already in the process of amalgamation there are discussions about how, because those two student groupings are paying differential amounts for their fees, the university is going to monitor the access of TAFE students to some of the university facilities, given that the university students pay more in fees for those services. So even at that level, at what you would think would be a fairly petty level of management, there is a degree of resentment about where the dollars are going and how they are going to be divided.

**CHAIR**—In Adelaide and also in Perth we asked the various people who came to us what they felt was driving amalgamations, or at least closer articulation between the two sectors, and generally after some thought most felt that it was driven by the consumers, so by and large the students.

**Mr SAWFORD**—The articulation, not the amalgamation.

**CHAIR**—Yes, that is right. The demands of industry and all this sort of thing was such that you have got university graduates, as you say, basically wanting to get some training as distinct from some education by doing a TAFE course and so on. Then of course in Victoria we have got these forced amalgamations. But in the rest of the country, to some extent, whilst they are not amalgamations, there is a natural tendency towards collaboration and articulation to varying degrees. Should there be some kind of national direction given? It seems there ought to be some sort of national leadership.

There ought to be some agreement, preferably between the education sector and government, and preferably both sides of politics, in terms of the direction in which it goes. Is that something we ought to be talking about? We are obviously looking at the role of TAFEs and I feel, although we have not discussed it as

a committee, that we should be distilling things down into some form of words that is understandable and attractive as to what sort of vision we want for TAFEs. Is that something you think is desirable?

**Ms Forward**—I think so.

**Ms Newcombe**—Indeed, yes. We are very much in favour of a national plan for the whole sector. If I could just go back a little bit, too, in terms of the notion of the move being driven by consumers, a lot of the consumers of TAFE do not have a voice. I am not sure of what the percentages are, but often when we talk about TAFE, the consumers with the most voice are industry or people already in employment who go back to TAFE to gain more industry qualifications.

Again, I think we have to bear in mind the role that TAFE institutes have played with a lot of disadvantaged groups who perhaps do not have that voice. We have students who are quite successful in TAFE who have perhaps had poor experiences of schooling, let alone approaching a university in terms of their sense of themselves and how they feel about educational institutions. So that is a note of caution, I suppose, in terms of it being driven by the consumers.

**CHAIR**—Sure.

**Ms Newcombe**—But, yes, I think we are in a situation at the moment where—and this is something, because we do have a national structure within our union, and we have regular consultation with members all around the states and territories—we have a very diverse sort of system at the moment. In New South Wales and South Australia we have a situation where governments have moved to amalgamate the TAFE bureaucracies and schools bureaucracies. In the Northern Territory we have separate institutions.

One of them, of course—the Northern Territory University—is a cross-sectoral institution, with TAFE and university. There is Batchelor College, which is different again. That is a community college that wants to become a university. Certainly that is, I would say, a consumer driven move. Then in Victoria we have this decision by the Victorian government to move to more cross-sectoral institutions. So we are kind of splintering state by state and territory by territory, rather than having the kind of national agreement or approach that I think we need.

**CHAIR**—Just on the fee issue, we had the Central Gippsland TAFE, I think it was, yesterday telling us about the concessions that they are required to provide to students from lower socioeconomic groups, and I think they give a concession to about 54 per cent of their students.

**Ms Newcombe**—Yes, it is, I think.

**CHAIR**—That adds up to between \$300,000 to \$500,000 a year of a \$20 million budget. That is obviously a lot of money, and there is no compensation given to them by the state or any other funder they have. Is there a place for some sort of option like a deferred payments scheme, a bit like HECS, if you like, perhaps preferably administered by the same body? I represent probably the most affluent electorate in the country, and I have a TAFE on the margins of my electorate, and I would suspect that they have a cohort that has people coming from relatively higher income areas. Should there be some distributive process?

The CEO of the Gippsland TAFE had come nine months ago from the Gold Coast. She said, when we asked her about the contract, 'I wished I could have charged full fees at the Gold Coast,' and that most of the students could afford it. And you say to yourself, well, yes, that makes some sense, that if they could charge fees in one area then perhaps there could be some redistribution to areas that are struggling a bit.

