

# **An industry-led VET system: Where to from here?**

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## **Introduction**

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 8 states and territories.
- Nationally recognised qualifications which 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 closer relationships with local industries. They are less institutionally bound and more able to offer VET in workplaces and the community.

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, which raise new questions concerning the operation of VET.

This paper brings together what we know of these changes and outlines the findings of a recent research project that explored these issues in the context of VET.

## **THE CONTEMPORARY CONTEXT - What's new?**

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.

### **What is new about work?**

Contemporary discussions about work emphasise the changes to work brought on by the emergence of the 'new economy'. (Marginson 2000, Castells 1993,). Many of these commentators suggest that the 'new economy', requires highly skilled workers capable of contributing more than their labour to work. Indeed these workers must be more than highly skilled in the traditional vocational sense. New economy workplaces require new kinds of people with new knowledge, skills and dispositions. (Champy 1995)

Some commentators question the extent to which the 'new economy' has generated new work that require these new skills, behaviours and dispositions. Maglen and Shah (1999) argue that in Australia the biggest growth in employment over the last decade has been at the lowest skill end of the employment spectrum. Noonan (2001) argues that the requirements of the 'new economy' are uneven in terms of the skills required. Other researchers point to the increasing mobility of contemporary workers. (Kerka 2000). In addition, new patterns of employment are emerging (Marginson 2000, ILO 2002), with a rise in non-standard work, much at the low skilled end of employment. There is also an increase in the numbers of 'portfolio' or 'free agent' workers who contract to work on specific projects for specific amounts of time. (Imel 2001).

### **What is new about skill?**

Developing a highly skilled workforce has become a major strategy of many OECD countries confronted with new economic conditions. Drawing on Human Capital Theory, this strategy suggests that a country's economic performance is intimately connected to raising the level of skill of its workforce. (Papadopolous 1996)

Recent criticisms question the value of this strategy. The suggestion that contemporary economic success is dependent on having workers highly skilled in the production, transmission and rapid deployment of knowledge overestimates the economic impact of 'knowledge' work. (Briggs and Kitay 2001).

The idea that all contemporary workplaces require new kinds of people with new skills (Champy 1995) has also come under scrutiny. Not only has recent research challenged the extent to which these new skills are required within industries and organisations but also suggests that the notion of 'skill' has changed.

'Skill' is transformed from being defined in terms of the technical knowledge and skills required in a particular job, to a concept that includes an array of general and personal capacities and attitudes. Indeed high level technical knowledge and skills have, in some senses, been lost in the discussion concerning the new skills required in contemporary workplaces.

Other commentators on 'skill' (BVET 2001) argue that employers now appear focused only on behavioural capacities of workers that fit in better with modern methods of production and service provision.

'New economy' discourses would also suggest that industry's investment in training should increase.

However in fact it has declined. Moreover, the training that is occurring is more often than not initiated by government legislative changes rather than by industry driven skill requirements. There also appears to be increasing expectations that individuals not employers are responsible for their own training and skill development.

In summary a number of contradictions have emerged in relation to skills and skill-formation over the last decade.

- A more highly skilled workforce is regarded as essential yet much of the work created over the last decade is low skilled.
- The nature of the skill mix required in the contemporary economy is unclear. There is an increased emphasis on general and behavioural capacities with little differentiation concerning the contemporary nature of work and work organisation.
- Skill development is increasingly seen as the responsibility of individuals rather than industry or employers.

new networks of production, outsourcing, sub-contracting and new employee relationships suggest that industry is not the most appropriate unit of analysis in terms of skill-formation.

- **What is new about knowledge?**

For many, a distinguishing feature of the 'new economy' is its reliance on the creation and application of new knowledge in workplaces. (Johnston 2000. OECD, 2000) Increasingly 'knowledge work' is seen as the critical ingredient to economic success (Cairney 2000).

This has led to some commentators questioning the adequacy and utility of the content, organisation, production and transmission of knowledge that traditionally takes place in education and training institutions including VET. This position proposes that the knowledge of the new economy is different from that which has occupied traditional education and training programs. Today, thinking about knowledge emphasises knowledge constructed as practical, interdisciplinary, informal, applied and contextual over knowledge constructed as theoretical, disciplinary, formal, foundational and generalisable. Moreover as Tennant (2001) comments '[r]elevance no longer equates with the 'application' of knowledge to the workplace, rather the workplace itself is seen as a site of learning, knowledge and knowledge production.'

Workers are now expected to contribute to new knowledge production within the workplace and this 'new knowledge' is significantly different in that it is:

- high in use value for the enterprise, is context specific and its value may well be short-lived.
- not foundational and cannot be 'codified'
- rarely the product of individuals but is constructed through collaborations and networks.

