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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Reference: Role of institutes of TAFE

CANBERRA

Thursday, 2 April 1998

PROOF HANSARD REPORT

CONDITION OF DISTRIBUTION

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Members:

Dr Nelson (Chair)

Mr Barresi	Mrs Gash
Mr Bartlett	Mr Latham
Mr Brough	Mr Marek
Mr Dargavel	Mr Mossfield
Mrs Elson	Mr Neville
Mr Martin Ferguson	Mr Pyne
	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.

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WITNESSES

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Thursday, 2 April 1998

Present

Dr Nelson (Chair)

Mr Bartlett	Mr Mossfield
Mr Dargarvel	Mr Neville
Mr Latham	Mr Pyne

Committee met at 9.21 a.m.

Dr Nelson took the chair.

CHAIR—Good morning. I declare open this public hearing. The committee has received over 90 submissions and has conducted public hearings in Perth, Adelaide, Melbourne, Sydney, Brisbane and Canberra intended to give business, the wider community, TAFE itself and the university sector an opportunity to participate directly in the inquiry. The purpose of the inquiry is to clearly identify the appropriate roles for institutes of TAFE and the extent to which they should overlap with universities. The committee aims to produce recommendations for government action that will enhance TAFE's capacity to meet community expectations in relation to these roles.

Matters raised in submissions and at public hearings so far include: the importance of TAFE's community service and vocational education and training roles; the importance of TAFE's links with industry; the effect of competition on TAFE's traditional activities; the appropriateness of TAFE's current administrative and financial structure, and the funding anomalies between TAFE and higher education which affect both students and institutions. This is not meant to be an exhaustive list of the issues to be considered nor an indication of where the committee's final recommendations might lie.

[9.23 a.m.]

GALLAGHER, Mr Michael Austin, First Assistant Secretary, Higher Education Division, Department of Employment, Education, Training and Youth Affairs, PO Box 9880, Canberra, Australian Capital Territory 2601

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CHAIR—Welcome. I invite you to make an introductory statement from the department's perspective. We will then discuss some of the issues pertinent to the inquiry.

Mr Greer—Certainly. Chair, members of the committee, thank you for the invitation to appear before this committee as part of the inquiry into the appropriate role of institutes of TAFE and the extent to which they should overlap with universities. The department has not provided a formal submission to the inquiry at this stage, but we are happy to provide information to the committee on vocational education and training and the links to higher education, and to address any questions the committee may have.

The Commonwealth is involved in vocational education and training through an

agreed set of national arrangements for sharing responsibility with the states and territories. The current mechanism for giving effect to this is the Australian National Training Authority—ANTA—agreement, which sets out the roles and responsibilities of each party, including a major role for industry. Under this agreement, the Commonwealth provides funds to ANTA for allocation to states and territories in accordance with the ANTA Act 1992 and directions from the ANTA ministerial council, which comprises Commonwealth, state and territory ministers of vocational education and training. These funds support the national vocational education and training system, and national programs managed by ANTA, and ANTA's operational costs.

States and territories are responsible for administering their training systems, including the management of TAFE. This means, among other things, that it is for the states and territories to decide the detailed role of TAFE institutes within the broader vocational education and training system. The states and territories are responsible for TAFE fees and charges and various exemptions, concession and loan arrangements for TAFE students. A national training framework ensures that there is consistency in registration and recognition of providers, products and services, based on national training packages, and the issuance of qualifications nationally.

A revised ANTA agreement is currently being considered by state and territory governments, following a decision by the ANTA ministerial council on 14 November 1997 to submit the agreement to respective cabinets for approval. The revised agreement provides the basis for funding the vocational education and training sector, which involves the Commonwealth maintaining funding for three years, and the states and territories agreeing to achieve growth in their systems through efficiencies.

The revised agreement also outlines the key objectives and the new planning and accountability arrangements for the national vocational education and training system. The new planning and accountability arrangements require states and territories to prepare annual vocational education and training plans which respond to national objectives and annual priorities, and provide details of the distribution of vocational education and training activity to be achieved annually.

Commonwealth funds to states and territories are allocated through ANTA on the basis on these plans, after they have been considered by the ANTA ministerial council. The Commonwealth is contributing \$890.5 million to the states and territories through ANTA in 1998, and the states and territories will allocate some \$2 billion of their own funds to vocational education and training.

In addition, the Commonwealth spends around \$400 million on programs managed by the Department of Employment, Education, Training and Youth Affairs and ANTA, including the DEETYA program of incentives for employers of apprentices and trainees. Neither ANTA nor the Commonwealth is involved in the allocation of recurrent funds to individual vocational education and training providers. States and territories have this

responsibility.

States and territories allocate funds primarily to TAFEs, but in more recent years, in accordance with national objectives and priorities, they have made greater use of contestable funding arrangements, which has increased provision of publicly funded training by other providers, including private providers and community based providers. The implementation of user choice by states and territories—other than New South Wales, which has reserved its position—will encourage a greater involvement of private and industry training providers in the provision of publicly funded accredited training for apprentices and trainees.

The development of an effective and competitive training market, with both public and private provision of training, has been a key objective of the national vocational education and training system since the early 1990s. This has meant a shift from delivering training almost exclusively by TAFE, to TAFE being one type of provider, albeit the dominant one, in the market.

Apart from encouraging states and territories to open up the training market, the Commonwealth does not have a position on state administration of TAFE. Rather, our primary concern is to work with the states to ensure that the outputs from the publicly funded system are relevant and are delivered efficiently and effectively. The primary consideration for the Commonwealth is that the skills acquired through this are those which firms and the economy need, that there are increased opportunities for young people, especially through new apprenticeships, and that the system provides equitable outcomes.

In relation to links between vocational education and training and higher education, the Commonwealth encourages the development of improved pathways between the two sectors and cooperation between the sectors to make the best possible opportunities available to clients. Increasingly, the Commonwealth is focusing also on the links between the schools sector and the vocational education and training sector.

Overlap between the vocational education and training and the higher education sectors accounts for a very small share of each sector's activities. Bachelor degree enrolments in the vocational education and training sector in 1996 were 19, as compared with 474,754 students in higher education. Higher education diploma/advanced diploma students in 1996 were 13,856, as compared with 216,825 equivalent enrolments in the vocational education and training system.

With the growth of contestable funding arrangements in the vocational education and training sector, potential exists for the delivery of publicly funded vocational education and training by higher education institutions which choose to become registered training organisations. Credit granted by higher education institutions for vocational education and training studies has increased in recent years. In July 1997, universities

agreed on a number of pilot schemes for university recognition of academic credits earned in TAFE courses. Universities have also agreed to examine articulation with private sector providers of vocational courses. A smaller proportion of vocational education and training students receive credit for university qualifications. It is interesting to note that, in terms of movement between the two sectors in 1996, 52,730 higher education graduates enrolled in VET programs whereas 11,819 people were admitted to bachelor level courses on the basis of their TAFE studies.

Changes in the market and regulatory environment for higher education are also impacting on links between the sectors. In the 1997 university profiles discussions, it became evident that universities are responding to the combined challenges of competition and deregulation in a range of innovative ways. Many are taking the opportunity to reassess what they do and how they do it. Institutions are fundamentally rethinking the sorts of services they are providing to students. The Victorian University of Technology, for example, has developed a personalised access and study program which involves the student and university staff putting together a course program from various fields of study, both from the higher education and TAFE programs of the university and also from those of external providers. The individual study program is developed on a trimester basis and is based on the student's learning aspirations, needs and capacities.