**Ms Newcombe**—My understanding is there are considerable exemptions which operate, certainly in Victoria. There are exemptions for people who do not fall into the Gold Coast category. I do not remember what the categories are, but there are certain groups of people who are exempt, and I imagine that is what she is talking about. We are not in favour at all of the introduction of a deferred payment scheme. We, as a union, have concerns about the way that operates in higher education, for a start, and how in fact it may be making university education not accessible to a lot of groups.

**CHAIR**—But would it not make it more accessible? Some people can pay, write a cheque today, saying, 'There's my up-front fee.' Wouldn't it make it easier or improve your access, if you were a low-income person, to be able to say, 'Well, I can't afford to pay now, so I will take a deferred payment plan'?

**Ms Newcombe**—I think the other thing we need to look at is the demographics of TAFE graduates, as well, because they generally do not go into the sorts of income brackets that university graduates do.

**CHAIR**—Of course, yes, that is right.

**Ms Newcombe**—So in terms of capacity to pay at a later stage, it is not only a question of the income bracket, but also the move towards much more precarious forms of employment, if I can use that expression—casual and part-time employment—which is the trend right across the labour market.

**CHAIR**—Perhaps I am being illogical, but if there is an income threshold at which you start to make the repayment, if you do not ever meet that threshold, or, alternatively, if you drop below it because you have lost your job or something like that, so you stop making the repayments, isn't that a reasonable thing? Some of the people we have had before us, including one group this morning, have said that they have students who do not come to TAFE because they have to pay a fee up-front.

**Mr SAWFORD**—But the debt remains.

**CHAIR**—Yes, that is right.

**Ms Forward**—Our position I think is unequivocally that there should not be fees attached to TAFE.

**CHAIR**—There shouldn't be any fee at all?

**Ms Forward**—I think the capacity at the moment for the students to pay the student services sort of fee that they pay, especially where there is the capacity to grant exemptions, is a reasonable thing. And by and large, at the coalface, I think probably what people do not understand is that even, for example, the lowest level fee you can charge for some students, which used to be about \$50, is very difficult for those students to afford. Oftentimes in TAFE you are dealing with students who have difficulty in supplying the pens and paper,

if you are dealing with long-term unemployed people, a whole range of students. There are some students who attend TAFE who may well be much better off. Those who work, for example, and come to TAFE, may be better off.

But I think by and large the thing which characterises TAFE, and makes it distinct in comparison, for example, with the university, and even to some extent the secondary sector of education, is that TAFE has a particular relationship with industry. In answer to your previous question, it, more than any other sector, has an identity with the national economy, if you like, which is, I think, a very good and a healthy relationship.

Our view, I think, is that fees for students at any stage—the sorts of HECS-type fees—act as a disincentive rather than an incentive for them to go on to further education, anyway. I think that would be much more the case in TAFE. One of our experiences is in some respects that there is a really deep concern for students not to incur a debt at that stage in their life. I do not want to actually attach a particular socioeconomic view to that, but there is a deeply held reservation about getting yourself into debt so early in your life, and it is a deeply held view.

**CHAIR**—But if it is a choice, like ‘Your fees for this course for the year are \$1,500, which you can pay now or pay in three instalments, or, if you wish to, you can take that as a deferred debt,’ doesn’t that increase your options?

**Ms Forward**—Our evidence is that for some students it doesn’t always.

**CHAIR**—But surely there would be some who would say—

**Ms Forward**—For some it may do.

**CHAIR**—It is giving a choice.

**Ms Forward**—But for some it would exclude them. How do you give them that choice, if for some it would mean that they will—

**CHAIR**—But at the moment surely they are excluded anyway. If you say, ‘This is the fee; pay it or don’t pay it’—

**Ms Forward**—But with the fees in TAFE, as a teacher in TAFE, if you are forced to make a choice between, to be honest with you, excluding a student who cannot afford to pay \$50, or letting them in in some way, you will find a way. Teachers find ways of getting those students in, including paying the fees themselves or doing other things.