As Cairney (2000) points out, the emergence of the 'knowledge economy' is highly contested, with some commentators arguing that its proponents are more in the business of mapping the future than describing the present. Although there is general agreement that new industries including Information and Communication Technologies are highly knowledge intensive, the extent to which other industries can be described similarly remains equivocal.

Some reports argue that the high skills/high performance route is the only way by which industries can now compete in the globalised 'new economy' (OECD 1996, 2000). Others restrict this scenario to more obvious 'knowledge-based industries such as IT, biotechnology and financial services. Cairney (2000) suggests that all industries - be they predominantly high, middle or low skilled - are more knowledge intensive, a position supported in some ways by research in the UK (SKOPE 2001). Therefore all workers irrespective of the industry in which they work, now require higher levels of cognitive and intellectual abilities than were once expected.

Which of these scenarios is most persuasive in many ways will determine the future of VET provision. For example, research has shown that new, high skilled, knowledge intensive industries have low levels of investment in formal training. (Cairney 2000) Rather, informal learning in these new industries is regarded as being more useful in developing knowledge needed to perform in a rapidly changing environment.

On the other hand, the general high skills/high performance scenario suggests an even greater investment in education and training is needed in order to raise the skill levels of the whole of the workforce.

Finally new knowledge literatures appear to focus more on the importance of general cognitive abilities rather than technical expertise. They emphasise the workplace as the most authentic and useful site for new knowledge production and suggest that workplace teams and networks rather than individuals are the source and generators of knowledge within the 'new economy'.

### **What is new about learning?**

Australian vocational programs that lead to nationally recognised qualifications are delivered both on and off-the-job, by public, private and non-government providers, in workplaces, industries and classrooms, in schools, colleges, universities and enterprises. However, contemporary ideas concerning learning and work have moved beyond the provision of formal award courses by systemic providers of education and training. Formal education and training is no longer a stand-alone intervention in economic productivity but, to have full effect, must be more systematically linked to a wider strategic human resource management strategy encompassing new approaches to job design and work organisation.

Moreover talk of 'learning in the workplace' 'learning organisations', 'work-based learning', 'informal learning' and workplace learning all work to promote learning outside of educational institutions as crucial sites for learning in the new economy. Interest in developing workforce capability has turned to workplace learning rather than structured training.

What this means for VET systems is unclear as any response is contingent on agreement being reached among stakeholders concerning the goals of vocational education and training. These goals vary from industry to industry, government to government, region to region, organisation to organisation, learner to learner and educational sector to sector.

For example, while there may well be merit in the idea that learning at work is the most authentic and successful form of vocational learning this cannot have universal application. For it relies on learners being in work and Australian figures suggest the majority of learners in VET undertake learning not for the purpose of improving their current employment but rather to enter the employment market or to change employment. (Booth 2001)

Therefore the need for formal VET programs designed for individuals who wish to change or improve their prospects within the labour market will continue. Moreover, non-standard employment including labour-hire, casual and contract work, complicates the workplace learning story in that it is predicated on a relatively stable and on-going relationship between the learner and the workplace. Given all this it, seems likely that the goals of vocational education and training will continue to include:

- The provision of skills that are currently needed by industries and occupations.
- The development of general ‘employability’ skills.
- Workplace skills that are future-orientated and consistent with the evolving requirements of the ‘new economy’.

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.

### **Research findings**

It was in this context that OVAL Research in negotiation with 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 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 outlined above 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.

An important feature of the project was the involvement of 8 practitioner-researchers who worked in the four TAFE institute project partners (West Coast College of TAFE (WA), Adelaide Institute of TAFE (SA), Western Sydney Institute of TAFE (NSW) and Bendigo Regional Institute of TAFE (Vic). This involved 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.

The project chose three industry sectors as its focus;

- Information and Communication Technology (ICT)
- Tourism & Hospitality
- Manufacturing.

The rationale for selecting these industries was that ICT 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.

The project involved:

- The development of a scoping paper that outlines contemporary changes impacting on an industry-led VET system
- Analysis of interviews with key stakeholders in Australian VET policy Analysis of interview data from TAFE staff and employers
- Analysis of survey data from TAFE teachers and learners
- Analysis of survey & interview data from non-TAFE RTOs
- A demographic profile of the 4 partner TAFE Institutes

Detailed reports of these findings are available on the OVAL research website ([www.oval.uts.edu.au](http://www.oval.uts.edu.au))

Overall the study concludes 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. Nonetheless although VET now operates in a world of difference the study concludes that:

- The promotion of **an industry-led VET system** has produced significant gains for Australian VET.

