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**Inquiry into the role of the  
Technical and Further Education  
System and its operation**

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## 1. Introduction

The need to review and clarify the future role of TAFE in the 'New World' is actually a continuing theme yet to be finalised, with Terry Moran, one of the key architects of the current VET sector recognising in his 1998 presentation to the "Education for Employment" Conference that in his opinion the 'New World calls for a model where there was a devolution of power which allowed individual Institutes to be responsive and flexible in their markets'. He noted that such a model would permit strategic management at the centre of key resources, investment decisions and marketing while encouraging those at the Institute or campus level to innovate and be responsive to their particular clients.

More recently, the 2009 OECD Review of Higher Education in regional and city development of the State of Victoria also highlighted a range of issues at the National level, including overlapping areas of responsibility and the need for greater policy focus and a lack of consistency and continuity in national policy leading to limited joined-up approaches. Issues in the regional context included clarification of State and Federal roles and Local / Global connectivity. It also noted that in Victoria the boundary between TAFE or Higher Education and Universities coming under strain, with entitlements to further education and skills training limited to upward skills funding only.

In this submission we provide an introduction to Box Hill Institute and highlight some of its contributions as a TAFE Institute to the economic and social wellbeing of its broad range of stakeholders, both local and international, including individual learners, industry, community and government. While by no means covering all areas of the Institute's contribution locally or internationally it does provide a snapshot and highlight a number of key issues, including those identified above, and provides the following Ten Key Recommendations:

### **NATIONAL TAFE CHANGE: A TEN POINT PLAN**

1. A call for a full bipartisan Parliamentary led major TAFE national review.
2. Reaffirmation on an Industry Led System.
3. Change of national higher education protocols.
4. Establish National Polytechnic Network.
5. "Use by Date" of National Qualifications.
6. Nationally Consistent Access Criteria.
7. Nationally Consistent Regulation of Higher Education.
8. National funding for Higher Education TAFE qualifications (including Diploma level).
9. Clarity of Jurisdictional Roles and Responsibilities.
10. National support for export of TAFE qualifications with a short term priority of establishing Visa rules consistent with Universities.

The background to these recommendations and further explanation of each of these is contained in the following submission.

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## **2. Box Hill Institute Overview**

Box Hill Institute of TAFE welcomes the opportunity to lodge a submission into the inquiry into the role of the Technical and Further education (TAFE) system and its operation.

This inquiry comes at a time of significant challenge and opportunity for the Australian economy, the Tertiary education sector and in particular TAFE institutes. Much has been said of the contribution of skills development to economic growth and the importance of having a highly skilled workforce to meet the needs of industry, and also of TAFE's role in community and regional development and in providing development opportunities for individuals. If Australia is to continue to grow TAFE must play an important role.

TAFEs are the foundation of vocational education and training in Australia and a strong, sustainable and vibrant TAFE system is at the heart of skills training. Refocusing Vocational Training involves the most significant reforms to vocational education and training in decades.

There have been many reviews, reports and changes to policy and legislation that have occurred during recent time at both Commonwealth and state level which are having a major effect on the tertiary education environment.

A detailed analysis of these would suggest a blurring of the boundaries of the traditional higher education and VET sectors has occurred and that the policy frameworks in place have led to a complex and sometimes contradictory approach to tertiary education across Australia.

At the same time, both Commonwealth and State Governments have moved towards funding of vocational education in a market driven sense, but at different times and with different policy prescriptions.

In Box Hill Institute's opinion there is a need to draw together these varying, and sometimes conflicting, policy objectives and reviews. A focus at a National level is therefore welcome.

Box Hill Institute welcomes this inquiry and hopes that through this avenue of public knowledge sharing, the national understanding of the economic and social significance of the sector may be extended.

### **2.1 Box Hill Institute A unique kind of Institute... a unique opportunity**

Box Hill Institute recently finalised its new strategic plan covering the period 2013 to 2018. This plan covers the Box Hill Institute "Group" (BHI) consisting of Box Hill Institute and its controlled entities, the Centre for Adult Education (CAE), Box Hill Institute Singapore (BHIS) and Box Hill Enterprises (BHE).

Through its combination of Senior Secondary; TAFE; Higher Education and ACFE coverage, BHI Group provides a unique offering of post-secondary education and lifelong learning in Australia. It means that school leavers and adults of all ages, regardless of life circumstances, are able to participate in learning throughout their life span to improve their economic, social and cultural prospects.

BHI Group now has over 90,000 enrolments per year, offering senior secondary, adult community learning, vocational training and higher education. Learning in all its forms is valued - informal, semi-formal and formal. The Institute delivers more than 1,500 courses nationally and internationally; programs from non-accredited short courses, pre accredited programs, certificates and diplomas, through to associate and bachelor graduate degrees.

Box Hill Institute's major demographic group is the 15 to 24 year old cohort with, over the past 5 years, increases in the 25 to 64 year old cohort. 34% of CAE learners are between 25-39 years of age and 43% are between 40-59 years of age (75% are female). There are currently 49 learners enrolled at CAE who are over 90 years of age.

The BHI Group develops and delivers the Occupational English Test (OET) to over 7,000 candidates globally. The test evaluates English language competence of overseas qualified medical practitioners seeking to gain provisional registration to practice their profession in an English speaking context. Box Hill Institute is now in partnership with Cambridge ESOL that will see significant expansion of the OET.

The BHI Group is also an approved language testing centre and intensive English language training provider. Through the CAE it delivers an extensive foreign language program.

The BHI Group has 26 transnational delivery sites throughout the Pacific, Asia and the Middle East. It has extensive experience in providing consultancy services for regional bodies, governments, education and training providers, industry enterprises and development aid agencies.

