

AN INDUSTRY-LED SYSTEM: ISSUES FOR POLICY, PRACTICE AND PRACTITIONERS

REPORT 7—INTEGRATING REPORT

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OVAL RESEARCH WORKING PAPER 03-07

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ISBN 1 920698 81 7



THE AUSTRALIAN CENTRE FOR ORGANISATIONAL, VOCATIONAL AND ADULT LEARNING
A key national centre supported by the Australian National Training Authority

This report is one of six reports produced as a result of the project *An industry-led VET system: Issues for policy, practice and practitioners*.

Chappell C, Hawke G & Schofield K *OVAL Research Working Paper 02-11: Report 1: Issues for policy, practice and practitioners* (The development of a scoping paper that outlines contemporary changes impacting on an industry-led VET system)

Schofield K *OVAL Research Working Paper 03-02 Report 2: Issues for policy* (Analysis of interviews with key stakeholders in Australian VET policy)

Chappell C *OVAL Research Working Paper 03-03 Report 3: A World of difference* (An analysis of interview data from TAFE staff and employers)

Hawke G *OVAL Research Working Paper 03-04 Report 4: The experience of teachers and learners* (An analysis of survey data from TAFE teachers and learners)

Dumbrell T *OVAL Research Working Paper 03-05 Report 5: VET practice and practitioners in private/ community Registered Training Organisations* (An analysis of survey & interview data from non-TAFE Registered Training Organisations (RTOs))

Melville B *OVAL Research Working Paper 03-06 Report 6: Profiles of participating TAFE Institutes* (Demographic profiles of the four partner TAFE Institutes)

Chappell C, Hawke G *OVAL Research Working Paper 03-07 Report 7: Integrating report*

All reports are available from www.oval.uts.edu.au

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ABOUT THE PROJECT

In 2002 OVAL Research UTS, in negotiation with the Australian National Training Authority (ANTA) undertook a research program with the title *An industry-led VET system: Issues for policy, practice and practitioners*. The rationale that underpinned the research was that while an industry-led VET system has been central to Australian vocational education and training (VET) reform for well over a decade, significant changes to work and the organisation of work together with new conceptions of skill, knowledge and learning had also occurred. What all these changes might mean for an industry-led VET system was therefore seen as an important question in terms of the future development of Australian VET.

A notable feature of the project was the involvement of eight practitioner-researchers working in the four TAFE institutes as project partners. These four institutes: (West Coast College of TAFE (Western Australia); Adelaide Institute of TAFE (South Australia); South Western Sydney Institute of TAFE (New South Wales) and Bendigo Regional Institute of TAFE (Victoria) are profiled in Report 6—Profiles of participating TAFE institutes. The involvement of the practitioner-researchers began with a start-up research workshop where the rationale of the research and the research instruments (surveys and interviews) to be used by the practitioners in their institutes were jointly developed and refined. On-going support was also encouraged with an OVAL Research project officer taking prime responsibility for communication and support. The project team greatly appreciates the involvement of the institutes and in particular the dedication of the practitioner-researchers in undertaking the essential fieldwork.

The project chose three industry sectors as its focus:

- Information Technology (IT)
- Tourism & Hospitality (T&H)
- Manufacturing

The rationale for selecting these industries was that IT is often characterised as an industry of the ‘new economy’ and has no tradition in terms of the vocational training of its workforce. Tourism & Hospitality on the other hand has an established tradition of vocational training and is a service industry employing large numbers of workers. By way of contrast, Manufacturing is often characterised as an ‘old economy’ industry. While it has a strong tradition of vocational training it is not an industry in an expansionary phase in terms of employment.

To provide both contrast and context, the study also considered practitioners and practice in areas that are pre-vocational or cross industry and which are designed to produce more general cross industry and generic and employability skill outcomes.

