

# **A strong TAFE sector to secure Australia's future prosperity**

## *Submission to the Australian Government*

2018-19 Federal Budget

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## About TAFE Directors Australia

TDA is the peak body incorporated to represent Australia's Technical and Further Education (TAFE) institutes and university TAFE divisions, and the Australian-Pacific Technical College (APTC).

TDA operates a National Secretariat, and enjoys full membership of all TAFE Institutes in states and territories, including six dual sector universities. Eleven TAFE institutes are registered as Non-University Higher Education Providers (NUHEPs).

Each TAFE delivers an extensive range of technical and further education, designed to comply with national standards and respond to the local needs of industry and communities. TAFEs liaise with local industry and employers and the community to inform delivery.

TDA members enrolled over 800,000 students in 2016, and our institutes and dual sector universities enjoy a majority market share of government-funded training. TAFE remains the leading partner in vocational education and training (VET) across Australia and is key in training for the nation's core skilled occupations.

At a wider tertiary level, VET is a major component of Australia's tertiary education system; the National Centre for Vocational Education Research (NCVER) confirms VET engaged 4.2 million Australians in some form of training during 2016.

# A strong TAFE sector to secure Australia's future prosperity

## Overview

TAFE Directors Australia (TDA) welcomes the opportunity to set out options for Australia's national network of TAFEs to work in partnership with the Australian Government to help meet the economic and social priorities of the nation.

TDA provides these modest budget propositions that we believe will lead to optimal outcomes.

Australia's VET system, with TAFE as the cornerstone, is a key input to our economic and social well-being. VET delivers the mid- and higher-level technical skills Australia needs for its workforce to remain competitive in a global environment.

Vocational education and training equips Australians of all ages and backgrounds to have the skills to contribute as a highly productive member of an enterprise, small, medium or large, or as a stand-alone entrepreneur. We need to ensure that the skills acquired in the VET sector are world-relevant and world-class, especially as businesses engage in global supply chains. TAFEs provides Australians with the skills that empower them to thrive in the face of disruption and change, as the Australian economy adapts.

*TAFE provides Australians with the skills that empower them to thrive in the face of disruption.*

To bring back growth in the delivery of higher level skills for the economy, TDA recommends a loosening of the limits in place in the VET Student Loan scheme, opening Commonwealth Supported Places to students enrolled in higher qualifications in TAFEs and a dedicated program of support for students displaced by the VET FEE-HELP loan scheme.

The TAFE sector makes a key contribution to government priorities at the federal and state and territory levels by training Australia's future tradespeople, delivering priority and niche qualifications, and delivering training in rural and regional communities. TDA welcomes the Government's commitment to creating more apprenticeships through the *Skilling Australians Fund*, but urges that the projected funding be guaranteed in order to give certainty for planning effective delivery. TAFE institutes also play a key role in supporting the Government's innovation agenda, but have, until now, been under-utilised in this respect. TDA proposes a framework for TAFEs to collaborate with small and medium enterprises, to build their capacity to innovate in their sector, or in their region.

On an international level, Australia's approach to skills development is still well regarded, with key elements of our VET system being adopted and adapted by other countries. At \$28 billion per year, education stands as Australia's 3<sup>rd</sup> largest export<sup>1</sup>. We must continue to develop strategies to increase our international engagement and to ensure that Australian VET can continue to be one of our key exports. To maintain our standing, TDA outlines a number of initiatives which will build the level and quality of the skills produced by Australia's VET system – and in particular by our

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<sup>1</sup> Australian Financial Review, 'Education exports are worth more than \$28 billion a year, nearly 20pc more than we thought'. 8 October 2017. <http://www.afr.com/leadership/education-exports-are-worth-28-billion-a-year-nearly-20pc-more-than-we-thought-20171005-gyvc8v>

TAFE institutes – which showcase the system to the world. We propose a dedicated fund that can help providers compete for major offshore training opportunities and mitigate risks they face in competing against other countries and large organisations.

Based on these core elements, TDA makes a series of recommendations in this submission that will enable TAFE institutes and dual sector universities to more effectively empower learners and engage with employers to successfully engage with a changing economy.

## Context

The Government's own reporting against targets for skill levels in the economy shows that all three headline measures are not being met. This sets the context for the initiatives presented in this submission.