New strategic alliances have been formed among institutional groups for the purposes of benchmarking, purchasing, research collaboration and research sharing. To provide a competitive advantage, new relationships are also being developed within the sector, as well as with the vocational education and training sector and with private enterprises.

I would like to conclude by saying that the different aims of vocational education and training and the higher education sectors mean that there are significant differences between the clients, products and services offered by the two sectors. The main aims of the vocational education and training sector are to improve the productivity and skills of the work force, as well as provide ongoing lifelong learning. The vocational education and training sector has a primary focus on meeting the needs of industry and a strong industry involvement at the national, state, territory and local levels.

CHAIR—Thank you very much, Mr Greer. To start off, the Commonwealth is providing almost \$900 million to ANTA, which then obviously goes into VET. Do you feel that we are having sufficient control over the outcomes that are being delivered at the other end? The states are providing, as you say, \$2 billion. We provide almost \$900 million, plus another \$400 million in other programs. In your letter of 11 March, on the bottom of page 2 you said:

The key objectives of a national system for VET are (firstly) to equip Australians effectively for the world of work.

Then there are two other priorities. Do you feel that we have sufficient control and that those objectives are being achieved?

Mr Manns—Perhaps I could make some comments on that. I think you will find that the accountability arrangements in respect of the Commonwealth's contribution to the sector are pretty highly developed now under the ANTA arrangements. There are a number of levels to those accountability arrangements, but they culminate in the annual national report. I think we have provided a copy to you of that. It is tabled in the federal parliament each year. That contains a great deal of information about what the states are doing with our \$900 million, in terms of the types and distribution of training that is being provided, the relative costs of that across the states, and the extent to which the needs of employers and students are being met. We have surveys on both of those aspects operating nationally now under the ANTA arrangements.

I would also say that the mechanisms that the ministerial council uses to determine the annual national priorities, and to examine and approve what are now called the annual VET plans from each of the states and territories, provide the Commonwealth with a great deal of capacity to influence—if not ultimately to control—what is happening in the VET system. By any measure, you have to conclude that certainly over the recent span of years the Commonwealth has been able very successfully to pursue its reform agendas through that mechanism.

There is a high degree of consensus amongst the states and territories about the key elements of reforms to the national VET system that the Commonwealth is interested in: the raft of new apprenticeship reforms, including user choice with one exception, and the whole move to deregulate the training system to some extent to increase the flexibility of the training system through the new national training framework. You can conclude that we get a pretty good bang for our buck really.

CHAIR—In relation to the lack of user choice in New South Wales, what, if anything, is the Commonwealth doing to see that that becomes a reality?

Mr Manns—It is important to be clear about New South Wales's position on user choice. New South Wales has not rejected, opposed or refused to agree to user choice. It has simply reserved its position. New South Wales is at pains to tell us on every available opportunity that it does make considerable use of contestable arrangements. If my memory serves me correctly, it is putting something like \$60 million out in the current year through contestable arrangements. While it may not have signed up to the name user choice, there is a good deal of opportunity for non-TAFE providers to access public funding in New South Wales. Having said that, the Commonwealth also does not miss an opportunity to encourage New South Wales at the political level, particularly, to ultimately come on board fully with the concept of user choice.

CHAIR—I think it was Professor Beanland, the Vice-Chancellor of RMIT, who

said to us when we were in Melbourne, 'TAFES are very good at training people for today and yesterday, but not particularly good at training them for tomorrow.' Then he went on to elaborate. Whilst he did not use this language, he was basically saying that, if you have emerging sunrise industries—multimedia, biotechnology and so on—it is very difficult to get a training course up and running very quickly. The nature of the funding and administration of TAFE resources makes it very difficult. When the chief executive of ANTA spoke to us, he said that there were two possible sources of funding that would enable TAFEs to respond very quickly to these emerging industries.

Do you feel that the system is currently catered for adequately? Are we at risk of having emerging industries that are growing very quickly and not being adequately catered for by the VET sector? Would there be a place for a training innovation fund to which governments, industry and institutions contributed to very quickly immobilise resources for training?

Mr Manns—There are broadly two aspects to that question. Firstly, there is the development of products. There is considerable capacity within the system to develop new products for emerging industries and also products that have a view to what is happening within mainstream industries within the future. The development of the new training packages, which ANTA is funding, is very much trying to look forward to what the industry sector's needs are, and not just today but over the coming period.

More specifically, the department currently runs a small program which does enable a fairly quick response to the development of a new product. I can give you an example. We have just approved some funding to develop the year 2000 compliance—a Y2K traineeship in the information technology area, which should be up and running by about midyear.

I do not have any concerns on the product side of things. The other side of it, secondly, is the capacity of the actual resources to deliver that training to shift around within the system. Essentially, that is a matter for the way the states deal with individual providers.

ANTA has, on occasions, raised concerns about the slow shift into new and different areas of training that some states might be achieving. To some extent, the Commonwealth's growth funding in the past has been the main source of those shifts. We will not have that from this year on. We will have to keep an eye on just to what extent there are some shifts into new areas of training.

I think you would find that, generally speaking, there is the capacity within the state systems to shift resources around to meet new and emerging needs, both between areas and types of training and in geographic locations. That does happen to some extent, at least. About the prospect of a separate fund, there simply is not any capacity to do that within the current funding arrangements that the Commonwealth has now committed to for

the next three years at least.

CHAIR—But if we started thinking outside the circle, we could create something like that if there was a political will. Is that right?

Mr Manns—I do not think that is for me to speculate about.

CHAIR—No, but if a political direction was, for example, ‘We want to establish such a fund; we have a technology innovation fund in the small and medium business area,’ is it something that you would be able to do?

Mr Manns—I suppose that in some senses there are precedents for that kind of thing within the ANTA arrangements anyway. Each year, the ministerial council sets aside a proportion of funds for so-called national projects. The purposes of those have changed over the years. There would be no reason that you could not have a national project to do what you are suggesting, using existing funds, within that set of arrangements, if there were the collective agreement of all of the states and territories to do that.

Mr PYNE—Moving to a different subject altogether, there is manoeuvring at the moment within the TAFE sector about degrees, and within the university sector about level 4 certificates and so on. There is some argument—and the committee has heard a lot of evidence on this—about TAFEs wanting to offer degrees, et cetera. Does the department have a view on the level of courses that TAFEs should be offering and that universities should be offering? If so, what is the view?

Mr Manns—Mr Gallagher might want to add to comments from the higher education perspective. In terms of the VET sector, we are not providing funding at the moment for the VET sector to deliver degree level courses. As Mr Greer’s introductory remarks indicated, there is a minuscule number—in the tens—of people involved in degree level courses in the VET sector at the moment, out of 1.4 million clients enrolled in vocational programs. From the VET sector perspective, it is not a major issue. We do not detect any major push from the VET sector to get into degree level offerings; there is the odd skirmish around the boundaries.

Looking at it from the other end, though, the extent to which higher education providers want to offer what we might traditionally regard as VET sector courses, really goes, in our view, to the extent to which those universities are prepared to run by the rules of the VET sector: that is, to become registered training organisations, to mount and deliver courses against the national training framework requirements of industry based competency standards and so on. To the extent that they want to do that and that they want to compete at the state level for funds in the VET sector, I do not think we would have a particular position of resistance to that. Again, I do not see that happening very extensively, but perhaps around the margins.

At the certificate level, as we have already indicated, there is already considerable overlap at the diploma and advanced diploma level, although the balance of that is in the VET sector. That will probably shift over time and evolve as the two sectors carve out their particular market niches for students. That should be left basically to find its own level.