Overall the project resulted in a number of related reports:

Chappell C, Hawke G & Schofield K *OVAL Research Working Paper 02-11: Report 1: Issues for policy, practice and practitioners* (A scoping paper that outlines contemporary changes impacting on an industry-led VET system)

Schofield K *OVAL Research Working Paper 03-02 Report 2: Issues for policy* (An analysis of interviews with key stakeholders in Australian VET policy)

Chappell C *OVAL Research Working Paper 03-03 Report 3: A World of difference* (An analysis of interview data from TAFE staff and employers)

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Chappell C, Hawke G *OVAL Research Working Paper 03-07 Report 7: Integrating report*

These detailed reports that outline the various components of this research program are available on the OVAL Research website (www.oval.uts.edu.au).

Finally we wish to acknowledge the contribution of all of the individuals in the Australian VET community who gave their time so willingly during the course of this research program.

INTRODUCTION—A WORLD OF DIFFERENCE

The concept of an ‘industry-led’ system within the Australian VET context is not new. Indeed the Australian vocational education and training system was originally initiated by governments as a result of intense industry lobbying at the turn of the last century. Industry at that time led the call for governments to address critical skill shortages in the emerging Australian economy arguing that the school system was inadequate in terms of meeting the skill needs of industry (Goozee 2001).

Technical and Further Education (TAFE) (and its antecedents) was founded on supplying Australian industry with middle level skilled and semi-skilled workers. It was however based on public provision with industry playing a subordinate role to government in terms of influencing the direction and development of the VET system. In the nineteen seventies the role of TAFE was also expanded to include broader social and educational goals including increasing access and equity to education and training, particularly for disadvantaged groups.

However in the late nineteen eighties governments initiated reforms to the VET system which were designed to increase industry involvement in VET (MEST 1995). Today this industry involvement has resulted in:

- Competency-based VET programs, built on industry defined occupational standards and national qualifications, identified in nationally endorsed Training Packages
- The national recognition of training, important in a country fragmented into eight states and territories
- Nationally recognised qualifications that are quality assured
- An increase in pathways between different educational sectors and between education and employment.
- A robust training market comprising public, private and community providers offering real choice a wider range of programs to clients, which helps ensure that the supply of training programs is cost-effective and relevant.
- Flexible delivery methods being embraced through a range of approaches including the application of new learning technologies that aim to provide the training that employers and learners want, when they want it.
- VET programs being more highly accessible to learners and available throughout Australia either through face-to-face learning, self-directed learning or distance learning including e-learning.

In the Australian context, the impact of moving from a provider-led and educationally focused system to an industry-led labour market focused system has been generally positive. Providers now have a better understanding of the needs of their clients – employers and individual learners and are far more responsive to the requirements of employers and industry bodies. They have learned how to build close relationships with local industries. They are less institutionally bound and more able to offer VET in workplaces and the community. They have become more innovative and creative.

There have been practical benefits to employers and workers. Workers who traditionally had no access to structured training can now do so and qualification pathways have opened up. Greater numbers of individuals now have portable, nationally recognised qualifications.

Employers also have a supply of workers whose skills are aligned with employer-defined needs. They have greater choice of structured training, primarily through a larger range of providers in addition to TAFE and more flexible approaches to technical and further education within the publicly funded training system.

However, since the initiation of these reforms there have been a number of significant changes in the labour market. Now new patterns of employment have emerged. New kinds of work and work organisation have appeared and new ideas concerning skill, knowledge and learning have come to the fore, all of which raise new questions concerning the operation of VET.

This synthesis report brings together the key findings from all stages of the research and outlines the key issues for contemporary VET policy, practice and practitioners that emerge. The report then returns to consider the key questions that informed the analysis. The report also sets out a number of issues for the future that need to be addressed.

Overall this study suggests that VET providers increasingly operate within a world of difference created by the varying needs, expectations and priorities of industries, enterprises, local employers, learners, differences between national, regional and local training needs and finally variations in the goals and purposes set for the Australian VET system.

