



MONASH University

**The Future of Public Sector Vocational Education and Training:
The 2012 Queensland and Victorian case for reform**

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Abstract

Through the late twentieth century there was a shift from government to governance in education. The development of network governance saw public sector providers of vocational education and training (VET) move to an increasingly privatised form of training, as all the Australian States and Territories became signatories to national competitive neutrality principles. The subsequent policy changes authorised the opening up of government funding so that it became accessible to a growing private VET sector and also diminished the role for public sector VET as the vehicle through which governments across Australia implemented their training policy objectives. This reform trajectory raises questions about Technical and Further Education (TAFE) and whether this public VET sector has any distinctive role or public value.

The term 'marketised governance' is adopted to convey how this shift in VET in Australia has been characterised by networks dominated by private sector actors and neo-liberal principles such as privatisation, competition, deregulation, and efficiency, leading to a competitive training market.

The concept of 'public value' and how governments have interpreted it since TAFE came into being as a discrete tertiary sector is used to understand how the governance and role of TAFE has shifted. The 'strategic triangle' developed by Moore (1995) is used as a means to recognise public value.

Reviews commissioned by the governments of Queensland and Victoria during 2012 were selected as case studies of public sector TAFE reform. The arguments for reforming TAFE were analysed in order to investigate the impact of the shift to marketised governance and the significance of public value. Both reviews recommended increased competition in the VET sector, with significant changes to TAFE.

The methodology of political discourse analysis developed by Fairclough and Fairclough (2012) is applied to selected texts drawn from the resulting reports. The analyses make it possible to evaluate the arguments presented in the reviews and to identify the extent to which the concept of public value is seen as relevant.

The research shows that the tenets of marketised governance dominate the discourse in both case studies, although the arguments used in support of competition and privatisation are open to serious question. With public providers expected to compete on the same terms as private providers, the research reveals little to no acknowledgement of the concept of public value or recognition of a distinct role to be played in this regard by TAFE.

The thesis concludes by noting the continued trajectory towards privatisation of VET in the context of marketised governance but also flaws in the arguments for increased competition. It would seem that unless these flaws in the argument become more apparent and VET policy-makers become more engaged with the discourse on public value, the future of TAFE is uncertain.

Declaration

This thesis contains no material which has been accepted for the award of any other degree or diploma at any university or equivalent institution and that, to the best of my knowledge and belief, this thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

Student signature:

Date: May, 27, 2016

The undersigned hereby certify that the above declaration correctly reflects the nature and extent of the student and co-authors' contributions to this work.

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CHAPTER 1: INTRODUCTION TO THE RESEARCH

BACKGROUND

Public sector delivery was the dominant form of provision of vocational education and training from the beginnings of Australia up until the past 20 - 25 years. In 1974, this public sector delivery was formalised by recognising a Technical and Further Education (TAFE) sector alongside the established school and higher education sectors. While the private sector had operated in the vocational training sphere in some form at least from the early twentieth century, it was then truly private, in the sense that private providers charged fees to students that enabled them to operate at a profit, independent of government funding.

However, since the 1990s the private sector has experienced significant growth as a direct result of government policy that opened up access to government funding for vocational education and training (VET) to private providers. In so doing, the concept of 'private' was altered. This shift by Government from reliance on the public sector to deliver a skilled workforce allowed exponential growth of the private sector with the total number of providers reaching a peak of around 5,000. There are still over 4,600 today¹, of which less than 50 are public sector TAFE institutes or TAFE operations within dual sector universities². While not all the remaining providers are for-profit, they constitute the largest group.

This trajectory of public sector provision from TAFE to VET has been underpinned by agreement between the Commonwealth and all States and Territories to work together as signatories to national competitive neutrality principles under the auspices of the Council of Australian Governments (COAG). This federal approach was necessary because the VET system is and always has been the responsibility of State and Territory and their predecessor colonial governments, unlike the university system that is national and operates under national policy.

There has only been one serious attempt to establish a national VET system³. In 1991 the Commonwealth Minister for Employment Education and Training, John

¹ Source: www.training.gov.au – includes RTOs registered by the Australian Skills Quality Authority (ASQA) and registering bodies in Western Australia and Victoria as at March, 2016.

² As at March 2016. The number changes from time to time with restructuring.

³ In February 2016, Fairfax media reported on a leaked COAG document proposing a Commonwealth takeover of VET, but the proposal met with strong resistance from the States and Territories.

Dawkins, proposed that the Commonwealth take over full financial responsibility for TAFE and other post-secondary education and training from the States to allow for a consolidated national approach to post-school education. With the States disagreeing, the attempt failed. The compromise solution was the establishment of the Australian National Training Authority (ANTA) by agreement between the Commonwealth, States and Territories in 1994. In this instance, the individual interests of the States and Territories outweighed any arguments for a national system (Bowman & McKenna, 2015; Goozee, 2001; Ryan, 2011).

This trajectory towards the privatisation of vocational education and training is evident in many western countries as well as Australia. Research in the fields of political science, public administration and education policy identify this transition with a broader shift from government to governance. 'Governance' refers to a context of governing where there is no privileged or sovereign authority but, rather, multiple voices, considerable cultural diversity and a variety of decision-making centres which are networked together (Rhodes, 1996). In Australian VET, this trajectory was identified with policy commitments to establish an 'industry-driven system'. But in this advocacy of industry-led private VET provision, there was little consideration of the value of public TAFE provision.

In this research, the concept of *public value* is used to understand the relationship between governance and the public role of TAFE. The implications for policy development and implementation are significant because public sector managers must increasingly justify why their services should remain public.

RESEARCH QUESTIONS

This study examines the trajectory towards a privatised VET system in Australia by considering the 'public value' of TAFE. The primary research question is:

How has the public role and value of TAFE been reframed since its establishment in 1974 and with what implications for the future role of public sector vocational education and training?

The research is organised using three sub-questions:

- How has the concept of governance of TAFE evolved from its inception to the present day?

- How do governance networks portray the role of TAFE in 2012/2013?
- What criteria do governance networks use to assess the value of TAFE?

SIGNIFICANCE OF THE RESEARCH

This research is considered important because a plausible interpretation of current trends is that a system of public sector vocational education and training serving the public interest will not survive and that it will be replaced or side-lined by a series of private sector businesses operating for profit. This situation would distinguish VET from other sectors of education – primary, secondary and higher education – where the maintenance of a strong public system remains a priority of government, albeit alongside the private sector.

The researcher has a long professional history in TAFE in Victoria, which began in the early years following the inception of TAFE as a discrete sector of education in the mid-1970s. It included a combined period of over 20 years as CEO in two TAFE institutes, three years as Deputy Vice-Chancellor responsible for TAFE in a dual sector university and three years as Executive Director of Australia's peak body for TAFE institutes. This experience also included many roles on national and state government policy and advisory bodies, which provided extensive exposure to the policy debates and changes that influenced the development of TAFE as well as having the responsibility to implement those policies. Since leaving TAFE, the researcher has worked as a VET consultant for governments and institutes in four Australian States, and for the Australian Government in a number of countries in Africa, Asia and the Pacific. This has provided a broader context for thinking about TAFE in Australia.

This professional history means I have a well-established reputation as an advocate for TAFE and I have never worked in a private RTO. However, I am acutely aware of the need to avoid the danger of the research being compromised by a personal background in and commitment to TAFE. This awareness has influenced the choice of methodology for this research. All material used in the research is in the public domain.

APPROACH

Against the background of a brief history of TAFE in Australia, this research investigates the relationship between 'network governance' (S. J. Ball, 2009, 2013;

S. J. Ball & Junemann, 2012) and 'public value' (Moore, 1995, 2013) through a political discourse analysis (I. Fairclough & Fairclough, 2012; N. Fairclough, 2010) of two reports on the role of TAFE.

The two reports selected as case studies for analysis were prepared for the Queensland and Victorian governments as part of their separate State reviews of TAFE. Both governments conducted reviews in 2012 leading to implementation of recommendations that significantly changed the role of TAFE. In this case study methodology, each State represents a case of VET reform influenced by the discourse of 'network governance' and 'public value'. The political discourse analysis and the comparison of the two cases indicate the significance of these two discourses on the reform of TAFE. This evidence-base is used to comment on the future role of public sector vocational education and training.

TAFE is distinguished in the research from the other component of public sector VET provision, namely Adult and Community Education (ACE). Unless otherwise indicated, all references to public sector VET relate only to TAFE. Private sector VET provision refers in general to the for-profit Registered Training Organisations (RTOs) and to VET operating within enterprises, that is, enterprise RTOs. The many small not-for profit RTOs are less central to the research.

ORGANISATION OF CHAPTERS

The research is organised by discussing the literature related to the concepts of 'governance' and 'public value' and how the two can be linked in an analytical framework to assist the research (Chapter 2). The methodology, including the rationale for adopting the approach to political discourse analysis (PDA) developed by Fairclough and Fairclough (2012), is outlined in Chapter 3. As background to the later analysis of developments in Queensland and Victoria, a brief overview of developments in TAFE and VET is provided in chapter 4, with emphasis on the period since 1974. Chapters 5 and 6 examine selected texts from Queensland and Victoria respectively, illustrating how different levels of political discourse analysis can be applied in each case. In order to be able to draw some conclusions from the analysis, similarities and differences between the two case studies are discussed in Chapter 7, including reference to the analytical framework developed as part of the literature review. Chapter 8 summarises the conclusions from the research.

CHAPTER 2: MARKETISED GOVERNANCE AND PUBLIC VALUE

INTRODUCTION

The evolution of TAFE in Australia to its present-day form is the result of a range of wider shifts that have occurred across the western world in the way government sees its role as a developer and enactor of policy and services. These shifts relate not only to education, but to all aspects of government responsibility.

This review of literature discusses the trajectory towards 'governance', which increasingly operates through networks, and how 'public value' can be understood and operationalized as a strong framework for accountability. These concepts reveal thematic questions and vocabularies associated with the discourses of 'governance' and 'public value' that relate to the public role of TAFE. These questions and vocabularies suggest that Australia has adopted a particular form of *marketised governance* that has combined the concepts of 'governance as networks' and 'governance as New Public Management' along with the discourse that emerges from this emphasis.

In the absence of a body of literature on applying public value management in TAFE, elements of a public value discourse applicable to TAFE are extrapolated from the general literature.

In their refined form, the two concepts produce thematic questions which can be linked and used to investigate the differences between Australian States and how they understand and sustain the public role of TAFE.

THE SHIFT FROM 'GOVERNMENT' TO 'GOVERNANCE'

The literature on the concept of government, governance and network governance is vast. Rhodes describes the shift from government to governance as the latter being "a changed condition of ordered rule: or the new method by which society is governed" (Rhodes, 1996, p. 653). Exploring the concept further, he came to the view that "governance refers to self-organizing, inter-organizational networks" (p. 660). Building on that work, Bevir and Rhodes (2003) indicate that a shift occurred from hierarchical government of a unitary state to governance in and by a complex series of networks or heterarchies.

The concepts of 'hierarchy' and 'heterarchy' help to differentiate between 'government' and 'governance'.

The Collins Dictionary on-line defines 'hierarchy' as a formal structure, usually represented by a diagram of connected nodes, with a single uppermost element. It stems from the Greek *hierarkhēs* meaning high priest. It connotes a system with a graded order. Broadly speaking, a bureaucracy, with its characteristic central point of authority and chain of command and control is illustrative of a hierarchy (Bevir, 2007, p. 413).

'Heterarchy, on the other hand, comes from the Greek *heteros* meaning other and *arche*, meaning sovereignty. It is defined as a formal structure, usually represented by a diagram of inter-connected nodes, without any single uppermost node (Collins Dictionary on-line). There is no centre of control (Bevir, 2007, p. 410). Ball and Junemann (2012, p. 138) say that heterarchies are "temporary ... and operate differently according to local circumstances, and may be relatively loose and opportunistic in parts – they are certainly uneven".

Earlier studies of the role of pressure groups and policy networks, evident even in the late nineteenth century are precursors to the literature on governance. These studies recognised the importance of pressure groups, public opinion and political parties to the operations of government (Bevir, 2011). Between the two world wars, American writers such as Odegard (1935) and Herring (1936) studied pressure/interest groups and their impact but focus on individual groups. The concept of a 'network' conveys the interplay of a wide range of different groups. However the different terms remain useful as a way of distinguishing between contexts characterised by pressure/lobby/special interest groups and networks.

The difference between government and governance is often illustrated with reference to The Westminster model of government. This British model of government implies the use of sovereign power to rule, where the 'machinery of government' is associated with the language of rules, procedures, and bureaucracy. It has implications for where power lies in society with power belonging to the Prime Minister, cabinet or the civil service (Bevir & Rhodes, 2003), whereas governance "evokes a world in which state power is dispersed among a vast array of spatially

and functionally distinct networks composed of all kinds of public, voluntary and private organisations with which the centre now interacts” (Bevir, 2011, p. 459).

Research on the Australian context indicates a similar shift from government to governance. For example, Eggers (2008) describes the twentieth century as being a time when hierarchical government bureaucracy was the predominant organisational model used to deliver public services and fulfil public policy goals. “Public managers won acclaim by ordering those under them to accomplish highly routine - albeit professional - tasks with uniformity but without discretion” (Eggers, 2008, p. 23). Like Bevir and Rhodes, Eggers observes that public managers in Australia have needed to look for more sophisticated forms of government as society has become more complex. He elaborates on the extent to which “complex public-private, network to network collaboration models” operate across Australian government (p. 23). Shergold (2008) describes how more stakeholders have been given the opportunity to contribute to governance processes and how this has changed traditional government approaches and the role of the public service.

The history of this trajectory from government to governance can be traced through terminologies. Bevir and Rhodes (2003) cite seven different definitions of ‘governance’, where the way of using words contributes to an understanding of both the shift away from the concept, methods and practice of government, and how the term ‘governance’ can have different connotations. These forms of governance are:

Governance as corporate governance – This refers to the way corporations should be directed and controlled for maximum efficiency and has been applied to the public sector as a way of promoting improved accountability.

Governance as the New Public Management (NPM) – In this definition, Bevir and Rhodes (2003) identify two strands. The first is the introduction of private sector management methods into the public sector such as performance management systems, managing by results, value for money and other corporate management approaches. The other strand is marketization or the introduction of competitive processes into public management such as contracting out, user choice and other incentives.

Governance as good governance – This definition refers to systemic, political and administrative approaches adopted by international agencies such as the World Bank that can achieve greater efficiency in lending policies in developing countries.

Governance as international interdependence – Seeking to come to terms with the impact of internationalisation on governance, this definition explores the idea that the influence of international economies, organisations, laws and power blocs weaken or hollow out the nation state's capacity for governance. Related to this, multi-level governance arrangements, typified by the European Union, add a further layer of governance.

Governance as a socio-cybernetic system – The wide range of social, political and administrative interests that impact on governance, the blurring of boundaries between the public, private and voluntary sectors and the impact they have on the way problems are addressed and services delivered are acknowledged in this definition.

Governance as the new political economy – This definition examines the government of the economy in light of the blurring of the boundaries between civil society, the state and the market economy.

Governance as networks – Bevir and Rhodes link governance to the idea of networks. Their definition explores different approaches to networks and the debates that have occurred about their role. Networks are also distinguished from markets and hierarchies or bureaucracies. Hence, it is not surprising that the term 'network governance' also abounds in the literature and that the terms 'governance' and 'networked governance' are also frequently used interchangeably in the literature.

Networks and New Public Management

These seven definitions of governance accommodate a number of compatible but different strands of governing. The two major strands of particular relevance for this research are:

- Governance as networks
- Governance as New Public Management

The concept of *governance as networks* encapsulates the proliferation of agencies involved in governing and the development of inter-agency contexts. The term New Public Management (NPM) is a generic label that was coined to describe

fundamental changes that were occurring in public management styles and 'doctrines' in the 1980's, particularly related to the introduction of competition and private sector styles of management practice in the public sector (Hood, 1995). NPM is rooted in the ideology of neo-liberalism (Bevir, 2011; Lorenz, 2012), the main tenets of which are described with reference to the vocational education and training context as a belief in competitive individualism, deregulation, the maximisation of the market and the role of state intervention to promote enterprising and competitive behaviour and to deal with restrictive and anti-competitive forces, including privatisation and marketization of the public sector (Simmons, 2010).

Osborne and Gaebler's seminal 1993 book *Reinventing Government* typifies the application of this ideology to the public sector. Distinguishing between government's role in policy decisions as *steering* and service delivery as *rowing*, they argued that government would be transformed by less *rowing* and more *steering*, and stressed the importance of competition and markets. O'Flynn (2007) puts the view that Australia was one of the countries that became an exemplar of NPM and its impact on the role of the public service is acknowledged by Shergold (2008) and Meek (2009). Peter Harmsworth, a senior Victorian public servant in the 1990s and 2000s, wrote that Osborne and Gaebler's work 'took the world by storm'. It 'became required reading of politicians and bureaucrats alike' (Harmsworth, 1999, pp. 2-3). Harmsworth was responsible for the Victorian TAFE/VET sector in the early 1990s when competition, performance management and private sector styles of management were beginning to be introduced.

In the Australian Higher Education context, Marginson (1997) refers to an "imagined causal link from competition to consumer sovereignty to better efficiency and quality". Lorenz (2012) takes this a step further, maintaining that neo-liberalism espouses what is essentially a formula: "free market = competition = best value for money = optimum efficiency for individuals as both consumers and owners of private property" (p. 601) and as shareholders in an economy organised on a commercial basis. These causal or formulaic aspects are typically part of the neo-liberal discourse, where the ways of using words suggest there are causal and effectively inevitable connections between components.