### *A weakened VET sector risks undermining the Government's innovation agenda.*

COAG aimed that the proportion of the working age population without a Certificate III would be halved by 2020 and that the number of graduates with a diploma or advanced diploma be doubled by 2020.

In 2009 the percentage of working age Australians without at least a Certificate III was 47.1% and in 2014 it was down less than 5 percentage points to 42.5%. The target is 24 per cent by 2020, or another 18.5 percentage points in three years.

As for doubling completion levels of diplomas, the target effectively means reaching 108,000 completions per year by 2020, while in 2014 the completions were 74,000. And, in what is a disturbing trend, between 2008 to 2014 there was a 7.5 percentage point drop in the proportion of VET graduates with improved employment status after training.

TDA is concerned the current funding and regulatory framework in Australia is not adequately enabling VET providers, including TAFE institutes, to educate and train Australians with the broad-based knowledge and sectoral skills they need to succeed in today's rapidly changing economy. VET enrolment numbers – including apprenticeship and traineeships – continue to decline. This is a cause of great concern, as it suggests we will be faced with systemic skills mismatches, which risk stifling growth and undermining the Government's innovation agenda.

For this trend to be reversed, TDA urges industry and governments to come together with TDA, TAFE institutes, other providers and stakeholders to address important issues facing the sector. We must all work together to ensure trust and confidence in the sector are restored.

The acquisition of skills can have life-changing results, especially for young Australians and displaced workers. World-class skills empower Australians to thrive in the face of disruption. Just as importantly, we must ensure all Australians have access to the opportunity skills can provide.

TAFE institutes play a central role in this agenda. They educate and train the workers who can then increase the productivity of small, medium and large businesses; who can create and innovate; and who can establish and prosper through their own businesses, going on to create further jobs, supporting growth in our cities, as well as in regional and rural Australia.

## Summary of Recommendations

1. That the Government allow, under VET Student Loans, specialised and targeted qualifications with higher loan caps to support the Government's innovation agenda.
2. That the Government fund structured support to displaced students of the closed VET FEE-HELP scheme who, through no fault of their own, are not covered legislatively for tuition assurance but still have a debt and have no results.
3. That the Government extend higher education Commonwealth Supported Places to higher education students in TAFEs and the impost on students of a loan fee for FEE-HELP be removed.
4. That the Government guarantee the funding estimated for the Skilling Australians Fund, establish a national pool of funds to support national employers to engage apprentices and trainees, and fund TDA to facilitate the development and roll-out of higher level apprenticeships.
5. That the Government establish a regional economic training fund for access by TAFEs on application to develop locally relevant skills and economic initiatives that strengthen regional Australia and offer viable post-school training options for members of the community.
6. That the Government commit start-up funding to establish a national body to support the ongoing professional development of VET practitioners.
7. That the Government establish a fund that would allow the TAFE network to build services to employers, particularly small and medium enterprises, to innovate their production, services and business processes, and conduct applied research to help solve issues faced by businesses or industry.
8. That the Government establish an Offshore Partnership Development Fund of \$10 million over four years to invest in the coordination of Australia's response to large scale offshore skilling opportunities, to be accessed by TAFEs.
9. That the Government assures stable and long-term funding to World Skills Australia as a means of building Australia's reputation for high quality training and skills to support export opportunities.
10. That the Government extend the 2018 New Colombo Plan to higher education students of Australian TAFE institutes.

## Grow training for high skill level roles

TAFE institutes have the expertise and standing with industry to develop highly relevant courses that support high priority and emerging roles in the economy. But for this to occur, the VET Student Loans scheme must be adjusted to help them deliver. TDA recommends that the Government allow for applications for specialised and targeted qualifications that meet the Government's innovation objectives to be available under the scheme and with higher loan caps.

The Government, in its 2017 higher education reform package, recognised the need for industry-aligned courses that support the high skill roles the economy needs. However, the measures did not pass the Senate.

Although TAFEs are well established in this area of skilling and learning, the main financing source, VET Student Loans, limits them to certain courses and loan caps. Current arrangements for VET

*Reliance on centrally defined qualifications is the very antithesis of the innovation and flexibility the Government is seeking, and will limit Australia's ability to move up the value-chain.*

Student Loans are limited to nationally endorsed qualifications under indexed loan caps of \$5,000, \$10,000 or \$15,000, as determined by the Government. Reliance on centrally defined qualifications is the very antithesis of the innovation and flexibility the Government is seeking, and will limit Australia's ability to move up the value-chain. Skills and capabilities people seek from VET courses at the Diploma and Advanced Diploma level do not need to be nationally determined nor nationally consistent as they are directed at supporting them to build on their

existing skills and knowledge and into bespoke or emerging job roles, often unique within a firm.