For example in this study the intent of developing an industry-led system was understood by participants as:

- Improving the relevance to employer requirements of the skills possessed by graduates
- Improving the match between the outputs of the VET system and the requirements of the labour market
- Achieving a workforce who can do what employers need to be done
- Creating a more active and ongoing dialogue between VET and industry, and
- Industry taking a greater responsibility for the education and training of its workforce.

Our research reveals that the an industry-led VET system which:

- defines the vocational outcomes required for work, and
- informs the sector of its changing training needs

is regarded as the most useful contribution industry makes to VET.

Nonetheless, the research emphasises that VET providers also work with local employers, enterprises and communities, many of whom have different priorities and perspectives than those offered by national industry bodies.

Moreover, local and regional relationships are increasingly important drivers in terms of VET innovation and the continuing evolution of the Australian VET system.

Finally, the VET system also pursues important social goals that, although not a priority for or of immediate interest or relevance to industry, have been identified and targeted by governments.

THE CONTEMPORARY CONTEXT – WHAT’S NEW?

Learning is what most people will be doing for a living in the 21st Century
(Perelman, L J 1999 President Kanbrain Institute)

A changing environment

Much has been made in the literature of the emergence of new forms of work and work organisation in contemporary economies, together with changing conceptions of skill, knowledge and learning. These developments have produced an environment characterised by much greater diversity than that which previously informed policy and practice in Australian VET. Today rapid change has become the hallmark of industry, the labour market, work and work organisation more generally. Moreover the concept of skill has broadened considerably, with a much greater emphasis being placed on ‘generic’, ‘soft’ or ‘behavioural’ skills rather than on the ‘technical’ skills that once defined the role of VET in the Australian skill-formation system.

At the same time, new developments in learning theory have important implications for vocational learning including increased interest in ‘situated’, ‘organisational’ and ‘productive’ learning. These developments appear to promote learning at work as the most authentic, relevant and useful form of vocational learning. These ideas are also closely linked to new conceptions of knowledge and the increased focus on the importance of ‘knowledge work’ and the ‘knowledge worker’ in contemporary economies.

There has also been renewed interest both here and overseas in the relationship between policy development at the national/state level and policy implementation at the local level (Culpepper 2000, ILO 2002)

In Report 1 we examined these issues by attempting to answer the question ‘What is new about work, skill, knowledge, learning and public policy?’ This work was undertaken firstly, to identify how these changes and new ideas intersect with the concept of an-industry-led skill formation system and secondly to consider what all this might mean for VET policy, practice and practitioners.

The main findings of that examination provided the backdrop for the empirical stage of the research program which was designed to gain insights into what was happening ‘on the ground’ by investigating the ways in which VET providers and stakeholders are responding to these changing circumstances and ideas. Specifically it focuses on examining what an industry-led VET system means in the contemporary context of change from the perspective of VET providers, employers and policy stakeholders.

Each component of the project is used to inform and challenge the findings of the others. This integrating report is the result of this activity.

KEY FINDINGS

The different approaches and information sources that formed the bases for the various aspects of this project produced a complex — and sometimes contradictory — picture of contemporary VET and its relationships with industry. Nevertheless, evidence from this research project point to a number of key findings regarding current and future developments in the contemporary VET system.

- The promotion of **an industry-led VET system** has produced significant gains for Australian VET
- Increasingly **local /regional relationships** based on partnership and collaboration are central elements in VET program planning and delivery, and
- **Social policy objectives** remain important elements in VET provision.

An industry-led system and VET

Australian industry, represented by national peak industry bodies, greatly influences VET providers. In particular, industry leadership in the areas of specifying vocational outcomes and advising on future training needs is now widely recognised by VET stakeholders as the major contribution industry makes to the VET system.