The term 'governance' takes on a specific meaning when these two strands of governance, as 'networks' and as 'New Public Management', are brought together.

For the purposes of this research, I have adopted the term 'marketised governance' to encapsulate the convergence of the two strands.

As inter-agency networks took on neo-liberal discourse, a distinctive terminology developed. For Ball, the shift is:

... a new form of 'experimental' and 'strategic' governance that is based upon network relations within and across new policy communities, designed to generate new governing capacity and enhance legitimacy. These new policy networks bring some new kinds of actor into the policy process, validate new political discourses ... and enable new forms of policy influence and enactment and in some respects disable or disenfranchise or circumvent some of the established policy actors and agencies (S. J. Ball, 2010, p. 157).

Governance, the role of the public sector and accountability

This shift from government to governance through networks has led to what is referred to as the 'hollowing out of the state'. But the meaning of this phrase is debated, with some authors linking it to the fragmentation of the public sector and others to the reduced capacity of the state in governing. For example, Rhodes (1996; Rhodes & Wanna, 2007) identifies the diminished role of the bureaucracy associated with privatisation, the loss of functions to alternative delivery systems and agencies and the limits set on the discretion of public servants. These changes create problems for the bureaucracy: reduced control over implementation due to fragmentation, reduced capacity to co-ordinate and plan, and erosion of accountability. Jessop (2004) maintains the shift from government to governance does not diminish the importance of the state, which retains an important role in many governance mechanisms and overall responsibility for the maintenance of social cohesion. He describes this as a shift from governance to 'meta-governance', with the state having to draw lessons from the ways in which governance networks and arrangements operate and their effect on society.

In Australia, Shergold (2008) states that the provision of policy advice is increasingly contested as public officials compete with political advisers, advocacy organisations and policy think tanks to have their views heard. At the same time, the implementation of policy is increasingly being contracted out so that the role of the public service becomes one of oversight, evaluation and accountability. This raises the issue of the skill and knowledge requirements of public managers and the degree

to which they require content knowledge of the area for which they have management responsibility.

Questions about accountability run through these debates. In complex network governance environments many actors are involved and they shift in and out of the policy-making process. There are important questions about: who is held accountable and how, whether they are from the public service or various private, not-for-profit or philanthropic entities; and the extent to which accountability through traditional political channels and the democratic process is complicated or weakened by the influence of the private sector (A. Ball & Osborne, 2011; Pestoff, 2011, p. 346).

Network Governance and Education Policy

These questions about accountability are linked to questions about policy in the context of education, but gain significance because of the historic role of education in forming worker-citizens. As Stephen Ball (2006) points out, 'policy' can be used to mean very different things. In the face of difficulty in providing a single authoritative definition, he instead posits two different approaches that understand: *policy as text* and *policy as discourse*.

A policy as *text* will be interpreted differently by readers and over time. Its intent may not be absolutely clear as it often has multiple authors, involves compromise and changing contexts. Those affected by policies may not read them or even be aware of them. Thus the ways in which policies are interpreted or enacted cannot necessarily be predicted (Ball, 2006, pp. 11-13).

Policy as *discourse* looks beyond the micro-politics of interpretation, meanings and their effects and, instead, focuses on the big picture effects of 'discourse', or ways of using words. "Discourses are about what can be said, and thought, but also about who can speak, when, where and with what authority" (Ball, 2006, p. 14). That is to say, in the tradition of Foucault, power and conflict come into play and "it does not matter what some people say or think, only certain voices can be heard as meaningful or authoritative" (Ball, 2006, p.15).

This interplay between policy as *text* and as *discourse* becomes particularly significant when governance is premised on interaction between different agencies, as occurs in network governance. As Bacchi (2000) puts it, invoking policy as

discourse names a policy process, but can also assist those who have an agenda for change by identifying constraints on change and how to maintain scope for activism. The nature and effects of these communication practices add another dimension to the complexity associated with governance networks and their effects.

Like Jessop (2004), Ball does not argue that network governance represents a 'hollowing out' of the state. Instead, he describes governing through networks that take on neo-liberal discourse as "a new modality of state power, agency and social action and indeed a new form of a state" (S. J. Ball, 2008, p. 748). These novel practices have contributed to the trajectory of education reform that, in the UK and Australia, has privatised and commoditised education at all levels. Ball notes:

Privatisation is a key strategy in education reform and the reform of the state ... [with] ... increasing variety of 'business opportunities', including new forms of outsourcing, which are emerging as more of the business of the education state is divested and privatised. (S. J. Ball, 2009, p. 84)

Privatisation is occurring at both the delivery and policy level of national education systems. At the delivery level, education is being outsourced to the private sector and many private registered training organisations (RTOs) have become major education businesses. For example, in the Australian VET context three private RTOs amalgamated under the name Vocation, which listed on the Australian Stock Exchange in late 2013, despite drawing most of its funds from government (Mitchell, 2014). At its height Vocation was valued at \$650 million, before it collapsed in November, 2015.

The privatisation of education policy occurs in three inter-related ways. Firstly, it occurs through direct selling by private sector companies of a range of policy solutions and educational improvement strategies to educational institutions as a business opportunity, exploiting the pressure they are under to demonstrate performance improvement. Examples in TAFE include change management strategies and approaches to auditing and accountability. Secondly, the policy role has been partly appropriated by the private sector through their extensive consulting activities and their advice provided to government. Thirdly, and resulting from the previous two, private sector companies are having global policy influence by

developing products that can be contextualised for and marketed to other countries (S. J. Ball, 2009).

This trajectory of governing through networks that converges with the neo-liberal discourse of NPM means:

Within policy, education is now regarded primarily from an economic point of view. The social and economic purposes of education have been collapsed into a single overriding emphasis on policy-making for economic competitiveness and an increasing neglect or side-lining (other than in rhetoric) of the social purposes of education. (S. J. Ball, 2013, p. 14)

Identification of the various actors involved in education policy throws light on how policy networks exercise power and influence (S. J. Ball, 2008, 2009, 2010, 2012; S. J. Ball & Junemann, 2012). For example, in a non-exhaustive listing of policy actors in education, Ball (2010) includes private providers of education, think tanks, consultants, knowledge companies, philanthropic and sponsorship organisations, charities, NGOs, trusts, foundations and social entrepreneurs. These actors can be involved in many different, overlapping and constantly changing configurations that may cooperate or compete. Mapping these networks indicates the influence of the private sector and how it occurs through roles that include: advisers, evaluators, service deliverers, philanthropists, researchers, reviewers, brokers, 'partners', committee members and consultants. Individuals involved may also be engaged in other ways that extend their capacity to exert influence by being:

- Members of other powerful boards, public, private or philanthropic, and loosely or directly connected with education
- Professionals involved in influential multi-national companies with wide business interests or in leading roles in the public sector
- Appointees on influential government advisory boards or councils
- Investors in education related enterprises
- Related or closely connected to anyone above.

Described as 'crossover actors', these and other roles add to the credibility of the voice of those influencing policy but, at the same time, increases the potential for conflict of interest (S. J. Ball, 2008).

Networks develop discursive habits that also have the effect of excluding certain groups and views. While not always intentional, these exclusions can serve, or be

used, as a way of neutralising policy blockages. The design of networks can be deliberately diverse to shift power and influence and blur the process of policy-making, or they can be tightly focussed to achieve a desired outcome (S. J. Ball, 2010). Those who are excluded or side-lined are relegated to the status of pressure group, lobby group or special interest group and not considered as part of 'the mainstream' that is entitled to have a voice. Ball's (2010) example of trade unions being side-lined in policy discourse is particularly relevant to Australia, where earlier commitments to a tri-partite approach to policy development was progressively overturned and involvement largely limited to employers.

The composition and effect of these networks of actors both moves and blurs the boundaries of education and the public sector. The boundaries between philanthropy, business and the public sector means "the public sector is being worked on and reworked by new policy actors from inside out ... and outside in" (S. J. Ball & Junemann, 2012, p. 48). At the same time, the values associated with entrepreneurship, enterprise and managerialism are increasingly being seen as the norm. But reliable research methods for accurately defining and visualising the relationships involved are still to be developed (S. J. Ball & Junemann, 2012). The interplay and crossovers between this wide range of individuals and groups is recognised in policy making but has not yet been translated into appropriate accountability arrangements.

'Marketised governance'

The shift from government to governance is evident in many parts of the Western world and also in the education context. The convergence of governing through networks and neo-liberal discourses, such as New Public Management, means this shift in governing has coincided with a changed view of the public sector. It entails a move away from government by politicians and the bureaucracy to a more complex and opaque form of governance and policy development, involving a shifting array of actors. These actors are increasingly from various parts of the private sector, the not-for-profit sector and also from the philanthropic sector. Despite this diversity of actors, there is a fundamental shift in the values that underpin policy development with emphasis on the market outweighing social concerns.

My adoption of the term 'marketised governance' conveys this shift more precisely in the TAFE and VET context. In this respect, the novel emphasis on the privatisation

of education, and the associated lexicon of markets, competition, contestability, education as a commodity, deregulation, efficiency, performance, and value for money appears to define key words in the discourse of marketised governance. Definitions for some of these terms are included in Appendix A and are derived from the *OECD Glossary of Statistical Terms* (OECD, 2008) which aims to foster consistency and transparency in their use.

Identifying marketised governance as a discourse also raises questions for further investigation:

- To what extent are the key words of 'marketised governance' evident in particular education policy discourses?
- Which actors exert the most influence in those policy making networks?
- Who is excluded from the policy making process?
- How is accountability addressed?
- What are the policy implications of the above for the future governance of TAFE?

PUBLIC VALUE

The progressive privatisation of education delivery and educational policy has led to serious questioning of the role of the public sector. Various terms have been used to identify and name the value that is generated through the public sector. These include: 'public goods', 'public interest', 'public benefit' and 'public value'. Alford and O'Flynn (2008) explore some distinctions between these different terms also referring to the idea of a 'value proposition', which was first used in the private sector, but has now been adopted by the public sector. They conclude that 'public value' is the most holistic of the terms:

The issue here is not whether one or other term is the correct one, because each is valid in its context, but rather what the term employed directs our attention to. 'Public value' focuses on: (1) a wider range of value than public goods; (2) more than outputs; and (3) what has meaning for people, rather than what a public-sector decision-maker might presume is best for them. More significantly, it connotes an active sense of adding value, rather than a passive sense of safeguarding interests. (Alford & O'Flynn, 2008, p. 7)

Public value is not only produced by public sector organisations because it can also be produced by other entities such as private firms, non-profit or voluntary

organisations and service users. This is because public value is not a matter of who produces it, but who consumes it and what makes that value 'public'. It is also a consideration for funding bodies wishing to promote competition with the public sector. Benington (2011) extends this point by identifying two dimensions of public value: what the public values; and what adds value to the public sphere. There is a distinction between 'public value' as perceived by the public itself and 'public value' as perceived by politicians and bureaucrats looking to demonstrate the wisdom of their decision-making in terms of a return on the tax-payer's dollar. The two are not the same and need to be kept separate in any discussion of 'public'.

Drawing on distinctions made in economics about various meanings of value, Benington also distinguishes between three different dimensions of adding value to the public realm:

- Economic value – represented by the generation of economic activity, enterprise and employment
- Social and cultural value – represented by the contribution to individual and community well-being
- Political value – represented by stimulation and support of public participation and citizen engagement in the democratic process (Benington, 2011, p. 45).

Public Value Management

Discussion of public value sometimes confuses or blurs these different meanings but a trajectory from traditional public administration to New Public Management (NPM) to Public Value Management is increasingly recognised (Kelly, Mulgan, & Muers, 2002). Harvard University Professor Mark Moore is acknowledged as having initiated the current discourse of public value by formulating a public value framework or model known as 'the strategic triangle'. Moore's prolific writing on public value for over twenty years (Moore, 1995, 2013) was directed towards public sector managers: how their work could lead to better use of public sector resources and so promote excellence in public sector management. In this period, the concept of public value has evolved from definitions to ways of quantifying and measuring it.

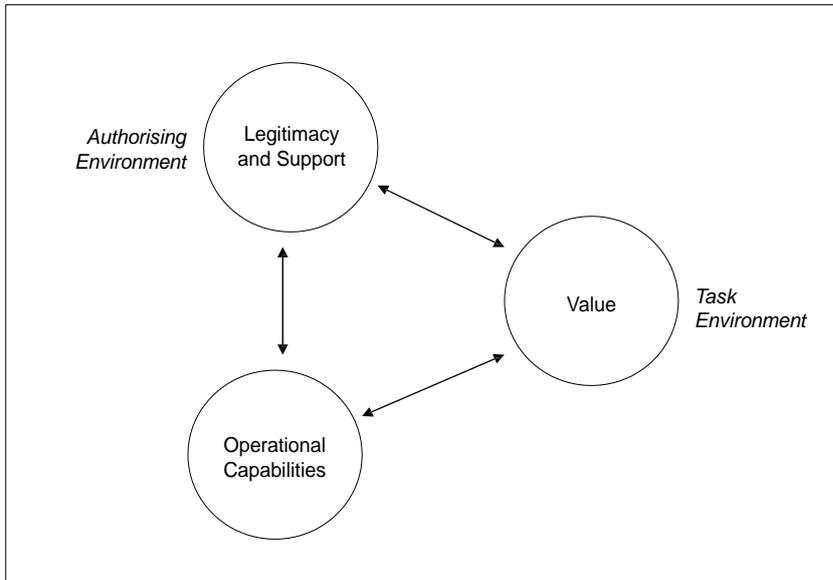
Moore's work can in some ways be seen as another example of the influence of private sector thinking on the public sector. Together with his colleagues at Harvard's Kennedy School of Government, he was strongly motivated by the

challenge of finding a way to create value in the public sector that is analogous to value creation in the private sector. The private sector is much more straightforward in this regard as its aim is to create value for shareholders, measured financially through, for example, profit and loss and changes in a firm's stock price. The public sector has no such clear and immediate performance indicators and deals with the much more complex issue of social rather than financial return, where the time-frames within which success is measured can vary considerably. Moore points out that public sector managers may have to wait much longer for success to become evident and even then there may be debate about the proper goals of the organisation (Moore, 1995).

Moore's 'strategic triangle' is premised on the understanding that a public value strategy for a public sector organization must meet three broad tests. It must: (1) be aimed at creating something substantively valuable; (2) be legitimate and politically sustainable; and (3) be operationally and administratively feasible (Moore 1995). This is represented schematically in Box 2.1.

The first test of *value* means that the organisation must be able to produce things of value to stakeholders at low cost in terms of money and authority. The second test of legitimacy and political sustainability proves that the organisation is able to attract sufficient ongoing support and resources from the political environment to which it is accountable. The third test of operational and administrative feasibility relates to whether the organisational and necessary external capability exists to achieve the organisation's goal. According to Moore, public sector managers must ensure all three tests are met for public value to be assured. Failure to meet any one of the tests means that value has not been achieved. For example, if there is organisational capacity to deliver a product/service but there is no political or community support for it, then public value is not achieved. If there is political and community support for a product or service, but no organisational capability to deliver it, then public value cannot be realised. Likewise, if there are substantively valuable ideas but no political support or capability to administer them feasibly, they will fail.

Box 2.1: Public Value - The Strategic Triangle (Moore, 1995)



Moore states a preference for a collective approach to ascertaining public value in his 1995 book but by 2013, he is quite specific that ‘public’ names the ‘wider public’ rather than individuals:

In the public sector, the relevant “customer” is a collective public (local, regional or national) acting through the imperfect processes of representative democracy rather than an individual consumer making choices about what to buy for personal benefit. (Moore, 2013, p. 3)

Moore’s first book adopts a case study approach with American public sector executives and managers to illustrate different aspects of the three elements of the strategic triangle. As a result, his writings emphasise the role of leaders in the public sector “in the interests of achieving more effective, more accountable, more responsive, and more democratic management of our public institutions” (Moore, 1995, p. 309). But as noted earlier, Moore’s position rests on a political philosophy other than neo-liberalism.

Moore’s premise remains typical of American society in linking ‘liberal society’ to ‘private enterprise’, but he does not collapse the value proposition of public sector organisations into that of private sector organisations. Instead, he acknowledges ‘public mandates and governmental bureaucracies’ and notes that this authorising environment means judging public enterprises in ways that acknowledge those

public expectations. He maintains that a public sector enterprise must look “beyond the mere demonstration that the value of its products exceeds the value of the resources used in producing the results: **it must explain why the enterprise should be public rather than private**”. (Moore, 1995, p. 43 – emphasis added). The applicability of Moore’s thinking to countries other than America has been questioned because of the differences in the political systems (Rhodes & Wanna, 2007). But Alford and O’Flynn argue that these criticisms are variously ‘misplaced’, a ‘misrepresentation’ or less ‘nuanced’ than Moore’s account.

Measuring public value

This research does not focus on measuring public value, but the writings on measurement throw light on how public value can be conceptualised. This review touches briefly on the Public Service Value Model, the Balanced Scorecard and the Public Value Scorecard.

The Public Service Value Model addresses how public sector managers review and measure their performance and identify ways to achieve their performance goals. It rests on a definition of public value that recognises:

... a public service organization generates public value when it delivers a set of social and economic outcomes that are aligned to citizen priorities in a cost effective manner. By increasing either outcomes or cost-effectiveness, an organization creates value. By increasing one at the expense of the other, an organization makes a trade-off between two fundamental means of creating value. A decrease in both levers represents a clear reduction in public value. (Cole & Parston, 2006, p. xvi)

The model uses a matrix that enables managers to plot outcomes against effectiveness in realising outputs. Like Alford and O’Flynn (2008), Cole and Parston (2006) distinguish ‘outputs’ as the products, goods or services delivered, from ‘outcomes’, which are the impacts, benefits or consequences for stakeholders that the goods and services are designed to achieve. They observe that traditional performance measures have examined outputs as a result of inputs and processes, whereas public value measures need to consider outcomes - initial, immediate and long-term.