This would be a simple and affordable adjustment for the Government. At present, the tight rules for loans in the VET sector are significantly dampening take-up of higher level qualifications, which are expected to come in well below the legislated annual loan cap of \$2bn.

Now that the VET Students Loans has been implemented and has thus far shown itself to be resistant to the excesses of the previous VET FEE-HELP scheme, TDA recommends the Government adjust the scheme so it can meet the real costs of quality training, and aim to meet the demands of students as they seek to build their skills profile and career prospects in a changing economic environment.

The initiative would also enable dual sector universities to establish coherent pathways between their VET and higher education operations.

**Recommendation 1:** That the Government allow, under VET Student Loans, specialised and targeted qualifications with higher loan caps to support the Government's innovation agenda.

## Provide structured support to students impacted by the failed VET FEE-HELP loan scheme

TDA recommends that the Government delivers structured support to displaced students of the closed VET FEE-HELP scheme. Misuse of VET FEE-HELP by several providers, which have now closed, has left many students with debts to the Government and virtually nothing to show for their time and effort. TDA, as a tuition assurance operator, has responded to all students eligible for support, as defined within the legislation. But many other students are not eligible for assistance and have few avenues for support.

Australia cannot afford more displaced students giving up on training because they have lost trust in the sector or fear they will incur more useless debt if they pursue more training. A structured program to contact students and provide follow-up support is all that is needed.

*We estimate that the number of students displaced by VET FEE-HELP who have not been supported could reach 100,000.*

Our experience in helping students has shown that the majority started their training course aspiring to change jobs and build their career; they were not simply chasing a fee iPad. With as little as \$200 funding per student, TAFE institutes and other providers have been able to contact the displaced students, assess their training results and place them in a replacement course that suits their career ambitions.

We estimate that the number of displaced students who have not been supported could reach 100,000.

A structured program operated by TAFE and other quality providers would offer hope to these students.

TDA has been working with its member institutes and some private providers to enrol up to 3,000 displaced Careers Australia Group students across the country. Our experience shows that the assisted students are good candidates for training. TAFE institutes across Australia and many other providers are willing and committed to assisting these students.

TDA has completed its current tuition assurance obligations and the experience we have in supporting students means we are well placed to operate the scheme in the future.

**Recommendation 2:** That the Government fund structured support to displaced students of the closed VET FEE-HELP scheme who, through no fault of their own, are not covered legislatively for tuition assurance but still have a debt and have no results.

## Open higher education funding to promote diversity in the tertiary sector

TAFE Directors Australia repeats its call to the Government to extend eligibility for Commonwealth higher education subsidy, currently limited to universities. Eleven TAFE institutes are approved as higher education providers and deliver industry targeted courses at higher levels of learning, the objective sought by the Government in its higher education reform package.

TAFE higher education courses have close engagement with industry, and students have high rates of success in securing employment. The unique blend of higher learning and application of knowledge in real-world situations means these graduates are great assets to employers, and have the capacity to start up new businesses. Yet, these students receive no subsidy from the government, unlike their friends who happen to enrol in a

*TAFE higher education students receive no government subsidies, unlike their friends in universities.*

university. While they can access a student loan to allay upfront costs, they are charged a twenty-five (25) per cent fee.

Opening-up of funding was a principle of the Bradley Review of Higher Education to promote diversity in tertiary education offerings to respond to the complex and diverse economic and social needs of the country.

TDA acknowledges that this proposal runs counter to the current cap on growth in university places but contends that it would be a modest increase in outlays and paves the way for a more diversified tertiary education sector. Protections against runaway growth in outlays have also been put in place through recent changes in the *Education Legislation Amendment (Provider Integrity and Other Measures) Act 2017*.

**Recommendation 3:** That the Government extend higher education Commonwealth Supported Places to higher education students in TAFEs and the impost on students of a loan fee for FEE-HELP be removed.