Our research reveals that there is general agreement from all VET stakeholders included in this study that the reforms of the last 10 years have substantially increased the involvement and influence of industry in VET. Indeed, with only a few exceptions, the response of stakeholders to the reforms are positive. The VET system is now regarded by most as more responsive to client needs and more flexible in terms of delivery. Greater choice, the extension of vocational qualifications to greater numbers in the workforce and the portability and national recognition of these qualifications are all seen as major improvements to Australian VET.

Perhaps most importantly stakeholders, irrespective of location within the VET system, nominate industry leadership in the development of competency standards and training packages as industry's most important and influential contribution to contemporary VET.

However the recognition of this central role of industry is also complicated by the fact that the concept of an industry-led system is understood differently by different players. Moreover these different understandings are in many ways an outcome of the increasingly complex and multifaceted sets of relationships that exist among VET stakeholders. For example at the local level employers and enterprises often have expectations of providers that move beyond those determined at the national level. These different expectations create different types of relationship that are often more collaborative in nature involving the development of local partnerships between VET, local employers and other stakeholders.

Even here, the dynamics of the relationship vary depending on the nature of the collaboration. In some cases for example, the provider is delivering a commercial training product to an employer. However, on another occasion they may be asking the same employer to provide work placement opportunities for learners undertaking publicly funded courses. These relational differences among VET stakeholders not only influence the dynamics that exist between providers and their core clients and constituencies, but ultimately shape the operation of the VET system as a whole.

As a result of these differences, acknowledgment of leadership by industry in the area of specification of vocational outcomes and future training needs does not mean that the majority of stakeholders regard the current Australian VET system as being industry-led.

Indeed many of the stakeholders involved in this research were reluctant to describe the VET system as being industry-led. The reasons given for this reluctance vary considerably but are, for the most part, dependent on the particular location of the stakeholder in VET and the relative importance given to the various roles and responsibilities given to the VET system.

In fact, this research suggests that, at the local level, terms such as *partnership* and *collaboration* are more common expressions of the relationship between VET providers and industry than leadership.

Our research has found that the concept of an industry-led system is understood very differently by different players. Moreover these different understandings in many ways are the result of the complex and multifaceted sets of relationships that exist among VET stakeholders. Differences in understanding are found:

- between and within industry sectors
- between different employers and enterprises, and
- between VET providers and policy makers.

Many employers in industry sectors that continue to have a ‘trade’ tradition and who employ qualified tradespeople remain committed to an ‘apprenticeship’ model, which in many ways is still regarded as the process of inducting learners into the trade rather than into the industry. Indeed this research suggests that many small employers in these industries see their role as working with VET providers to maintain the integrity of the trade qualification.

By way of contrast, in other industry sectors such as business and information technology where work is dispersed across many different enterprises and businesses and where there is no apprenticeship tradition the relationship with the VET system is different. Here local employers and businesses are much more concerned with the VET system delivering VET courses that meet their specific and immediate needs. In short their interest in VET is on building the capabilities of individuals within their workforce rather than developing the workforce skills of the labour market. Indeed, many do not identify at all with the “industry” that defines “their” qualifications.

Consequently the leadership provided by different industry sectors is highly variable in terms of their involvement and interest in VET. These different positions, *viz a viz* the purpose of training, influence how and in what ways employers become involved in the planning and implementation of particular vocational learning programs at the local level. For a significant number, vocational education and training remains primarily the responsibility of providers (“*they’re the experts*”). Others regard VET more as a shared responsibility.

Either way, VET providers in this study highlighted the considerable efforts they make to get local employers more involved in training. Indeed this research reveals the extensive work VET providers now undertake to persuade local employers to assist in the integration of learning and work demanded by nationally endorsed industry training packages. This includes:

- greater integration of on and off-the-job training
- finding and managing work placements, and
- making authentic assessments of workplace competence.

In this context VET providers often have to overcome the perspective of many employers at the local level who do not see this involvement as having anything to do with their core business or believe that they have the time or resources to become involved.