Moore’s most recent work acknowledges this shift of emphasis beyond public sector performance measures and also highlights the value that public agencies create.

As useful and important as input, process and output measures can be ... those who criticise government's overreliance on these measures are absolutely right. The ultimate value that public agencies produce cannot be found at or within the boundaries of the organizations ... public managers [must] have performance measures that capture the satisfaction of individual clients, and the agencies' success in producing the social outcomes that the public desires. (Moore, 2013, pp. 205-206)

While public sector managers need performance measures, this is not the only measure that is important. In any case, Moore observes, the impact of his earlier work suggests "the public sector's commitment to developing and using performance management systems has been mostly shallow and sporadic" (Moore, 2013, p. 5). Using a case study approach and the lessons learned, he developed a 'Public Value Scorecard'. It was influenced by the 'Balanced Scorecard' (Kaplan & Norton, 1996), which was widely influential among private and public sector managers. That scorecard emphasised that financial performance alone was not a measure of a company's success and added three dimensions to extend the traditional financial focus: the customer perspective, the internal business process perspective and a learning and growth perspective.

Consistent with the strategic triangle, Moore's Public Value Scorecard has three components: the public value account, the legitimacy and support perspective and the operational capacity perspective. The public value account takes the form of a ledger that compares use of assets and resources with outcomes; financial costs with mission achievement; unintended negative consequences with unintended positive consequences; and the social costs of using government authority with justice and fairness (Moore, 2013, p. 113). The legitimacy and support dimension covers standing with a multitude of stakeholders under groupings such as formal authorizers; key interest groups; the media; individuals in the polity; and participants in political campaigns and agendas (Moore, 2013, p. 119). A detailed set of considerations is also suggested for the operational capability perspective (Moore, 2013, p. 124).

Other related approaches and methodologies are also relevant in this context such as:

- the triple bottom line – an accounting approach that uses a combination of economic, environmental and social measures (or the quadruple bottom line with varying fourth components)
- the Investment Management Standard (IMS) – a Victorian Government initiative outlining ideas and practices that help organisations to direct resources to deliver the best outcomes. <http://www.dtf.vic.gov.au>
- Value for Money (VFM) assessments - defined by the OECD as being “about striking the best balance between economy, efficiency and effectiveness [and] a framework for assessing cost effectiveness across the public sector” (Jackson, 2012).

Public value in public sector VET

The meaning of public value and principles of public value management are now quite detailed but application of these principles in the VET sector is patchy. There are some attempts to identify how the VET sector contributes to public value (European Centre for the Development of Vocational Training (Cedefop), 2012; Stone, 2012) as well as how public sector VET makes a contribution to society and the economy.

Many of the associated writings take the form of advocacy documents and opinion pieces using consultations and case studies, but others have more substance. For example, a 2011 report into Further Education Colleges in England found that:

... further education colleges are, often ... embedded in their communities. Their provision is exceptionally diverse, with informal and non-accredited learning sitting alongside vocational and academic study. As well as providing learning and skills, many colleges have developed a significant wider role in their communities, contributing to widening access to learning, community cohesion and the development of civil society and enterprise.
(Baroness Sharp of Guilford, 2011, p. 5)

In Australia, the Allen Consulting Group conducted a review of TAFE NSW for the New South Wales (NSW) Government in 2012. The report identified the significance of public sector TAFE in terms of the proportion of VET graduates in the workforce across a range of industries, noting “the major economic contribution of TAFE NSW is through close alignment with industry as an employer of VET graduates” (Allen Consulting Group, 2012, p. 25). It also concluded that TAFE NSW was contributing to the strengthening of the NSW skills base by increasing the overall qualification

levels. In addition, there was “high levels of industry support for TAFE NSW” (pp. 26 - 28).

The following year, the NSW TAFE Commission published the results of a state-wide consultation on perceptions of TAFE in 2013. The consultation found that:

1. *TAFE NSW is universally valued* by NSW residents with just over half of them having undertaken a TAFE course. The brand is valued and is associated with quality training. TAFE NSW is valued as a networked organisation with a state-wide footprint.
2. *TAFE NSW is vital to the economy* because its services are valuable to business and industry; it produces work-ready graduates with practical skills; it provides access to training no matter what the location; and it provides training at all levels.
3. *TAFE NSW is crucial to communities* with an important role in helping students to overcome disadvantage, in offering an alternative to university and in providing support services. Many people reported multiple relationships– as student, teacher, employer of graduates - with TAFE.
4. *TAFE NSW needs to change* to offer more learning options, more rapid response to employer and customer needs, simplifying enrolment processes, reducing red tape, adopting more business-like approaches and maintaining the quality of teaching and learning facilities. (TAFE NSW, 2013 writer's numbering)

Mapping these points of value in the above case against Moore’s strategic triangle indicates that despite the positive tone of the NSW Commission Report, key gaps are revealed when it is read critically against Moore’s three tests of public value (Box 2.2).

Box 2.2: Moore's strategic triangle applied to TAFE NSW

Moore's Strategic Triangle: Three Tests	TAFE NSW Commission Report		<i>Brief Assessment</i>
	Comment	Reference	
Test 1: Value The organisation must be able to produce things of value to stakeholders at low cost in terms of money and authority	TAFE NSW is valued by residents TAFE NSW is valued by business and industry TAFE NSW needs to become more responsive and efficient	Point 1 Point 2 Point 4	<i>TAFE NSW does not fully meet the Value test, because it is not considered to be low cost</i>
Test 2: Legitimacy and Support The organisation is able to attract sufficient ongoing support and resources from the political environment to which it is accountable	TAFE NSW is vital to the economy TAFE NSW is crucial to communities	Point 2	<i>TAFE NSW at least partly meets the Legitimacy and Support test, but its ongoing ability to attract resources is unclear.</i>
Test 3 Operational Capabilities The organisation has the necessary capabilities to achieve its goals	TAFE NSW is able to meet the needs of business and industry TAFE NSW assists students to overcome disadvantage	Point 2 Point 3	<i>TAFE NSW at least partly meets the Operational Capabilities test</i>

While private providers can contribute to VET in similar ways to public sector TAFE, they can also opt in or out of them as they see fit. As they operate according to low cost delivery models geared towards profit with less infrastructure and fewer services to students, these features of the operating environment mean they cannot perform the roles necessary for those contributions in the same way as TAFE. As Noonan (2010, p. 2) notes,

TAFEs' public roles can include maintaining a wide range of courses even where there is low demand, maintaining campus [...] and opening new campuses in areas of high population growth, enrolling students from diverse education and socio-economic backgrounds, providing specialist training in

niche industry areas, providing counselling and library services,, student facilities and meeting specific policy objectives of government.

Public value in VET/TAFE

The discourse of ‘public value’ is less explicit in education than the discourse of ‘marketised governance’, and is sometimes confused with the discourse of ‘public education’ that characterised 20th century conditions of government. However, the writings of Moore and other writers in the field offers a vocabulary related to public value in the public sector and what it means for the role of public officials. In the absence of any systematic application of public value in Australian TAFE/VET, I extrapolate from that literature to identify key words, as shown in Box 2.3.

Box 2.3: Key Words in the Public Value Discourse

PUBLIC VALUE DISCOURSE	
Key words in the public sector generally:	Possible specific key words in TAFE/VET:
public sector	public
value	teaching quality/ pathways/ engagement/ access
citizenry	community/ society/ industry
consumers	student/learners
products/ goods/ services	education/curriculum/programs/qualifications
operational capability	teaching
outcomes	attainment/ completion /retention /employment/ community well-being and cohesion/ graduates

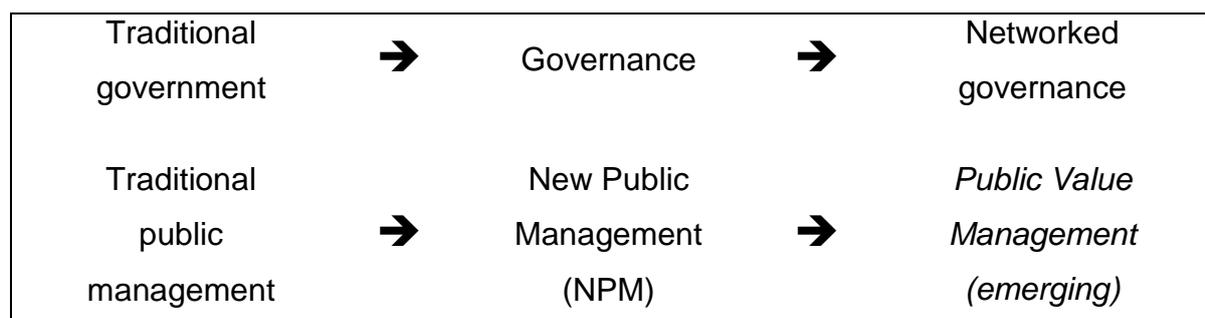
This vocabulary also raises the following questions about public value for further investigation:

- To what extent are the key words of public value evident in the discourse of VET/TAFE?
- How is value characterised in VET/TAFE?
- What outcomes are being sought for students and in what time frames?
- How do VET/TAFE policy goals relate to public value outcomes?
- What are the policy implications of the above for the future public role and value of TAFE?

LINKING NETWORK GOVERNANCE AND PUBLIC VALUE

In this review, the literatures on network governance and public value have been discussed as parallel responses to or progressions from traditional forms of government and public management. In simplified form, this path-dependent trajectory is conveyed in Box 2.4.

Box 2.4: Trajectories in Government and Public Management



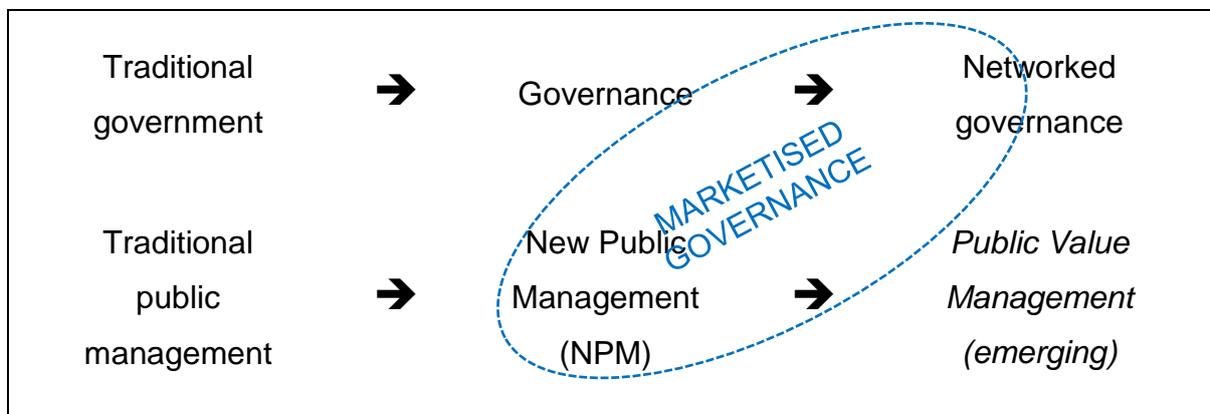
However, the relationship between these two trajectories is also important because it affects how governing through networks might develop if public sector managers were able to choose between the discourse of New Public Management and ‘public value’. There are indications that networked governance sits uncomfortably with both traditional public management and NPM. For example, Stoker (2006, pp. 41-42) argues “the public value management paradigm bases its practices in the systems of dialogue and exchange that characterize networked governance... [but also] ... offers a broad framework in which to comprehend the management challenge posed by networked governance”. O’Flynn (2007) takes a similar view. The focus of public managers in the NPM paradigm is on the achievement of performance targets whereas in public value management there are multiple goals which require the skilful use of networks of providers for their achievement. This shift is from results to relationships.

When discussing the trajectory towards network governance, the writer proposed the term ‘marketised governance’ to capture the convergence between networked governance and NPM that was evident in education. This term might appear to be inconsistent with the views of Stoker and O’Flynn. However, Kelly, Mulgan and Muers (2002), Stoker (2006) and O’Flynn (2007) suggest the progression from traditional public management to NPM and public value management is an emerging next phase. There appeared to be no evidence of public value management or a

related vocabulary emerging in the Australian VET sector. It was necessary to extrapolate key words in a public value discourse from more general public sector management literature. At the same time, while there is evidence of networked governance in TAFE/VET in Australia, the views of Stoker and O’Flynn opens the possibility that it may not deliver the benefits they envisage, that is, with NPM still playing such a dominant role, the full potential value of networked governance cannot be realised.

In the light of this evidence and the possibility of uneven emergence of public value management, ‘marketised governance’ might be a transitional form of public sector management. It may also be developing as the challenges of governing through networks prompt learning and innovation. I represent these possible linkages between the path-dependent trajectories by positioning marketised governance as an overlay where governing through networks is organised through NPM but could also be organised through other discourses that address the challenges of public sector coordination and accountability (See Box 2.5).

Box 2.5: Trajectories in Government and Public Management



In this respect public value management represents one innovative form (possibly of many) of public sector management. It is emergent until, as Moore’s strategic triangle suggests, it is given appropriate legitimacy and support. There are many critiques of NPM as a means of governing through networks, Stoker (2006) and O’Flynn (2007) identifying NPM as a flawed approach. Reviewing research in the field as well as a 2003 report by the OECD, O’Flynn (2007) summarises the weaknesses that she sees as cause for a move away from NPM and reason for consideration of public value management. They include:

- the high cost of competitive regimes and their failure to deliver genuine competition;
- increased transaction costs due to the high cost of contract preparation, monitoring and enforcement;
- limited real efficiency gains through privatisation, marketization and contracting out;
- a decline in accountability as a result of downsizing and restructuring in the public service;
- fragmentation of relationships promoting destructive behaviour;
- wholesale, and inappropriate application of private sector models to the public sector; and
- undermining of the fundamental values of the public service.

(O'Flynn, 2007 pp. 357-8)

Stoker's major criticism of both traditional public administration and NPM is that, albeit in different ways, they "require a separation between the world of politics and the world of officials" (Stoker, 2006, p. 46). In the case of NPM, this means that goals are set by politicians and then implemented and interpreted by public officials using contractual arrangements and performance targets. In public value management, politics is 'front and centre' to the management challenge. This is consistent with Moore's strategic triangle with its emphasis on the authorising environment and the need for legitimacy and support to assure public value (Moore, 1995).

There is also widespread criticism of NPM for reducing public sector management to private sector models without recognising the differences between the sectors. There are dangers in imposing private sector solutions on public sector problems inappropriately. For example, the 'customer' differs in the private and public sector (Alford, 2002). In the private sector, the customer selects a supplier with whom there is an exchange of goods or services for money; demand for the goods and services is determined by the number of customers entering into such an exchange; and the customer is a recipient of private value. In the public sector, customers operate in both an individual and collective sense whereby they consume services delivered by government and receive both private value as individuals and public value as members of the citizenry. Demand for services is determined through the democratic process.

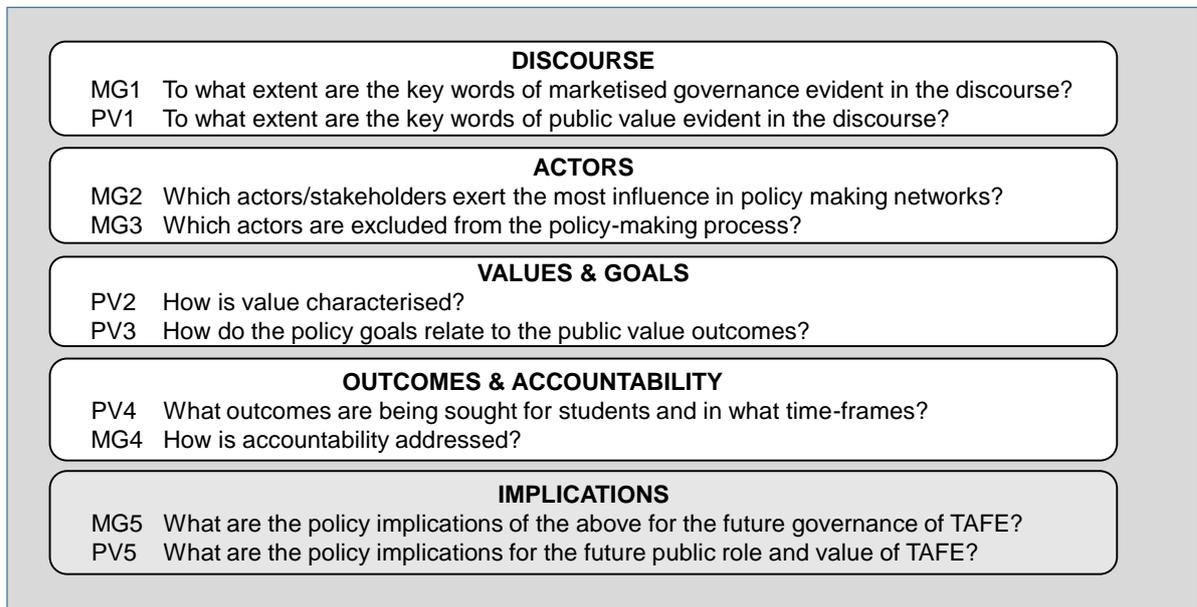
The public sector also interfaces with government and the world of politics in ways that are different to private sector organisations. Specifically, “public sector managers operate in a political marketplace first and foremost” (O’Flynn, 2007, p. 359). This political context means the strength of the public value management paradigm lies in the wider networked governance context and, in particular, “in its redefinition of how to meet the challenges of efficiency, accountability and equity and in its ability to point to a motivational force that does not rely on rules or incentives to drive public sector reform” (Stoker, 2006, p. 56).

