How does Australia perform?

- Strong recovery from GFC
  - but ....
- Global competitiveness: slipped-16th place
- Productivity: declining
- Participation: lower than OECD leaders for women 25-34yrs and men 25-64yrs
- 1.5 million Australians under & unemployed
- Environmental impact—we are among top 10 worst
What does this mean for VET?

The pressure is on to:

- Deepen skills
- Raise core skills
- Raise workforce participation
- Increase skill use & productivity

Creating a future direction for VET
VET sector performance: coasting? or gearing up?

► Enrolments fairly static
► Completions unsatisfactory
► Reputation under pressure
► Investment levels
► Ongoing complexity
► Outcomes not clear

Workforce development—What has to change?

► A broader remit for RTOs and others?
► Specific types of targets?
► More flexibility in how to use training funds?
► Dedicated funding sources?
► More targeted ownership & leadership?

Skills Australia, AWF consultations 2009

"the level of change … goes to a fundamental re-conceiving of our system, its scope and purpose, investment models and services"
Improving the VET experience for learners

Getting better results for learners?

<table>
<thead>
<tr>
<th>Advanced vocational learners?</th>
<th>Campus-based learners?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Older learners?</td>
<td>Disadvantaged learners?</td>
</tr>
<tr>
<td>Rural and remote?</td>
<td>Work-based learners?</td>
</tr>
</tbody>
</table>

What is the best way to engage?

Beyond compliance to excellence – Elements of a quality system

Effective regulation

New skills for VET practitioners → Restoring confidence in assessment

Increased transparency - for public & private RTOs → Measuring the full value of VET

Linking funding to outcomes → Better data
The scale of the quality challenge

► Providers:
  ► 4,800 providers in the marketplace
  ► 2,300 privately funded

► Products:
  ► >69 Training Packages; 1,600 qualifications;
  ► >10,000 Units

► VET practitioners:
  ► > 650,000

► People:
  ► 1.7M public & large private sector enrolments

Are regulatory resources sufficient for this scale?

Better connections: a key to better outcomes?

‘Reinventions’ a natural process or should governments be involved?
Tertiary sector

► State Plans: Vic …. NSW……
► Structures: ‘Omni-versity’? Polytechnics?
► Partnerships: via necessity or incentives?
► Products: VET degrees?

AND

School & ACE sectors

► are these the VET connections that really matter for better student outcomes?
A changing VET revenue picture

Who should pay for growth—what’s a fair balance?

- **Governments**
  - Overall contribution growing
  - Shifts in respective shares

- **Individuals**
  - Little change as a source of revenue
  - Scope for increased contribution?
  - Whom/what should be subsidised?

- **Enterprises**
  - Scope to leverage increased contribution?

- **Fees for service growing**
  - Risky dependence on international education revenue?
Demand led funding and other investment mechanisms?

► Investment reforms to date - what have we learned:
  ► Eligibility for student entitlements?
  ► Ensuring industry needs are met?
  ► Preventing perverse outcomes?
  ► Maintaining public training assets?
  ► Keeping out poor quality RTOs?
  ► Directions for the future?

Sharing responsibilities more effectively?

Defining and simplifying roles

What are the priorities?

Revitalising VET

State/Territory level

National level

What are the priorities?
Leadership in VET

- Our report will lead to further change
- VET linked to the economy, productivity and social inclusion
- Leaders will continue to deal with pedagogical, geographic, industrial, social, organisational and political issues
- We would like to simplify the system
- Focus on outcomes and outputs for clients (especially educational outcomes)
- Dame Jackie Fisher approach (rules of the game)
- We recognise the age profile of the VET Workforce (But will they retire at 60/65 – and do we want or not want them to?)

Leadership in VET

- Is there a preference to recruit people with educational content knowledge or people with good generic business / leadership skills
- Will HE dominate leadership in a more integrated Tertiary Education Sector?
- Ethnic cultural background of leaders to reflect that of their clients (Black Leadership Initiative in UK)
- No plans for a Principal’s qualifying program as was once case in England (The Tory coalition have abolished it along with most Public Sector Targets).
- Is there a growing bifurcation between public and private organisations?
THANK YOU

Robin Shreeve
CEO, Skills Australia

Emerging themes 1 (to date)

• Mixed views on whether VET can play a stronger role in Workforce Development beyond program delivery

• Current regulatory system seen as bureaucratic but ineffective

• Providers nervous about more outcomes based funding

• Providers argue that skills are more important than credentials

• Providers reluctant to accept greater responsibility for completions because of variability in student background and current qualification, enrolment and funding structures

• I wonder if a lack of transparency has hidden some of the issues and there has not been an incentive to fix them
Emerging themes (2)

- Strong criticism of way Certificate 4 – TAA and TAE is delivered
- Confusion over leadership of system and role of MCTEE, COAG etc
- TAFE Institutes would like same degree of autonomy as universities
- No great opposition to specialist VET Degrees – questioning of whether they should attract public HE funding
- Competing views of future of apprenticeships
- Elements of "change fatigue" which is sometimes related to age profile of many VET staff