Mr PYNE—Is there a section in your department that deals with, for example, the recommendations of the draft Roderick West report and the sorts of things that he suggested? If so, have you got opinions on some of the suggestions that he made with regard to universities and what they should or should not be doing?

Mr Gallagher—That is a question for me, sir. The report is not due until 17 April.

Mr PYNE—The final report?

Mr Gallagher—Yes. The discussion paper floated a variety of propositions, and there were consultations with all sectors around those propositions. The committee is still drafting—

CHAIR—The point that Mr Pyne raises goes to the heart of what we are about. I appreciate what you are saying, Mr Manns, that at the moment there is not much movement of the university sector into offering VET level courses, but we certainly get the impression that they are on the verge of it in a substantial way. The question is whether governments ought to be restraining them somewhat, because that might have implications for core university functions and also, obviously, for the VET sector. Does DEETYA have a view on whether we should be positioning ourselves now, in anticipation of this happening?

Mr Dargavel asked a question of Professor Chipman at Central Queensland University, for example, about the predatory nature of universities in relation to VET. He was quite enthusiastic about closer articulation. Does DEETYA have a view? Should the government be doing anything in anticipation?

Mr Gallagher—The official figures do not indicate the trend you suggest. Actually, the universities are getting out of sub-degree offerings, and that has been a trend over the decade. What is happening in the university sector—but not fast enough, in our view—is that there is a greater focus on post-initial qualification and more emphasis on the provision of sector related, or firm specific, skills upgrading programs. Probably the best example in the country is Deakin Australia, which we think has about 17,000 students. The University of Western Sydney and others have also developed arrangements with specific firms. Mostly at the postgraduate end, there is a developing connection of the university sector with industry. In terms of trying to bite into the market share of the VET sector, the data that are available to us do not suggest that that is occurring.

Mr PYNE—Is there room in the Department of Employment, Education, Training and Youth Affairs for a section—which may already exist—that spends its time thinking and planning for the university sector and the TAFE sector in terms of their core jobs and the sorts of things that they should be doing in order to make a contribution to society? Or is it simply, ‘This is the amount of money we have to spend and this is how we should therefore carve it up’?

Mr Greer—That thinking, that consideration, is going on and it will be focused once the Roderick West report is delivered. It is that report, I think, which will be the catalyst for a government response which would cut across those specific issues.

Mr PYNE—It would be disappointing if an enormous department like DEETYA was relying on everybody else to make some of these policy decisions as opposed to making some of them themselves. That is why I would hope that there would be a unit that concentrated solely on the policies and how they should be implemented, as opposed to just carving up money.

Mr Gallagher—We have a higher education funding committee chaired by the secretary of the department, and that includes Tony Greer and me and the heads of the Schools Division and the Analysis and Evaluation Division. We have substantial pieces of work in train, done in house and contracted out, to provide advice on policy developments across the sectors.

Mr LATHAM—I always thought it was the role of government to make policy, Chris.

Mr PYNE—They need advice.

CHAIR—That was crossing the line.

Mr LATHAM—With so many people here, I am surprised there is no submission. There is lots of staff power to put something in. I wanted to focus some questions on Commonwealth responsibilities. Has the department a view about the desirability of the federal government taking the legislative responsibility for universities? I get around the traps and I hear a lot of frustration among university administrators about how archaic it is that the states—which, these days, are putting so few resources into universities—still have the legislative power for their establishment, their formatting and their camping. In Western Australia, it is a habit of every state member to want a campus on every street corner in a marginal seat, and a worse habit to want parliamentary inquiries into the administration of universities. They have really got a hide to want to have inquiries when they have got no financial responsibility for the running of those universities. Is it not time that the Commonwealth took the legislative responsibility for universities to match its funding responsibilities?

Mr Gallagher—That is not our view, sir. Some would argue that the fact that universities are established under state legislation and the Commonwealth is the funder provides a level of protection for the universities from too much intervention by one arm of government.

Mr LATHAM—It is your seriously held view—

Mr Gallagher—That provides a natural buffer.

Mr LATHAM—that state and federal intervention can somehow be differentiated?

Mr Gallagher—Yes. It means that the university governing structures are subject to state jurisdictions and state legislation and that the funding by the Commonwealth is in respect of the delivery of student places and research activity.

Mr LATHAM—But what about the inefficiency of, say, the problem now about the future of the St George Campus at the University of New South Wales. It is hopeless in a nation wanting to develop modern education institutions to have this level of overlap, inefficiency and buck passing. I mean, what other country in the world runs its universities from two levels of government like this? What other country does it, or would ever think of doing it.

Mr Gallagher—You have to look at federated countries for the answer to that. There are examples of national and state level activities running the universities in the United States and in Germany, not just Australia.

Mr LATHAM—On this question of the interaction between universities and TAFE, it just seems to me that if we got the Commonwealth with the legislative responsibility and we moved towards a national TAFE system, then a lot of these interface issues would be better resolved by policy makers. Does the department have a view on that—the desirability of a national TAFE system, the Commonwealth increasing its funding responsibilities and ending some of the inconsistencies between the formatting of TAFE arrangements, state to state, territory to territory?

Mr Manns—As I say, we are on the verge of entering into a new ANTA agreement which makes it clear that the current division of responsibilities will be maintained for at least the next three years.

Mr LATHAM—Do you think that is desirable?

Mr Manns—I do not wish to express a personal view on it; it is the policy of government.

Mr LATHAM—If we move to a national TAFE system with Commonwealth

responsibilities, what will be the best way of achieving it in the department's opinion?

Mr Manns—We simply have not done any work on that in recent years.

Mr LATHAM—You have not thought about that, no?

Mr Manns—As you are probably aware, such an offer was made some years back and did not come to fruition because of the lack of agreement of states and territories. It is simply, to my knowledge, not on the government's agenda at this stage.

Mr LATHAM—Does the government have on its agenda a policy statement about dual institutions? Again, it seems to me unusual that Victoria is racing ahead with them, other states are not moving so effectively, and we have no Commonwealth policy statement about what is a major reformatting of the institutional design of post-secondary education in Australia. Are we going to say something on that?

Mr Manns—Again, not to my knowledge. But to reiterate some comments Mr Greer made earlier, certainly under current arrangements the institutional configurations within the TAFE system are not matters that the Commonwealth has sought to get into in any detailed way. Those institutions operate under state legislation, are primarily funded from state sourced funds; we are about a one-third funder of the system. So, I think you need to consider that issue against that broader background of the role that the Commonwealth has within the national system at this stage.

Mr LATHAM—Is it thought unusual that we fund—

Mr Gallagher—I have just one thought on this. There is an emerging literature internationally that improved institutional responsiveness to rapidly changing global and technological environments is facilitated best when there is decentralisation, deregulation, devolution and differentiation and diversification. The philosophy underpinning your question assumes that the more that you integrate and centralise, the better a handle you might have on the sector. The contrary view that seems to emerge is that the greater autonomy you allow providers to be responsive to local requirements, the more flexible and responsive the overall sector.

Mr LATHAM—Yes, but New South Wales has the world's biggest education department. It is not devolution to have two levels of government—one with the world's biggest education department and the other the national government, both responsible for the same sector, universities. This is a foolish thing that people get on about—that somehow states represent decentralisation. They do not. They are big centralised bureaucracies, worse than yours.

Mr Gallagher—The state of New South Wales has two people in its bureaucracy

responsible for higher education.

Mr LATHAM—Yes, but the education department in New South Wales is the biggest in the world. This is not—

Mr Gallagher—Yes, but it runs the school system.

Mr LATHAM—It runs the school system, sure, but it is not an instance of devolution when the bureaucracy is that centralised.