**CHAIR**—Sure. I realise that.

**Ms Forward**—There are ways of keeping them in. So, generally speaking, few people are excluded from TAFE because they cannot afford the fees. There are ways that you can deal with that. You can deal with that at \$50, but you cannot deal with it at \$1,500.

**CHAIR**—Yes, of course.

**Mr SAWFORD**—I agree with that. I think basically the point is that people on lower incomes have traditionally had an attitude of not getting into debt. You will find they are in all the western suburbs of the cities. In my own electorate there are people who refuse to have a credit card, simply because they fear, from their cultural background, the debt. You talk to businesses in my area, and they say they work in Port Adelaide because no-one owes them any money. It is the middle and upper classes who do not pay their debts. They will name people, very prominent—professionals, doctors, well-known people—who pay their clothing bills two years down the track. They owe thousands but they do not care about it. But a working-class person will lose sleep. They cannot cope with debt.

**CHAIR**—Surely just giving them the choice would be preferable. At the moment, they have no choice.

**Ms Forward**—But I do not understand how you can provide them with that choice unless you accept a system where there is—

**CHAIR**—At the moment there are fees for TAFE and—

**Ms Forward**—But they are much reduced.

**Ms Newcombe**—They are minimal.

**Ms Forward**—They are minimal fees.

**CHAIR**—Of course. But some of the fees are not minimal, and not everybody going to TAFE is a low-income person.

**Ms Forward**—Yes.

**CHAIR**—So why shouldn't there be that option available to someone? Most of us could probably cope with a \$500 fee or something like that, but there are some people for whom that is an enormous amount of money. Perhaps there ought to be a choice so that, if you want to, okay, you can take this as a deferred payment. That is all. I worked in the public housing estate for 10 years and I know all about low-income earners.

**Mr SAWFORD**—It will not discourage everybody, but it will discourage a greater percentage of people.

**Ms Forward**—I will tell you what I do think is terribly unfair—and I think it is particularly unfair for Central Gippsland, which has had a really torrid time of it in terms of its catchment area. The valley has had a really hard time, a really terrible time in the last 10 or 15 years. It is a very depressed area. What I think is terribly unfair, if Central Gippsland is coming here and saying that 50 or 60 per cent of its student cohort is on a much reduced fee scale—

**Mr SAWFORD**—They were not whingeing, by the way.

**Ms Forward**—No, I am sure they were not. But my point is that it makes a mockery of the situation when we are supposed to have a public education system which deals fairly with everybody that that institute should have to bear the brunt of having to operate in an area where they have—

**Mr SAWFORD**—Yes, I agree with you.

**Ms Forward**—It is wrong.

**Mr SAWFORD**—It compounds the whole problem.

**Ms Forward**—It is absolutely wrong, because they are a struggling institute. They are one of the institutes in Victoria which are just really sailing very close to the wind. I was out there only two days ago. I saw their budget for the year. There is a lot of rhetoric about how teachers need to be in-serviced and up-skilled, and all those sorts of things, and they traced along a budget line for me. The allocation for staff development was zero, because they cannot afford to do it. What is terribly unfair, if that is their student cohort, is that they are, very honourably and well, trying to provide a service for the people in their area, and that they should have to carry the burden of that is wrong.

**CHAIR**—Sure. That is why we sit here and say, ‘Look, these poor people are \$300,000 to \$500,000 down on budget because they are servicing a low income area. There should be a funding model which compensates them for that.’ It is a question of whether that money comes from government, industry, or both, or whether it is a cross-subsidisation from institutes operating in more affluent areas, say like mine, where students can pay fees—and they are still modest, for those students, by their standards. Perhaps we should be recommending something which actually compensates people who are in the hardest hit areas.

Because what you end up with, of course—and I do not have to tell you—is the situation where at Gippsland, for example, because they are down on their budget, it makes it harder for them to provide services to people who actually need the best services. Then you have other parts of the country where everybody rocks up in a convertible to their TAFE course. You just wonder whether maybe we could come up with something that helps them.

