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**Lucinda Kaval**

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South-East Asia Mainland Bilateral Branch

via email: [Lucinda.kaval@dfat.gov.au](mailto:Lucinda.kaval@dfat.gov.au)

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Dear Lucinda,

Please find attached our written feedback on DFAT's Australian Aid Investment Plans for Burma, Lao PDR, Cambodia and Vietnam.

As outlined in our comments, we have additional material and research which would assist DFAT in this planning and would welcome the opportunity to meet with relevant officers to provide such advice.

Thank you very much for the opportunity and we look forward to further consultations.

Yours sincerely,

**Peter Holden**

Director International Engagement

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## **Informing the new AID Investment Plans for Burma, Lao PRD, Cambodia and Vietnam**

### **Submission from TAFE Directors Australia**

#### **Overview**

TAFE Directors Australia (TDA) welcomes the opportunity to contribute to DFAT's new AID Investment Plans for Burma, Lao PRD, Cambodia and Vietnam, which aspire to *promote prosperity, reduce poverty and enhance sustainability* through:

- Strengthened private sector development and
- Enabling human development

TDA plays a central role in promoting and facilitating international partnerships, both for and on behalf of, our member institutes (TAFEs).

TDA is an active player in the Asian region, with strong partnerships, most notably in China and Indonesia. TDA is keen to initiate and expand our engagement with the nominated countries and believe our organisation is in a prime position to contribute to the strengthening of the private sector and human development, through technical and vocational education projects and programs, applicable throughout the region.

#### **TDA's International Engagement**

TAFE Directors Australia (TDA) is the peak body for Australia's government-owned vocational education and training (VET) institutes (variously known as TAFE, institutes of technology, polytechnics and public providers). Together we represent Australia's largest provider of skills training with approximately 1.8 million enrolments per annum.

Our expertise is increasingly in demand from employers, government agencies, education institutions and donor organisations in the Asian region. Our expertise is sought to improve technical skills training in the region, primarily with the goal to increase workforce participation and productivity which lead to both social and economic benefits.

We work closely with the private sector both at a domestic and international level. A detailed analysis of TDA's offshore development projects and initiatives is available on request. We can also provide a copy of our recent research into TAFE offshore partnerships which was commissioned by Austrade under the 2014 Asia Business Engagement Project.

#### **Opportunities in South East Asia**

TDA wishes to emphasise the political, economic and strategic power of Australia's vocational education and training sector (VET) sector, and in particular the public VET sector, in building Australia's relationships with countries throughout the world, and more importantly, within the Asian region.

Many TAFE Institutes have well established partnerships in a number of countries that directly benefit both Australia and the partner country- economically, socially and culturally. The 'economic diplomacy' aspect of our work creates significant goodwill and is often a conduit for enhanced relations with countries around the world.

These partnerships are not limited to the delivery of Australian VET qualifications. They also include leadership programs for senior college and industry managers, skill development programs for educators and trainers, curriculum and resource development projects, research into skill demands in industry and engaging with industry.

### **Barriers and Challenges to engaging Asia**

To date, the Australian government has made a limited investment in assisting countries in our region to improve the capabilities and capacity of their VET sectors. Aid and development funding has focused almost exclusively on schools and higher education, with only a small number of federally funded projects contributing to regional VET capacity building, such as the development of a network of East Asia TVET providers led by TDA of which all four nominated countries are members.

In contrast, countries such as Germany, the UK and Canada commit significant aid and development investments for VET in Asia.

The demand from countries in these regions for direct support in improving their VET sectors far outweighs the demand for enhanced university provision and yet Australia's focus is on the latter. This is evident not only in publications and reviews by UNESCO and the OECD, but also in the countries' own national strategic development plans

### **The future focus of Australia's Aid Programs: does it address key constraints to Private Sector Development?**

The focus of Australia's Aid Programs goes some way in addressing key constraints to Private Sector Development in some, but not all, of the nominated countries.

#### Burma

TDA is encouraged by the prioritisation of skills development in DFAT's Aid Plan for Burma.

Burma's future direction's paper outlines seven key areas of future focus for the Australian Aid Program. Although, the second of these, *Education*, refers specifically and exclusively to the schools and higher education sectors, it is pleasing to note that the third key area, *Economic Growth and Agricultural Development*, does identify skills development as a means of growing private sector participation.

In 2015, TDA will deliver a three-staged leadership and mentoring training program to VET college leaders across Burma, with funding provided by the AusTrade Asian Business Engagement Plan.

Through this program, TDA will target the nominated industry sectors, identified by DFAT in the *future focus* paper. The leadership program will be an important first step/ entry point into Burma for the Australian TAFE sector. This program will not however have the capacity to leverage long term private sector investment or build long term industry linkages.

An aid and development strategy which provides incentives for public and private partnerships in Burma is an essential component of building the capacity of Burma's technical skills systems and programs.

#### Cambodia

DFAT's Aid Plan for Cambodia contains no reference to the role skills development needs to play in assisting Cambodia build its private sector and support human development.

This is in stark contrast to Cambodia's own National Strategic Development Plan 2014- 2018 which highlights the imminent need for skills development in meeting national priorities for '*growth, employment, equity and efficiency*'. The National Development Plan explicitly references the role technical and vocational education must play in combatting critical challenges, identified by the Cambodian Government, including but not limited to "strengthening the private sector and attracting investment" and "creation of jobs and ensuring improved working conditions".

#### Lao PRD

Similar to Cambodia, DFAT's Aid Plan for Lao PRD includes no mention of the role skills development might play in assisting to meet Lao's economic and social development goals.