## Rebuild apprenticeships and traineeships through the Skilling Australians Fund

TAFE Directors Australia supports the Government's focus on rebuilding work-based learning opportunities for Australians through apprenticeships and traineeships. While establishing the *Skilling Australians Fund* is an important first step, relying on fees from employers who bring in skilled migrants risks making the funding levels too volatile. TDA recommends that the Government guarantee the projected funding for the scheme. TDA also suggests features for the operation of the fund, noting that funds flow via a formal COAG project agreement to states and territories for projects they propose.

The latest apprenticeship data<sup>2</sup> paint a poor picture of the stature and state of Australia's VET system. Whilst there was a decline in traineeships as a result of 2012 policy changes, the last few years have also seen a decline in trades apprenticeships.

TDA supports the priority to expand pre-apprenticeship training and higher-level apprenticeships as well as to grow apprenticeships and traineeships. This approach to skills development presents several benefits, particularly that:

1. employers will have a greater stake in the development of their workers by being more closely involved in their training; and
2. it will build a broader, national awareness of how skills for the future of work can be developed domestically rather than imported.

These models are also important as formal training in a workplace setting helps learners develop key skills, and can also help inexperienced jobseekers to engage in work and be trained at the same time. However, these experiences need to be of high quality.

Apprenticeship and traineeship rely on engagement and commitment from employers, which come at a cost to their operations. To some extent the decline in participation rates may be due to employer circumstance. Where they face other pressures, it is understandable that they do not engage apprentices and trainees. Indeed, it is laudable if this is because they fear they would not be able to provide the right environment and oversight so crucial for success. But the system needs employers engaged in training.

*It may be time to consider revised roles within the apprenticeship and traineeship model.*

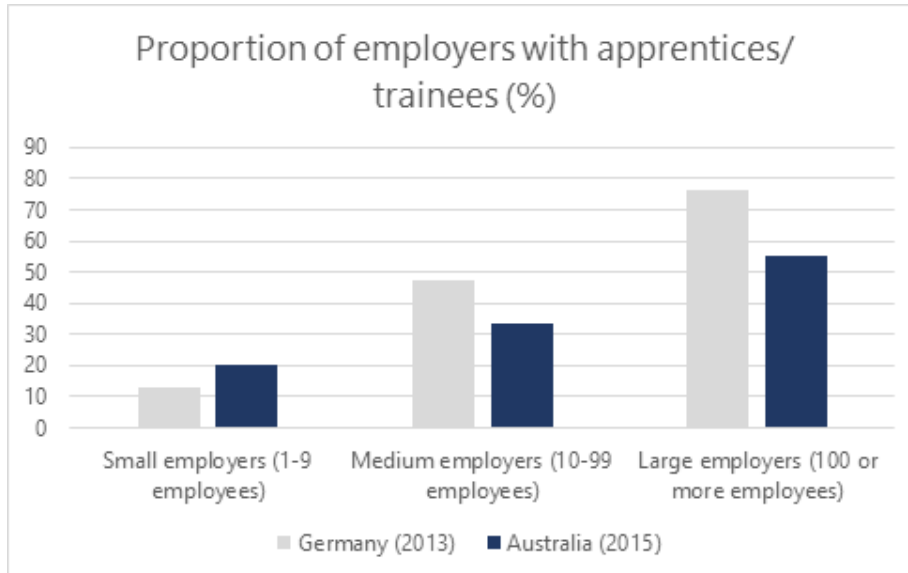
It may be time therefore to consider revised roles within the apprenticeship and traineeship model. This could entail funding training organisations to provide the guidance and support to the employer. Providers would need to be endorsed and the nature of the service and support formalised in some way. Many TAFE institutes already provide this support, especially through dedicated apprenticeship support services, but a systemic shift of this nature may entice employers to re-engage in the apprenticeship and traineeship system.

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<sup>2</sup> NCVET, 2017. Apprentices and Trainees collection.

Data from Germany (figure 1) show that large employers are key drivers of their apprenticeship system. By contrast in Australia, apprenticeships remain the domain primarily small and medium enterprises.

Figure 1: Apprenticeships by employer size<sup>3</sup>



National employers can play a demonstration role across industry by increasing apprenticeships and traineeships in their staffing and skilling strategies, however the proposed funding model may work against this. The project-based model through each jurisdiction would require these employers to engage individually with each jurisdiction. And as each jurisdiction would likely pursue their priorities in different ways, the task becomes more difficult.