The BHI Group is a unique multi-sector institution within Australia, licensed to deliver programs and services through registrations or agreements as follows:

- Non-school Senior Secondary provision.
- Adult Community Education as an Adult Education Institution (AEI).
- VET RTO - as a public TAFE institute.
- Higher Education Provider.
- Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) - for delivery to international learners.
- National ELT Accreditation Scheme (NEAS) provider.
- Internationally registered private provider in Singapore and Kuwait.
- Trans-national delivery through 26 partnerships/branches.
- Approved International language testing provider.
- Australian Apprenticeships Centre (Jobs Plus).

## **2.2 International Reach**

A unique feature of Box Hill Institute is in relation to its global reach and recognition. In 2011, the Institute collaborated with Australian Institutes (Challenger Institute, WA; South West TAFE, VIC) and other European colleges (Adam Smith College, Scotland; Alfa College, The Netherlands; Silkeborg Technical School, Denmark) to develop the "Vocational Graduate Certificate of Working Globally". This course is part of an Education Cooperation Project jointly founded by the Department of Education, Employment and Workplace Relations (DEEWR) and the European Commission. All learners, regardless of their home institution, complete two units of study at Box Hill Institute and another two units at partner institutes in other countries in order to gain a global perspective.

The qualification is set to reinforce Box Hill Institute's global education position as learners undertake projects in areas of global concern such as management of people for innovation, environmental sustainability and communication.

The Institute's commitment to global education programs is acknowledged by the DEEWR, who recognises Box Hill Institute as being the leading provider of such programs. These initiatives have successfully raised the interest of other VET providers in providing student mobility programs.

In 2012, the Institute saw its largest number of outbound student mobility through its Global Education Network (GEN) program. In total 70 learners and 13 staff participated in a study abroad program overseas, and the Institute also hosted 91 learners and 10 staff from partner institutes.

Box Hill Institute is also a long term member of the Post-Secondary International Network (PIN) which is an alliance of postsecondary institutions dedicated to the continuance of international education and understanding through a sharing of experience.

### **2.3 University Partners**

Box Hill Institute continues to strengthen its partnerships with selected universities. These relationships have created new pathways and opportunities for students at Box Institute. These partnerships ensure that regardless of what stage of life learners are in, Box Hill Institute offers educational opportunities.

The Institute has formal relationships with four universities: Monash, Deakin, Latrobe and ACU. During 2012 negotiations took place about providing greater pathway options for students through providing guaranteed entry for Box Hill Institute learners at these four universities. Preliminary discussions have also occurred in relation to each of these universities having a physical presence at Box Hill Institute.

Discussions with the universities continue to explore options beyond guaranteed pathways to cover joint offers, joint delivery of curriculum, as well as curriculum design, as well as delivery for industry and business partnerships and international delivery.

### **2.4 School Partnerships**

Box Hill Institute has partnerships with over 100 secondary schools and colleges. Arrangements include the provision of Vocational Education Training in Schools (VETiS), Pathways Program (formerly Growth and Pathways) and Victorian Certificate of Applied Learning (VCAL) programs. These programs are provided both at Box Hill Institute and within the school environment.

Our Whitehorse Alliance, of 8 local secondary schools, has achieved a strategic focus towards the development of Trade Training Centres (Allied Health; Electronics; Automotive). Also the alliance has supported delivery of trade taster programs; pathway programs; green energy and sustainability programs and specialist skills for high achievers. The alliance has also enabled the development of a VET cluster of schools to provide additional vocational outcomes for young people in and around the city of Whitehorse.

### **2.5 Strengths, Challenges, Opportunities for Box Hill Institute**

In short the BHI Group is unique within Australia. No other VET provider, public or private, delivers on such a scale to such diverse market sectors.

Change is inevitable. Box Hill Institute has a clear understanding of the pace of change. This can be seen in the volatility of global and domestic economies, and in technological, environmental and social change. Changes in learner and industry expectations, as well as workforce demographics are unprecedented. The government policy landscape is dynamic in response to these changes not the least of which is the changes to VET funding.

The BHI Group anticipates continuing changes in dealing with challenges due to:

- Continuing change in government policy and funding. Most states in Australia are moving towards a contestable model, one which has a strong emphasis on choice and contestability, with the primary driver of resource allocation being student demand. In Victoria the implications of the government policy “Refocusing Vocational Training in Victoria” on TAFE Institutes have been profound and have required extensive change at the institute level. Accompanying this policy have been substantial reductions in funding. Such reductions have the potential to severely impact on Institute’s ability to continue to cross subsidize community service obligations and innovative teaching and learning and professional development.
- The unknown response of learners to significant fee increases associated with the introduction of demand driven funding and the possible downturn in the future supply of skilled apprentices and employees.
- The downturn in the international inbound student market as a result of changes in Commonwealth Government visa regulations, variations to the exchange rate for the Australian dollar and the impact of negative publicity over the last two years on the international student market and the release of the Knight Report, which, whilst recognising the high quality of the VET sector in Australia,

falls short of providing students wishing to study in the VET sector the same concessions and support as Universities.

- Conflicting policy objectives of the Commonwealth and Victorian governments.
- Uncapped Commonwealth government funding for universities which will continue to have a significant impact on enrolments particularly at Diploma and Advanced Diploma levels, and on enrolments in degree programs at TAFE Institutes. Box Hill degree students do not have access to commonwealth supported places, and are required to pay full fees. It is Box Hill Institute's position that the current funding model arrangements operating in the higher education sector in Australia unfairly disadvantage students who choose to undertake their undergraduate higher education through a TAFE institute.