Small employers and small to medium enterprises (SMEs) also highlighted the issue of representation, arguing that — for a variety of reasons — they feel that the needs of big business

hold more sway than the needs of SMEs in the work of peak industry bodies. Often small employers and SMEs feel they have little contact with, interest in, or indeed the resources to influence, the work of peak industry bodies. Furthermore they are often unimpressed with the content of training packages endorsed by their peak industry body. *(This issue of representation was also raised by some policy makers who question just how representative peak bodies are in reflecting the needs of all employers in the industry.)*

A number of VET providers are mindful of this issue noting that substantial numbers of local employers are unaware of the influence their peak industry body has on the content and assessment of VET programs.

Therefore VET providers often see themselves as brokers linking local employers with the broader training agenda pursued by peak industry bodies and governments.

Both public and private VET providers involved in delivering fee-for-service courses to businesses and local employers are well aware that such a relationship creates a quite different dynamic within the provider-client relationship. Commercial relationships are not seen as industry-led but rather employer or enterprise led.

Non-TAFE RTOs report that this commercial relationship is crucially important and represents a substantial component of their business. Indeed in some instances (Report 5) interest in commercial relationships by non-TAFE RTOs is such that they are now less involved or interested in delivering government funded vocational programs endorsed by peak industry bodies. Rather, they are looking to expand their commercial relationships with individual employers and enterprises. Moreover, within the increasingly business oriented TAFE system, commercial relationships with individual employers outside the national framework of industry-defined qualifications are also being more actively pursued.

As one policy maker pointed out, an additional complexity around the issue of an industry-led system is the inevitable tensions that arise in a system that is industry-led but which remains overwhelmingly government funded.

Governments are interested in developing the capabilities and skills of the labour market in general. Moreover this is regarded as particularly urgent in light of the changing nature of work and the contemporary labour market. Government interest, therefore, moves beyond the immediate needs and interests of employers or indeed specific industries and concerns itself with issues of transferable skill development, future skill needs, articulation, national recognition, quality, accountability, etc.

This in turn positions the VET system as an agent of government and bound to uphold the interests of government. At the same time it is also asked to meet the needs of industry.

This means that VET providers also act as brokers of government policy, explaining to employers why particular VET programs include learning outcomes that, from the employer's perspective, appear superfluous to their needs and don't include outcomes that they require.

In some senses, VET providers consider themselves as the major communication bridge between national industry bodies and government on the one hand and individual employers on the other.

Local /regional relationships and VET

As we noted earlier, much of the progress towards an industry-led system has occurred as a result of peak industry bodies becoming involved in national VET policy formulation, competency standards and training package development and national recognition of industry qualifications. However, the question of how and in what ways the realisation of an industry-led system can be advanced further has as yet not been subject to detailed investigation.

Evidence from this research project suggests that, although local/regional relationships between VET providers and other stakeholders are extremely diverse, they nevertheless have the potential to further integrate training with the world of work.

What distinguishes local relationships is that they are described by the stakeholders as being characterised by collaboration and partnership rather than by leadership

Interest in the local is now a feature of debate among VET commentators including public policy makers both here and overseas. For example the ILO Report *Learning and Training for Work in the knowledge Society* (2002) suggests that decisions on training:

... are best made at the regional, local and sectoral levels, close to economic demand and social needs. For example, decisions on training in an area of booming economic growth will differ greatly from those where deindustrialisation and job loss are prevalent. Such differences can be accommodated by developing training decisions closer to local realities
(ILO 2002 pp 21-22).

In many ways, this reflects a much wider public policy direction taken by governments particularly in Europe, which seeks to develop social partnerships and collaborations that are more responsive to local needs and conditions (Green A, Wolf A & Lehney T 1999). Overall, the intent of this policy direction is to devolve decision-making to local stakeholders who are seen as being in a better position to interpret and do something about the specific and contextual needs of local communities, economies and businesses.

In the UK for example, a Learning and Skills Council (LSC) consisting of a national body and 47 local councils has been established to support the development of *Learning Partnerships* (LPs). These partnerships are seen to ‘play a key role in developing and coordinating local learning provision that reflects the needs of the local community and business’ (<http://www.lsc.gov.uk>).