CHAIR—We just need to come back to the terms of reference.

Mr LATHAM—We are. We are talking about the interface between universities and TAFE and Commonwealth responsibilities for them. So there is no policy statement. Have the Commonwealth ever given a set of attitudes about the dual institutions, their benefits and disadvantages?

Mr Gallagher—Do you mean the Victorian arrangements?

Mr LATHAM—Yes, or what we think about it anywhere else.

Mr Gallagher—Not formally. We are still watching it, actually. But to the extent that it does offer another diverse form of provision, that is to be welcomed and encouraged.

Mr MOSSFIELD—To address the issue of our high youth unemployment: a previous report agreed that privatisation of government establishments was reducing the number of entry level opportunities for young people. I would like to know what your department's view is on that and whether you have any proactive policies, particularly with relation to TAFE. Would you agree that TAFE could be training young people full time in apprenticeships, say with group training companies, as suggested by other people?

Mr Greer—The number of people in training under contracts of entry level training, apprenticeships and traineeships, certainly from the NCVER statistics at the end of the September quarter last, was some 177,000, which is the highest ever number of people in structured training in this country. The government's new apprenticeship initiative is aimed specifically at providing structured training and employment opportunities for young people, including unemployed young people. The take-ups under those arrangements in the current year are some 25 per cent above where they were in the previous year, and in that previous year they were at record levels.

The indications, both anecdotally and statistically, are that the current suite of programs and initiatives is having some bite out there. In relation to the prospect for group training arrangements, currently there are about 120 group training companies nationally.

They employ about 23,000 apprentices and trainees. Personally, I think there is considerable scope for the expansion of group training arrangements. The government, in its current budget, and certainly in its out years, has made funding provision to expand the numbers involved in group training arrangements. In fact, there is an objective there of getting to at least 60,000 young people involved in group training arrangements and there is some funding to underpin it.

Consistent with that, all jurisdictions are heavily involved in a revision of current arrangements for the funding of group training arrangements. There has been some sense that the nature of funding, in fact, is a retardant of growth; it caps growth. The ANTA ministerial council, when it meets later this month, will be considering recommendations from all states and territories and from industries to implement a revised funding model for group training arrangements from next year.

Mr MOSSFIELD—Would the department have any view of the length of time appropriate to train young people to a level where they would be able to move into the productive work force? I ask that because there was some view that the one-year traineeship simply was not sufficient but that some people were finishing at that point and not getting any further training. Have you done any research into the effectiveness of the traineeship and the period of time that people are trained?

Mr Greer—Yes. The nature of new apprenticeships and the whole training reform agenda has been to shift away from a system of time served—that is, you need to serve four years and at the end of four years you will get a qualification—to one that is competency based, with an ability to exit as you demonstrate different levels of competence and different qualification levels. You may commence at entry training regime and you may then exit at AQF1 level, or you may exit at AQF2 level, or you may continue through to AQF3, 4, 5 and 6.

The most recent data—I would need to check the complete accuracy of it—indicates that, to the extent that people complete their traineeships, which are generally at the AQF2 level, taking 12 months or a bit longer, about 79 per cent of completers end up in unsubsidised employment. The positive outcome is greater than that if you then accommodate people going back into some form of structured training and what have you. Similarly, recent research indicates that to the extent that the traditional apprentice, in their three- or four-year program, completes their full qualification, 85 per cent of the completers stay on with their employer.

Mr DARGAVEL—My question arises from the tendency to deregulate or privatise the VET sector. What, if any, mechanisms exist to test the quality or accreditation of the non-TAFE providers? I understand that that is done, theoretically, by the states. What are the specific measures taken by the states to accredit non-TAFE providers? Are you satisfied with them? Do they operate sufficiently to avoid shonky operators delivering substandard training to the people undertaking VET training in those states?

Mr Manns—You are quite right that it is essentially a state function; we do not have any regulatory powers in that regard. There have over the years been various national level agreements, however, about how those registration arrangements should operate. Most recently we have achieved agreement nationally to what is known as the Australian recognition framework, the ARF, which is being implemented progressively by states and territories this year. I would be quite happy to provide some further documentation about how that works. Broadly speaking, there is national agreement to the standards which should be used for the purpose of registering training providers, be they public providers or private providers. They should apply equally across all types of providers.

Mr DARGAVEL—So if I am a private operator who wants to hang out my shingle as a non-TAFE provider to attract fee paying students and so on, will someone come out and inspect my premises, check my qualifications and check that I am not an absolute shyster? I know that when Victoria first set up their program there was no such mechanism. In fact, they went to a telephone checking system, where we saw people who had previously been done for fraud for operating shonky outfits being accredited by that state, and we saw a lot of kids ripped off by them. Whilst we see a lot of states going hell for leather for privatisation or deregulation, my concern is that the end outcome for these students is a bad one, a disillusioning one. That in turn, effectively, undermines the implementation of the national competency standards.

Mr Manns—The answer to your question is that the national agreement requires, as part of the process, that providers seeking registration provide evidence that they actually meet the standards and, furthermore, that there are in place processes for the ongoing monitoring and audit of compliance.

Mr DARGAVEL—How do we end up with a situation, for example, with the *Love Boat* operation where someone says, ‘We’ve got a boat and we are going to have a whole lot of trainees, and they are going to get some kind of training outcome at the end of the day’?

Mr Manns—I do not want to talk about that specific example because I am not familiar with it.

Mr DARGAVEL—Not necessarily that specific example. The whole deregulation agenda is predicated on, I would imagine, ensuring private providers are actually competing in the marketplace on an even footing; that is, they are delivering the same quality as TAFE provides; their teachers and trainers are just as good; their infrastructure is just as good; they are not operating a program which is going to mean that young people end up with dodgy outcomes.

Mr Manns—I am not sure that any system of regulation can guard against the odd transgressor. There is simply no evidence available to us on any widespread basis that there are problems with the arrangements in states and territories. But, ultimately, as far as

the Commonwealth is concerned, it really is as far as we can go to seek national agreements to the way that regulatory systems should operate in the states and territories. They must ultimately be responsible for its operation.

The ANTA ministerial council will be keeping a watch on the implementation of the new Australian recognition framework. There will be the scope to revisit aspects of that if they turn out not to be working in practice. But at this stage the steps that the states and territories are taking to move towards the new arrangements have not given us any particular reason for concern.

Mr DARGAVEL—The basis of my question essentially is: what measures are taken to check those non-TAFE providers? If you have got the national framework, perhaps you can help me by just giving me some detail, as you said you would do.

Mr Manns—Yes. There are certainly national agreements as part of the whole set of agreements protocols on the monitoring and audit report.

CHAIR—Could you take that on notice and provide to us and Mr Dargavel, in particular, the details about how a non-TAFE provider is accredited and what role the Commonwealth plays in making sure that those standards are acceptable?

Mr Manns—Sure.

CHAIR—We are running over time, but Mr Neville has been patiently waiting to ask you something.

Mr NEVILLE—I would like to ask the representatives of DEETYA what their view is on improvement to articulation between vocational and tertiary higher education sectors. Also would they comment on a view Professor Chipman put to us, in probably one of the best submissions we have had, that it is not necessary that a higher education course should follow a vocational course. With the judicious removal of some optional subjects, they could be run in parallel, so that the manual training and the academic training were in harmony rather than at each end of the spectrum. What is your view on that? In taking up my colleague's previous point, how can you just draw a line in the sand at the end of ANTA and say, 'That's as far as we go,' when you consider what ANTA does, whether it be by the predatory activities of universities or by the fact that there is a genuine push from vocational education into higher education?