The Institute seeks, therefore, to be accorded equitable recognition as a public sector provider of courses that continue to meet an increasing demand for applied higher education in a competitive global market. As such, it aims to be accorded access to Commonwealth funding and subsidies for its degree students comparable to that currently being granted to students at public universities across the country. It firmly believes that this request is in keeping with the recommendations of the 2008 Bradley 'Review into Australian Higher Education', the stated position of both the TAFE Directors Association (TDA) and Universities Australia (UA) and supported by COAG. It is the Institute's position that through a process of concerted standardisation of the higher education sector, nationalised funding for qualifications at or above the standard of AQF 5 should be accorded systematically granted Commonwealth funding.

- Currently, the boundary between TAFE and Universities is challenging to the learner where they are progressing up the qualifications ladder and under State government arrangements skills entitlement only provides upward skills funding, not recognising the need to reskill or develop new workplace skills.
- An increase in regulatory regimes and audit and monitoring activities and the increased compliance costs of being regulated by both State and Commonwealth government agencies including VRQA (VETiS; ELICOS and VCE/VCAL) ASQA (RTO re-registration; VET and Delegated Authority) and TEQSA (Higher Education). TAFE Institutes face further significant compliance costs; longer turnaround time in terms of scope and accreditation applications which will inhibit our ability to respond to consumer and industry demands and also act as a competitive disadvantage with Universities.
- A declining or flat outlook for fee for service revenue from enterprises as a result of many enterprises now having access to government funded delivery, and because of the effects of the Global Financial Crisis on enterprises' willingness to spend on training.
- Increases in the use of 457 Visas and the like to "import" trained workers rather than commit to training them locally.

Change is nothing new, and in a vibrant economy change is necessary. The BHI Group is well placed to address these and other challenges, and to continue to deliver broad range of adult tertiary education services to:

- Learners – providing formal, semi formal and informal learning to adults throughout their life span.
- Employers – supporting micro, SMEs and large businesses to succeed through investment in learning.
- Industry – partnering to build capability.
- Community – strengthening capacity and connectedness locally, nationally and internationally.

It is within this context, that the BHI Group has identified four strategic imperatives that build on the best of what each of its entities has achieved in the past and positions it strongly for the future. The BHI Group will provide:

- Applied Education – learning at all levels builds capability for work and enhances life.
- Global Experience – being part of a connected world.
- Workforce development and Productivity – improving business performance.
- Learning innovation – adding value to the learning experience.

Box Hill Institute capability will be reinforced through strategic investment in creating the Box Hill Institute 'experience'; its service culture and its commitment to quality and continuous improvement.

Box Hill Institute leadership strength, teaching excellence, sustainable business practices, learning environments and its people will ensure that Box Hill Institute achieves its vision to be global educators, transforming industry, work and life.

The above comments provide an insight into Box Hill Institute's approach to addressing a range of challenges. In the Institute's view, further change will be required in the environment surrounding TAFE institute operations. It is clear that TAFE institutes across Australia differ significantly in terms of their size and complexity, and the challenges they face. There is little in common between large metropolitan TAFE institutes such as Box Hill Institute, and smaller more regionally based institutes.

In Box Hill's view, the concept of one size fits all is no longer appropriate. Consideration needs to be given to different operating models and organizational structures, which enables large institutes to have the flexibility to respond to the emerging needs of industry, and its employees.

### **3. The role of TAFE in the development of opportunities for Australians to improve themselves and increase their life and employment prospects**

Traditionally, TAFE institutions have catered to a student population with wide-ranging, and sometimes challenging, social and learning needs and interests. In this context, TAFE institutions have been expert providers of high levels of pastoral care, support and guidance to their students. This individual student care has provided a human service to the broader community that has had a significant impact on the local and on the national economy. This is an aspect of the sector's service to the community that far exceeds the narrow scope of being solely practitioners and providers of vocational education and training. The commitment to such a holistic approach for personal development is an example of the significant differences between the TAFE sector's provision of services and that of private Register Training Organisations (RTOs).

In recent times, all state governments have moved to implement a competitive market driven approach to the funding of VET. In this regard Australia is following a worldwide trend that has many advantages - it provides the customer with greater choice and information and has required providers to pay attention to quality and customer service.

In Victoria, the move to contestable funding has impacted significantly on TAFE Institutes, and the government has announced a series of complementary changes aimed at ensuring that TAFE is equipped to meet the needs of students and industry in the future. These changes include:

- The Provision of funding for proposals to support innovation, collaboration, structural reform and business transformation to ensure the ongoing financial sustainability of TAFE institutes.
- Giving TAFE institutes greater control of their assets by transferring property titles, allowing TAFE institutes to re-invest the proceeds from sales, and by working towards more flexible financial arrangements.



- Proposed reductions in the regulatory burden on TAFE institutes through streamlined reporting requirements and by more clearly defining roles and responsibilities of TAFE institutes and central agencies,
- Allowing TAFE institutes to have more control over workplace relations.
- Modernising institutes' constitutions and supplying commercial objectives for TAFE institutes to provide a clearer understanding of Government's expectations.
- Removing the restriction on TAFE institutes being registered as Group Training Organisations and
- Reclassifying the TAFE operations of dual-sector universities to bring them into line with other universities and reduce their reporting requirements.

These changes are both necessary and welcome, if TAFEs are to continue to respond to the needs of students and industry.

It is important however that the move to a marketised model does not impair the ability of disadvantaged members of the community to access opportunities for personal advancement and improved independence through education and training. Australia can not afford to devalue important services which are being offered to a community demographic who, arguably, most need the broad-based care inextricably linked to their vocational training.