In Australia too, the establishment of social partnerships that can better address local needs has also been the subject of increasing interest in public policy circles. The Local Learning and Employment Network (LLEN) initiative in Victoria, for example, not only provides a framework to develop local social partnerships but also suggests that **innovation** in training provision is an important outcome of these partnerships.

The Local Learning and Employment Networks incorporate three key themes in the Victorian Government's commitment to education reform, these being:

- community building
- innovation, and
- development of infrastructure.

These three themes are inter-dependent and provide the foundation for community building through enhancing networks and partnerships. Taken together they indicate a significant shift of emphasis away from centralized decision making by government through institutions to one of

empowerment by communities through local decision through partnerships (<http://www.llen.vic.gov>).

As Seddon et.al (2002) put it initiatives such as these are attempts:

...to devolve decision making to the local level where action consequences are more immediate and more readily realised than in more centralised forms of governance. Working to secure mutuality of interests and reconciliation of conflicting interests among client groups then becomes the hallmark of mature service delivery (p 73).

Overall, these initiatives can be read as a retreat from the idea that national policies, which mandate common approaches to issues such as skill development and education and training, are in themselves a sufficient response to new economic conditions. As one policy maker remarked during this research.

The grand narrative is dead as a public policy mechanism. The world moves too fast and it moves in different ways and public policy is now a different beast to what it was in the mid 1990s even (Government official) (Report 2).

The reasons for this retreat from the ‘grand narrative’ are not altogether clear. However at least part of the reason may reside in the rapidly changing characteristics of the ‘new economy’ brought on by the globalisation of markets, new information and communication technologies and their impact on work, the organisation of work, skill, knowledge and learning outlined in Report 1. Although these changes are occurring, as Buchanan et al (BVET 2001) point out, their impact on different industries, workforces and regions as well as the new skills mix they require, is highly variable. This, therefore, limits our capacity to produce general policy responses to increasingly diverse socio-economic circumstances.

In this new policy context, collaboration and partnership are the hallmarks used to describe the relationship of the various stakeholders with each other. Furthermore, in the context of VET, the emphasis on the local also broadens the array of stakeholders that might be involved. Local industry, employers, enterprises, local and regional government, schools, colleges and universities, private training providers, government agencies and community groups are all potential contributors. Each has a role in the development and implementation of a coherent and integrated set of strategies that better address the education and training needs of the local community and economy.

To date in the Australian policy context, much of the progress in VET reform has occurred as a result of peak industry bodies becoming involved in national VET policy formulation. The emergence of local partnerships and collaborations as the vehicle for further reform to the VET system is a significant departure from the past. Indeed if this new direction has merit, it suggests that the central question for policy makers is now:

How, and in what ways, can a focus on more local and collaborative arrangements of VET provision be achieved without losing the gains of the last decade?

Evidence from this research suggests that there are grounds for believing that the conditions for effective local learning partnerships already exist.

There is widespread agreement among many employers and VET managers that the relationship between VET and industry needs to be based on collaboration. Indeed one of the main reasons interviewees were wary of describing the VET system as industry-led was that it failed to reflect the ways in which VET providers, local industry and enterprises actually work together.

Many employers looked to VET for leadership in vocational teaching and learning, arguing that this was not their core business or an area in which they had expertise or interest. They see the role of employers in VET as providing VET with information regarding their specific skill needs and for VET to deliver relevant programs that suit the needs and constraints of business.

The reported views of many stakeholders indicate that the strongest relationship between VET providers and ‘industry’ is at the local employer - provider level. Many of the VET providers interviewed are already engaged with local employers in designing and delivering innovative programs that meet their specific needs. VET providers also work with local employers, job placement agencies and community groups in designing and delivering education and training programs tailored to the particular needs of the local community. Links are being made at the local level with schools, TAFE colleges and universities and all VET providers use both formal and informal networks to consult with various local representative bodies. Most TAFE teachers have their primary contact with individual local employers or groups of employers and receive their knowledge of industry’s needs through their informal (local) networks.