**However**

- Increasingly **local /regional relationships** based on partnership and collaboration are central elements in VET program planning and delivery.
- **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 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 by industry to the VET system

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 user 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 the leadership by industry in the development of competency standards and training packages as industry's most important contribution to contemporary VET.

However the recognition of the 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 and on another occasion is asking the same employer to provide work placement opportunities for learners undertaking publicly funded courses.

As a result of these differences acknowledgement 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 VET-stakeholder relationship than leadership.

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 .

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 influences how and in what ways employers become involved in the planning and implementation of particular vocational learning programs at the local level. For some vocational education and training remains primarily the responsibility of providers. Others regard VET more as a shared responsibility.

Either way VET providers in this study highlight 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
- 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 SMEs also highlight 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 SME's feel they have little contact, interest 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 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 also well aware that this relationship creates a quite different dynamic to the provider-client relationship. Commercial relationships are not industry-led as such but rather employer or enterprise led.

A number of non-TAFE RTOs report that this commercial relationship is crucially important representing a substantial component of their business. Indeed in some instances 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 and are looking to expand their commercial relationships with employers and enterprises. Moreover within the increasingly business oriented TAFE system commercial relationships with employers are also being more actively pursued.

An additional complexity around the issue of an industry-led system is, as one policy maker points out, the inevitable tensions in a system that is industry-led but which remains largely 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 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.

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 these local relationships is that they are described by the stakeholders as being characterised by collaboration and partnership rather than 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 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.

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).

The reasons for this retreat from the ‘grand narrative’ in policy terms 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. As Buchanan et al (BVET 2001) point out although these changes are occurring their impact on different industries, workforces and regions together with the new skills mix required is highly variable therefore limiting the 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 to 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 the move to more local and collaborative arrangements of VET provision be achieved without losing the gains of the last decade?
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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 is to provide VET with information regarding their specific skill needs and for VET to deliver relevant programs that suit the needs and constraints of business.

The 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.

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 now rely more than ever on employers giving 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.

VET providers therefore not only maintain good working relationships with employers but 'sell' the idea of work placements to them. This not only involves explaining the rationale of work placements but as reported by many VET managers, but 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**

This research project 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 RTO's 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 shows that the VET system and TAFE institutes in particular continue to serve a large client group made up of individuals who for one reason or another enter the VET system in order to gain qualifications that enable them to change their career trajectory.

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.

Even then 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. In this way they can maintain and expand the pool of employers who are willing to participate.

In many ways the role of VET providers in this situation is not to meet the immediate needs of employers, who often 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 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.

A second major client group served by the VET system are those individuals and social groups who for one reason or another 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 in some senses overcome or ameliorate 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.

Even here although these types of courses often have no special relationship with a 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.

This research indicates that the success of these programs is highly dependent on VET providers actively developing a supportive 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. These courses enable people who for one reason or another are ineligible for standard entry into programs in VET or higher education may on completion do so. In these instances collaboration is often 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 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, 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.

This research project 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 make up the other arm that leads to VET achieving the economic and social goals set for it. Moreover, collaboration and partnership appear to flourish best at the local and regional levels of delivery.

As the ILO (2002) points out to be effective this process needs to overcome local parochialism, quality concerns and vested interests among central decision-makers and inadequate resourcing of local decision making. 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 renewed focus on developing the VET workforce the VET system can continue to realise the goals that have been set for it.

This study set out to illuminate some of the issues that face VET policy, practice and practitioners as a result of the rapidly changing nature of contemporary work and new thinking about skills, knowledge and learning. It noted the success of policies designed to increase the involvement of industry in the VET system at the national level. But also noted that interest in the role of local and regional partnerships had emerged as a policy focus of many countries around the world. The empirical research also revealed that within the Australian VET context there was evidence that such productive partnerships do exist and bring considerable advantages with them.

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

#### **Within the policy context**

Questions that policy makers need to ask are:

- How and in what ways can policy encourage and support local and regional collaborations in VET?
- What public policy tools can be used to effect these changes?
- What systemic barriers and constraints inhibit local and regional collaborations and how can they be reduced?

#### **Within the practitioner and practice context?**

Questions that VET providers need to ask are:

- What implications does the changing nature of VET work have for the make-up of the contemporary VET workforce?
- What kinds of education and training professionals are now needed to undertake contemporary VET work?
- What kinds of professional qualifications and work experiences reflect the workforce needs of the contemporary VET system?
- How and in what ways can recruitment, staff development and promotion strategies be used to support the development and maintenance of a contemporary VET workforce

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