**Ms Forward**—I agree with you but I think the final answer to this—and really in a sense the final answer to the issue of imposing a greater fee on students—is that when all said and done education is not just a service provided to an individual in society; education is something which through the individual enriches society and makes society richer for the process that those individuals go through, and as long as we possibly can as a society, I think we have to maintain the notion that the resources we put into our education system and the resources we put into those individuals are things which can only enrich all of us in the long term.

**CHAIR**—I agree. Our problem is that in the end we still have to pay for it in some way. But you are quite right. I am sorry but we have to wind up. Thank you very much.

[3.42 p.m.]

**BARRETT, Ms Anna Marie, Victorian Education Officer, National Union of Students, Victorian Branch, c/- Trades Hall, cnr Lygon and Victoria Street, Carlton, Victoria**

**CURRY, Ms Katrina, National Education Officer, National Union of Students, 102 Victoria Street, Carlton South, Victoria 3053**

**CHAIR**—Thank you very much for taking the trouble to make your submission and to come along and speak to it. So perhaps if each of you introduce yourselves and give us a five-minute precis of your submission and then we will have a talk about it.

**Ms Curry**—Basically our submission is mostly focusing on the issue of access and the type of education that is actually getting received, and our main concern is making sure that things are both accessible and also well resourced enough to actually cover everything that needs to be covered in order to provide a decent quality education system for TAFE students. There are two recommendations but they are both in regard to fees and making sure that HECS is not brought in for TAFE students and also that any types of fees are abolished. That is the basic crux of what we are proposing.

**CHAIR**—So there should be no fees, so the current TAFE fees should be abolished.

**Ms Curry**—Yes.

**CHAIR**—Obviously that negates the need for HECS anyway.

**Ms Curry**—Yes, but in the event that they stay, which is probably likely—unless there is some major breakthrough—we want to make sure that in the move that we are proposing, which is a closer link with universities and a link between vocational and other higher education, there does not end up being an added fee which would be the result of pushing with HECS as well as the TAFE fees.

**CHAIR**—Can I talk to you about that?

**Ms Curry**—Yes.

**CHAIR**—I should not in any way pre-empt, nor can I, what our recommendations are likely to be but I doubt that we will be recommending any increase in TAFE fees. I would be surprised if the committee members felt that they wanted to do that. Let us assume that TAFE fees remain as they currently do; why shouldn't a deferred payment system like HECS not be an option which is available to students if they choose to take it up?

**Ms Curry**—NUS believes in fully publicly funded education and that is across the board. The reasons for that are that education is, in our opinion, a community benefit and bringing people into the education system and skilling them up with all of the knowledge and expertise they are going to need to be able to contribute towards a better future for society is something that society should bear the brunt of the costs for.



That is the same for us with higher education as with TAFE. The issue of a deferred payment, for us, is both wrong in the sense of what it reflects about the education system and the purpose of the education system.

Also we do view it—and from the evidence we have received from students we have surveyed—as a real deterrent for people studying and pursuing academic pursuit beyond high school. Even if it is deferred it is still then seen as something—particularly with people who do come from a family who is less financially privileged and with a whole culture of debt—that they do shy away from actively pursuing higher education.

**CHAIR**—So if fees remain, which I guess is likely, you would prefer that students pay them up-front rather than take a deferred option.

**Ms Curry**—No, we would prefer a deferred payment option to anything up-front, on the basis that at least that puts it off.

**CHAIR**—I was going to say that it seemed illogical, but I understand.

**Ms Curry**—Also if that was to be the case, obviously we would always prefer to have payments extended over a long period of time and in smaller increments.

**Mr SAWFORD**—Katrina, you mentioned in your submission about a national system of funding, which a number of witnesses have brought forward. Then you go down to your next point about a national plan for TAFE and higher education; it is on page 14, I think, of your submission under section ‘AEU Policy Issues. Do not worry about it; it is a fairly straightforward question. If total areas of education are funded nationally there is no reason to have a state government because you take away basically 60 or 70 per cent of their funding, whatever. So there is no purpose in having a state government.

So even though I agree also with a national plan—you can have a national plan because that is an alliance plan between state ministers and federal ministers but—it comes to national funding, at the moment we have got a bit of both. State governments are not going to kiss themselves goodbye, so they are never going to let go of that part of funding in education. Are you talking about the national plan? No-one is arguing with that. But do you understand the funding thing has got the requirement that even though you and I might agree, it is the end of state governments.