VET providers are also well aware of new learning theories that promote ‘workplaces’ as the most powerful and authentic sites for vocational learning. Indeed they rely on the existence of collaborative partnerships with local employers. Providers are now, more than ever, dependent on employers providing opportunities for VET learners to experience work as an integral part of their VET program, learners that are often not on the employer’s payroll.

For all these reasons, VET providers not only actively develop and maintain good working relationships with employers, but ‘sell’ the idea of work placements to them. This involves explaining the rationale of work placements but, as reported by many VET managers, also demonstrating to host employers the value they may gain from such placements. In many ways therefore:

VET providers act as brokers, balancing government policy requirements and the varying interests and expectations of employers. Indeed some act as human resource consultants to local businesses and employers who may not have the skills required to identify training solutions for their business.

Social policy objectives and VET

The data suggests that industry leadership at the national level and employer collaboration at the local level are now major influences on VET provision. TAFE institutes and non-TAFE RTOs are now much more conscious of the role industry plays in the VET system and are more proactive in terms of trying to meet the needs of industry both at the national level and at the local and regional level.

This focus on the role of industry, enterprises and employers has produced significant improvements in terms of the design and delivery of relevant, flexible vocational learning programs that meet the explicit needs of these client groups. Given the effort involved in achieving these improvements, it is perhaps easy to see why other clients of the Australian VET system have not been the focus of so much attention in recent times.

However this research has highlighted the fact that the VET system and TAFE in particular, continues to serve a large client group that, for one reason or another, enters the VET system in order to gain qualifications that enable them to change their career trajectory (Report 4).

Serving this client group is particularly demanding for VET providers. Contemporary programs increasingly demand work experience as integral to the achievement of vocational learning outcomes. Finding suitable work placements and employers willing and able to host these placements takes up considerable resources and relies on the provider having good relationships with local employers and the community.

However, many providers report that to get the best out of work placements they must ensure that the learning that takes place is not only of benefit to the learner but also the host employer. Only in this way can they maintain and expand the pool of employers who are willing to participate. Many learners, they report, are difficult to place as the additional effort and responsibility that employers must make is unacceptable to them. Learners with disabilities were especially noted in this regard.

In many ways the role of VET providers in this situation is not to meet the immediate needs of employers—often they may have no need for more skilled staff. Rather, the role of VET is to contribute to developing the skills of the Australian labour market and/or community as a whole.

As a result, the development of good relationships between local employers and VET providers is now pivotal to increasing the skills pool of the national labour market. However, this is a shared responsibility that requires an industry commitment beyond their immediate needs.

A second major client group served by the VET system includes those individuals and social groups who are believed to be of greater risk of social and economic exclusion. These groups include for example people with disabilities, the long-term unemployed and indigenous Australians. Generally these types of education and training initiatives are funded by governments and are driven, at least in part, by the view that participation in education and training can overcome or ameliorate the social and economic disadvantages experienced by these groups.

VET providers involved in this area of provision recognise that what they do is different in terms of direct industry involvement. Many of these programs are not directed at a particular industry but are designed to produce general employability outcomes for particular individuals and groups.

Although these types of courses often have no special relationship with any particular industry, they often involve work experience components, which once again rely heavily on the provider having good relations with local employers in the community.

Much of the work of the staff again involves finding local employers who are willing to participate in these work placements; placements that may well be particularly demanding. More often than not these specialist programs also rely on the provider being part of a local community network, which includes local government agencies, advocacy groups, chambers of commerce and other education and training providers.

The success of these programs is highly dependent on VET providers having the active support of community network of interested stakeholders.