Governments could agree to pool funds to support national employers. Recognising that national employers prefer to work through one training organisation, consideration should be given by individual jurisdictions to support cross-border delivery by a single provider. Alternatively, a network of providers, including group training organisations, could operate under agreed funding and conditions. TAFE institutes, as the only network of training delivery covering all of Australia, are well placed to implement this model. TDA has the capability to facilitate this collaboration and would support governments to ensure greater national consistency and outcomes for the fund.

TDA supports the proposals for apprenticeship and cadetship schemes at higher VET qualification levels. As a network of providers, TAFE institutes can assist in developing and deploying these new models in consistent ways across the nation, building on the experience they gained during one of the major higher apprenticeship pilot projects. Facilitation funding to TDA would enable these models to be implemented efficiently.

**Recommendation 4:** That the Government guarantee the funding estimated for the Skilling Australians Fund, establish a national pool of funds to support national employers to engage apprentices and trainees, and fund TDA to facilitate the development and roll-out of higher level apprenticeships.

<sup>3</sup> Australian data are from Pfeiffer, H. 2016. Firms' motivations for training apprentices (NCVER); German data are from BIBB. 2015. VET Data Report.

## Establish a Regional Economic Training Fund

TAFE institutes play an important role in regional and rural communities as a focal point for training and higher learning that support the unique requirements of local industry and grow jobs. A targeted fund in the order of \$400 million over four years would provide much needed funding for TAFE industry experts to work with local employers and the community to develop skills-based growth plans, including new production and service technologies to businesses. Each campus can leverage the network of TAFEs to access experts in relevant areas. Importantly, training can be packaged and delivered to suit the unique circumstances of the bush.

*TAFEs in regional and rural communities have close working relationships with local businesses and understand what skills they need to grow.*

This fund would be designed to complement the current available training funding for qualifications. TAFEs (and other regionally based providers) would be asked to submit proposals that outline the value to the local community, especially in growth through diversification and production innovations in local businesses.

The fund would build confidence in local communities, open job opportunities for local citizens, and offer viable post-school training options, particularly for young people who may not wish to leave home to pursue a university experience in the city.

TAFEs are ideally placed to design this approach and build this model. TAFEs in regional and rural communities have close working relationships with local business and understand the skills they need to grow.

**Recommendation 5:** That the Government establish a regional economic training fund for access by TAFEs on application to develop locally relevant skills and economic initiatives that strengthen regional Australia and offer viable post-school training options for members of the community.

## Build the capabilities of VET teachers

Governments need a higher level of assurance of the capabilities of vocational education practitioners, so industry and the community can be confident that the sector is able to deliver the skills needed for the future. Practitioners need to meet the needs and expectations of diverse cohorts: workers with increasingly sophisticated skills and capabilities, young students needing to prepare for the range of jobs they will hold over their working life, and those wanting to catch up on learning. The work of ASQA in implementing the recent changes to the Training and Education qualification is an important first step, however, more support is required for practitioners to further enhance their education and training capabilities.

*Practitioners must meet the needs and expectations of diverse learner cohorts.*

TDA proposes the establishment of professional body and support programs for VET practitioners.

The professional body would prepare and deliver professional development opportunities and encourage ongoing development and peer-to-peer support. Apart from building expertise in course design and education and training andragogy and delivery, the body could develop specific focus on industry engagement and analysis, or on approaches to dealing with student priorities such as mental health and well-being.

The body could be asked to define and measure quality VET teaching and assessment practice and be the avenue for feedback and improvement to current VET teaching and learning qualifications.

Findings of a recent Australian Research Council-funded research project recommends VET practitioners' capabilities be considered within a broader spectrum of VET and other professional qualifications. Specifically, VET teachers with higher level qualifications have improved teaching outcomes and more confidence<sup>4</sup>.

**Recommendation 6:** That the Government commit start-up funding to establish a national body to support the ongoing professional development of VET practitioners.