**Ms Curry**—Yes. Do you want me to explain our rationale between wanting the national budget or the national plan?

**Mr SAWFORD**—National plan, yes.

**Ms Curry**—Both. Well, the national plan, I presume probably is self-explanatory for everyone? Does anyone have a problem with the idea of a national plan?

**Mr SAWFORD**—No.

**Ms Curry**—Well, the national budget, the main reason behind that is recognising the disparity that

does exist between the finances and resources of different states and also wanting to have some kind of guarantee that things are fair and equitable in each state regardless of what the different tendencies of the state government are, and also the different allocations of resources they have both in terms of the money they have and the money that they are willing to allocate towards higher education; so to make sure that people are not disadvantaged due to the fact that they live in a certain state as opposed to students having more chances in other states.

The reason we believe that should be nationally funded is also in the same way that it is with higher education which does have those base guarantees for people, that they will have at least some equal level and that we would hope to urge the national government to increase the levels of funding there to make sure it is accessible and equitable for all people involved. But the problems with state-based funding are there is a huge difference between the views from different state governments of what the priority of education and training is.

Students in states where that is not viewed as a priority and they do not have the luxury of saying, 'Well, I'll just go to New South Wales or somewhere where it is more of a priority'—just to use that example—it is not an option that people have and it is just about trying to have across-the-board rules that are in that way being fairer to students by virtue of treating them equally rather than on the basis of what particular area they happen to live in.

**Mr SAWFORD**—One of the problems that Commonwealth governments have—it does not matter whether it is the Labor Party or the Liberal Party in control—is that with national funding in a particular area, say TAFE funding, the state government then substitutes; it takes out the equivalent amount of money. So even though that was the intention of the Commonwealth government the result is exactly the same or even worse than when you started.

**Ms Curry**—We also do believe that things should be administered federally as well—not just the money but there should be federal guidelines about how these things are to operate, and that is the only way you can ensure proper equality across the board.

**Mr SAWFORD**—We may not disagree with that but our state colleagues will be screaming from the roofs, because they will be saying, 'Hang on a minute, that means I'm no longer required.' So constitutionally we have got a problem.

**Ms Curry**—In that sense I guess we are trusting you to make the arguments to them. Also it will be a thing where will try and urge people in each state to support that through their states.

**Mr SAWFORD**—There is a thing called the Australian constitution that makes that very difficult.

**Ms Curry**—But there is leeway in terms of how you do approach different areas and I think there is the leeway, certainly within the constitution, for this to be adopted.

**CHAIR**—We can try.

**Ms Curry**—If you get the support of people. That is what is blocking it rather than constitutional

barriers, from my understanding.

**Mr PYNE**—In your submission you argue that the introduction of McDonald's training in the Victorian high school system is both anti-educational and not in the public interest.

**Ms Curry**—Yes.

**Mr PYNE**—You do not think that is an elitist view?

**Ms Curry**—No, I do not think that is an elitist view at all. I think that is a view that is basically concerned with making sure that people do get a decent education which is the antithesis of an elitist view. The reasoning behind that statement is the damage that that can cause in the long term, and in the immediate future as well, in terms of the type of education that people are receiving, like the issue of who controls education. To put that in the hands of any corporation—and I think McDonald's is one of the worst in the record of the way they operate—is actually very damaging for the education system as a whole. That is why we are looking at it more in terms of broader implications beyond just whether that means that you then get them funding a certain area of study.

**Mr PYNE**—Is it not elitist to expect every person who is 15 and in year 10 at school to continue in their education and go on to university when only 30 per cent of students actually go to university? Is it not a good idea to give them different options?

**Ms Curry**—Yes, it is a great idea to give them different options and that is what the crux of our argument is trying to do: to put a system in place where people do have the option, so regardless of their financial background they can actually access university. What is the impediment at the moment is actually the structures that are in place, that unless people do have access to sufficient resources they cannot access university. We are not saying that we want to have some national ruling saying 'Every student must study regardless of whether or not they want to;' we want to put things in place so every student that wants to study and who has the desire to study has that opportunity.