#### Vietnam

DFAT's Aid Plan for Cambodia makes specific reference to the importance of developing linkages between the private sector and the vocational education and training institutions to strengthen training relevance and increase the supply of qualified graduates to industry.

## Future directions

Targeted industry sectors, stipulated in the *future focus* papers include agriculture, resources, tourism, manufacturing and finance. Targeted areas for development include increasing private sector participation and building linkages with industry. Neither of these aspirations can be successful without a strong and cohesive skills training ecosystem.

Such an ecosystem includes:

- Clear guidelines, policies and structures which support the governance of skills training
- Strategies and policies which support industry engagement
- A cohesive qualifications framework which enables direct pathways between all education sectors and provides a basis for benchmarking and recognition between other countries
- A training system which develops skills and knowledge directly related to specific occupational profiles
- Quality assurance regimes which ensure the public and private providers of skills training meet specified standards for the management and delivery of such training
- Clear guidelines and appropriate support mechanisms for teachers in delivering and assessing skills training programs.

### Recommendations:

1. TDA recommends the Australian Government's aid and development program gives greater focus to enhancing the development of technical skills systems and training in the four countries
2. TDA recommends the AID investment plans include incentives for the Australian public and private sectors to form partnerships with equivalent sectors in the four countries
3. TDA recommends a specific focus is given to enhancing the policies and structures which govern the management and delivery of skills training in each of the four countries.

## ***Case study from the region: Indonesia***

TDA's relationship with Indonesia provides an example of how public-private partnerships can leverage investment in developing countries. Indonesia has been a priority country for international engagement for TDA over the past five years.

TDA has developed a close working relationship with the Indonesian Government's Ministry of Education and Culture (MoEC), Ministry of Manpower and Transmigration (MoMT), the Indonesia Australia Business Council (IABC) and Australia Indonesia Business Council (AIBC).

These relationships have been established to support the development and enhancement of the Technical and Vocational Education and Training (TVET) system in Indonesia, centred upon greater engagement with industry.

Since 2011, TDA has undertaken a multi-staged approach focussed on increasing industry engagement and responsiveness between the Indonesian TVET sector (public sector) and business and industry (private sector) through public-private partnerships. The overall aim is to increase Indonesia's economic growth and social cohesion by raising workforce participation and productivity levels.

TDA, in cooperation with Austrade, AFG Venture Group and the Indonesia Australia Business Council (IABC) managed the first stage which consisted of two surveys; one focusing on Indonesian Polytechnic Colleges' level of engagement with industry and the second focusing on Indonesian and Australian industry's skills need and their engagement with the TVET sector.

This was followed by a detailed report on the relationship between the TVET sector and business/industry. The report identified the level of industry linkages, internships, partnerships, training needs, qualifications and skills shortage areas.

An Indonesia- Australia Industry Skills Training Roundtable jointly hosted by TDA and the IABC was held in Jakarta in September 2013. The Roundtable, involving Australian and Indonesian companies and businesses, emphasised both the need for, and advantages of, increased engagement between industry and polytechnics and profiled cases of current skills training initiatives and partnerships between industry, Indonesian polytechnics and Australian TAFE institutes. The roundtable facilitated discussion among participants on strengthening the links between Indonesian industry and polytechnics.

The next stage of the project, an Australia Indonesia Mentorship Program, is ongoing and is supported by both the Australian and Indonesian governments. It involves up to 40 leaders from the Indonesian public and private polytechnic sector participating in mentoring programs with Australian TAFE Institutes. These programs focus on increasing engagement with industry. The first group completed the program in early 2013, and the second in late August 2014.

There is great potential to expand and leverage the work already undertaken by TDA in Indonesia to promote and facilitate public private partnerships in other Asian countries.

There are also opportunities to develop and expand on new models of public-private partnerships. An example of this is the concept of an 'Enterprise Community College' (ECC) model.

ECCs are training colleges set up within an existing enterprise to skill new workers and re-skill existing workers. ECC's are currently being established in priority regions in Indonesia. They are the result of a recent initiative by the Indonesian Government to increase access and participation of low socio-economic status (SES) groups in post-secondary level education, in line with Indonesia's economic development plan (MP3EI), which targets skills development in specific regions. Although this plan is specific to Indonesia, its aims and priorities reflect similarities throughout the region.

ECCs provide targeted regions with more skilled workers and much needed articulation pathways for students to higher levels of education through a VET pathway.

In Indonesia, the Government's target is to create 269 community colleges by 2015. Prior to 2014, 35 Government-run community colleges were launched. Several of these have now closed, due to insufficient funding and support.

Following these closures, the World Bank commissioned its Indonesia Office to review the Indonesian Government's original '*Blueprint for the development of Indonesian Community Colleges*' 2012. The review recommended that the Indonesian Government permit a limited number of local enterprises to become licensed as a 'community college' or Enterprise Community College (ECC).

The Indonesian Ministry of Education and Culture (MoEC) has since granted three licenses to local enterprises to become community colleges. One of these licences was awarded to the Multistrada Tyre Company. Multistrada is in the process of developing its community college with support from its international partner, Sydney TAFE.

It is anticipated that in 2015, more Indonesian enterprises will be invited to submit *Expressions of Interest* to become licensed as an ECC. However, obtaining this licence is not an easy process. Multistrada reported that this process was commercially onerous and needs to be more streamlined.

Australian TAFEs in collaboration with Australian and international businesses play a crucial role in facilitating the development of ECCs across the region, however the support of the Australian Government is crucial in achieving this.