CHAIR—Could you be concise with your answers, please.

Mr Manns—I will start off on that and Mr Gallagher might add to it. Briefly, on the articulation issue, I would be surprised if you had not found in the discussions you have had so far that there is an enormous range and diversity of initiatives that institutions are taking on the articulation front.

The very type of thing that you mentioned, Mr Neville, where students can undertake vocational qualifications in parallel with higher educational qualifications is in fact happening on the ground. My recollection is that Casey TAFE in Victoria and the university associated or nearest to it—I could be wrong on the names—do in fact offer a model where students are enrolled simultaneously in both a VET diploma level course and a degree course. There is some cross-crediting and they end up at the end of the day with both their theoretical academic qualification and a practically oriented VET qualification that complements that. There is the possibility already for that to happen on the ground.

I think our broad view on it would be that, by all means, there should be more of it and it should be of all different kinds to meet the needs of students. To the extent that we can remove barriers to that occurring then I think that is what we should focus our attention on rather than laying down any particular one model that everyone should follow.

The second part of your question about drawing the line at the end of ANTA I think is to some extent answered by the inevitability of the different funding arrangements in the sectors where, like it or not, the Commonwealth does not fully fund vocational education and training. We need a mechanism that can deal with a joint funding arrangement in that sector and ANTA provides that. It is different in the higher education sector for historical reasons and unless that were to change I think that really does put constraints upon some single overarching mechanism to deal with both sectors, which is not to say that we do not cooperate as much as possible. We talk to Mike and he talks to us and ANTA talks to the AVCC on occasions and universities talk to institutes of TAFE, so it does happen within that framework but there is that ultimate constraint.

CHAIR—There are two questions which I really want to put to you but we have run out of time. It is unfair on the next group to take any more of their time, so I want you to take them on notice. The first is: should the TAFE providers be represented on the ANTA board? Could you give us an explanation as to why you have the view that you do? Secondly, should students be represented on the ANTA board and, similarly, why or why not?

The second question is in relation to vocational education and training in schools. Should schools in fact be financed from a pool of money made available to them by the Commonwealth to contract VET from TAFEs? There appears to be some duplication of resources; it appears some schools are providing VET and providing it very well but they are having to find their own resources internally and one suspects that other programs may be suffering. If you could take those on notice, I would be very grateful. Thank you very much for your time and the work you do on behalf of the people of Australia in education and training.

[10.21 a.m.]

HAMILTON, Mr Stuart Anthony, Executive Director, Australian Vice-Chancellors' Committee, 1 Geils Court, Deakin, Australian Capital Territory

HAYDON, Dr Anthony Peter, Director, Credit Transfer and Cross-Sectoral Issues, Australian Vice-Chancellors' Committee, Level 2, 147 Ward Street, North Adelaide, South Australia 5006

CHAIR—Welcome, Mr Hamilton and Dr Haydon. I think most of the committee members would be known to you. Would you give the committee a five- to 10-minute precis of your submission, and then we will discuss it.

Mr Hamilton—Thank you. We put in a fairly short submission, with an even shorter summary. I do not particularly want to go over the detail of that. I might briefly go to a couple of the main points and then do an update on a couple of things that have happened over the last five or six months in relation to such things as the qualifications framework and credit transfer, in particular some of the projects that Tony has been associated with.

The main thrust of our submission is that there is a lot of work going on about the movement between the sectors, in enabling students to move in both directions between the sectors. Any attempt to define precisely the boundaries of the two sectors and say that one shall stay entirely within it and not transgress in any way is probably futile. It always was and it certainly will be. Nevertheless there is, if you like, a heartland of each sector, and each sector can best contribute to the education and training of Australians if they develop that heartland and make sure that people can move between the sectors—rather than trying, as it were, to expand into one another's territory. That is, in very broad- brush terms, our thesis.

We have been doing a lot of work on the articulation between the sectors, and in particular on the credit transfer arrangements so that people gaining qualifications in the TAFE sector or in the VET sector more broadly can get credit for that in moving into university courses.

We have been involved recently in some discussions by the Australian Qualifications Framework Advisory Board, on which Ian Wallace, the VC of Swinburne University of Technology, and I represent the university sector. There are some issues there which I will come back to in a moment.

We have recently been looking at credit transfer, not just in TAFE but also in vocational education in training private providers. That has raised a number of particular issues which Tony will go into shortly. Despite some of those difficulties, we are determined to see whether we can make it work.

On the qualifications side, there has been quite a public barney over recent years on what offerings each sector can have, and that has focused in recent times around the associate degree which eight or nine universities have been offering and the TAFE sector has been opposing. It is not an offering within the Australian qualifications framework, but it has been almost the symbol of the issues between the TAFE and the university sectors.

In recent months, we have actually come up with a settlement of that and that is, in essence, that universities who wish to offer the associate degree as a local offering in particular circumstances may offer that outside the AQF but that there will be careful monitoring of that offering to see whether or not it is spreading. There will also be monitoring of any growth of degree courses in TAFE. There are only, as far as we know, one or two vocational education training providers that offer degree courses. That also is outside the AQF.

That gets back to that heartland point. It is not only the sectors themselves, but employers are really saying to TAFE, 'Stick to what you know best. Stick to the certificates, the diplomas'—very much the industry/employer focused qualifications—'and do not waste your resources getting into degrees.' They are saying to us, 'Stick to what you do best,' and that is a message that we are reasonably comfortable with. I only mention that in a little bit of detail because it is a bit of a symbol and it has been the symbol around which the issue of 'who does what' has raged over the last year. I will ask Tony to talk more about the credit transfer side of things which, I guess, in terms of practical action, is what our sector is most involved in, with the VET sector.

Dr Haydon—Yes. As a national organisation, obviously, we are focusing, at that level, on improving transfer from TAFE to university. We have listed in the submission some 11 schemes now in place, which focus on one particular interface, the completed diploma, previously called an associate diploma, in TAFE. Holders of those completed diplomas are obtaining admission to and credit in a university degree course in the same area. I can give you some more details about how that operates, if you like. I should add that those national schemes very much supplement local arrangements which operate to university, to local TAFE institute or state wide.

Within a state such as my own of South Australia, I originally developed a scheme of that kind in the early 1990s. Those have now moved on so that holders of an incomplete TAFE qualification can get credit for specific subjects, rather than having to complete the entire qualification.

We are about to add, subject to agreement of the vice-chancellors at their next meeting, two further schemes to the 11 that are in the submission. One is in the visual arts and design and the other is in nursing, which is an important addition because TAFE provision of training for enrolled nurses has only recently moved nationally to the point where it is possible to develop a national scheme. I guess those are the two things that I wanted to draw to your attention by way of update.

The other thing that I wanted to talk about I guess arises out of what you said about the AQFAB proposal and training package implications. I will return to that when you have introduced that.

Mr Hamilton—In terms of articulation between TAFE and universities that has caused most difficulty for us in the past—if we are talking about better outcomes for students as the issue that we really have to focus on—the whole issue is that of competency based training in TAFE and non-competency based training in universities. The fact is that universities are not competency based. They are based on learning outcomes which move beyond discipline specific but they are basically based on a curriculum, a framework of knowledge, which the learner has to come to grips with. And that is the single hardest thing to come to grips with in making sure that people can move easily, but that there is an assessment of whether they are able to move and get the credit.