**CHAIR**—Is it your concern that the students spend some time at McDonald's, or places like that, or that McDonald's in some way contribute financially to the education, if that is what you call it, of those students?

**Ms Curry**—It is actually both for different reasons. The first one is the type of education that people are receiving. Secondly, I have no problems with McDonald's wanting to contribute. I would be happy if they wanted to contribute all of their funds to higher education but it is what that takes away from the ability of the government, and also each university, to actually instil some kind of critical thought that would be critical of McDonald's and critical of the way different groups operate. The more private investment there is in higher education directly, rather than through a progressive taxation system, the more scope there is for those groups to control the curriculum that is being taught to students by virtue of the fact that they have got the bargaining power of saying, 'If you don't teach things our way, we will withdraw our funding.' So they are the concerns.

**Mr PYNE**—And is there any evidence that that is the case?

**Ms Curry**—With McDonald's?

**Mr PYNE**—That McDonald's say, 'If you don't teach that way, we'll withdraw our funding'?

**Ms Curry**—So far people have been happy to teach the way they have wanted things to be taught, so that has not come up yet, but it has been proven to be the case consistently, particularly in different universities where certain corporations are funding specific courses, particularly around engineering and different things, and then when there are problems between them and the university governing bodies about how things are going to go and whether they want to put in other types of material, that they have threatened to withdraw funding, and I am from Sydney University, and I know that that has happened there, and then they have not been able to have the freedom to do that, due to the fact that they are in a dire financial position, due to lack of federal government funding, and so in order for them to keep money in, they are willing to go along blindly with whatever industry directs.

**Mr PYNE**—There are a lot of assumptions there, a lot of assertions. But, say, take Ballarat University, where they have a very good mining engineering school, and BHP take a very large number of their mining engineers from Ballarat University, because they think that the course there is very good, and as a consequence they fund scholarships to Ballarat University. Do you think that is compromising Ballarat University's ability to offer a good mining engineering school?

**Ms Curry**—I do not think the money itself is, but it depends what kind of arrangement you have with particular groups, and if the arrangement is that they like what you do, they give you money regardless, and still you have complete autonomy in terms of how things are being taught, and that is very different from them having a lot of conditions on the funding they allocate.

**CHAIR**—Would you still apply that argument to the TAFE sector, which is what we are really looking at here? I can tell you we were in Adelaide last week at Regency Institute, and everywhere you go—you go to the coolroom, and it is sponsored by Joe Bloggs Refrigeration, and then you go to the part where they are all preparing food and learning hospitality stuff, and it is sponsored by some company or other, but 98 per cent of the kids—well, not all kids, in fact: 98 per cent of the graduates—get work, so people are going there to enhance their skills, to acquire skills they do not already have, and they receive that training by virtue of the fact that industry is directly involved, and then they end up with jobs. Is that a bad thing?

**Ms Curry**—It depends on how it is administered, but what we believe is that industry should be funding a lot of higher education because there is a quite clear benefit that they receive from people being well educated and well skilled through different education systems, and they then carry the skills on to the rest of society. But the National Union of Students believes that they should do that through having a more progressive taxation system; that way you still ensure that they are financially contributing to a system that they directly benefit from, and where also there is proper social accountability within universities to the community, who they are actually there to serve.

**CHAIR**—I am not an expert—these guys know more about these things than I do, but my simple way of looking at some of this stuff is this: we have got these sunrise industries, you know, biotechnology, multimedia; we have got knowledge based industries developing round health and education; and the only way

that we can really get resources in are not only from governments and institutions themselves, but from the industries themselves. They need to be able to put money directly into TAFE programs, to develop training specifically for people, many of whom are young, without which they would not have any jobs. It does not seem like a bad thing. We can increase the taxes that they have got on them, and then fewer of you are going to have jobs when you finish.

**Ms Curry**—I do not see how that would necessarily work. If people are receiving a decent education, then presumably they will be getting taught everything they need in order to go and obtain a job afterwards.