The National VET Equity Advisory Council (NVEAC) has identified equity groups that go beyond the current concentration on Indigenous, Culturally and Linguistically Diverse (CALD) and disability – which is all that Skills Victoria and ANTA used to report against. NVEAC (2011) believes the following groups should be the primary focus of reforms to achieve better outcomes:

- People from socio-economically disadvantaged backgrounds.
- Indigenous Australians.
- Women.
- People from culturally and linguistically diverse backgrounds particularly new arrivals to Australia, refugees and emerging communities.
- People with a disability.
- People from rural, regional or remote locations or communities with high levels of disadvantage.

So-called 'second chance' learners also comprise a significant community cohort for whom access to VET should be readily available. NVEAC identifies this group as comprising those whose ability to fully participate in and contribute to their community is limited by the following factors:

- having less than Year 12 or equivalent level of educational attainment.
- those who are seeking to return to learning or work after a long period of absence from such engagement.
- those who require re-skilling following a redundancy, those involved in the criminal justice system and those, broadly, of working age who are neither working nor studying.

It is important that policy changes do not disproportionately impact upon the opportunities of those people who, as NVEAC's research suggests, are in most need of the type of second chance training and education TAFE institutions provide.

For instance, the national policy of mandatory school participation up to and including sixteen year olds is a positive one. However, as many of these additional students are often disenfranchised by the mainstream schooling system, the role of TAFEs such as Box Hill Institute is increasingly focused on this more difficult cohort. The cost of providing support for this is not currently being adequately met, either in terms of access to infrastructure and training funding. Such a mismatch between intent, policy and practice in the funding of

TAFEs suggests a systemic problem. NVEAC argues, for instance, that despite a well-intentioned national commitment to equitable outcomes through education at the school and university levels, the VET sector struggles to adequately meet such objectives due to a lack of appropriate funding structures.

The impact of this system cannot, it argues, be underestimated and unless a new investment approach is implemented, “all other proposed reforms will be ineffective” (NVEAC, 2011: 1). It suggests that the VET system would need to be significantly redesigned, enabling it to become accessible to everyone and to therefore provide better outcomes for not only disadvantaged individuals but also for employers, learners and the national economy as a whole.

In Victoria, the introduction of a fully contestable funding system for the VET sector has led to increased tuition fees in many areas in order to compensate for losses of state funding and changes to course and student subsidy rules. The burden has been increasingly shifted onto students. A university style tuition deferment system has been established: however it is still too early to determine whether TAFE students, particularly those from lower socio economic backgrounds, will be prepared to enter into debt arrangements in order to secure a VET qualification.

It is important to note that in the context of this inquiry there remains comparatively little Australian research to date that has provided a comprehensive insight into the implications – social, economic and cultural – of the policy changes in the sector in recent years.

In terms of the introduction of contestable funding Box Hill Institute’s position is that:

- Such policies are welcome as they provide greater consumer choice and demand a stronger focus on the quality of education.
- If not carefully implemented fully contestable funding arrangements have a potential to create a mismatch between skills sought by some individuals, and the demand for skills needed by enterprises and for the economic development needs of the local and national organisations they serve.
- There is a danger that using price as a lever in a situation where services offered are driven by consumer demand may lead to an oversupply of graduates in areas where industry is not seeking skills and under supply in those occupations which enterprises have workforce shortages but are expensive to train.
- Such policies have the potential for those “for profit” RTOs who have been using delivery strategies which optimise profits at the expense of quality learner experience and outcomes to shift effort into more lucrative program areas. This may lead to RTOs for reasons associated with funding and business survival, moving significantly away from being responsive to enterprises as the revenue stream is determined by “student choice”.
- Government intervention is required in a more proactive manner such as capping places to protect the integrity of the qualifications, the brand of TAFE, and potential budget blowouts.

While supporting contestable funding arrangements Box Hill Institute believes that TAFE institutes must continue to be funded to provide support services particularly to disadvantaged learners. Box Hill Institute believes that it should be a priority to provide opportunities for Australians to improve themselves and increase their life and employment prospects consequently there needs to be a culture of embedded innovation. At Box Hill institute this involves a focus on areas such as:

- Continued learner support involving the integrated delivery of literacy, language and numeracy (LL&N) skills into the classroom.
  - Box Hill Institute is committed to ‘supporting learner success’ by providing learners with an embedded integrated LL&N program known as Applied Vocational Study Skills (AVSS). AVSS is founded on a pedagogical approach that views LL&N skills as an

integral part to embedding, enhancing and encouraging new learning and new choices for all its learners.

- Focusing on providing blended learning.
  - The GPS Learning Pathways Program is a personalised program developed by Box Hill Institute to meet the needs of individual learners and provides relevant information to improve the way the Institute teaches its learners across individual courses areas.
  - The program feeds directly into quarterly reports that help identify other areas for innovation. These reports provide extensive data to assess the health and wellbeing of the Institute's blended learning initiatives.
- Development of online generic competencies.
  - The generic competencies include common units of competence across multiple training packages with contextualised assessments to accommodate the differences identified in the mapping. The dynamic site delivers information through videos, web 2.0 tools and provides assessment tasks relevant to the particular industry training delivery.
- Authenticated workplaces.
  - Box Hill Institute provides a range of Industry Training Environments ranging from traditional education to more collaborative industry focused environments.
  - These environments are important in developing the learners' employability and problem solving skills and preparing them for work.
  - The Industry Training Environments support workforce development and assist in meeting industry needs through work ready graduates.
  - Additional benefits of training workplaces include the ability to provide teachers with the opportunity to experiment with approaches that a standard classroom environment cannot provide.
- Student mobility.
  - At the broadest level VET outbound mobility programs have the capacity to contribute to Australia's economic growth and prosperity by helping domestic students gain international skills that are required to compete in today's global labour market.
  - Box Hill Institute's commitment to global education programs is acknowledged by DEEWR, who recognises Box Hill Institute as being the leading provider of such programs. These initiatives have successfully raised the interest of other VET providers in providing active student mobility programs.
- Fostering continuous improvement initiatives.
  - Box Hill Institute is committed to continuous improvement and undertakes a series of processes to foster continuous improvement, the use of new technologies and the encouragement of a learning culture: this includes competitor analysis to identify new opportunities, the reviewing of performance against targets and the management of key steering committees.
- Encouraging access and equity.
  - Box Hill Institute already encourages access and equity by providing scholarship opportunities and programs to learners from cultural and linguistic diverse backgrounds (CALD).
  - Box Hill Institute also encourages equity by supporting the following initiatives:
- Establishing the Box Hill Institute Skills Assessment Centre (SAC) with its role to provide a centralized contact point for clients during RPL process, provide RPL Assessor support,