CONCLUDING COMMENTS

This review of literature identifies several propositions that inform this research project. First, network governance, particularly as outlined by Ball, is evident in Australia but, despite the promises of public value as outlined by Moore and others, there is little evidence that its principles have been adopted in Australia. Second, there is evidence to suggest that networked governance and New Public Management have converged and produced a particular form of ‘marketised governance’ in Australian education. Finally, the discourse of public value management is under discussion in Australia but there is no evidence that it is influencing policy and management related to TAFE/VET.

The questions that have been identified provide a framework for investigating the discourse of public sector management in TAFE, as depicted in Box 2.6, while the key words associated with the discourses of ‘network governance’ and ‘public value management’ can be used to identify the discourses that frame and influence review reports on the value of TAFE in Australia.

Box 2.6: Linking Marketised Governance (MG) and Public Value (PV) – an Analytical Framework



CHAPTER 3: METHODOLOGY

This research asks: How has the public role and value of TAFE been reframed since its establishment in 1974 and with what implications for the future role of public sector vocational education and training? The perceived role of public sector TAFE in Australia is investigated using a qualitative case study methodology, drawing on historical and documentary evidence. The research process entailed two key steps. First, the policy history was reviewed to contextualise the privatisation of VET, using secondary sources, particularly Goozee's (2001) *Development of TAFE in Australia*, and more recent historical commentaries by Anderson (2005), Ryan (Ryan, 1999, 2011), Mitchell (2012) and Bowman and McKenna (2015). The second step was a 'political discourse analysis' (I. Fairclough & Fairclough, 2012) of two State-based reviews of TAFE conducted in 2012. These two review reports commissioned by Queensland and Victoria produced recommendations that were implemented with significant effects on the role of TAFE in those States. These two reports are cases of the discursive framing of TAFE. They provide data that are analysed with reference to the historical development of TAFE in Australia and the contemporary discourse of 'marketised governance' and 'public value'.

POLITICAL DISCOURSE ANALYSIS

Political discourse analysis (PDA) is a particular approach that has developed as an extension and specialisation within critical discourse analysis (CDA) (N. Fairclough, 1992a, 1992b, 2010). Fairclough's most recent work with Isabela Fairclough (2012) breaks new ground in the approach to PDA, which is of relevance to this research. Both CDA and PDA rest on particular understandings of *discourse*, *discourse analysis* and *politics/political*, terms which can only be briefly examined here since each one is an extensive study in its own right as well as the source of ongoing academic debate.

Discourse, discourse analysis and critical discourse analysis

Discourse analysis is intrinsically linked to the work of French philosopher Michael Foucault (1926-1984). For example, Howarth's (2000) three stages of discourse theory highlight this influence. In the first stage, discourse analysis focuses on analysing speech in the context in which it is used and explaining different aspects of communication by identifying the intended meanings of a speaker's utterance and the responses of those who hear it. The second stage sees the influence of Foucault and

is concerned with the way in which discourses are shaped by social practices and the way they in turn shape social relationships and institutions. According to Howarth (2000), the third stage builds on the second and credits Fairclough's early work that expanded discourse theory to include the analysis of political texts, speeches and also the ideas of other writers in context.

These three stages are consistent with the way other writers distinguish between 'discourse analysis' and 'critical discourse analysis', whereby the former term is used broadly while the latter signifies the influence of Foucault. For example, Luke (1995-1996) acknowledges the influence of psycholinguistics and sociolinguistics, but sees Foucault's emphasis on knowledge-power relations as offering educators a new way of viewing educational texts and discourses. A similar view refers to "many different versions of discourse analysis, drawing on a wide range of theoretical traditions in social theory" (Taylor, 2004, p. 435) and the influence of Foucault. The subsequent work of Fairclough singles out CDA as an approach that explores:

the relationships between discursive practices, events and texts; and wider social and cultural structures, relations and processes. CDA explores how texts construct representations of the world, social relationships, and social identities, and there is emphasis on highlighting how such practices and texts are ideologically shaped by relations of power. (Taylor, 2004, p. 435)

Interpretations of Foucault's meaning of discourse also vary. Ball foregrounds "what can be said and thought, but also who can speak, when and with what authority. Discourses embody meaning and social relationships, they constitute both subjectivity and power relations" (S. J. Ball, 1990, p. 2). Meutzenfeldt (1992) draws on Foucault to define discourse as "the complex of ... notions, categories, ways of thinking and ways of communicating that constitutes a power-infused system of knowledge" (cited in Taylor, 1997, p. 25). Howarth (2000, p. 9) references Foucault in describing discourses as "concrete systems of social relations and practices that are intrinsically political, as their formation is an act of radical institution, which involves the construction of antagonisms and the drawing of political frontiers between 'insiders' and 'outsiders'". More recently, Fairclough also acknowledges Foucault and defines discourse as:

a particular way of representing certain parts or aspects of the (physical, social, psychological) world; for instance, there are different political discourses (liberal, conservative, social democratic, etc.) which represent social groups and relations between social groups in a society in different ways. (N. Fairclough, 2010, p. 358)

The different emphases in these definitions are indicative of writers' different approaches but the term 'critical' in CDA, acknowledging power, politics and social relations, is common to all of them.

While distinguishing between broader and more specific useage, the term *critical discourse analysis* is still used to cover a multitude of approaches. As Fairclough argues, there is a need to distinguish between "what is CDA and what is not CDA" (Fairclough, 2010, p. 10). He suggests that CDA should combine three main characteristics:

- It does not only analyse discourse/texts but involves a systematic analysis of the relations between discourse and other aspects of the social process;
- It is not just a general commentary on discourse but uses some form of systematic analysis of texts; and
- It is normative as well as descriptive in that it points out social wrongs and suggests possible ways of addressing them. (Fairclough, 2010, pp. 11-12)

Critical and political discourse analysis

Writers draw further distinctions and adopt different terminology to focus on the application of discourse analysis to the field of politics. Generally, writers are agreed that critical discourse analysis and political discourse analysis are theoretically congruent and in some cases treat them as "two sides of the same coin". Luke (1995-1996, p. 12) maintains that "critical discourse analysis is a political act in itself". Van Dijk sees political discourse analysis as a sub-set of critical discourse analysis to be viewed as "a political approach to discourse and discourse analysis, e.g. in the way understood in contemporary Critical Discourse Analysis" (van Dijk, 1997, p. 11).

Howarth (2000) maintains that discourses are intrinsically political.

Against this background, the term *political discourse analysis* (PDA) is used throughout this research project. This terminology recognises that "CDA is particularly appropriate for critical policy analysis because it allows a detailed investigation of the relationship of language to other social processes, and of how language works within power relations" (Taylor, 2004, p. 436). The meaning of 'political' is also contested but Lassell's 1958 definition of politics as "the process by which society determines who gets what, when they get it and how they get it" (Birkland, 2015, p. 28) provides a broad frame of reference. This means that "the critical study of political discourse

aligns with the discourse analytic approach of CDA ... and that CDA is, at its core, a political endeavour” (Dunmire, 2012, p. 738).

The debates about politics identify domains of political action that are of relevance to this research. In this respect, politics embraces both *a struggle for power* between those who seek to assert it and those who seek to resist it and it can be seen as *cooperation*, or the means a society has for resolving clashes of interest (Chilton, 2004). Both these strands mark out micro and macro dimensions of politics associated with the roles of individuals and social groups, and the roles of political institutions and the state. Hay (2007) reduces twelve different senses of *politics* to four key features: politics as choice; politics as the capacity for agency; politics as deliberation; and politics as a social context/interaction. Taking a slightly different approach, Dunmire states that, “at a minimum, *politics* is understood as the province of the polity and to comprise the actions and practices of professional politicians, formal political institutions, and citizens who participate in the political process” (Dunmire, 2012, p. 737).

These definitions of politics provide both positive/neutral and negative/questioning definitions of politics (Birkland, 2015). For example, the art or science of governing can be read as political activities characterised by artful and often dishonest practices. These different meanings draw attention to the fact that the motivation of people involved in politics varies widely and is not necessarily entirely in the interests of others (Birkland, 2015, p. 29). Hay’s 2007 book cited above is notably titled *Why we hate politics*, and includes an exploration of the reasons underlying political cynicism, disengagement and disaffection.

These common usage definitions of *politics* begin to set the scene but are not incisive enough for the purposes of this research.

When defining PDA, this overarching domain of politics can be distinguished in terms of political systems, values, ideologies, institutions, organisations, groups, actors, relations, processes, actions, discourses and cognition/attitudes, recognising that these elements sometimes overlap (van Dijk, 1997, pp. 15-19). Drawing on these elements, the domain of politics being explored in this research might initially be characterised as shown in Box 3.1:

Box 3.1: Political elements in PDA associated with the research

<i>Political domain</i>	Vocational Education and Training/TAFE
<i>Political system</i>	Democracy
<i>Political institutions</i>	State Governments and their bureaucracies
<i>Political values</i>	Competition, individualism
<i>Political ideologies</i>	Neo-liberalism, New Public Management, the 'market'
<i>Political organisations</i>	Political parties in power, governance networks
<i>Political groups</i>	Industry, teachers, trainers, union members, students – including peak bodies and associations
<i>Political actors</i>	Education and Training Ministers
<i>Political relations</i>	Legislative power
<i>Political process</i>	Competitive neutrality principles
<i>Political action</i>	Policy development and enactment
<i>Political cognition</i>	Attitudes of voters

Rationale for PDA

Fairclough's approach to political discourse analysis builds on over twenty years of writing in the field. But now writing with Isabela Fairclough, they argue for a new approach to PDA that approaches politics in terms of *deliberation* and *decision-making*, rather than *representation*. The representational approach focused mainly on the way political actors represented reality while the deliberation and decision-making approach viewed political discourse as primarily argumentative discourse, as originally described by the 4th century Greek philosopher Aristotle in *The Politics* (I. Fairclough & Fairclough, 2012, p. 20). This re-focusing centres analysis on "the question of *action*, of *what to do*" (I. Fairclough & Fairclough, 2012, p. 17). Practical argumentation is therefore seen as the primary activity that is occurring in political discourse. Stated another way, Fairclough and Fairclough note:

A considerable amount of research in CDA involves analysis of representations of social action, actors or various other aspects of the world (analysis of discourses) without however connecting these representations to agents' actions via agents' practical reasoning. (I. Fairclough & Fairclough, 2012, p. 86).

Fairclough and Fairclough give examples of other well-known writers in the field of CDA to illustrate their point that the representational approach is limited. One example provided uses the two strands of *cooperation* and *conflict* in politics as the starting point for political discourse analysis. Another uses segmentation of the field of politics

so that political discourse is seen as a series of parts (I. Fairclough & Fairclough, 2012, pp. 20-23). Neither approach takes the additional step of examining the issue of subsequent action nor the decisions related to these actions. Analysing policy documents in terms of equity or feminist considerations are other examples of the representational approach.

Challenging the representational approach does not mean that representations can be discounted, as if PDA were an either-or option. Rather it is a partial perspective and, Fairclough & Fairclough (2012) note, it does not go far enough. Their preference for the deliberative approach leads them to the view that “a well-grounded critical perspective on political discourse requires argument reconstruction and analysis” (p. 23).

The methodology for PDA proposed by Fairclough and Fairclough is not universally acclaimed. For example, Hay (2013) acknowledges the value of many aspects of their approach but also outlines three key criticisms. First, their approach is too narrow and too exclusive – a form of methodological absolutism:

At times their book reads like the definitive statement of the only credible approach to the analysis of political discourse *as both political and as discourse*, derived logically and forensically from a consideration of the political itself ... At this stage in its development, political discourse analysis needs a proliferation, not a narrowing, of methods and acknowledgement that there is more than one way to analyse political discourse *politically*.
(Hay, 2013, p. 321)

Hay also disputes the underlying premise: that the boundaries between political and other forms of discourse can be clearly drawn. The concern with existing forms of political discourse gives insufficient attention to the specifically political character of all discourses and reduces the task of the political discourse analysts to identifying what makes such discourses distinctly political. A broader approach recognises that all discourse has a political dimension and that the political is about power. PDA should therefore “draw attention to the intended, unintended, real, anticipated and/or imagined effects of discourse either directly or indirectly” (Hay, 2013, p. 324). This view leads, Hay claims, to the need for a wider array of analytical techniques than the approach espoused by the Fairclough and Fairclough.

Finally, Hay (2013) critiques the Faircloughs’ definition of politics on the grounds that Aristotelian terms of deliberation and practical argumentation are too narrow. This definition overlooks much of the conventional, public and informal forms of political

discourse and it gives preference to the more formal and elite forms of discourse, such as parliamentary debate. Yet Fairclough and Fairclough draw on this critique by Hay in settling on their definition of politics. As already outlined, they do not reject other methods but simply claim that these methods focus on representation and give insufficient attention to deliberation. And, despite all the criticisms, Hay ultimately commends Fairclough and Fairclough for their undoubtedly systematic and thorough attempt to further advance the methodology that can be applied to PDA (Hay, 2013, p. 326).

This debate about the nature of PDA and its underpinning premises indicates that it is possible to distinguish between different domains and levels of political discourse. It is in the emphasis on argumentation and how it manifests through what is done at different domains and levels that PDA becomes interesting in the context of Australian VET system reforms.

APPROACHING PDA

Many writers in the field of CDA/PDA, including Norman Fairclough in earlier writings, refer to deconstructing and analysing policy documents but have done so in a narrative form (Chilton, 2004; Codd, 1998; Howarth, 2000; Howarth, Norval, & Stavrakakis, 2000; Luke, 1995-1996; Taylor, 1997). Texts are selected and analysed often by using line references. By contrast, the approach to PDA developed by Fairclough and Fairclough (2012) deconstructs the elements of the arguments used in the text, the way this leads to a decision on action and the nature of the decision reached.

The approach begins by identifying basic elements of an argument, for example:

- The claim for action (solution)
- Circumstantial premises (problems)
- Goal premises
- Value premises
- Means-goal premise
- Alternative options
- Addressing alternative options. (I. Fairclough & Fairclough, 2012, p. 88)

The following simple (fictional) example suggests how these elements might apply in the current marketised governance discourse of VET in Australia:

<i>The claim for action (solution)</i>	We should make the VET sector competitive.
<i>Circumstantial premises (problems)</i>	TAFE is unresponsive and too expensive. This limits the number of people who can be trained and the way training is offered.
<i>Goal premises</i>	Our goals are to have flexible and cost-effective training so that more people get access to training for the funds spent.
<i>Value premises</i>	We must extend access to VET to more people.
<i>Means-goal premise</i>	The only way of meeting the goal is to subject TAFE to market forces by giving the private sector access to government funding. The private sector will offer more cost-effective and flexible training and force TAFE to reduce costs.
<i>Alternative options</i>	The options are to allow TAFE to continue to be inefficient and deprive the community of a greater amount of training
<i>Addressing alternative options</i>	This option can be rejected on the grounds that it is a waste of taxpayers' money.