That has reached a new pitch, if you like, with the introduction of training packages where we have the whole TAFE and VET experience put into that one framework. We have just been talking to ANTA through the AQF Advisory Board about having a look at the effect of training packages on the capacity for credit transfer between the sectors. We are just subject again to a final tick from my board agreeing to do a joint project with ANTA on how we can cope with that. We have not even started, so it is very difficult to talk in any more detail about that, except to say that it goes to a whole host of issues, including the fact that competency standards are based on a negotiation, if you like, between the provider and the employer. In the end, curriculums are based on the assessment of the university as to what the knowledge base should be, obviously, in many professional cases, in negotiation with professional associations; but it is a different relationship. We are right at the beginning of working through how that will be coped with, but I guess it does indicate that we are in discussion with ANTA on those sorts of issues, but it will be a difficult one.

Dr Haydon—To add to that, the vice-chancellors will also be asked at their meeting this month to approve a proposal that we try and do something more detailed than a broad-brush approach on this in a specific field where the impact of training packages has been felt—namely, tourism and hospitality. That is an area where there is more openness, I think I can say, in universities towards the acceptance of training other than university based training for purposes of credit. But the reference group we have had looking at that has run head on now—because of the simultaneous introduction of training packages across the VET sector—into the simple absence in the training package of anything recognisably called a curriculum, something with which universities are obviously familiar. It now runs them into the problem of having to make judgments about what somebody knows based on a purely competency based approach because that is what is intended under the training package approach.

Leaving aside entirely the philosophical and educational issues about whether this is a real debate or whether it is not, it certainly leaves us—even in that field where we

thought it may not be a problem—with some concern, even bordering on scepticism in university circles, about whether they are going to be in a position to make a judgment based purely on a training package about what people know, as opposed to the other approach, which is obviously far less desirable, of actually testing to see what they know.

Perhaps you would just permit me to mention one thing about credit transfer in the other direction, because so far we have talked about TAFE into university. Of course, university people also transfer into TAFE with complete or incomplete qualifications. And in its most developed, one might say, fundamentalist form, a competency based training can take the form in some TAFE institutes, which I will not name, of saying that they cannot assume that a university student knows something on the basis of what a university says; that they will have to test the competencies. So that kind of potential stand-off between the two sectors is lurking in the background—it always has been—and we want now, if the vice-chancellors agree to that, to take it to the next step in tourism and hospitality to see whether there is a real issue or whether in fact it is concerned with other philosophical and turf disputes which are unrelated to the practicality of credit transfer.

Mr Hamilton—That is probably all we want to say, up front, Chair.

CHAIR—Thanks, Stuart. In your submission, you said that the collaboration and articulation between the two sectors ought to be able to develop naturally without government trying to prescribe any limits to it. Where do you think it is likely to end up? I realise it is a hypothetical question, but Mr Pyne, who is not here, but who is a staunch defender of what is described as ‘the sandstone universities’, is concerned. He has asked this question to all the people who have come before us. He is concerned that the value of a university degree is being degraded by closer articulation and collaboration. That is obviously, as you are aware, one end of the spectrum in terms of opinion on this. He would ask, firstly, whether the value of a university degree is being degraded by closer articulation and collaboration and, secondly, should the government be seeking to prescribe any limits? You have said no. So, if we don’t, where does it end up?

Mr Hamilton—It is very difficult to take a broad-brush approach. You cannot simply say that university degrees and knowledge acquisition in a university have a totally different nature from acquisition of knowledge in the same area in a TAFE setting. Going back to the nursing example, some of the basic skills are being learnt in a VET setting by a person training to be an enrolled nurse. The idea that having done nursing in TAFE gives you nothing towards the university qualification is, frankly, nonsense. Of course, there are things in common that you ought to be able to get credit for.

That does not erode the status of the university qualification. That simply makes sensible use of limited resources so that we do not have to use the resources of the university to go over what that person already knows and waste the time of the person. In those areas where there is considerable common ground between universities and TAFE—in other words, in the professional training areas and the paraprofessional training areas—I

think it is quite clear.

A lot of TAFE is involved in preparatory work—in other words, overcoming the fact that people have emerged from school without some of the basic skills. You can argue what that says about the school system, but the fact is that right now there are plenty of such people and TAFE is involved in providing that further skilling which is essential groundwork for university. In fact, without that work in TAFE, the quality level of university degrees would be eroded because you would be doing the basic training within universities rather than teaching the higher learning, as it were. So in that sense the very opposite is the case.

CHAIR—There is a risk which has been put to us and which we identify that we could end up with a society where everybody is trained and few are educated—there being a difference, of course—and with young people in the early years of the secondary system going into a VET stream, going to TAFE, and perhaps not having all the fundamentals of an education available to them but getting credit transfers to complete a university degree for which they may not be fully equipped.

Mr Hamilton—That is right. All the credit transfer arrangements do not set aside the fact that universities will set and maintain and jealously watch the prerequisites that are required at the different levels of study. If a person is coming out of school directly, out of TAFE, the credit granted from TAFE will always be dependent on whether the specific skill is there. For example, if the TAFE qualification has no mathematics and a certain level of skill in mathematics is required to proceed, that TAFE diploma or certificate will not be adequate. Those sorts of basic prerequisite issues are fundamental to maintaining the education quality of universities.

CHAIR—But there is not any effort, I understand, to look at the foundation of that person's education below the TAFE level. For example, you may have someone who goes to a secondary school where VET is offered, streams into a VET course in year 10, gets credits for that for the level entry VET, ends up in TAFE, does a diploma—or whatever level they achieve—and then gets credit transfers for a university entrance. There may still be fundamental defects in that person's education which may not be commensurate with acquiring a university degree. Then Mr Pyne, for example, would be concerned that we are producing university graduates who have a defective basic education.

Dr Haydon—That is one of the reasons for the need for a systematic approach to this. A sandstone university is less likely to admit students from that background—and indeed there is evidence of that. But, even where they do, there are examples like the one that Stuart was giving in the field of engineering where the TAFE qualification did not include, and did not need to include, mathematics appropriate for a student entering first year university. It would distort the TAFE qualification to include that level of mathematics and that content of mathematics.

So what we did—and it was fortunate that funding was available for this—was to develop a bridging course with TAFE nationally. There is now in place a mathematics bridging course which is an interesting model, by the way, because it can now be taught by TAFE as part of the initial associate diploma or diploma if students have the ambition, and already know they have the ambition, to go on to university and seek credit; it can be taken after the diploma if they have discovered the desire to go to university and do a professional engineering degree subsequent to completing the diploma; or it can be delivered by universities themselves.

It is a set of modules which has been developed by collaboration—a term that I would want to keep commending to you—directly across the sectors and by incorporating TAFE curriculum developers and engineers and university mathematicians and engineers. They all sat around the table and said, ‘What mathematics do engineers actually need to know?’ One way to approach it is to say that they have to do year 12, but much of what is contained in year 12 mathematics—as they agreed when they sat around the table—is not actually necessary in first year mathematics, although there are some parts of it that are. These modules selected those and developed them into a curriculum—a term now outdated in VET, as I have been saying, but certainly it was current then—and they can be delivered as modules end on to or part of the TAFE qualification.

Mr LATHAM—I think that you are on the right track. These universities are so diverse that to foster diverse accreditation arrangements is just commonsense. The sandstone universities, if they are so good, will protect their own standards. They do not need nannies in the parliament to worry too much about their interests.

I am interested in the funding side, not so much the regulation or administrative arrangements for accreditation. Some students have put to me a strategy of avoiding HECS by doing two years of TAFE, getting a year’s accreditation, and then whipping over to the university degree. It is worrying, of course, to have that happening. How much is it happening? What can be done about it to avoid what would be an atrocious misallocation of public sector resources? This is not an efficient way to educate a nation to have that sort of practice developing. Where do you think it will end up?