training and professional development, development of RPL resources and resolve RPL issues and concerns.

- Delivering a range of equity projects including a leadership training program for Indigenous community members.
- Introducing the Peer Activity Leadership (PAL) Program. In this program, VCAL learners ran physical and problem-solving activity sessions for young learners at partnering primary schools.
- Piloting a three-year program with Box Hill High School to engage learners from Years 8 – 10. Stage one of the project saw 150 Year 9 learners on campus for a day. This initiative will be evaluated by tracking the uptake of enrolments of Box Hill High School learners over the next two years.
- Providing two full-fee scholarship places at Box Hill Institute for the Know One, Teach One (KOTO) Project. Koto is a not for profit hospitality training organisation that has trained approximately 400 disadvantaged Vietnamese youths in Hanoi over the past 10 years and these scholarships allow graduates of the program to be employable.

A key focus of Box Hill Institute is on the quality of the learning experience, and hence on student retention through the provision of access and equity to all potential students. Accordingly a key component of our ability to continue doing so is to recognise, and be funded appropriately, for the Community service obligations provide by TAFE Institutes. In the Victorian context this was recognised by the Victorian Essential Services Commission in its report of 2011 when it recommended that:

*“A review be undertaken of the funding and corporate arrangements of publicly owned training providers (including TAFEs, CAE and AMES). This review should: (i) provide a clearer articulation of the role of publicly-owned training providers; (ii) consider how funding and corporate arrangements might be changed to promote greater transparency and accountability of funds; and (iii) consider whether direct funding should be provided to fund any community service obligations met by public providers.”*

In Box Hill Institute’s view, such a review is necessary and should be conducted at a National level.

#### **4. The Development of Skills in the Australian Economy**

Skill development and training is, and has always been, the main priority and area of expertise for the TAFE sector. The VET community generally continues to play a crucial role in enhancing and modernising work practices through its close ties to industry. The sector’s ability to maintain currency with technological development, the needs of industry, both immediate and in the longer term, in the Australian economy are crucial to the ongoing functioning of key areas of our society. Box Hill Institute contends that the sector plays an invaluable, and often overlooked, role in the innovation of skill development in the Australian post-compulsory education sector.

Much has been written about the role of VET, and TAFE in Skills development as a driver of economic growth. In March 2013 the Australian Workforce and productivity agency (AWPA) released a report entitled “Future focus: 2013 National Workforce development Strategy”.

That report found that

- There is a widening gap between the expected supply of higher level skills and expected industry demand.
- Only 54 percent of Australians aged 15 to 74 years have been assessed as having the prose literacy skills needed to meet the complex demands of everyday life and work.

The report made a number of recommendations to ensure that Australia could continue to grow as

knowledge based economy.

A few pertinent examples to consider in relation to Box Hill Institute's long-term vision and commitment to broad-based skill development in recent years include:

- a whole-of-organisation review into the significance of sustainability and green skills.
- the construction of an innovation and trades hub on campus, built in partnership with industry groups, and
- the development and expansion of practically focused partnerships with universities through which pathways and credit arrangements are facilitated for students to pursue higher education in areas not offered by Box Hill Institute itself.

Such achievements, representative of Box Hill Institute's future-focused thinking, are often under-appreciated and little understood by those outside the sector. The stereotypical representation of TAFEs as static and inflexible entities capable only of providing the most basic skill delivery in a rote manner is, simply, outmoded. What follows, is a brief discussion of some of the myriad ways in which a modern TAFE, such as Box Hill Institute, are working successfully at becoming the dynamic institutions industry and the community demand and deserve.

- Recognising a contraction in the demand for certain VET qualifications, Box Hill Institute has expanded its range of qualifications and now provides alternative options for secondary school students to complete a qualification of year 12 equivalency (VCAL) and Certificate, Diploma and Degree level courses in a range of disciplines.
- The successful partnership with Melbourne's well respected Centre for Adult Education (CAE) in 2011 has provided further impetus and opportunity for the Institute to remain flexible and current in its provision of courses, utilising its City campus to engage a wider demographic of learners.
- Box Hill Institute has been providing high quality education and training programs in numerous countries, for many years, mostly in Asia and the Pacific region, for many years as well as boasting countless international student graduates who have come through its Victorian campuses. Through this the Institute is proud of its ongoing work to assist local communities to attain the skills needed to improve their independence and sustainability.
- As noted earlier, Box Hill Institute has been offering associate and bachelor degree level qualifications for nearly a decade. These programs have been developed in areas of particular academic and technical strength, providing students with hands-on, practical learning experience through the close connections Box Hill Institute shares with industry partners. The music degree, for example, enjoys an ongoing reputation for excellence in the field, with hundreds of past and present students seeking out Box Hill Institute on the basis of its reputation. This achievement in the realm of higher education is particularly impressive when it is considered that Box Hill Institute receives no federal or state government funding, or student subsidies, for its higher education programs. Students who choose to compete for a place in the Bachelor of Applied Music must commit to paying up-front tuition fees roughly equivalent to three times the cost of a place in a comparable undergraduate course at an Australian university.
- Recognition of the importance of digital literacy, Box Hill Institute recognises that there is a digital divide in Australia which potentially affects the ability to participate effectively in the modern, technologically advanced workforce and meet the eBusiness/technological requirements in a global market. This becomes even more important nationally with the roll out of the NBN and the skill needs of the future workforce including the NBN workforce and SMEs working with the NBN.