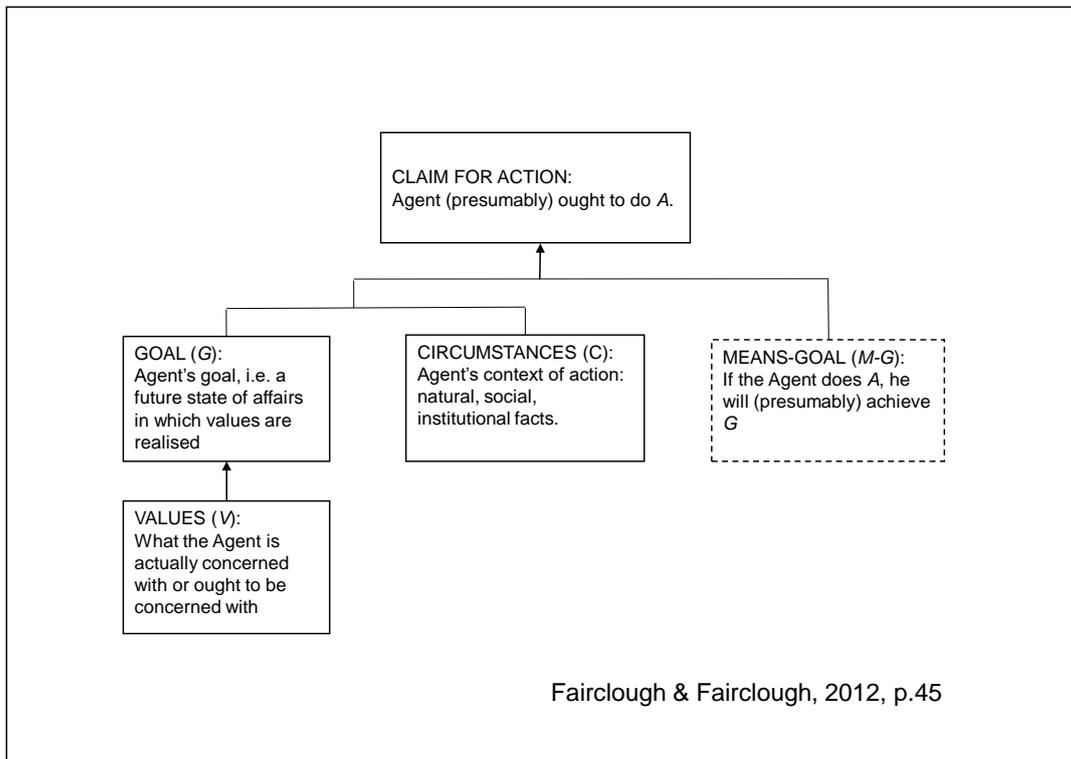
The above example illustrates a basic level but can also take into account many variations in forms of argument and their complexity. More advanced forms include combinations of additional elements such as:

- Counter-claims and alternatives
- Dealing with counter-claims and alternatives
- Anticipated objections
- Dealing with objections
- Arguments from authority
- Negative consequences of not acting or of an alternative approach
- The negative consequences of failing to modify strategy in the light of circumstances
- Emerging positive consequences of action already taken
- Dealing with anticipated negative consequences of proposed action

(Fairclough & Fairclough, 2012, p. 127, p. 141)

Fairclough and Fairclough (2012) recommend using diagrams to identify the elements of the argument and clarify the relationships between them. Box 3.2 reproduces the basic structure they suggest, which can be added to with further elements:

Box 3.2: The Structure of Practical Arguments

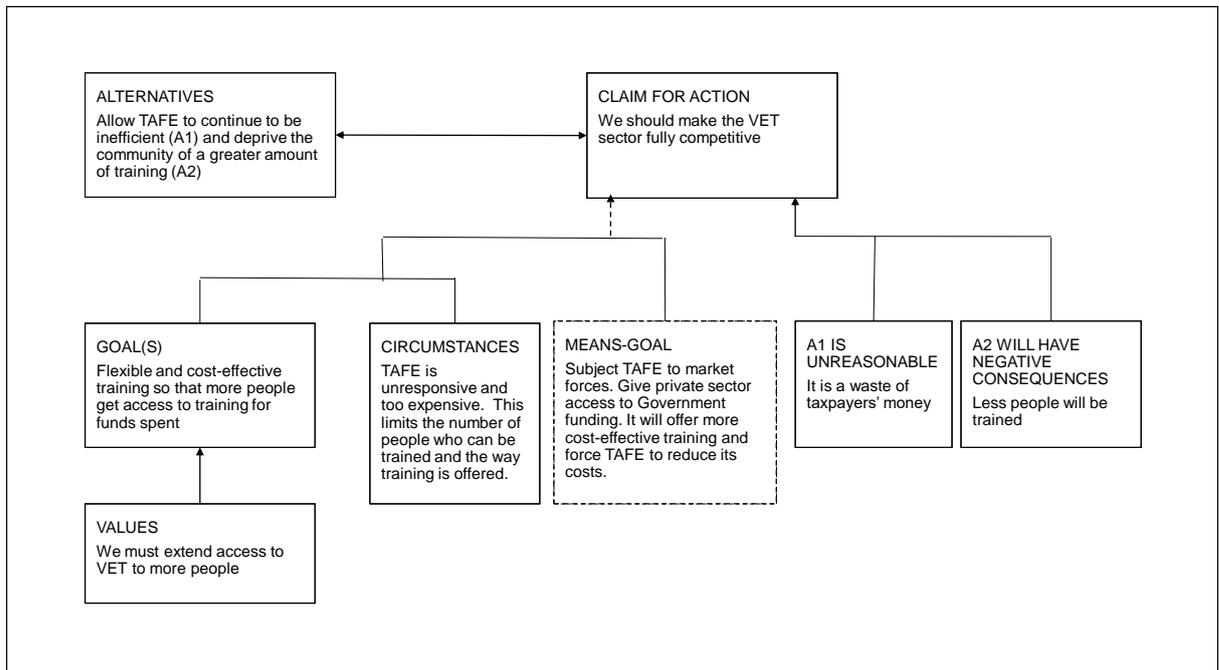


This diagrammatic strategy that lays out the elements and relationships in an argument has considerable appeal over a narrative form used by other policy analysts to deconstruct and evaluate an argument, because of the clarity it offers and the ease of comparing arguments, such as the two case studies in this research.

For the above fictional example, the diagram might be as shown in Box 3.3.

Representing an argument this way facilitates a critical approach to evaluating the various elements and thus reaching a conclusion whether the argument is 'good' or 'sound'.

Box 3.3: Simplified example of an analysis of VET discourse in Australia



Fairclough and Fairclough (2012, p. 52) explain that arguments can be evaluated from a *logical*, *rhetorical* and *dialectical* perspective. They go into considerable theoretical and historical detail about these three perspectives that is well beyond the scope of this research. In simple terms, the three perspectives can be summarised as follows:

- Logical perspective - Are the premises of the argument rationally acceptable and relevant to the claim and do they provide adequate grounds for the claim?
- Dialectical perspective – Does the argument resolve differences of opinion and stand up to critical questioning?
- Rhetorical perspective – Did the argument persuade the people for whom it was intended?

Ultimately, the Fairclough and Fairclough opt for a dialectical approach. They present three questions that are relevant for this research and are used as part of the basis for evaluating the arguments identified, namely:

- Will the action that is being advocated really lead to achieving the goal?
- Will the action have other effects than the intended goals (including negative effects)?
- Will other actions, different from the one that is being envisaged, also lead to the fulfilment of the goal? (I. Fairclough & Fairclough, 2012, p. 61)

Applying PDA to system change in TAFE

Fairclough and Fairclough propose a strategy for analysing an argument but it is necessary to make methodological choices about the domains and levels applicable to the argument evaluation. For convenience, these are referred to as primary, secondary and tertiary levels.

The primary level involves evaluating the stated argument based on the contents of the selected text. This level of analysis takes into account the remainder of the report from which it was selected as appropriate for accuracy and fairness, but also identifies, where relevant, the omission of any elements in the argumentation. Fairclough and Fairclough (2012) identify these elements as:

- Counter-claims and alternatives
- Dealing with counter-claims and alternatives
- Anticipated objections
- Dealing with objections
- Arguments from authority
- Negative consequences of not acting or of an alternative approach
- The negative consequences of failing to modify strategy in the light of circumstances
- Emerging positive consequences of action already taken
- Dealing with anticipated negative consequences of proposed action

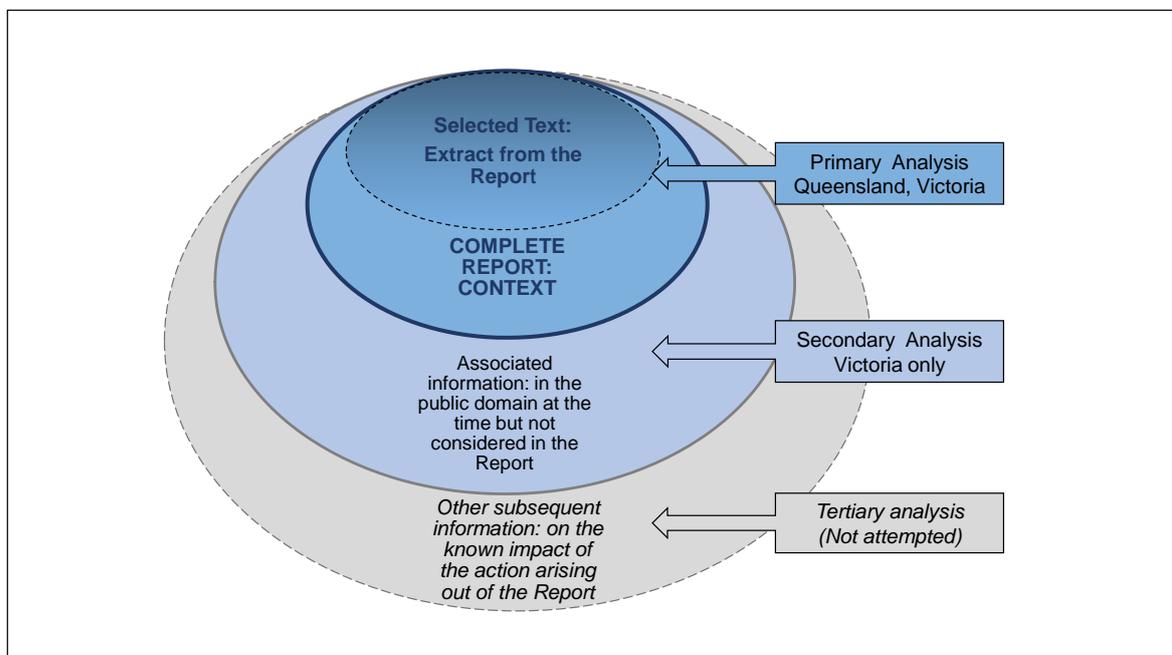
Fairclough and Fairclough maintain that the more these elements are taken into account, the more likely it is that the policy will have the desired effect. Where they are excluded, the question must arise as to whether this was intentional or inadvertent and whether or not their exclusion poses a risk.

The secondary level extends the primary analysis by asking the question: *What other relevant information was available in the public domain at the time that might have been included but was not?* This includes information such as records of parliamentary debate, newspaper articles, data, research reports and the like. It throws light on whether the proponents of the argument took into account all the information that was at their disposal at the time and its status as evidence that potentially assists in

answering the question why certain elements of the argumentation identified in level 1 were omitted.

A tertiary level of analysis is also possible, depending on the point in time at which the evaluation takes place. If there is a time lapse, it may also be possible to draw on and assess information and evidence that has become available since the action or policy recommended was enacted. This would include data and research on the impact of the policies that were introduced as a result of the argument and making judgements about the extent to which they align with the stated intention of the argument at the time. In the VET context, this offers a rich area of study but it is well beyond the scope of this research and is not attempted here. These layers are illustrated in Box 3.4.

Box 3.4: PDA – Three Levels of Analysis



Although Fairclough and Fairclough (2012) employ all three layers, they do not specifically identify them in this way. However, in the course of this research, this analytical procedure was necessary to manage the PDA process and, in addition, isolating the levels for purpose of analysis imposed a useful discipline on the evaluation. Specifically, addressing the primary level analysis before others levels ensured the stated argument was given close attention before considering other factors. It also proved useful in clarifying distinctions between what might have been known at the time and what can only be known with the wisdom of hindsight.

In the subsequent analysis of two Government commissioned reviews of TAFE, the Queensland case study is examined predominantly at the primary level, while Victoria is examined at both the primary and secondary level. This difference illustrates the differences between the two levels and also reflects the writer's greater access to information and familiarity and experience in Victoria, recognising the time constraints of this research.

Analysing and evaluating the discourse

While the methodology applied in this research draws heavily on the approach presented by Fairclough and Fairclough (2012), other issues are also considered.

Three requiring explanation are:

- The rationale for the choice of text to be analysed
- Ways in which the nature of the discourse can be characterised and depicted
- The analytical framework.

The rationale for the choice of text to be analysed

Queensland and Victoria were selected for this research as these were the two States that acted on the National Partnership Agreement on Skills Reform (NPASR) agreed to by the Council of Australian Governments in April 2010² with the greatest speed and intensity. The fact that the two Governments commissioned reviews focussing on TAFE within two months of signing the NPASR and within a week of each other also assisted in making them comparable. The reports arising from the reviews both made radical although different recommendations, likely to set the scene for the future direction of TAFE at national level.

Attention has been paid to making the texts for each State jurisdiction broadly comparable in nature, timing and length. Details of the rationale behind this are provided in the relevant chapters.

It should also be noted that if the approach adopted by the Fairclough and Fairclough (2012) were to be followed exactly, the selected text together with a summary and overview of the contents would be included in the body of the analysis. However, due to space constraints of this thesis, these texts and summaries are included as appendices for the relevant case studies.

Ways in which the nature of the discourse can be identified and depicted

As already discussed in the literature review, the writer has adopted the term 'marketised governance' to encapsulate the combination of *governance as networks* and *governance as New Public Management* that has emerged in TAFE in Australia. Certain key words were identified to denote the discourse of 'marketised governance' and key words were extrapolated from the literature to denote the discourse of 'public value'. While these key words are open to debate, identifying them through relevant literatures and supported by the OECD glossary of terms is an evidence-based methodology that justifies their application in this research.

In developing a list of these key words, it should be noted that, in all cases, only one word has been included to convey a certain meaning or idea, even though it might appear in several grammatical forms. For example, the word 'competition' may also appear as 'competitive' or 'competitiveness', or words such as 'student' may appear in the singular or plural. However, only the simplest form appears in the listing. Further, because many of these key words are interrelated, it is not possible to be prescriptive about the number of words involved. Attention has been paid to ensuring the number of key words are comparable overall in the two categories of marketised governance and public value, so as to avoid distortion in interpretation.

The key words relevant to each discourse (in no particular order) are related to the policy context as shown in Box 3.5.

The key words are used in the research as a preliminary means to locate the discourse. First, a simple count of frequency of occurrence in the selected text of each word - in all its grammatical forms - is used. Then software (Wordl) is applied to create a visual word picture of the discourse. These two steps in each case study are discussed in the relevant chapters and set the scene for the political discourse analysis that follows.

Box 3.5: Key Words in the Discourses

DISCOURSES: KEY WORDS		
VET SECTOR	PUBLIC VALUE	MARKETISED GOVERNANCE
VET/ vocational	student/ graduate	market
TAFE	education/ program	training/ skills
provider/ RTO	benefit/ value	contestability/ competition
Institute	community/ society	economy/ industry
Government	pathway/ employment	commercial
Policy	learning/ teaching	business
Reform	attainment/ qualification	performance/ monitoring
Delivery	quality	productivity/ efficiency
Region	access/ engagement	financial /cost/ profit/ funding
State	public	private
Total = 12	Total = 18	Total = 18

The Analytical Framework

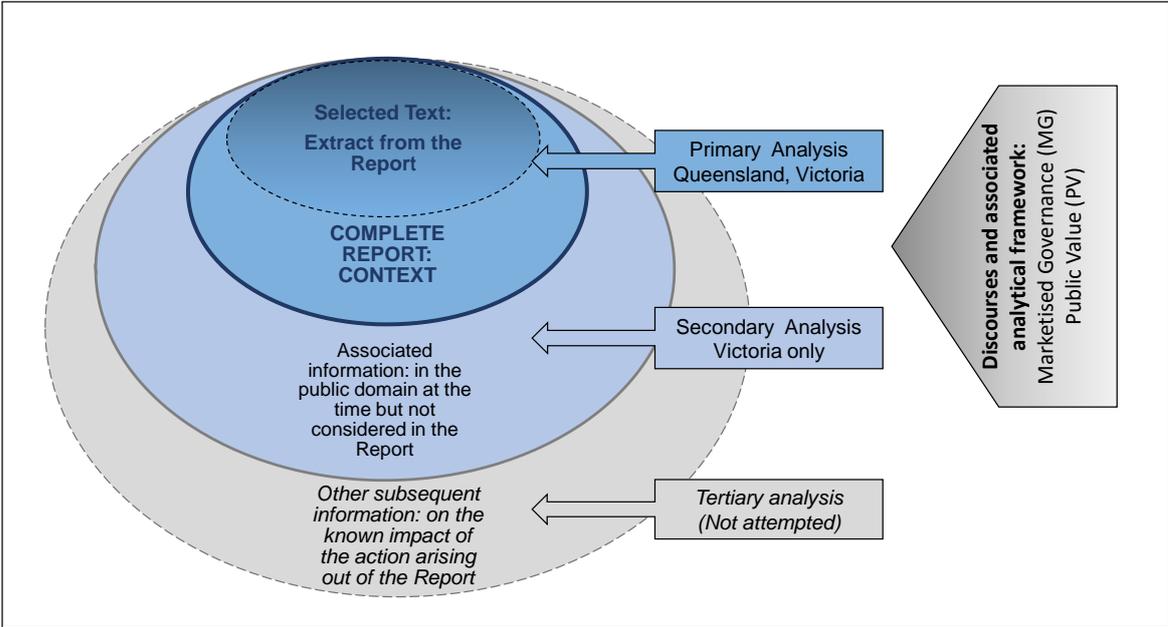
The analytical framework emerged from the literature review (Chapter 2) and is discussed in the final chapter.

CONCLUSION

While the criticisms of the approach adopted by Fairclough and Fairclough should not be overlooked, PDA has been chosen for this research project for the many advantages it offers. Since the analysis is primarily of particular policy-related documents and only secondarily of the associated public discourse and commentary, the deliberation and decision-making approach is particularly useful. By exposing the components of an argument in such a methodical and exhaustive way, it facilitates an exploration of the validity of the arguments. Common sense suggests that political discourse analysts cannot assume that all policy documents will be coherently and logically argued or that they will be internally consistent. The examples cited by Fairclough and Fairclough illustrate this and Hay's (2013) critique suggests it. This adds to the appeal of using diagrammatic strategies as proposed by Fairclough and Fairclough rather than the narrative. These matters are dealt with in the individual case studies.

Taking into account the other considerations incorporated into the research and outlined above, the methodology overall is depicted in Box 3.6:

Box 3.6: Overview of the Methodology



CHAPTER 4: BACKGROUND TO DEVELOPMENTS IN TAFE AND VET

INTRODUCTION

This chapter provides the historical background to the developments that occurred from 2012 onwards in the States of Queensland and Victoria, which are the subject of the political discourse analysis that follows and the focus of this research. The guiding concepts of marketised governance and public value are described in chapter 2.

Tracing the developments through the evolution of Technical and Further Education (TAFE) and vocational education and training (VET) in Australia highlights some key milestones that mark the transition from TAFE as a discrete (public) sector provider to being part of a wider VET (public and private) sector. This shift towards marketised governance is paralleled by shifts in the meaning of public value.

There is no suggestion that a comprehensive history of TAFE or VET is being provided, which would require a much more detailed review. The background makes reference to key national developments in VET, both domestically and internationally, that are relevant to the case studies that follow. It does not include non-TAFE public sector provision, namely the Adult and Community Education sector.