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<sup>4</sup> VET Teachers. Qualifications and Quality. <http://federation.edu.au/faculties-and-schools/faculty-of-education-and-arts/research/fea-research-groups/rave-researching-adult-and-vocational-education/current-research/research-project-addressing-quality-in-vet>

## Use TAFEs to deploy innovations and conduct applied research

The call for innovation, increased efficiency and the deployment of new technologies and approaches across the Australian economy requires a fresh approach from Australia's training system. For too long the sector has been used to respond to the current needs of the economy, rather than as an agent to drive change and support economic growth through highly skilled and capable graduates who bring new technologies to workplaces, or who can build their own

*TAFEs can offer the bridge to businesses to help them on the innovation journey.*

enterprise. To help Australia keep up with technology and bring innovation to life, a refreshed view of the role of the sector is needed. TAFE can act as the leader in this field. TDA proposes therefore a fund that would allow the sector to develop models, undertake case studies and build capabilities and

processes in these areas. The funding would focus on developing services to employers, particularly small and medium enterprises, and conducting applied research to help solve issues faced by businesses or industry sectors.

TAFEs are well placed to receive seed funding and to develop these new models and approaches. In addition to their depth of expertise and engagement with industry, as publicly owned entities they have a mission to serve communities and industries.

The OECD sees innovation as mainstream and far more than new ideas. It measures product, process, marketing and organisational innovation as the building blocks of innovation. This was the backdrop for TAFE Directors Australia sponsoring the LH Martin Institute study mission of senior TAFE and University officials to The Netherlands and Italy in early 2017. The mission and its report (<http://www.lhmartininstitute.edu.au/documents/publications/lhmi-tda-report-2017-prf07.pdf>) demonstrates the potential for TAFE to contribute directly to innovation.

TAFEs deliver industry relevant skills, particularly high level technical and business skills, in close partnership with business and employers. Senior TAFE practitioners and leaders bring a unique blend of education and training expertise with a deep knowledge of industries. TAFEs can offer the bridge to business to help them on the innovation journey.

Canada also presents as a relevant case study.

Public colleges in Ontario are mandated, through regulation, to establish close links with local employers in each programme area<sup>5</sup>. As a result, student involvement in applied research is an integral part of each course. This equips the student for a dynamic, disruptive, but innovative economy.

Research funding is available to these colleges through the federal National Sciences and Engineering Research Council for projects that involve applied research and have promising commercialisation prospects. Private investment in college research has increased substantially (59 per cent) as a consequence.

The House of Representatives' Standing Committee on Employment, Education and Training's Inquiry into Innovation and Creativity recommended this approach to applied research, as follows:

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<sup>5</sup> Government of Ontario. 2003. Minister's Binding Policy Directive for Programs of Instruction.

The Australian Government consider the merit of adopting elements of Canada's Applied Research and Innovation Services model with a view to strengthening connections between vocational education and training providers and small- and medium-sized enterprises via a \$50 million fund over four years which is specifically targeted at funding collaborations between the VET sector and business<sup>6</sup>.

**Recommendation 7:** That the Government establish a fund that would allow the TAFE network to build services to employers, particularly small and medium enterprises, to innovate their production, services and business processes, and conduct applied research to help solve issues faced by businesses or industry.

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<sup>6</sup> Standing Committee on Employment, Education and Training, May 2017.  
[https://www.aph.gov.au/Parliamentary\\_Business/Committees/House/Employment\\_Education\\_and\\_Training/Innovationandcreativity/Report\\_-\\_Innovation\\_and\\_creativity](https://www.aph.gov.au/Parliamentary_Business/Committees/House/Employment_Education_and_Training/Innovationandcreativity/Report_-_Innovation_and_creativity)

## Establish an Offshore Partnership Development Fund

Governments across the world, particularly those with emerging economies, are recognising the critical role that high functioning VET systems play in developing skilled and agile workers, to be globally competitive, or to access opportunities in global supply chains. Many countries and overseas businesses continue to look to Australia for guidance in developing the skills of workers

*Australia risks being overtaken by other countries if we do not act.*

through formalised vocational education and training. VET providers, including TAFEs, may offer such support but it comes at a cost and with risk. To manage these risks the offer is often constrained, which opens it to be outbid by other

countries or training institutions. The Government can help by making a development funding available to pursue business development opportunities. TDA would welcome the opportunity to work with the Government to design and establish a model. Australia is foregoing market opportunities for lack of this investment funding.

TDA manages frequent requests for support in capacity building of international VET systems, addressing areas such as quality assurance, industry engagement, curriculum development, institutional governance, and development of training workforces. Often these requests are large-scale projects that require coordinated responses from a group of TAFE institutes, as well as other players in Australia's training system, including government.

These processes come at a cost, and without financial support Australia loses access to larger-scale VET programmes offshore. While TDA and individual TAFE institutes have the capability, Australia's capacity, reach and engagement in international VET activities would be strengthened by access to this funding.

