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## What could be the big leap forward for Australia's policy on skills?

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### **Professor Peter Noonan's background paper released ahead of the TAFE Directors Conference 2015.**

Before considering the next big leap forward for Australia's policy on skills, perhaps we should take a step back and first ask some fundamental questions about the objectives of skills policies in Australia and whether they are currently being realised.

The current objectives are set out in the separate National Partnership Agreements for Skills and Workforce Development and Skills Reform.

The objectives are broadly framed and include: improved workforce participation, raising skills levels, meeting the needs of a changing economy, addressing disadvantage and improved intersectoral relationships. These are all unarguable and long standing objectives for the national VET system. They are in large measure to be achieved through a VET entitlement.

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In practice however these objectives are being reduced to an increasingly narrow set of outcomes. VET course funding models and subsidy levels are increasingly linked to priorities based on dubiously assessed public and private value as a rationing mechanism within a declining funding base.

The continuing incapacity of the sector to properly address major quality issues and the continuing problem of poor completion rates adds to the poor alignment between system objectives and system level outcomes. Outcomes for many students fall well short of what should flow from an well constructed, properly funded and effectively delivered entitlement.

So my first leap forward is in fact to take a step back; to critically assess the effectiveness of current funding, regulatory and pedagogical approaches in VET against the current national objectives.

However this is not an argument for a return to dated approaches - on the contrary, ambitious thinking is required, including in the areas outlined below.

## Critical areas

### The nature of skills

The kinds of skills, knowledge and capabilities required for the modern labour market, and for effective economic and social participation, are presently not well represented in Australia's dated model of competency based training.

As some of us have long argued, we need to move beyond a conception of competence as just a set of occupationally related skills to one where those skills are embedded in a broader notion of individual competence (or capability).

This is not just about individual outcomes or a re-run of the tired industry versus educational needs debate. Its about the kinds of skills and capabilities employers themselves have continually identified in studies on key competencies, generic and employability skills.

Individual competence is inherent in the effective integration of theory and practice for specific occupational roles and is essential for more successful and sustained workforce participation, for the acquisition of new skills and to innovation in the workplace.

## Funding

As the Mitchell Institute has demonstrated in successive reports, there is a growing gap between VET funding on one hand and higher education and schools funding on the other which must be addressed.

However there is no point in just putting more money into the current VET funding model: it needs to be realigned with broad VET policy objectives.

If we are really serious about improving workforce and social participation, we need to think much more carefully about the purpose of public funding. We need to refocus funding to help individuals to acquire and renew the skills they need in the modern workforce (on a similar basis to the Schooling Resources Standard) rather than on the dubious assessments of public and private value that increasingly drive the allocation of VET funding.

There is also a need for a resolution of the renewed debate about Commonwealth and State roles in VET funding including serious consideration of the Commonwealth assuming full funding responsibility.

However there is little point in just transferring VET funding to the Commonwealth under the current funding model. We need to move to an integrated tertiary education funding model, including a common and consistent system of income contingent loans to ensure equity of treatment across different learner cohorts.

## Reconceptualising tertiary and vocational education

Perhaps the biggest leap forward in skills policies is to re-assess the nature of VET as it now constructed. Is VET just a set of defined qualifications delivered through a specific sector, or could VET be a broader construct encompassing vocationally oriented qualifications in schools, VET and in higher education?

We could quite radically re-think qualifications spanning upper secondary VET and HE and the ways in which students transition through senior secondary and the early years of tertiary education. These transition points are historical in nature and bear little relationship with how young people want to engage in learning, can acquire new knowledge and actually engage in the labour market.

The VET sector could play a crucial role in delivering a broader span of vocational qualifications either as a full provider in its own right or through partnerships with schools and higher education.

## Redefining the role of public providers?

Too much of the rhetoric about the role of TAFE as the public provider is based on assertions about its value and roles and its legacy reputation.

Rightly or wrongly, institutions of all kinds have to earn and continually re-earn their reputations, be they public or private organisations, brands or social institutions. I strongly believe in the intrinsic value in public institutions in terms of their capacity to meet public needs and the public interest. But we must first understand what these public interests are, ensure they are met and demonstrate how they have been met.

The public value of TAFE can't just be reduced to a set of community service obligations purchased by government. But nor can the public interest just be a series of assertions, based mainly on the values and assumptions of those who work in TAFE or by peak bodies. The same holds true for the other sectors of education.

Individual institutes must be very clear about their purpose and their distinctive contributions in plain and tangible terms relevant to the communities and industries they serve. This requires more than just facile stakeholder engagement and template mission statements. Where it is relevant, we must also be clear about how TAFE systems add to this value, as it is at the individual institute level that public value is actually delivered.

This does not mean that the role of TAFE is purely reactive to current community and industry needs and perceptions or that it can't drive its own future. On the contrary a key aspect of creating public value is challenging, stretching and changing perceptions and creating new, different and dynamic organisations.

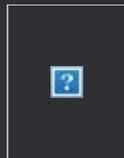
This includes new roles and new organisations for TAFE in a reconceptualised tertiary education system and in reconceptualising vocational education itself.

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