BRIEF OVERVIEW OF THE EARLY HISTORY

Sources

One well-recognised record of the history of TAFE is contained in Gillian Goozee's *The Development of TAFE in Australia*, first published in 1993 by the National Centre for Vocational Education Research (NCVER) and then re-published in 1995 and 2001⁴. It is a very detailed account which traces the history of technical education from the early days of colonisation until the end of the 1990s. Broadly speaking, it can be said that the Goozee record shows that, at least up until the 1970's, the purpose of TAFE was consistently seen to be that of meeting the manpower needs of Australia whether that be to build the colonial infrastructure, respond to various periods of growth or to ensure that Australia had the necessary skills during war and post-war periods. The history of the period from the late 1990s to the present time is recorded in a range of articles by writers such as Anderson (2005), Ryan (2011), Mitchell (2012) and Bowman and McKenna (2015). These and other accounts describe an ongoing and complex array of policy and funding changes by individual states and territories, further complicated by

⁴ Citations throughout this thesis are from the 2001 edition.

an overlay of similarly frequent changes at Commonwealth level. This period is important because it is during these years that private sector VET has grown and the value of public sector VET, once a given, has been seriously questioned.

The Beginnings

The need for skilled labour dates back to the earliest days of colonisation. Rooted in the British tradition, the colonies adopted the apprenticeship system, with Governor King introducing apprenticeships for boys as early as 1805 (Beckett, 2013). The system developed quickly and is still regarded as integral to the VET system today.

The first formal forms of VET were the Mechanics Institutes and the Schools of Arts. The first Mechanics Institute was established in Hobart in 1827 and the Sydney Mechanics School of Arts was established in 1833 with Newcastle, Melbourne, Adelaide and Brisbane all having similar institutions by 1840 (Goozee, 2001).

With each colony and then each State having control over technical education and each being subject to different economic, political and societal pressures, technical education developed its own distinctive characteristics in each State. The role of the Commonwealth came into play during World War 1 with a Commonwealth-funded vocational training scheme but this was phased out post-war. Goozee states that “by 1918, most states had reviewed their education systems, and the second major era of development of technical education was completed. These structures were to remain virtually unchanged until the 1970s” (Goozee, 2001, p. 16).

After World War 1, the same pattern of the States proceeding in separate ways continued, but as had been the case earlier, the advent of the Second World War brought the Commonwealth into the scene again with funding for manpower training schemes. These schemes saw some new equipment and facilities being provided, but this was never going to be enough to cope with the rapid growth of the Australian population in the post-war decades (Goozee, 2001, p. 19).

Two major reports at Commonwealth level are noteworthy during this time. The first was the 1957 Murray Committee Report (Australia Committee on Australian Universities, 1957). The report recommended that professional training should be the function of the universities, while all forms of non-professional training should be the function of the technical colleges. Following the Murray Committee the financial situation of the universities improved but that of the technical colleges did not.

In 1961, the Martin Committee was appointed to make recommendations on the future of tertiary education. Its report *Tertiary Education in Australia* recommended three categories of institutions: universities, institutes of colleges and boards of teacher education (Committee on the Future of Tertiary Education in Australia, 1964). The establishment of the institutes of colleges was a reform measure at the top end of technical education aimed at setting up groups of existing technical colleges with revised structures and functions (Goozee, 2001). The institutes of colleges were to later evolve into colleges of advanced education and by 1973, together with the teacher education institutions, to be included in Commonwealth funding responsibilities. Technical education remained the only component of post-secondary education not funded under Commonwealth arrangements.

The Kangan Report

The Whitlam years mark a major change to this situation with the appointment of the Australian Committee of Technical and Further Education (ACOTAFE), chaired by Myer Kangan, to advise on the development of technical and further education. It is instructive to note what the government of the time considered to be an appropriate composition for such a committee. Myer Kangan was a senior former Commonwealth government bureaucrat. The other members consisted of:

- three industry representatives
- two union representatives (including one from the teachers union)
- four State Government education bureaucrats
- and one academic.

This meant that of the eleven members, six were professionally involved in education and five were from within government, giving a strong voice to education and to government itself. As is discussed in later chapters, this approach to composition of committees associated with TAFE would undergo significant change.

The Committee produced two reports in 1974 and 1975 which effectively established TAFE as a sector and gave it a clear role to contribute to public value. Extracts from the *Summary of Conclusions* section of the 1974 report give insight into the role that was envisaged for TAFE and the emphasis that was placed on its public value:

The main purpose of education is the betterment and development of individual people and their contribution to the community. Technical and further education

should be planned accordingly (Australian Committee on Technical and Further Education (ACOTAFE), 1974, p. xxiii).

The emphasis in technical college type institutions should be primarily on the needs of the individual for vocationally oriented education and the manpower needs of industry should be seen as the context for courses (ibid, p. xxiii).

The proper perspective ... is for technical and further education to be seen as an alternative – neither inferior nor superior – to the [mainstream of] ... education (ibid, p. xxiii-xxiv).

These extracts, and the report more generally, emphasise the needs of the individual and their contribution to the community as well as their requirements for vocationally oriented programs. They refer to the development of knowledge and skills. They equate technical and further education with other sectors of education. In the *Summary and Conclusions* section, the word 'training' is used 17 times while the word 'education' is used 92 times (excluding reference to 'technical and further education'). The words 'student' and 'individual' are used 18 and 14 times respectively, while the words 'industry' and 'employer' are used 9 and 5 times respectively. Even this crude analysis connotes a dominance of the discourse of public value.

Goozee (2001) argues that the significance of the Kangan report cannot be underestimated because it gave TAFE:

- an identity, a status, a charter and an ideology
- access to Commonwealth funds for both recurrent purposes and capital works
- a place on the national education agenda.

Having experienced this period, the writer can attest to this view and affirm that the philosophy of the Kangan Report captured the imagination of many working in the sector at the time. The flow of Commonwealth funds to TAFE was also significant and the period saw unprecedented investment in TAFE facilities and equipment.

In responding to the Kangan Report in 1974, Kim Beazley, the Minister for Education stated:

The report envisages a change of emphasis. It abandons the narrow and rigid concept that technical colleges exist simply to meet the manpower needs of industry and adopts a broader concept that they exist to meet the needs of people as individuals. (Beazley, 1980, p. 48)

Beazley's account of the period conveys his own commitment to the new identity for TAFE –one that would emphasise the social value for individuals and public value for

society over the predominantly economic value of the past. Bowman and McKenna (2016) also maintain that the Kangan report 'saw TAFE as a social entitlement and a key responsibility of government' (p. 13).

However, it can also be argued that in the long term, the Kangan period was not the dawning of a new era, but short-lived and that there would be a return to a market model that narrowed the role of technical and further education.

THE SHIFT FROM PUBLIC VALUE TO MARKETISED GOVERNANCE

TAFE post-Kangan

Although the terms 'public value' and 'marketised governance' were not used at the time and have specific meanings in the context of this research, early signs of a shift in emphasis can be identified. Twenty years after the Kangan report was tabled there was a commemorative symposium to reflect on the Kangan legacy, some commissioned papers for which were published in a document *Kangan: 20 years on*. In his paper 'The Kangan Legacy' Kirby highlights how quickly the broad vision for TAFE began to be narrowed down. As early as 1976, the TAFE Commission was exhorting that the focus needed to shift to adapting and upgrading the skills of the workforce.

Kirby goes on to comment:

From this point onwards, TAFE has moved ever closer to its labour market role. That association was clear in its early beginnings, reinforced by the emphasis on vocational training immediately after World War II. As the post-war full employment record tumbled, in the 1970s and 1980s, TAFE's links to employment and industry training continually strengthened. (Kirby, 1994, p. 84)

This shift can be further illustrated by a series of reports prepared or commissioned by industry leaders and government departments that followed the Kangan period. In 2011, the NCVER released a list of *Landmark documents in Australian VET*⁵ from 1969 to the time of release, that is, over 42 years. It includes 64 policy statements and reports over that period, 28 of which were in the 1990s. Box 4.1 below provides a sample showing that even the report titles indicate a definite trend towards linking TAFE/VET more closely to the economy and industry needs following the Kangan period.

⁵ http://web.archive.org/web/20130521180517/http://www.ncver.edu.au/files/timeline_landmark.pdf

Box 4.1 Sample of Landmark Documents in Australian VET

1985	<i>Report of the Committee of Inquiry into Labour Market Programs (Kirby Report)</i>
1987	<i>Australia Reconstructed (Australian Council of Trade Unions)</i>
1987	<i>Skills for Australia (Dawkins Report) (and several further reports in 1988 and 1989)</i>
1990	<i>Training Costs of Award Restructuring: Report of the Training Costs Review Committee (Deveson Report)</i>
1991	<i>Young Peoples' Participation in Post-Compulsory Education and Training (Finn Report)</i>
1992	<i>The Australian Vocational Certificate Training System (Carmichael Report)</i>
1992	<i>Key Competencies: Report of the Committee to Advise the Australian Education Council and Ministers of Vocational Education, Employment and Training on Employment-Related Key Competencies for Postcompulsory Education and Training (Mayer report)</i>
1995	<i>Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century (Karpin Report)</i>

The Deveson Report

The influential ACTU report *Australia Reconstructed* of 1987 was instrumental in Federal Minister John Dawkins adopting a new policy approach of integrating employment, education and training programs, which was further strengthened when the 1988 wage case linked employment classifications, wage gains and career progression to skills acquisition through training. However, this led to serious concerns about the costs involved and the capacity of the training system to respond (Ryan, 2011, pp. 10-11). The Training Costs Review Committee, chaired by Ivan Deveson, then CEO of Nissan Australia, was commissioned in 1990 to review likely future training costs and other related implications (Deveson, 1990).

The resulting report, known as the Deveson Report, promoted the concept of a training market. It posited the view that in well-functioning markets “high cost or inefficient providers will lose out through competition to those trainers providing a better quality or more efficient service, thus providing the desired results at a lower cost to customers and the nation ... [since] ... through competitive pressures, markets result in price being pushed down to the cost of production” (Deveson, 1990, p. 9). This meant giving greater access to government funding to industry and private training providers.

Supporting the view of the Business Council of Australia (BCA), the report argued that TAFE's monopoly on the receipt of government funding for training would inhibit the development of a training market and that opening up the market to the private sector would support both equity and efficiency (p. 10). As Anderson (2005) observes, this claim was unsubstantiated by empirical evidence. The Committee was also inclined to accept claims by the private sector that it could provide training more cheaply and effectively than TAFE. While at the same time acknowledging that there was "no direct evidence to test these claims", the fact that they were "a source of growing tension within the training market" (p. 11) was sufficient for the Committee to promote them nonetheless. Describing the training context in Chapter 2, the report uses the word 'market' 37 times in seven pages. All of these points illustrate the shift towards an ideology of marketised governance. As Ryan (2011) notes, a fundamental shift in view that "vocational training should be longer be regarded as a community service, but as a training market" (p. 11) is treated as an incidental issue.

The Deveson Report and many of the other reports listed in Box 4.1 were part of an ongoing debate about who should pay for training or more precisely what should be the proportionate share by government, industry and the individual. This debate continues today. In an attempt to encourage industry to contribute more to the costs of training, the Federal Labour government introduced the 'Training Guarantee' in July 1990 under legislation that required all enterprises with a payroll of over A\$200,000 to spend 1.5% of payroll on training for their employees or pay an equivalent amount to the Australian Taxation Office (Training Guarantee Act, 1990). The scheme was opposed by many within industry and was to be abolished by the incoming Liberal Government. In any event, as Smith and Billett (2005) point out, this and other attempts to encourage industry to invest in training did not significantly alter the level of investment.

Alongside this, the 1990s saw a change in language about TAFE. VET replaced TAFE as the descriptor for the sector, so that private providers were included. TAFE became a sub-set of VET. The term 'national training market' was first used formally in 1992 (Goozee, 2001, p. 91) and by the mid-1990s the term 'industry-driven', promoted strongly by the Australian National Training Authority (ANTA), was commonly used to describe the sector. The concepts of 'user choice' and competition brought significant changes to funding arrangements and progressively opened up government funding to the private sector.

Reflecting on this period and the role of Minister Dawkins, it has been observed:

Through the use of a series of government policy documents and controlled inquiries, Dawkins succeeded in establishing a widespread climate of belief that TAFE institutions had become unresponsive to industry and in need of reform. Where the claims of these policy documents can be checked against evidence they are largely unsubstantiated, but this did not diminish the success of the rhetorical mobilisation. (Ryan, 2011, p. 105)

With its strong advocacy of a training market, the Deveson Report played a major role in the shift towards marketised governance and away from the concept of public value.

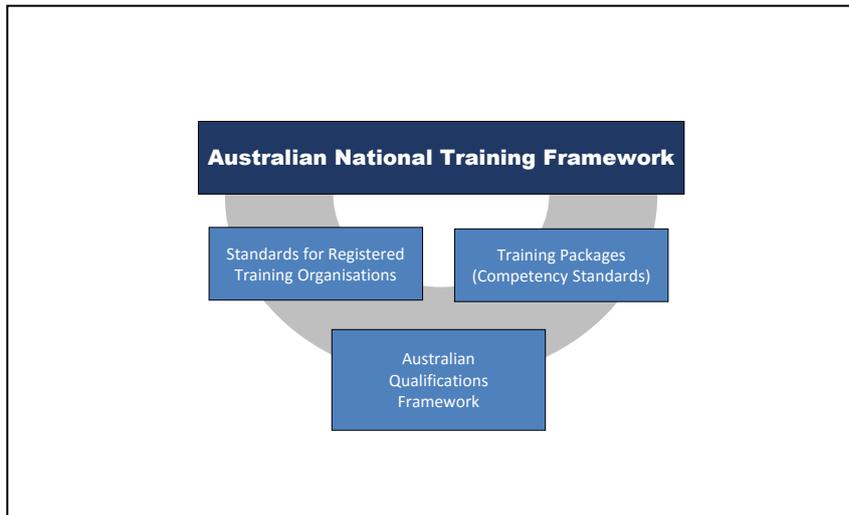
COMPETITION AND THE CHALLENGE OF ACHIEVING NATIONAL CONSISTENCY

The National Training Framework

During its relatively short existence (1992-2005), ANTA presided over a number of important changes that were designed to achieve consistency both between States/Territories and between public and private providers. Important among these was the National Training Framework which, as depicted in Box 4.2, incorporated three interdependent components: training packages, standards for RTOs and the Australian Qualifications Framework (AQF).

These components gave the Australian VET system distinctive characteristics. The emphasis on an industry-driven approach, particularly as manifested through training packages, generated interest from a number of other countries with less developed VET systems aiming for greater relevance to industry requirements.

Box 4.2: The National Training Framework



However, this system was to have a number of significant consequences. The development of training packages became the sole province of Industry Skills Councils. Training packages contained 'endorsed' components, which prescribed the competency standards, assessment guidelines and the associated qualifications. The role of the teacher/trainer became only to develop the learning strategies – the 'how' training is to occur. This meant that teachers/trainers no longer had a professional role in curriculum/program design. The standards related to teaching in VET were loosely expressed and minimal, whereby trainers and assessors only needed to have vocational competencies at the level being assessed, not necessarily the complete qualification.⁶ This compared with a university lecturer who was required to be "appropriately qualified to at least one Qualification Standard level higher than the course being taught".⁷

This situation meant that in VET:

- low qualification requirements made it relatively easy for an individual to become a trainer or assessor and kept salary costs low for private RTOs

⁶ Standard 1.4a of the *AQTF Essential Conditions and Standards for Initial and Continuing Registration* and SNR 4.4 and SNR15.4 of the *Standards for NVR Registered Training Organisations 2011* of the VET Quality Training Framework.

⁷ Tertiary Education Quality Standards Authority (TEQSA) Course Accreditation Standards and relevant predecessor standards.

- as industry-endorsed training packages were available to all RTOs, there was no need for up-front or on-going investment by RTOs in the training product they provided, an unusual situation for start-up private businesses.

Along with this easy access by the private sector to the market came increased access to government funding. According to published 2012 NCVET financial data, payments to non-TAFE RTOs increased by A\$950 million between 2008 and 2012, an increase of more than 200% (National Centre for Vocational Education Research, 2013, p. 6). However, this deliberate strategy to make training delivery cheaper and easily accessible also created a situation which was open to 'cutting corners' and rorting.

Although the key elements of the National Training Framework remained in place following the demise of ANTA in 2005, national consistency was gradually eroded as the individual States/Territories exercised their discretion in their approach to TAFE and VET. This created a highly complex VET policy environment. (Bowman and McKenna, 2015; Noonan, 2010).

In the pursuit of competition, there was an unspoken race between the States to approve as many private RTOs as possible. For example the Queensland Training and Recognition Annual Report stated that "during 2009-10, the number of Registered Training Organisations (RTOs) increased from 1356 in 2008-09 to 1445 ... Queensland continues to have the largest number of RTOs of any Australian jurisdiction" (Queensland Training and Employment Recognition Council, 2011, p. 12).