These strategies are, in Box Hill Institute's view, necessary if Box Hill Institute and TAFE institutes generally, are to continue to meet the needs of a growing economy. TAFE Institutes are critical to the future development of Australia. We do, however share the sentiment expressed by Australian Workplace and Productivity Agency (AWPA) in its 2013 report

*“We note there has been significant recent publicity about cuts to the public VET provider, TAFE, in several jurisdictions. At the same time we note that shifting to a demand-based funding system has not always been easy for TAFE, whose systems infrastructure and organisational arrangements were established for a more certain world. But TAFE institutes remain the bedrock of the national VET system, offering vital programs in industry areas and geographical locations that many other providers find challenging. While many individual institutes have coped well with these new challenges, AWPAs supports those authorities that have recognised TAFE’s distinctive role and position in the national VET system and have funded it appropriately. There are great risks if the balance tips beyond efficiency to cuts in quality and services for the diverse student cohort and geographical localities often provided by TAFE.”*

## **5. National Consistency**

The Bradley Review of Higher Education (2008) looked at future directions for Tertiary education. The Commonwealth Government’s response to that Review signalled a move towards a more competitive and dynamic tertiary education sector with improved access along with increased accountability, greater openness, improved regulatory and quality assurance arrangements, increasingly exposed to market and economic forces and a unified higher education and vocational education system.

A unified, more integrated system was the key system reform of the Bradley Review. The recommendation was for a single regulatory body that is under national control and nationally funded with structural relationships pertaining to transparency, quality, regulation, monitoring, funding, access, pathways and articulation as necessary for an effective tertiary education system.

It would seem that goals for a national unified tertiary education system underpinned by market-driven competitive reforms disadvantage TAFE institutes from various aspects including funding arrangements; being last to join in systems implementations; familiarity with Commonwealth higher education policies and processes; duplicated quality regulation and registrations, the burden of continuing with current state-delivery systems and obligations and finally meeting the expectations in the drive for articulation, credit transfer and qualifications reforms. This results, in part, from each State having different approaches and because of a lack of a coordinated national approach.

In addition, competition has increased extensively as supply of under graduate places at Universities expands. There is emphasis on what has been VET’s traditional market with the introduction of uncapped Commonwealth Supported Places (CSP’s) for Universities. Accordingly TAFE providers now have publicly funded universities in the same market space competing for the same student cohorts, especially as the universities have social inclusion targets and hence will need to shift into what were traditionally TAFE student markets.

The details contained within the policy outcomes and strategies arising from the implementation of various reports across Australia, and the responses of key stakeholders, need to take into account:

- the split powers and responsibilities between the Australian Government and the States and Territories.
- universities perceiving challenges to their “academic freedom” and “autonomy” as they are being asked to clearly articulate their distinctive missions.
- Universities and TAFE’s moving into each other’s “traditional space”.
- policies that are perceived to “favour” one sector over another ( for example the lack of access to commonwealth supported places for degree students at TAFE Institutes).
- that the opening up of places has led to some universities accepting students which are not necessarily suited to university studies or who would benefit from a TAFE education in the first instance with strong pathways to university or into applied / vocational degrees at TAFE.

- the need to establish a "shelf life" for qualifications similar to universities and therefore adjust eligibility criteria for funded places to enable career changes, up-skilling or retraining for workplace changes and technology and for people seeking skills set around business to assist them with the vocational stream in which they are working.
- industry calling for a more unified national approach to VET and for it to become the “adaptive layer” of the Australian education system.
- some governments promoting greater competition, contestability of funding and demand-driven provision in the publicly-funded VET market where training is driven by student preferences rather than anticipated industry requirements.

It can be argued that it would be hard to conclude Australia has a unified Higher Education system or Tertiary Education sector.

Against this back ground Box Hill Institute would support a major coordinated national review of the TAFE system. Similar reviews at the Higher Education level (the Bradley Review) and the School Education level (the Gonski Review) have led to the development of a national approach.

There is a similar need for a blueprint, agreed across all States in the Commonwealth, for the TAFE sector. Each State jurisdiction has undertaken their own reviews and made adjustments to their own State provision. In addition there have been a number of national reviews and the collection of the State and National reviews have been conducted in a disparate manner and over different time periods.

The major risk to Australia of this uncoordinated approach is the dilution of a world class national system, framework and reputation internationally. It also has the potential to remove the key industry led focus, which has been a strength of the Australian system. Whilst all reviews are well intended, and meet the individual terms of reference of the review, there have been many examples of unintended consequences that have had significant impact on the operations of TAFE Institutions and their ability to remain true to their core mission.

A comprehensive review, together with wide consultation with key stakeholders will determine whether “the individual parts of the jigsaw” do actually represent the desired and intended “national picture”. The 2009 OECD Review of Higher Education in the State of Victoria, noted “A lack of consistency and continuity in national policy leading to limited joined-up approaches”, “Competing Agendas”, and “Overlapping areas of responsibility and need for greater policy focus”. Unfortunately there is little evidence that this situation has changed, and the lack of a consistent, joined-up approach continues to limit the extent to which the parts of the jigsaw give a clear national picture.