**CHAIR**—You see, what happens with us is we have somebody who comes from a particular industry. They might be doing something in mould technologies, for example, and they say, 'In this industry we will need 300 people trained in this particular way within two years.' They might say, 'We want to put \$300,000 into training, and get these people out there.' What do we do? Do we say, 'We don't want any involvement of industry in this. Go away,' and they say, 'That's okay, we'll do it in Singapore'?

**Ms Barrett**—In terms of training and training in specific ways and that kind of thing, I would say that we are looking at education as such, and if we are looking at education, do we then train people to perform in a particular way for a particular company, a training which may perhaps leave out particular fields of interest, and that kind of thing? I think when we are looking at training and education, I am focusing on education here, and I am seeing something where for instance in the medical industry if there is a medical company or a pharmaceutical company which wants people taught a particular branch of pharmaceuticals, and not actually taught different areas of knowledge that have to do with the pharmaceutical industry—if they only want people trained in that way we could actually be missing out within the community in different areas of research, different fields of knowledge, people actually creatively bringing things into those industries. I think that is a real problem that you look at when you have a company dictating the way that people are trained, as such, rather than educated to go out there and to benefit that industry, to benefit that community, to be creative, to find out new areas of research. I think that is something that is really crucial, and when you look at the way that industries dictate training, you ask what type of education are these people getting?

**Mr PYNE**—But this inquiry is about TAFEs and universities, and the roles of the two, and you cannot appear—well, you can, you can appear and give evidence about the universities solely, and I do not disagree with your thesis about the purposes of universities. Of all the people on this inquiry, I probably agree with you more than most, but in terms of TAFEs, their specific role is to provide training.

**Ms Curry**—Yes, but it is training that people can carry on through their lives as well, and if you do have it just particularly directed for one company and the way that they want to be taught, you are also limiting that student's options in terms of things beyond that, because that will mean if there is 98 per cent employment that is great for them in the short term when they get that one job with that one particular company, but what happens if they want to do something else and branch somewhere else and use the general skills that they have received in any particular area, and go to another company or another way of looking at things? They will not be able to do that, because all they have been taught is what BHP want or what any specific pharmaceutical company wants.

**Mr PYNE**—But, you see, you are assuming that everybody who goes to TAFE should be given the

same sort of generalist education as people who go to university, and they are two different sectors. The university sector is an educative sector, a place of learning. A TAFE college is a place of vocational education and training, which means a person who goes to Regency Park and learns about being a cook is being trained to do that job, and they should not be at university because they want to be trained to be a cook.

**Ms Curry**—There are two different lines of our argument. Firstly, with links between them and universities, we do believe that everyone should have some general education, if they want to access that, about the way society works, how to challenge things, how to think creatively, et cetera. They should be given access to those skills so that they can live and operate and exist in the world beyond their simple job, and know how to participate in things, as well as university graduates do, but even specifically looking at the role of TAFE, if you follow that line, it is about broadening the scope that they have within any particular field of expertise as well, so that they are tying in—if it is cooking or whatever—all the skills that they want, not just the skills that you need to be a cook in McDonald's, or the skills that you need to do this particular area of mining with BHP, et cetera—broadening those skills so that they are actually getting a skill base, rather than just a bit of a trained rabbit kind of place.

**Mr SAWFORD**—Excuse me. Two of us have got a plane to catch.

Resolved (on motion by **Mr Sawford**, seconded by **Mr Pyne**):

That this committee authorises publication, including publication on the parliamentary database, of the proof transcript of the evidence given before it at public hearing this day.

**CHAIR**—We had a person in Perth, for example, who expressed a concern that with all the emphasis on vocational education and training we were going to end up with a stack of people who really lacked education and lacked the capacity to be involved in people skills and management and all that sort of stuff. I must say I strongly support that, that with VET taking an increasing role in schools, that you get young people who end up being trained—I have been to university, but I have not been educated; I have been trained, because I have got a medical degree. But you end up with people who are trained, but really are not educated, and that is a real danger for us.