Mr Hamilton—I am not sure that we have any figures on how much it happens. We know how many people move between the sectors, but in terms of people who are moving in that way, I am not sure that we can break that down.

Dr Haydon—It would be a matter of getting to know what their intentions were. There are people who do that for what are, on the face of it, very good reasons, and not to avoid some HECS. The fact is that that is one of the unintended consequences, no doubt, of the anomalous funding arrangements for the sectors.

CHAIR—Mark has raised a really good point here. What proportion of the 11,000 that are really transferring from the TAFE sector to the higher education sector have

actually completed their TAFE course when they transfer? Obviously, if it were only a handful, you would be suspicious of them.

Dr Haydon—Which transfer were you talking about?

CHAIR—From the TAFE to the higher education sector.

Mr Hamilton—Transfers from TAFEs to the universities without having achieved—

Dr Haydon—Here is another unintended consequence: the DEETYA statistical collection on which we rely does not disaggregate those two.

Mr LATHAM—That would be right.

Dr Haydon—It is a complete or an incomplete TAFE qualification. We have figures which simply aggregate those two, whereas—you might think anomalously, also—we can disaggregate people who have got a completed higher education, or an incomplete higher education qualification. There was an attempt three years ago to try and get that added to the data collection and DEETYA did not respond warmly to the idea so we are still stuck with it.

CHAIR—We might recommend that.

Mr Hamilton—As to the general proposition, I noticed that it came up in the previous discussion about the different funding arrangements between VET and higher education. As in many sectors of public policy, the Commonwealth-state funding arrangements, which I think the chair and I—

CHAIR—I was thinking of tax reform when Mark was asking his question, actually.

Mr LATHAM—DEETYA is happy about the Commonwealth-state arrangements for universities.

Mr Hamilton—I think the university model is a fine one. I think TAFE is burdened by the fact that it has got too many government fingers in the pie. But that is none of my business. I am just glad that we are not so burdened. I think that any sensible public policy has to overcome the bad effect of having those disjunct funding arrangements. I guess that is as far as I would go.

I notice the minister has ruled out HECS in TAFE and I can understand where he might be coming from. But it is hard, in principle, to see why he would not have a basically similar method of having student contributions in the two sectors.

Mr LATHAM—Are you going to try and monitor this practice?

Dr Haydon—It is difficult to know how it can be done, apart from getting universities voluntarily to separate that information. We ask them for more than they want to give us now—we, being the AVCC—never mind what the DEETYA asks them for. It is possible, technically, to do this, but it is not part of their present reporting requirements.

Mr LATHAM—You cannot make good policy without good information, can you? This is the problem. You mention in your submission the Peter Baldwin vision for where the changes in learning technology are taking us. Is this a vision that the committee shares? Will we get to the point where, really, people are picking post-secondary education out from a smorgasbord of options and it will not matter too much whether it is a TAFE unit or a university unit; the accreditation will become so seamless that they can bundle together a package of learning that really builds a bridge between the abstract and applied development of knowledge?

Mr Hamilton—We are moving in that direction, but we have not yet tested the limits on it, I guess. Whether there is an amount that ought to take place at the higher education level because of what we believe is the broader and more reflective education provided at that level, and whether there is an irreducible minimum there that we would say you should not go beyond, I guess has not yet been tested. But, certainly, all the trends in tertiary education are in that direction and we do not believe we have reached a point where we would say no more at this stage.

Dr Haydon—We could put in a plug for a budget proposal we have in, which is a step in that direction. There is a proposal before the government for a feasibility study—we are a fair bit short of introducing such a thing—into what is called a credit accumulation and transfer scheme, CATS, which is in place not yet nationally but regionally in the United Kingdom, and which could conceivably be tested in Australia. I say it with the qualification that I just did because it is a fairly difficult thing to introduce. What it does, effectively, is introduce measures of effort and achievement which are comparable across sectors. Some of you may know that we had a great deal of difficulty, but it has now happened, in comparing tertiary entrance scores, TERs, across the states. TERs across the states differed in their way of measurement and it has now been possible to develop the scheme whereby they can be fairly compared. The CAT scheme rests on a similar principle.

Mr LATHAM—We need an innovation fund for all of this collaboration between universities and between sectors. My last question relates to, I suppose, a cultural understanding of learning. It was put to me in Victoria at one of the dual institutions that they have found a marketing advantage in having this integrated bridge between abstract and applied development of learning.

It just strikes me that with the globalisation of post-secondary learning we just

cannot hang on to some of our Western interpretations of the sort of stuff that Chris Pyne would put forward about what is real learning and what is not. Other nations, other cultures, quite like this idea of the applied and the abstract being rolled together in an integrated package. Is this something that is important for us in a globalised learning environment?

Mr Hamilton—I am convinced it is, but I am also convinced, I guess, that the university sector is able to provide that and to provide other experiences, so that you have got universities which are focusing on that. I guess the new universities of technology have particular focus on that sort of approach. Many of them, of course, are joint institutions, so they are both universities and TAFEs on the same campus, and that bringing together of the theoretical and the applied is particularly easy on those campuses. Even those that do not have a TAFE within the institution have got a very close relationship with TAFE and very easy movement between them. Other universities emphasise more the purer end, if you like, but even many of the so-called sandstones have very good relationships with local TAFE institutes.

I think it is the future. I think universities recognise that, but there is a range of options by which they can do it. I do not think that one can prescribe an approach. One cannot say that the Victorian integrated TAFE university model is the model for the future. It is a model that is very interesting, but there are other models also.

Mr LATHAM—Do you think that they have stolen the march with a marketing advantage with Asian students?

Mr Hamilton—They have got a model that makes it particularly easy, I would say, in terms of putting together those packages. It is interesting that it is a Victorian model, and that with one or two exceptions it is restricted to Victoria. It is interesting to speculate why.

Mr MOSSFELD—Just on your suggestion that collaboration between universities and TAFEs should be allowed to flourish without government interference, submissions have been put to this committee that if such an arrangement did take place, TAFEs would suffer; that, due to the funding arrangements and other aspects, there would probably be an encroachment of universities into the VET area. Do you think that there should be some control in that collaboration process?

Mr Hamilton—I am not quite sure what the control would amount to. You cannot just have a little bit of control in this area. Once you start saying that universities can do this and cannot do that, you are really beginning to encroach into the fundamentals of what it is that a degree consists of.

Universities, overwhelmingly, offer courses at the degree level. There are a reasonable number of diploma type qualifications, but they tend to be reasonably limited.

Universities, on the whole, are not interested in duplicating the practical orientation of TAFE degrees. The number of university qualifications at that more traditional TAFE level of the certificate is very small and not particularly growing, quite frankly. I do not really think there is an enormous problem there. If there is a problem, it goes back to the funding incoherence rather than this issue of who is offering what.

Mr MOSSFELD—On the other hand, some submissions have canvassed the opinion that TAFEs could offer degrees through arrangements with universities, particularly degrees relating to vocational based education.

Mr Hamilton—I think the way through that is what we have been talking about with joint offerings, where a TAFE and a university get together. By studying at both, you can get a qualification at the TAFE level—a diploma or an advanced diploma—and a university degree. That is happening quite broadly. It is happening between, for example, Murdoch University and some TAFE institutes in the west. That model shows that the two sectors are quite capable of developing flexible arrangements without having to engage in this ramping up of the focus of TAFE into areas which universities have traditionally been in.

Mr MOSSFELD—You did say also that competency based training was not appropriate for universities. I can see where you are coming from. What about the Australian qualification framework? Is that fully adopted by universities?