## **6. A Way Forward**

It is Box Hill Institute’s position that change is needed. Much has been said about the responsiveness of TAFE and a requirement for TAFE Institutes to be more flexible in dealing with industry and in providing alternative pathways for students. For this to occur, a national approach and consensus is necessary.

### **6.1 A National Perspective**

It is Box Hill Institute’s view that a national approach to the role played by TAFE institutes is necessary. There are a myriad of reviews, reports, and policies in place across Australia covering both the TAFE and higher education sectors. These reports and policies are sometimes contradictory and have the potential to confuse not only TAFE providers, but students and industry clients. There is a need for an agreement between the commonwealth and states, with a view to a collective approach and a consistent policy framework for TAFE.

### **6.2 Recognising that “one size does not fit all”**

This submission provides a significant amount of detail on the Box Hill Institute Group. The purpose of providing this information is to indicate the breadth and complexity of a major metropolitan TAFE Institute. Box Hill Institute is unique within Australia in terms of its scope and operations. There are a number of other

large TAFE institutes across the country who could also demonstrate significant levels of complexity. It should be recognised that major TAFE institutes operating across national and international boundaries have particular opportunities and needs.

### **6.3 A New Provider Category**

It is Box Hill Institute's view that the concept of "one size fits all" is no longer appropriate. Box Hill Institute believes that there is a need for a new provider category which addresses the needs of modern Australia.

In our view, an integrated, national, multi-level polytechnic model could facilitate closer ties to a range of industry groups and employers, allowing students to gain practical experience of their trade at various points in the economic chain. Such a system would also provide more pathway opportunities for students.

A great strength of the polytechnic model of delivery of post-compulsory education is that it can provide more flexible education and training in a less rigidly linear style than a traditional VET or university college. The benefits of this style provide practical advantages to both students and the institutions. New Zealand research suggests, for instance, that polytechnic style educational delivery provides improved course completion outcomes and transition opportunities for students across multiple pathways which encourage advanced study (Shulruf, Tumen & Hattie: 2010). Similarly, Polytechnics Canada, the peak body representing the colleges in Canada, argues, the unique pedagogical benefit of the polytechnic model of higher learning is the flexibility and the holistic nature of the approach to training and education (Polytechnics Canada, 2012).

Box Hill Institute has been in discussions with the Victorian Government for some time about its desire for change in its organisational classification. These discussions have occurred as a result of collaboration with other large metropolitan TAFE Institutes and the mutual desire of these institutions to create a new type of provider as part of a more integrated tertiary sector.

The Institutes have identified that one of the inhibitors is the lack of appropriate identification of categories of provider in the national protocols for higher education. These protocols were designed for a time when the only distinctions made were between universities and non-universities. The current Provider Category Standards do not easily accommodate the aspirations of the large Victorian TAFE Institutes.

As part of their collaboration the institutes appointed Deloitte Access Economics to further research the case for a new post-secondary education provider type. That report analysed the available information in support of the case for a new provider category. The report recognised that the institutions are moving towards offering more higher education degrees, while retaining a practical focus and strong industry links with a more student-focused pedagogy and a teaching - only focus with the notion of scholarship replacing research.

The report indicated that there was evidence that the term "Polytechnic University" best embodies the characteristics of the proposed new provider type. It did indicate however that achievement of this objective would require a clear distinction of purpose to ensure that the four large metropolitan TAFE institutions remain separate from the university sector. It also recognised that the introduction of a new model would require recognising a new category under the TESQA standards. Box Hill Institute position is that the use of the term Polytechnic and University together may be confusing to the market and consequently has a preference for Polytechnic Tertiary Education Institution.

While recognising that the data in respect of the four institutions was limited because the institutions had not been delivering degrees for many years, the report indicated that the new provider category had the following advantages.

### **6.4 Supporting Government to meet Policy Objectives**

The proposed name change would increase the attractiveness of the new providers to domestic and full-fee paying local and international students. Recognising a new category may also make it easier to provide additional Commonwealth Supported Places (CSP) funding for the institutions.



## **6.5 Cost Effective Provision of Education**

The Bradley Review targets for higher education attainment and the shift to a demand-based model imply substantial increases in the number of students studying for bachelor degrees and a commensurate increase in the burden on public universities.

Aligning tuition fees at TAFE's and universities would provide incentives for students to choose the type of provider based on non-price factors, such as pedagogical approach.

## **6.6 Skills Needs**

The four large metropolitan TAFE Institutes, in the collaboration outlined above, offer a broad range of skills and qualifications at the higher education level. Additional skills are particularly valuable when they correspond to occupations for which there is strong demand or a shortage of qualified workers.

The four large metropolitan TAFE Institutes enrol students in degree courses that provided qualifications that corresponded to official skill shortages, in fields such as Nursing and Early Childhood Education. Moreover, based on their own projections, the proportion of enrolments in bachelor courses providing in-demand skills, as a share of total enrolments, is set to increase.

## **6.7 Access and Equity**

Higher education at a Polytechnic Institute offers an alternative pathway to a Bachelor degree for marginalised Australians who face a barrier to university education, through difficulties meeting university entrance requirements, a lack of confidence in a university setting, differences in learning styles, or geographical isolation.

The TAFE pedagogy, which would be the foundation for the Polytechnic Tertiary Education Institute pedagogy, with its focus on the individual's learning needs, arguably offers a more appropriate learning environment for marginal students than that of traditional universities.