Other VET programs reported in this study are not designed for the purpose of immediate entry into work but rather entry into education. Such courses enable people who for one reason or another are ineligible for standard entry into programs in VET or higher education, to gain entry on completion of the course. In these instances collaboration can be with other parts of the VET system or with universities.

This research uncovered many examples of these types of partnerships being built and maintained. In most cases they have developed because of the work of individuals in VET with the support of senior managers. Almost by definition these kinds of programs are heavily influenced by government initiatives and priorities and require the coordinated involvement of different local stakeholders including other government agencies, educational providers, various community groups and local employers.

This study suggests that the VET system remains committed to achieving social policy objectives beyond those of direct interest to industry. Moreover, these objectives are best achieved when VET providers actively involve themselves in local community networks and partnerships.

A FINAL WORD

High expectations are placed on the contemporary Australian VET system. It is regarded as a major contributor to the development of a skilled Australian workforce that is capable of responding to the challenges presented by new and uncertain economic times. At the same time, it is a system committed to broader social goals and objectives determined by governments.

It is expected to be responsive to the changing needs of industry, enterprises and employers and at the same time not lose sight of its responsibilities to the diverse groups of individuals who also look to VET for further education and training. It must ensure quality of provision in order to maintain the confidence of its clients. It must also embrace innovation, and indeed drive innovation, if it is to meet the different expectations of its clients in a rapidly changing economic and social world.

How all this can be achieved is a major challenge for policymakers, VET providers and practitioners.

Our research suggests that significant progress has been made. The leading role taken by industry in contemporary VET has led to real improvements in VET provision, with greater benefits flowing to industry and individual workers. However, this research also shows that collaboration and partnership are of equal significance if VET is to achieve the economic and social goals set for it. Moreover, collaboration and partnership appear to flourish best at the local and regional levels of delivery.

This process, as the ILO (2002) report points out, needs to overcome local parochialism, quality concerns and vested interests among central decision-makers and inadequate resourcing of local decision making, if it is to be effective. Nevertheless, it suggests that despite these drawbacks, greater decision making at the local level tends to bring with it greater innovation and accountability.

This study suggests that there are grounds for believing that further progress can be made in this area. Already many VET providers are working in partnership with local stakeholders. With increased recognition of this at the policy level, with adequate resourcing and a new focus on developing the VET workforce, the VET system can continue to realise the many goals that have been set for it.

We set out to illuminate some of the issues that face VET policy, practice and practitioners as a result of the rapidly changing nature of work and new thinking about skills, knowledge and learning. Our research has noted the success of policies designed to increase the involvement of industry in the VET system at national level. It has also noted that interest in the role of local and regional partnerships had emerged as a policy focus of many countries around the world. Our empirical research found that there was evidence of the existence in Australia of such productive partnerships and of the considerable advantages they can bring.

In this light it is perhaps timely to suggest a number of future directions for VET policy, practice and practitioners.

Possible future directions within the policy context

Issues that policy makers need to address include:

- Industry’s role within VET needs to be clarified to better differentiate its national strategic and local collaborative roles
- The differences in needs, history and culture of the different sectors and sub-sectors of industry require greater policy attention, as do the needs of cross-industry occupations, and
- There is a need for a policy framework that encourages and supports local and regional collaborations in VET. In particular, how can systemic barriers and constraints that currently inhibit local and regional collaborations be reduced?

Possible future directions within the practitioner and practice context

Issues that VET providers need to consider include:

- The possibility that, as a consequence of the changing nature of VET work, the make-up of the contemporary VET workforce may need to change. This might entail reconsideration of the kinds of education and training professionals who are now needed to undertake different components of VET work
- The need for employment arrangements and for recruitment, promotion and staff development strategies that support the development and maintenance of a contemporary VET workforce, and
- The greatly increased diversity of teaching and learning methods utilised within VET programs has developed in response to immediate pressures but has not been accompanied by any theoretical or conceptual underpinning. There is a need for a clearly developed rationale for, and explication of, a contemporary pedagogy of VET.

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