So what we are trying to do with this inquiry is to strike the right balance. There are people, particularly in modest occupations, low income people, deprived backgrounds, who really just say, 'I don't give a stuff about anything. Just teach me how to do that so I can go down the road and apply for a job.' So we have got to come up with something that is a balance.

**Ms Barrett**—In terms of education I really do think that, whether it be vocational or educational, it is really important to give people like that the opportunity to then go into an institution such as a TAFE, and to be able to say, 'Here I am. I'm here to learn how to do this, but look at this. I can also do this.' I think it is really important to give people opportunities, and to offer people choices, because people cannot make a choice unless they have got choices to make. I think it is really important that when people do go into TAFE you do not limit their education; in fact, you allow them within the vocation that they have chosen, even perhaps to have the opportunity then to find skills to branch out and to become really good.

**CHAIR**—The question is whether a closer articulation between the TAFE sector and university sector provides people with that opportunity to do it if they want to make that choice, so they might do a two-year TAFE diploma, and then that gives them a one-year or maybe two-year credit in a university degree, which might be in fine arts or something, in some other sort of area, and they are the kind of things that we are considering here.

**Ms Curry**—We are very in favour of that happening.

**CHAIR**—I would say also on the McDonald's thing—I used to run a couple of small businesses, and we employed about 40 people, and then I was the head of a large national organisation, and in relation to the McDonald's thing with the VCE, frequently with employers—and I must say I have been one of them—you go through someone's CV. I remember appointing someone to a senior legal position in a large organisation, and in the end what you are looking for in the CV are things like 'I worked at McDonald's for two years,' and this kind of thing—life education as much as formal education, as much as training.

So I think if we can in some way encourage people to have a bit more than just degrees and all this sort of business, then that actually does not do people a disservice. I know it sounds like an odd thing, but in looking through CVs when you are employing people looking for jobs, I have had my chief executive put 40 CVs there and say, 'I've short-listed these 40, and there's the other 120,' and I have gone through the other 120 and pulled three or four out because there was something in there to do with a TAFE course that they did in between two university degrees, or they spent two years at McDonald's, or something like that, and in a couple of instances they went from that pile to getting a job. So it is not always just a question of exploitation or depriving someone of some other educational opportunity.

**Ms Curry**—But when they are allowed access to control over education system, then it is a very different thing from them serving a role as simple employers.

**CHAIR**—Yes. Personally I think—and I come from the medical area—many doctors would be better if they had had a bit of exposure to working at McDonald's and a few places like that when they were students, perhaps.

**Ms Barrett**—I think, though, in terms of corporations controlling curriculums, you can look at things like this. For instance, as you were saying with BHP in Ballarat, what will happen of course in Ballarat is that Ballarat will continue to take these particular courses and to expand these particular courses, which appeal to BHP because they are getting a lot of students; they are scholarship students as well that are coming in from BHP, and so of course they will look at expanding that kind of thing.

Other courses which would expand on that would also be helpful to BHP, and in terms of funding of education, if you do have large corporations funding education, there could be the tendency there perhaps to tailor the course to specifically why that corporation is coming in, rather than actually having a varied education, which will of course provide a greater benefit.

**CHAIR**—But in the VET sector, it is critical that the training meet an outcome that is required in the workplace; otherwise it is seen to be irrelevant. The West Australian Chamber of Commerce and Industry, for

example, exasperated at the nature of TAFE in that state, set up their own training programs, and employers are paying \$6,000 to send their employees to get training that they consider to be relevant to the workplace needs, rather than send their employees into what is really a free system. So you have got to be careful.

**Ms Curry**—That can also be done—rather than through having one particular group entering into the education system as is—through things like different work experience schemes, where students also have the choice to work with a group that they want to, and doing things that way, which will also give them the experience in training that you do find so desirable when looking for future employees, without actually restricting the schools' potential to have control over what is being taught.

**CHAIR**—Of course, yes. Thanks very much for making that effort; it was very good. I am sorry that my colleagues had to go. It is always the worst thing being on at the end of the day at these things. Thanks, and the best of luck with your studies, and if there is anything else that you think of that you would like to add or if you have read somebody else's submission and you want to make a point, please send it in to us.

**Committee adjourned at 4.13 p.m.**