Mr Hamilton—I did lead with my chin on that one in my opening statement and say there are one or two little local difficulties on that. The associate degree was the exemplar of those difficulties. Our attitude to the Australian qualifications framework is of it as an attempt to inform students and employers of the range of offerings and where you can get them. It is a useful piece of information that you need in an imperfect market. But, if it is an attempt to absolutely rigidly control the offerings in the sectors, it is in danger of making our system ossify and not respond to some of those global pressures. That means we have to be able to develop. In other words, there is a tension between the AQF as a mildly regulating description of the system as it is versus the AQF as a rigid framework which you cannot ever try and burst out of. If we are not trying to burst out of the framework, frankly we are not doing our job. We have to be testing the limits and seeing if this is still relevant.

Mr DARGAVEL—I have two questions. You seem fairly relaxed about TAFEs offering degrees in conjunction with universities or having some joint arrangement. Are you equally relaxed about TAFE doing that with a university which happens not to be an Australian university?

Mr Hamilton—It would not be an Australian degree qualification. If you are wanting an Australian degree, it has to be with an Australian university. What example do you have in mind?

Mr DARGAVEL—For example, there is a hospitality arrangement where there is a private provider with an American university. I went to a graduation ceremony here in Canberra.

Mr Hamilton—The Cornell hotel management arrangement.

Mr DARGAVEL—Yes.

CHAIR—I think we also heard something about a New Zealand collaboration.

Mr DARGAVEL—Yes. I know that some TAFEs are looking to form relationships with overseas universities. They are saying at this stage that forming those relationships are important for all sorts of things. No doubt lots of trips are won out of the arrangements. I am being absolutely facetious in that. I take it that you would be relaxed about those arrangements flourishing.

Mr Hamilton—I guess I would rather they flourished with Australian universities, since that is whom I represent.

Mr DARGAVEL—Just leaving aside national interest and your secular interests for the moment, is the principle equally sound?

Mr Hamilton—Yes. If the university is a bona fide university and is offering a qualification which is genuinely a pathway for that student, it would be hard, other than for selfish reasons, to oppose it.

Mr DARGAVEL—My second question goes to this movement of students from TAFE to university and from university to TAFE. As I understand it, for every student that goes from TAFE to university, there are seven that go from university to TAFE.

Mr Hamilton—There are certainly more.

Dr Haydon—You have been talking to Barry Golding, have you? They are very suspect figures.

Mr DARGAVEL—What I would like to hear from you, firstly, is what you think the figures are. It appears to me that, if on the face of it that is the case, there are a whole lot of possible reasons for that. It is very frustrating not to be able to see, for example, how many people have finished a degree course and have gone to pick the eyes out of a vocational education course just to have some extra little bits in their resume armory; how many people are dropping out of university these days just because it is too expensive and are looking for something more applied; whether students have a view, increasingly as they go through a degree or complete a degree, that employers for various reasons want something more applied.

There are two parts to the question. Firstly, what do you think the figures are for the people overall that complete a degree course at university and then go on to do further study in the VET sector? Secondly, what is your guesstimate for the differentiation within that movement—how many people have partly completed, fully completed? I know there is a horrible lack of information here.

Dr Haydon—The horrible lack of information is due to the notoriously rubbery nature of TAFE statistics. I say that as somebody who worked in TAFE at one stage, so it is not meant to be a shot at another sector. These are very much better than they used to be but even those people who produce them, called the NCVET—the National Council for Vocational Education Research, based in Adelaide—will admit that the measure of TAFE statistics is still suspect.

The people who ask how many students go from university into TAFE are in TAFE, and that means the NCVET, because they admit them. Equally, it is reasonable to ask us how many go from TAFE to university. We can say that in 1996, on the most recent figures we have analysed, the number admitted from that background was 11,674, of whom 4,429 got some credit. We can say that because we are required to report to DEETYA those students who are admitted on the basis of a complete or incomplete TAFE qualification.

Having said that, I would be the first to admit that even that is suspect—there is a spurious position in those figures—because somebody makes an administration decision about which category to put the student in: year 12, completed higher education qualification, TAFE, professional qualification and so on. But we can regard those figures as reasonably reliable.

Mr DARGAVEL—We could say that the other way, couldn't we?

Dr Haydon—Yes, but the TAFE statistics do not, so far as I am able to tell from anything that the NCVET people have told me—I have talked to them—record on what basis somebody is admitted because they do not care; they are an open entry sector. It is not significant to them whether somebody has got a year 12 or previous TAFE or university study or something of the kind. They are admitted because they are admitted. There are no entry qualifications for many—indeed most—TAFE courses, with the result that they do not know.

There is another thing. I have had the same debate with Barry Golding, who I think is the source of that figure that has been quoted to you about as many as seven students. Maybe there are; maybe there are not. The question is not how many but what they are going for. I think you yourself have indicated that many of them are motivated by desire to acquire practical vocational qualifications which they feel they can get—

Mr DARGAVEL—No, I have not made that assertion. That is a question in my

mind. That is the nub—or rather, an influential analysis, in my mind—of a lot of issues that are floating around in this inquiry. It is a question, not an assertion.

CHAIR—Steve is quite right. Again this goes to the heart of what this is about. If we have got 52,000 a year higher education graduates picking the eyes out of VET courses, that would suggest, the way the market is going in education, that universities increasingly will say to themselves, ‘We ought to be offering some of this VET stuff.’ The concern that Mr Pyne would have is that, if the universities are offering VET training courses, as a few are—the DEETYA people told us the trend was actually going the other way—then they are not spending enough time teaching people to think, and teaching about language and education and all these other things.

Dr Haydon—Wouldn’t it be fair to say that, where they are offering such courses, they are offering them as fee paying courses through their commercial arms? If the fear which I think was implied in what you said is that this is a misuse of government allocations—

CHAIR—No, it is more a concern for the bastions of higher education, I think.

Dr Haydon—I think they are. All the examples I can think of that would fit that description are of courses offered on a fee paying basis by universities, no doubt to meet a demand that they see otherwise being met by TAFE or by private providers. There is a significant number—we do not know how many, to answer the original question, but a significant number, unquestionably—who go on to TAFE because they have completed a university degree and now wish to acquire a vocational qualification which will help them get a job.

Equally there are those—and they are the ones that, frankly, I am more interested in—who have got a partly completed university qualification and have, if you like, dropped out, for all sorts of reasons, ranging from not coping through to not being able to afford to continue university, and who turn to TAFE as a better provider of the sorts of qualifications that will get them a job in a shorter time. I would like to know the figure for how many of those there are and I do not. NCVER cannot tell me.

CHAIR—It sounds as if we should be making some recommendations, at least in relation to statistical collections.

Mr Hamilton—That would be helpful.

Dr Haydon—It would be helpful to them too, I think.

CHAIR—It is almost 11 o’clock. Thank you very much for taking the time to come and speak to us. If you have any supplementary suggestions, ideas or anything, please do not hesitate to send them on. Perhaps it would be nice if you wrote to us and

said, 'These are some kinds of data that we would like to have but we cannot get.' We can recommend things.

Dr Haydon—Was it specifically about data?

CHAIR—Yes, or anything else, but that in particular seems to be a real issue. As Mark says, if we have not got information how can we make a policy?

Mr Hamilton—What time are you looking for?

CHAIR—Could we have something within a week or 10 days.

Mr Hamilton—Fine.

CHAIR—Thank you very much.

Resolved (on motion by **Mr Mossfield**):

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.

Committee adjourned at 11.00 a.m.