

**Robert A Ward**

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2017 Australian Foreign Policy White Paper  
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E: [dfat.gov.au/whitepaper](http://dfat.gov.au/whitepaper)

**AIIA Member Submission to 2017 Foreign Policy White Paper  
re Vocational Education and Training (VET)**

Dear Jan,

At the AIIA-sponsored forum on the *2017 Foreign Policy White Paper* conducted in Melbourne last week, you and Kurt Hockey talked about Australia's foreign policy interests in the broadest terms while also recognising the need to make choices and to prioritise those aspects that will optimise Australia's physical and economic security for the next decade and beyond. To distill all this into a 100-page document described by Foreign Minister Julie Bishop as: "a philosophical framework to guide Australia's engagement, regardless of international events" will indeed be a challenge and I wish you every success.

My interest revolves around education as an effective foreign policy lever for enhancing Australia's reputation for lifting the aspirations of potentially millions of people, not only in our own region but in Africa, the Middle East and South America. While much of the focus to date for attracting international students to Australia has been on secondary and higher education, little has been done in the area of traditional vocational education and training (VET). Moreover, there is increasing demand worldwide for skills that reflect the digital age, new technology and innovation (eg robotics, 3D printing, etc) and the related need to service and maintain sophisticated technical equipment such as used in the automotive and healthcare sectors.

My concern is that for Australia (via its universities, TAFEs and RTOs) to successfully deliver VET services on the scale envisioned calls for a national 'Australia Inc' strategic approach appropriately structured and populated with outstanding management talent and teaching staff. Most importantly, it calls for an execution/delivery model that builds Australia's reputation as 'best in class' in this vital area of education.

Questions that need to be addressed include:

### **1. Is the current Australian VET model fit-for-purpose?**

The various stakeholders (particularly government) keep working around the edges but not addressing whether the current model we have is appropriate. Most of the debate is around funding. Each of the States have their own version of what is best but there is no harmonised effort to build an Australian brand when promoting our education offerings to new customers.

### **2. What about overseas markets?**

Parts of Australia's VET system have already been adopted in other regions of the world for very good reasons. But if the current VET model is not right, then what does that mean for them?

It could mean that we lose huge markets as somewhere else in the world starts selling a better model. Or if we do transition, it could create a unique opportunity to assist those other countries undertake the same transition. In short, a big risk not to be dismissed lightly.

### **3. Is Australia's VET governance appropriate?**

This aspect needs to look at the Commonwealth vs the States for the broader VET spend, or else look at the way governance structures are changing in other jurisdictions:

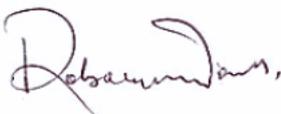
- Most Australian States are moving (or have moved) to a consolidated governance and management model.
- Over the last two decades the number of Australian VET services institutes (mainly TAFEs) has shrunk whereas in the UK, they are moving to an increasingly 'devolved localism' model. Some research lauds the merits of centralisation, whereas TAFE/polytechnics equivalents in the UK, Canada, the USA and elsewhere are adopting devolved models.

### **4. What is the responsibility of industry in the training system and how does that interact with the responsibilities of government?**

Recent attempts to shift to a purely demand-driven market system has failed miserably. Instead of a demand-driven system we have ended up with a supply-driven model that has been open for rampant abuse. Students still struggle to make informed decisions about their training choices, but should industry have been wiser? Have they been conditioned over time to be overly passive in the relationship between employer, student, provider and government?

Thank you for your consideration of this submission.

Yours sincerely,



Robert A Ward