However, the number of private RTOs grew so quickly that it severely strained the regulatory capacity available to monitor and audit the quality of these providers. The regulatory function, though ostensibly operating under national guidelines, was run by each State with significant variations on the rigour with which it was applied. For example, in October 2010, a report by the Victorian Auditor-General's Office (VAGO) expressed concerns about the responsible regulatory body, the Victorian Registration and Qualifications Authority (VRQA). It concluded that:

The VRQA cannot reliably demonstrate that it has registered and monitored VET providers in line with the Act. This in turn raises doubts about whether published information on VET providers is reliable, and whether stakeholders can have confidence in the outcome of VRQA's registration activities for VET and, therefore, the quality of VET providers. (Pearson, 2010, p. 6)

Evidence also emerged of RTOs advertising courses to be completed in surprisingly short periods and/or at very low cost which pointed to some questionable and even

unscrupulous practices. In addition, reporting of this to the various state regulatory authorities appeared to have limited effect. Claims along these lines were not thoroughly investigated until 2013, when the marketing and advertising practices of over 400 RTOs were investigated by interrogating their websites. The practices were documented in a 2013 report by the Australian Skills Quality Authority which found, for example, that 54% of the web sites were marketing qualifications that the RTOs claimed could be achieved in unrealistically short time frames or time frames that fell short of the volume of learning requirements of the Australian Qualifications Framework (AQF). Other unethical practices included guaranteeing a qualification; guaranteeing a job outcome; and collecting fees in advance in excess of the allowed maximum (Australian Skills Quality Authority (ASQA), 2013, pp. viii-ix). It can be reasonably assumed that these practices had been in place for some time and that any action taken in response was insufficient to deter some RTOs from taking advantage of the leeway available in a weak policy environment to extract profit from the situation.

Crisis in the International Market

Matters came to a head in the international market when it became clear that rorting was rife. Coupled with the opportunity to offer migration services, RTOs were established that did not meet the regulatory standards and which were exposed as exploiting students or engaging in other forms of disreputable behaviour.

For example, in his 2011 strategic review of the student visa program, Knight referred to the prevalence of the “unscrupulous operator with no interest in education who was running a private ‘college’ as a migration scam” and characterised such persons as “shonks, crooks and spivs” (M. Knight, 2011, p. 59). He reported that:

In the last two years a significant number of providers, primarily in the private VET sector, closed with little or no warning. 16 providers closed in 2009 displacing 5,795 international students. A further 5,891 students were displaced in 2010 when another 33 providers closed. (Knight, 2011, p. 12)

In 2010, the Australian Education Union (AEU) reported on what was considered to be a crisis:

The crisis in international education is so serious that DEEWR⁸ officials are concerned that the ESOS⁹ Assurance Fund, established to provide some protection for students if colleges fail, could run out of money. In the period 1

⁸ DEEWR – Department Education, Employment and Workplace Relations (federal)

⁹ ESOS – Education Services for Overseas Students

Jan 2008 to 30 June 2009 it paid refunds to 889 students totalling \$4,274,601. At June 30, 2009 only \$3.4 million remained in the Fund. (Australian Education Union, 2010, p. 2)

Reflecting on this period in 2011, Senator Chris Evans, the then Minister for Tertiary Education, Skills, Jobs and Workplace Relations, stated:

The rapid expansion of the VET sector was driven in large part by migration policy changes introduced by the Howard Government. In a matter of a few years, hundreds of so-called colleges were set up across the nation purporting to offer a high quality education experience. The reality was that while there were many good ones, many were offering purely migration outcomes rather than quality education services. [...] As dodgy cooking and hairdressing schools collapsed, the reputation of respected VET and higher education providers also suffered [...] In the rush to growth, the quality of education offered suffered, and existing systems of regulation and quality assurance were found to be wanting. (Evans, 2011)

A number of changes were subsequently made in an attempt to address the situation. This included the establishment of the Australian Skills Quality Authority (ASQA), referred to above, which was intended as a single national regulatory body¹⁰ to replace the array of state regulatory bodies and which came into effect on July 1, 2011.

The serious damage to Australia's reputation in the international market meant that many of the unethical providers went out of business, but it did not entirely prevent problems of unethical practice in the domestic market. This raises serious doubts about the belief in the market's capacity to promote efficiency and quality advocated in the Deveson Report.

Importantly, these matters were in the public domain when the two States that are the subject of this research commissioned their reviews and embarked on a course of implementing competition.

National Partnership Agreements

Another initiative aimed at national consistency came in the form of national partnership agreements reached by the Commonwealth and States and Territory Education and Training Ministers under the auspices of the Council of Australian Governments (COAG), two of which are of particular relevance here.

¹⁰ Two states, namely Victoria and Western Australia, did not transfer full regulatory powers to ASQA.

The first, the *National Agreement on Skills and Workforce Development* (NPASWD) of 2012 introduced targets for improving national training outcomes¹¹ and formalised commitment to an open, competitive training market.

The second, the *National Partnership Agreement on Skills Reform* (NPASR) was signed in April, 2012 and was designed to give effect to reforms outlined in the NPASWD. The NPASR introduced the concept of a national entitlement to a government subsidised training place accompanied by increased availability of income contingent loans. It specified that the national entitlement to a subsidised training place would be accessible through any registered training organisation (RTO), public or private, that met the state-based criteria (NPASR, 2012, p. 7).

As part of the Agreement, the States agreed to a range of specific reforms related to a competitive market including the points c) to e) as follows:

- c) encouraging responsiveness in training arrangements by facilitating the operation of a more open and competitive training market
- d) enabling public providers to operate effectively in an environment of greater competition
- e) strengthening the capacity of public and private providers and businesses to deliver training and to support people in training. (NPASR, 2012, p. 3)

Scheduled to expire on 30 June 2017, the NPASR comprised both national reforms and jurisdictionally flexible reforms stating that “States will have different priorities, different levels of engagement and may proceed at different paces (NPASR, 2012, p. 4).

The reforms did include other requirements that might be associated with public value, such as improving outcomes for those experiencing disengagement or disadvantage; assuring the quality of training delivery and outcomes; and facilitating pathways between school, adult, vocational and higher education (NPASR, 20102, p. 3). However, as the case studies examined in this research reveal, it was the

¹¹ Targets:

- a) Halve the proportion of Australians aged 20-64 without qualifications at Certificate III level and above between 2009 and 2020
- b) Double the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020

implementation of a competitive training market that most captured the attention of the two State Governments.

Importantly, implementation of the reforms under the NPASR were tied to significant Commonwealth funding against specific milestones. For example, from a national total of \$1.75 billion over 5 years, Queensland stood to receive \$356.9 million (20.4%) and Victoria \$434.8 million (24.9%). This worked as a powerful incentive as the Commonwealth reserved the right to withhold funding where it believed that competition was not being applied.

Both Queensland and Victoria were quick to respond. The Queensland Government announced the Queensland Skills and Training Taskforce on June 21, 2012. The Taskforce was charged with the responsibility of providing advice and recommendations on actions needed to improve the operations and outcomes of the whole of the Queensland VET sector.

Likewise the Victorian Government announced the TAFE Reform Panel on June 28, 2012 to “provide strategic advice to the Government on TAFE business transition plans and advise on opportunities for system-wide efficiencies, with the aim of securing a strong and sustainable TAFE sector in Victoria” (TAFE Reform Panel, 2013, p. i). This followed the announcement of the 2012-2013 State Budget which outlined a range of changes to the Victorian vocational training system particularly in relation to the fees and funding model.

Further details of the developments in these two states are outlined in Chapters 5 and 6.

OBSERVATIONS ON THE HISTORY

The foregoing brief overview of the history of TAFE and VET shows that TAFE’s role in delivering services akin to the concept of public value described in Chapter 2 was relatively short-lived and was effectively Commonwealth Government-driven by means of the Kangan report. Acceptance of the policy recommendations of the Kangan report saw, as Goozee (1993) notes, both capital and recurrent funds flow to TAFE that would position it to deliver these services, so that capability to play a public value role would become a reality. However, with the States retaining ultimate responsibility for TAFE, a change in Commonwealth government policy could fundamentally and rapidly change this situation. Although not to be seen in isolation, the commissioning and acceptance of the recommendations of the Deveson Report is an important milestone in the

change that occurred in Australia and, as outlined in Chapter 2, is consistent with trends elsewhere in the world at the time that would see the emergence of marketised governance. Various initiatives aimed at achieving consistency between States and between public and private providers have had mixed results.

CHAPTER 5: CASE STUDY A - ANALYSIS OF AN EXTRACT FROM THE QUEENSLAND SKILLS AND TRAINING TASKFORCE FINAL REPORT, 2012

INTRODUCTION

This chapter reports on the Political Discourse Analysis (PDA) of the 2012 Queensland Skills and Training Taskforce Report. It begins by explaining the political context in which this review of TAFE was undertaken and how the text for analysis was selected. An initial analysis discusses the nature of the discourse involved. The main PDA is then detailed in four steps: identifying the argument; reconstructing the elements in a succinct and diagrammatic form; evaluating the argument; and examining other issues related to the argument. The chapter concludes by identifying some implications for public value.

As noted in Chapter 3, the PDA used in this research distinguishes between two different levels of analysis:

Primary level - evaluates the stated argument based on the contents of the selected text, taking into account the remainder of the report as appropriate for accuracy and fairness but also identifying the omission of any elements in the argumentation identified by Fairclough and Fairclough (2012), as outlined in the Methodology.

Secondary level – questions what other relevant information was available in the public domain at the time that might have been considered but was not. This includes information such as records of parliamentary debate, newspaper articles, data research reports and the like. The intention of this level is to throw light on whether the parties involved in the deliberation and construction of the argument took into account all the information that was at their disposal at the time. The omission of certain sources of information from elements of the argumentation identified in level 1 raises questions about whether this was inadvertent or deliberate.

In the case of the Queensland Skills and Training Taskforce only the primary level of analysis is addressed. The rationale for this choice rests on three judgments. Firstly, it is useful to demonstrate how an argument can be evaluated on its own terms. It clearly showcases the approach developed by Fairclough and Fairclough (2012), including the identification of missing elements in the argumentation. It also clarifies the insights that

can emerge from the primary analysis compared to how those insights can be developed through a secondary analysis. Secondly, fairness of interpretation requires considerable reference to the remainder of the report which must be accommodated regardless of space limitations. Finally, confining the analysis to the primary level accommodates the fact that the writer's knowledge and experience of the wider context in Queensland is limited. Focusing just on the primary level of analysis avoids this potential weakness in the analysis.

The three parts of the analysis of the Queensland Skills and Training Taskforce are summarised as follows:

1. Establishing the context

- Background to the Queensland Skills and Training Taskforce Report
- Rationale for how the text for analysis was selected
- Initial analysis of the discourses involved

2. Political Discourse Analysis

- Identifying the argument
- Reconstructing the argument
- Evaluating the argument
- Examining other issues related to the argument

3. Initial observations on the implications for public value.

ESTABLISHING THE CONTEXT

Background to the Queensland Skills and Training Taskforce Report

The Queensland Liberal Government, succeeding a Labor Government, came to power on March 26, 2012. Weeks later on April 13, along with all other States and Territories it became a signatory to the National Partnership Agreement on Skills Reform (NPASR) through the Council of Australian Governments (COAG) (See Chapter 4). As part of the NPASR, implementing a competitive training market became a condition for attracting Commonwealth funding, which in Queensland's case amounted to \$357 million over five years. The NPASR gave States considerable discretion over implementation by recognising that 'States will have different priorities,

different levels of engagement and may proceed at different paces' (Council of Australian Governments, 2012b, p. 4). In Queensland's case, the pace was swift.

Like TAFE in other jurisdictions, TAFE Queensland had been subject to a number of reviews and changes. The predecessor Labour Government in Queensland had commissioned the *Queensland Post-Secondary Education and Training Review* in 2010. Among thirteen other recommendations, the Review included an overarching recommendation that the Queensland Government develop and issue a policy statement on post-secondary education with six objectives, the last of which was:

A three-year transformation of TAFE Queensland based on the principle that TAFE's future lies in being the dominant and preferred provider in a growing training market with diverse revenue sources. (Allen Consulting Group, 2010, p. xxviii)

The Queensland Government of the time provided a formal response to the Review supporting or supporting in principle all recommendations and announced the formation of a *Ministerial Taskforce on the Transformation of TAFE Queensland*, part of whose role was to "identify and articulate a clear and ongoing role for TAFE Queensland as the public provider of tertiary education and training across the state" (Queensland Government, 2011 p. 15). The Ministerial Taskforce produced an interim report in early March 2012, but its role was overtaken by the change of government later in the same month.

The terms of reference for the new Queensland Skills and Training Taskforce were announced on June 21, five weeks after the new government had signed the NPASR. The twelve member Taskforce included nine appointed members, each with a proxy, and three official members. In addition to the three official government members, there was extensive representation from industry bodies: resources; retail; tourism; building; horticulture; and peak employer and union bodies. Six members, the Chair and five other members, were current or former senior executives in industry. There were also two members drawn from the private RTOs one of whom was the Chair of the peak body for private RTOs¹² and the other the CEO of a large private RTO. The remaining member was a senior union official. From the government's perspective, ensuring a strong industry voice was understandable and likely to give the Taskforce credibility.

¹² Australian Council for Private Education and Training (ACPET)

However a closer look at the industry and union representatives shows that four of the seven were from organisations that were also private RTOs¹³, meaning that six of the total nine appointed members were from organisations that were private RTOs or associated with private RTOs. This entails significant potential for actual or perceived conflict of interest that was either known but overlooked by the government or the result of a lack of a rigorous appointment process.

The fact that there was no-one from the TAFE sector led to considerable concern at the time among TAFE stakeholders. They feared their exclusion could lead to bias and that there may even be an agenda to achieve certain outcomes about TAFE. According to an article in The Australian newspaper at the time, the Queensland Teachers' Union claimed that the State government had an 'agenda' to reduce the stability and market share of TAFE (Ross, 2012a). Another article reported that the announcement of the membership caused the Deputy Director-General, Training and Tertiary Education to resign on June 29:

Queensland's TAFE chief has quit abruptly after the public provider was sidelined from a review to determine the future of the state's vocational education and training system... "Reading the writing on the wall, I can see the government is looking for a way forward with the VET sector that may not involve the department as much as I had originally thought" [she said]. (Ross, 2012b)

The Training Minister responded to this commentary, stating that inclusion of TAFE representatives would have created a conflict of interest and that this did not apply to private RTOs because they were not explicitly cited in the terms of reference. Journalist John Ross (2012b) challenged this stating that the terms of reference required the Taskforce to advise the government on actions needed to improve the operations of the VET sector and that private RTOs were an integral part of the sector. The Queensland Skills and Training Taskforce met with fifteen members of the peak body for the TAFE Directors (TAFE Directors Queensland) over two meetings and with the Chairs of the TAFE Councils. It held consultations with a wide range of other industry and educational bodies. It received 91 submissions from peak bodies (10),

¹³ The Australian Government website <https://www.training.gov.au> shows the organisations and the dates that they were first registered: National Retail Association (1998); Australian Industry Group (1999); Housing Industry Association (2003) and the Construction, Forestry, Mining and Energy Union (2012).

TAFE institutes (11), other organisations (50) and individuals (20) (Queensland Skills and Training Taskforce, 2012a, pp. 105-111).

Although the Taskforce was commissioned to provide advice on the whole of VET, less than three months after commencing its work an interim report dated August 31 was released. It focussed solely on TAFE and provided a range of recommendations. While it is true that consultations with the TAFE stakeholders began early in the proceedings, the consultations were not completed until mid-September meaning that definitive views about TAFE were reached very early in the process and before the consultations with TAFE stakeholders were complete.

This is further evidenced by a comparison of the contents of the interim report and the final report. The interim report consists of 41 pages, the content of which appears virtually unchanged in the final report. There are fourteen recommendations on TAFE, which are identical in the final report, the only difference being that the final report contains two additional recommendations. These relate to increased use of technology and TAFE's medium to long term future.¹⁴

The consistency in the texts suggests that much of the final report was established in the interim report and before completion of TAFE consultations. Releasing radical recommendations early also meant that the potential shock value and opposition could possibly dissipate by the time the final report was released and the changes would be seen as inescapable. It could also explain why TAFE representatives were excluded from the Taskforce and suggest that those members chosen aligned to the Government's view.

Significantly, the interim report rejected the view expressed in the *Queensland Post-Secondary Education and Training Review* that TAFE should be the dominant and preferred provider. The report stated that "TAFE Queensland has not been able to articulate a clear distinct role for itself" and "a dominant provider is at odds with competition policy and best use of scarce limited public funds" (Queensland Skills and Training Taskforce, 2012b, p. 22).

Within the same month as the Final Report was released, the Queensland Government released its formal 23-page response. The response supported or supported in principle all recommendations of the Taskforce and announced that: "The preparation

¹⁴ The interim report also contains commentary and three recommendations on VET in Schools, which also appear unchanged in the final report.

of a TAFE transition strategy will commence immediately with implementation from early 2013” (Queensland Government, 2012, p. 13).

A summary of these events, shown in Box 5.1 below, illustrates how quickly action was taken and further suggests that the key decisions on the future of TAFE were already made by the time the interim report was released and less than four months after the Taskforce was announced. By any standards, the rapidity of this change for a new government is unusual.

Box 5.1: Queensland Skills and Training Taskforce - Time-line of Events

2012	Events
March 26	Liberal government comes to power in Queensland
April 13	Government signs National Partnership Agreement on Skills Reform (NPASR)
May 10	Government announces 200 voluntary redundancies in TAFE
June 21	Government announces Queensland Skills and Training Taskforce
June 29	Deputy Director-General, Training and Tertiary Education resigns
August 6	Consultations with Queensland TAFE Council Chairs
August 31	Taskforce’s interim report on TAFE complete
September 18	Consultations with Queensland TAFE Directors complete
November	Taskforce releases final report – limited change only to TAFE section
November	Government releases formal response to the Report announcing implementation in early 2013

Rationale for how the text for analysis was selected

In light of the background to the Taskforce outlined above, a number of important considerations were taken into account in the text selection for the analysis.

Firstly, the terms of reference for the Taskforce covered the whole of the VET sector and while there is a discrete chapter on TAFE in the final report (chapter 3), it is only

one of a number of chapters, with others including areas such as the VET context, the role of industry and the future of apprenticeships and traineeships. Since the aim of this research is to examine the role of TAFE, and the other aspects of the VET sector are outside of this review, using the Executive Summary of the Report would be inappropriate.