Australia risks being overtaken by other countries in this regard. The United Kingdom has launched a new UK Skills Partnership, a body aiming to actively and strategically promote the UK's technical vocational and training expertise globally<sup>7</sup>. The Skills Partnership initiative brings together the Association of Colleges, Universities UK and the Federation for Industry Sector Skills and Standards. The British Council also administers the annual *International Skills Partnership* programme, where UK-based organisations involved in skill development can access 2,000GBP to visit partner organisations, and a further 13,000GBP to execute project proposals.

The German Government enacts much of its international skills development activity through GIZ, which mobilises the strengths of the German system to respond to large scale opportunities such as the World Bank or Asian Development Bank, but also offers professional development and resource support to German institutions such as the Academy for International Cooperation.

**Recommendation 8:** That the Government establish an Offshore Partnership Development Fund of \$10 million over four years to invest in the coordination of Australia's response to large scale offshore skilling opportunities, to be accessed by TAFEs.

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<sup>7</sup> The Pie News, 11 October 2017

## Continue to build Australia's global skills reputation

Australia has been a long-term competitor in the World Skills Olympics. In 2017 Australia placed tenth overall in the competition in Abu Dhabi. TDA calls for ongoing guaranteed funding to World Skills Australia to lead Australia's engagement in World Skills and build our competitiveness across all categories.

Over 70 countries now compete in World Skills. Many view the competition as a means of benchmarking the expertise of their skilling system or to promote their training to off-shore clients. Developing countries tend to use the competition to spur improvement in their training approaches.

The World Skills model operates off world-class standards of excellence for skills and as such provides a benchmark for technical training in Australia's training system. Assured funding for World Skills Australia would allow it to work across the sector to develop competitors in these fields, but more importantly show to potential students the excellence they can rise to and the opportunities skills training presents.

As an advanced economy with an established training system we'd expect Australia to compete well, and it has, but it risks being left behind by other countries which are investing heavily in skills development. Australia had very few competitors in emerging skills fields which underpin our economic success in a global context.

*An investment in World Skills provides the opportunity to kickstart the renewal of VET in Australia.*

Fields included IT networks, mechatronics, poly-mechanics and automation, and prototype modelling.

Additional funding through World Skills could be directed to ensure we can compete in these important areas. Funding is also sought for a development programme across TAFE institutes, and potentially the broader VET sector, to grow awareness of these areas and promote talent for future competitions, in readiness for the 2019 competition in Russia and the 2021 competition in Shanghai.

An investment in World Skills provides the opportunity to lift the standing of the sector

A renewed focus in this area would also help position Australia to engage in export of technical skills training. While there has been strong growth in international students into the VET sector the growth has been in general VET courses, which may be due to the preferences of the students or because they are a pathway to university. The low proportion of overseas students in skills-focused technical and vocational skills is a lost opportunity for Australia, including as a diplomatic strategy to assist developing countries establish the skills of their workforce.

**Recommendation 9:** That the Government assure stable and long-term funding to World Skills Australia as a means of building Australia's reputation for high quality training and skills to support export opportunities.



## Extend the New Colombo Plan to TAFE higher education students

The Australian Government's New Colombo Plan (NCP) should be made available for higher education students of TAFE institutes. The NCP enables Australian undergraduates to study and undertake internships in the Indo-Pacific region. Since it started 2014, over 15,000 students

*About 6,000 TAFE students are unable to benefit from the NCP.*

studying at Australian universities have participated in transformational opportunities internationally, and universities have been able to use the programme as a marketing tool to increase their student share. The programme is also being promoted by Australian missions offshore as a key social and economic

diplomatic tool, highlighting to partner governments the commitments that Australia and Australian universities have to reciprocal and mutual partnerships in our neighbouring regions.

Australian TAFE institutes and their students are unable to gain any of the benefits from the NCP.

There are around 6,000 students studying bachelor degrees at TAFE institutes at any point in time. Eleven TAFE institutes offer bachelor degrees, which are in niche, but critical areas, such as music production, fashion design, applied engineering and early childhood. These students would greatly benefit from the transformational opportunity that the NCP affords individuals. TAFE institutes would be able to attract students to their programmes with the possibility of an international experience.

**Recommendation 10:** That the Government extend the 2018 New Colombo Plan to higher education students of Australian TAFE institutes.