Participation rates of students from a low SES background are slightly lower at present for Bachelor programs at the 4 consortium members than for undergraduate enrolments at non-Group of 8 universities in Victoria. However, the current higher cost of studying most bachelor degrees at TAFEs is a barrier to entry for low SES students. Nursing at TAFE, which attracts CSP funding, is a rare exception and provides some insight into what can be achieved. Students from a Non English Speaking Background (NESB) have much higher participation rates among consortium members than they do at non-Group of 8 Universities in Victoria.

## 7. Recommendations

This review presents a unique opportunity to address a number of policy and operational matters which will assist the continued development of the TAFE system.

Below are ten suggested recommendations for consideration of this review, however, the most significant of them is the call for a **major national review of the TAFE system to be undertaken by eminent people drawn from industry, TAFE leaders and government.**

In the light of the preceding comments, Box Hill Institute makes the following recommendations:

### NATIONAL TAFE CHANGE: A TEN POINT PLAN

#### 7.1 A call for a full bipartisan Parliamentary led major TAFE national review

A full bipartisan Parliamentary led major national review of the TAFE system. Similar reviews at the Higher Education level (the Bradley Review) and the School Education level (the Gonski Review) have led to or have the potential to lead to the development of a national approach. There is a similar need for a blueprint, agreed across all states in the Commonwealth for the TAFE system.

#### 7.2 Reaffirmation on an Industry Led System

Given the drift to a “consumer driven” approach to Vocational Education and Training, Box Hill Institute calls on governments in all jurisdictions and of all political persuasions to reaffirm their commitment to VET and the TAFE system being industry led and the ramifications thereof.

#### 7.3 Change of National Higher Education Protocols

That there be a change to the national higher education protocols as follows:

- The Commonwealth Government should work with the States to modify existing terminology and sector boundaries through the adoption of a redefined tertiary sector.
- That within a re-defined tertiary education sector the Commonwealth Government should work with the States to modify national higher education protocols to allow for the creation of a new national tertiary model.
- The Commonwealth Government should work with the States to implement the original intention from the Bradley Review of providing tertiary institutions with access to Commonwealth supported places for students studying Applied Degrees.
- That the Commonwealth Government works with the States to ensure that the introduction of the Polytechnic Tertiary Education Institution (or a nationally agreed nomenclature) category provides TAFE institutes with appropriate flexibility to consider different business models to allow them to compete as equals in a redefined tertiary sector through the removal of existing restrictions facing TAFE Institutions.
- That the Commonwealth Government agrees that as a Polytechnic Tertiary Education Institute (or a nationally agreed nomenclature), Box Hill Institute students studying for Applied Degrees would be eligible for Commonwealth supported places.
- That the Commonwealth Government works with States to ensure that as a Polytechnic Tertiary Education Institution (or a nationally agreed nomenclature), TAFE institutes will be eligible for triennial capital funding, access to higher education endowment funds and the ability to enter into finance arrangements, including borrowing in the same way as is available to public Universities.
- That the Commonwealth Government works with the States to seek agreement on a redefined tertiary sector.

- That the Commonwealth Government works with the States to enact necessary changes to legislation.

#### **7.4 Establish National Polytechnic Network**

Following the recommended change to the national protocols, there be established a network of Polytechnics across Australia. Establishment of this network, and eligibility to be considered as a Polytechnic Tertiary Education Institute (or a nationally agreed nomenclature), would be in line with a set of criteria to be developed which covers the size, complexity, and breadth of coverage of major TAFE institutes across the vocational education, schools and higher education sectors but who have a significant profile in delivery of qualifications at AQF5 plus levels and also a strong international presence. The commonwealth government should also seek to protect the nomenclature of Polytechnic in the same way as it does the nomenclature of University.

#### **7.5 “Use by Date” of National Qualifications**

The Commonwealth works with industry and TAFE providers to establish a "shelf life" for qualifications similar to universities.

#### **7.6 Nationally Consistent Access Criteria**

Furthermore the Commonwealth works with the States to have an agreed eligibility criteria for funded places to enable career changes, up-skilling or retraining for workplace changes and technology and for people seeking skills set around business to assist them with the vocational stream they are working in.

#### **7.7 Nationally Consistent Regulation of Higher Education**

That the Commonwealth and the States work to establish a nationally consistent regulatory regime addressing both the higher education and VET sectors. This regulatory regime should address relationships and matters covering quality, regulation, monitoring, access and articulation as necessary for an effective tertiary education system.

#### **7.8 National funding for Higher Education TAFE qualifications (including Diploma level)**

It is recommended that a nationally consistent approach to access to funded places for Higher Education and TAFE qualifications from the AQF5+ - Diploma, Advanced Diploma and post graduate courses be adopted and that the Commonwealth funds such places to ensure a nationally consistent approach.

#### **7.9 Clarity of Jurisdictional Roles and Responsibilities**

Within the new marketised VET arrangements there needs to be clear statements and agreed positions by both the Commonwealth government and the State of all of the various suppliers of vocational education and training and consistent policies, regulations, governance and funding against agreed national goals and priorities.

#### **7.10 National support for export of TAFE qualifications with a short term priority of establishing Visa rules consistent with Universities**

Considerable government support is currently given to the University sector in relation to export of tertiary education, TAFE as a channel supplier and an exporter in its own right should be given similar support by the government for export of VET. Also considerable government support is currently given to the University sector in relation to inbound international students in tertiary education, TAFE as an international education provider should be given similar support by the

government for the delivery of inbound international study in the VET sector. Box Hill Institute recommends that consideration be given to ensuring visa regulations support delivery of VET qualifications by TAFEs in the same manner as university Diplomas and Degrees.

Thank you for the opportunity of making this submission. Box Hill Institute would be pleased to comment further in support of this submission. For further information please contact John Maddock, Chief Executive Officer by phone on \_\_\_\_\_ or email \_\_\_\_\_

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