Secondly, chapter 3 of the final report substantially repeats the commentary and recommendations on wide-ranging structural and management changes to TAFE already laid out in the interim report, too detailed and operational to be dealt with here.

Lastly, the final report includes an additional section on the medium and long term future of TAFE which is not included in the interim report. This section was therefore apparently subject to a longer period of deliberation. Being future oriented it is both succinct and strategic, making it more suitable for analysis than sections produced within weeks or months of the Taskforce commencing and solely of a highly operational nature.

It is therefore this section of the final report that has been selected for analysis. It consists of a manageable 104 lines of text representing three pages from an 82-page Report (excluding attachments). The style of the report is such that the recommendations are interspersed within the relevant chapters and the selected text contains the final recommendation on the medium to long term future of TAFE that was not included in the interim report.

However, there are some risks in considering this part of the text in isolation when it arguably builds on and supplements the earlier part. For this reason, reference is necessary from time to time to earlier sections of Chapter 3 in the interests of completeness and fairness, acknowledging that where supporting data for the broad thrust of the future approach is provided, it is contained in these earlier sections.

The selected text along with a summary and overview are contained in Appendix 3.

Initial analysis of the discourses involved

As part of the methodology for this research, two initial steps are taken to identify the nature of the discourse in the selected text. The frequency count of key words and a visual representation of the frequency of key words provided a starting point for the analysis, although neither are conclusive in their own right.

Word count of the frequency of key words

Key words in the text extract were allocated to three categories to indicate the discourses contained in the text: VET sector (context); public value; and marketised governance. The frequency with which these words appear in the selected text is shown in Box 5.2.

Box 5.2: Word count of frequency of key words in the selected text

DISCOURSE					
VET SECTOR (CONTEXT)	<i>f</i>	PUBLIC VALUE (PV)	<i>f</i>	MARKETISED GOVERNANCE (MG)	<i>f</i>
VET/ vocational	4	student /graduate	1	market	35
TAFE ¹	28	education/ program	0	training (27)/skills (2) ²	29
provider/ RTO	14	benefit/ value	2	competition (4) /contestability (6)	10
institute	1	community/ society	0	economy (10)/ industry (2)	12
government	14	pathway/ employment	4	commercial	2
policy	4	learning/ teaching	0	business	2
reform	1	attainment/ qualification	0	performance/ monitoring	0
delivery	7	quality	6	productivity/efficiency	2
region	0	access/ engagement	4	financial/ cost(2)/ profit/ funding (4)	6
state	3	public ³	15	private ⁴	8
<i>f</i> = frequency					
¹ Fourteen of these occurrences relate to TAFE Queensland, the whole Queensland TAFE system.					
² Excludes references to skills and training where these words are part of the title 'Skills and Training Taskforce' and other proper names.					
³ Twelve of these occurrences are in the context of public provider/provision.					
⁴ Five of these occurrences are in the context of private provider/provision.					

In order of frequency, the words used most commonly used are: 'market', 'training', 'TAFE', 'public', 'provider/RTO', 'government', 'economy/industry' and 'competition/contestability'. Frequent use of words associated with the VET sector are to be expected, but all but one ('public') of the remaining words are those associated with marketised governance. Noticeable among these is the use of the word 'market' which appears thirty-five times in 104 lines of text, that is, on average, once every three lines. Overall, there is little reference to key words associated with public value.

Visual representation of frequency of the key words

The second step in locating the discourses complements the frequency count by using software (*Wordl*) to represent the frequency of words in the text extract. The software makes it possible to select the number of most used words that will be portrayed. In these analyses, the decision was made to limit the number of words to 30 on the grounds that this would identify most used words without becoming too visually complicated. This choice also recognised that there were thirty key words or linked words relating to the VET sector, public value and marketised governance, which had been identified on the basis of the literature review (see Box 5.2).

This *Wordl* is presented in Box 5.3. The size of the word in the diagram indicates its comparative dominance in the text. This depiction complements the word count and, as could be expected, shows the emphasis on TAFE as the public provider in Queensland and on the training market. Whereas the word 'reform' might be expected to feature in this context, the softer word 'transition' appears instead. The keywords associated with marketised governance are evident: 'market', 'training', 'competition', 'contestability' and the 'economy'. Equally, the keywords associated with public value are mainly absent. The terms 'public' and 'quality' appear but words such as 'student', 'education', 'community', and 'learning' do not.

Box 5.3: Visual representation of the 30 most frequently used words in the selected text



POLITICAL DISCOURSE ANALYSIS

Identifying the arguments

Fairclough and Fairclough (2012) outline a methodology for analysing the structure of the argument in the selected text using a series of headings to assist in identifying the elements. In this case, five elements are identified beginning with *circumstances* or perceived problems, and leading to the *claim for action* (solution). In between these elements, there are three steps that identify the *goal*, the *values* and the *means-goal* or means to achieve that goal. In this selected text the *claim for action* relates to the training market in Queensland. Each element is addressed in the order applied by Fairclough and Fairclough (2012).

The *circumstances* (or perceived problems) that the Taskforce describes relate predominantly to TAFE and are dispersed throughout the selected text, particularly lines 9 to 69. The Taskforce identifies what it considers as the advantages TAFE Queensland has enjoyed by virtue of being public and sees the Government's granting of these advantages as misplaced in a competitive system. TAFE's delivery of two-thirds of reported training is high considering Queensland has "the second highest portion of contestable funding in Australia" (line 27). It has the benefit of the use of "government-owned training infrastructure" (line 47) and provision of "non-market services" (lines 66-75). These advantages, the Taskforce concludes, have caused TAFE Queensland to require "base repositioning" (line 88). It is maintained that TAFE is not "fit for purpose" or "a going concern" (lines 7-8) and doubt is expressed as to

whether TAFE has the capability to become a “sustainable, quality operation” in terms of all the many variables that every business must contend with, such as ability to deal with “market forces; quality of leadership; management; training personnel and product; customer and client relations; and pricing” (lines 11-13). Expressed succinctly, the *circumstances* are that TAFE is inefficient, lacks capability and has enjoyed too much protection from Government at the expense of private providers.

The *goal* (or desired future state) that can be identified in the argument is repeated several times (lines 3, 15, 36, 43 and 97). The training market must have the capacity to deliver the skills necessary to build Queensland’s “four pillar economy” (lines 36, 100). Training aligned to the economy will “support employment and economic growth” (lines 43-44). This is necessary for Queensland to meet its training targets for Commonwealth funding (line 34). In the Taskforce’s view, it follows that TAFE’s role must be aligned to training for economic and employment priorities. Put concisely, the *goal* is to build an efficient training market that delivers the skills needed for economic and employment growth.

The *values* (or concerns that should be taken into account) underlying the goal are repeated throughout the text and reflect a marketised governance discourse. These phrases are consistent with boxes 5.2 and 5.3. There are references to ‘competition’ (lines 51, 79, 86) ‘contestability’ and ‘privatisation’, (lines 29, 33, 73, 74, 90) and ‘efficiency’ (lines 63, 96). These usages suggest the Taskforce is confident about the positive role of the market and that it endorses greater access to government funds by the private sector.

The *means-goal* (or means to achieve the goal) emerges from a discussion of what TAFE might look like in future. The Taskforce contends that there is no reason why TAFE should remain a public brand (line 17); that it could become a “fully commercialised private training provider” (line 16); that a future new public provider need not be a TAFE (line 92); and that the “on-going relevance of TAFE should depend only on its success in the competitive training market” (line 79). Although not explicitly stated, this effectively means removing the distinctions between public and private providers over time. The Taskforce recommends that a planned process be put in place to manage TAFE’s transition (line 41), including strategies to deal with market failure (line 91). In summary, the *means-goal* conveys a view that: If a planned process is put in place to remove distinctions between public and private providers so that the

success of public providers depends entirely on their ability to compete, the goal will be achieved.

The *claim for action* (or what to do) is identified in the Taskforce’s statements about the solution. Several interrelated claims are made by the Taskforce in this regard. Funding provided specifically to TAFE Queensland should decrease and consequently its market share should reduce (line 30). Concurrently, the market share of private providers will increase (line 33) and the market will become more dynamic as large private providers emerge on a scale similar to TAFE institutes. Overall the capacity of the training market must grow (line 56). This requires putting TAFE on a commercial footing to make it more competitive and sustainable (line 85). In short, the solution is that Government must reform TAFE to make it fully competitive and sustainable in an open training market and it must support the growth and market share of private providers.

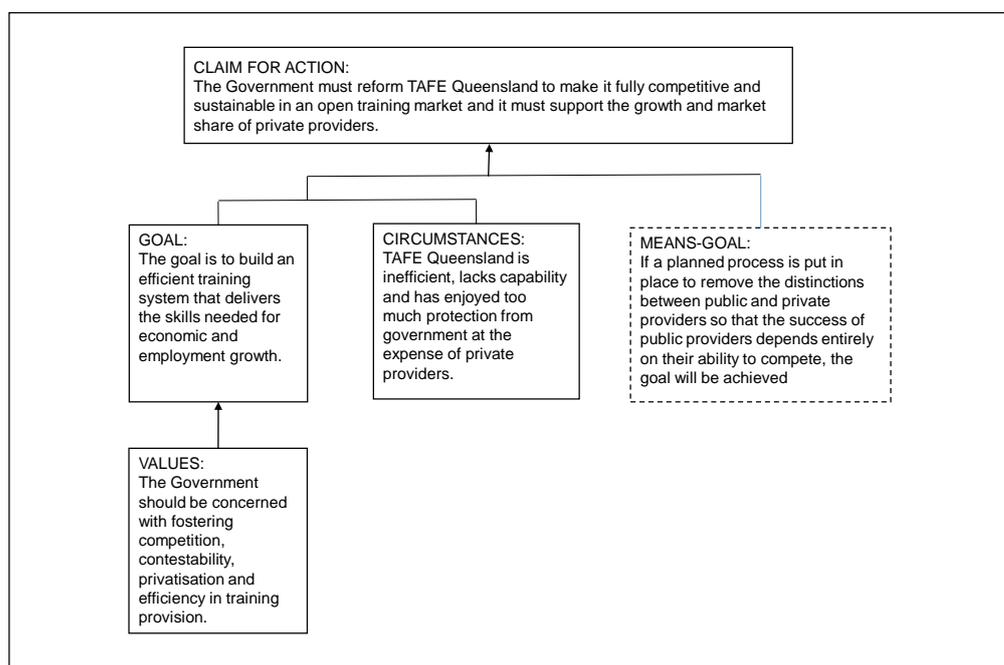
Reconstructing the argument

The argument can now be reconstructed as follows:

<i>Claim for action</i> (solution)	The Government must reform TAFE Queensland to make it fully competitive and sustainable in an open training market and it must support the growth and market share of private providers
<i>Circumstances</i> (problems)	TAFE Queensland is inefficient, lacks capability and has enjoyed too much protection from Government at the expense of private providers.
<i>Goal</i> (desired future state)	The goal is to build an efficient training market that delivers the skills needed for economic and employment growth.
<i>Values</i> (concerns that should be taken into account)	The Government should be concerned with fostering competition, contestability, privatisation and efficiency in training provision.
<i>Means-goal</i> (means to achieve the goal)	If a planned process is put in place to remove the distinctions between public and private providers so that the success of public providers depends entirely on their ability to compete, the goal will be achieved.

The argument can be depicted as in Box 5.4. The convention adopted by Fairclough and Fairclough of using dashed lines where the means to achieve the goal is based on particular presumptions is also used here (Fairclough & Fairclough, 2012).

Box 5.4: Queensland Skills and Training Taskforce’s argument for eliminating the differences between public and private providers



Evaluating the argument

Preamble

Throughout the selected text, the Taskforce uses a combination of terms: ‘TAFE’, ‘TAFE Queensland’, ‘TAFE institutes’ and ‘public providers’. It is not always clear from the context what distinctions are meant between these terms, that is, whether the reference is to the individual institutes, the central authority or the whole Queensland TAFE system. The use of the pronoun ‘it’ sometimes implies that TAFE is a single entity (lines 54, 79 and 97), while elsewhere there is a tendency to generalise about all institutes (lines 7, 9 and 17), as if their performance would not be judged individually. (An exception to this is a reference to ‘variable strengths’ across the providers, where the Taskforce singles out one institute, SkillsTech Australia, as potentially being sufficiently capable of forging its own future (lines 81-84), but without any supporting data.) This lack of clarity in the use of language is not conducive to an accurate portrayal of public sector provision.

Assessing the circumstances

The first step in the evaluation of the argument considers how the Taskforce viewed the circumstance in which they were required to report. The commentary on

circumstances rests on particular circumstantial premises that also frame what is perceived to be the problem.

Circumstantial premise - TAFE Queensland is inefficient, lacks capability and has enjoyed too much protection from Government at the expense of private providers.

The text makes reference to the ways in which TAFE Queensland has enjoyed benefits over, and can be compared unfavourably with, private providers. Its leadership and management capability is open to doubt (line 11); it has two-thirds of reported training in Queensland when Queensland has the second highest portion of contestable funding (line 27); it has sole use of government-owned infrastructure (line 46); and it provides 'non-market services' which are not contestable (line 68). It follows, according to the Taskforce, that public providers are inefficient, lacking in capability and that they require significant reform. Furthermore private providers should be the beneficiaries of that reform.

In *Chapter 3: TAFE Queensland* in the Report provides some data to substantiate these claims, which is drawn from the Queensland Department of Education, Training and Employment. The data are generalised and the information is limited to TAFE Queensland's:

- declining levels of apprentices and trainee enrolments compared with private providers (p. 54)
- high average fixed costs and average proportion of non-teaching staff (p. 56)
- poor financial performance against budget (aggregated), showing a history of limited or negative operational surpluses, raising questions as to the long-term viability of institutes (p. 58)
- industrial award conditions, pointing out areas of inflexibility and questions as to scope for additional productivity (pp. 59-60)
- over-supply of infrastructure and assets and low average asset utilisation, citing data on low levels of utilisation at one institute as indicative of 'the general perception of asset utilisation presented to the Taskforce' (p.60-61).

The chapter also notes TAFE Queensland's inability to identify a distinct role for itself as the public provider (p. 56).

Several points can be made here.

Firstly, these data are highly aggregated and presented without explanation of any contextual factors, such as policy changes. They can only be taken at face value.

Secondly, many of the examples are what are often referred to as 'legacy issues', that is, they are the result of previous Government policy, not necessarily attributable to inefficiency or incapability of the public provider in the present. For example, TAFE assets are the result of government funding and a complex mix of state and federal government decisions, not always linked to need or demand. Likewise, non-market services were historically part of the TAFE's role and a policy expectation of government. TAFE's market share is a result of previous government policy which made public funds available to public providers. Industrial awards are not within the control of the public providers as they do not have the authority to negotiate them; they must involve and have the imprimatur of government. While the Taskforce questions the financial viability of the public providers it also acknowledges some aspects of this that are outside of their control (p. 59). No specific evidence is provided for the doubt expressed about the leadership and management capability within the public providers either in the selected text or the body of the report. As at the time of the Taskforce's work, the reporting line of most TAFE Institute Directors was through to the relevant government department¹⁵, making them part of the government structure (Department of Education, Training and Employment, 2012, p. 13). As such, management of their performance was the responsibility of the State government as owner. Following from this, TAFE Queensland is being judged in accordance with criteria over which it has only limited control.

Further, there is no attempt to identify any achievements of TAFE Queensland and, by that omission, the inference is that there are none, or none that the Taskforce recognises. This absence of achievements seems implausible but, if it is in fact the Taskforce's view, it should be stated and supported with evidence. For example, what were the outcomes for the students in the two-thirds market share in terms of pathways to further study and employment? What was the impact of the non-market services? Is the teaching of high quality? What are the comparative outcomes (e.g. completion rates) for students in public and private providers? Without data or commentary on some of these questions, the circumstantial premises can be regarded as selective and

¹⁵ The other two institutes were statutory authorities to whom the relevant Directors reported.

the question arises as to what other important circumstances might have been overlooked.

The claim that TAFE Queensland was unable to articulate a distinct role for the public provider could be regarded as questionable. As an arm of government, TAFE's role is clearly to implement government policy for vocational education and training in accordance with funding provided to it for that purpose, not to determine its own course. The Taskforce could therefore be seen to be criticising the government rather than TAFE Queensland. The tone and implication of the text, that the public provider is independently to blame for the deficiencies of the training system, can be regarded as a category error and, therefore, misplaced.

Finally, there is no equivalent analysis of private providers to provide a meaningful basis for evaluating TAFE. Instead, there is just an assumption that private providers are inherently more efficient and capable than public providers and that public providers are standing in the way of their advancement. In practice, these performance issues depend on the way government funds are distributed proportionally between the public and private sector, although this is disguised as the outcome of contestability and competition (lines 29-33).

Overall, the circumstantial premises can be regarded as selective, incomplete and lacking balance.

Assessing the goal

The circumstantial premise provides a set of understandings and a vocabulary for understanding the problem. But to be perceived as a problem there must also be a point of reference that orients the problem definition. The Taskforce's perception of the goal of VET in Queensland provides this reference point.

Goal - The goal is to build an efficient training market that delivers the skills needed for economic and employment growth.

The goal proposes a particular strategy for developing the skills needed for economic and employment growth in Queensland. There is no consideration of other strategies that may offer alternative or supplementary strategies for skill development. The goal of forming a training market is linked to opening up competition for government funds for training to public and private training providers. Within the training market, efficiency is regarded as the key measure without any reference to the beneficiaries of the training

and what their goals as learners, employees, citizens and taxpayers might be. Where the market is referenced 35 times in the text, students/learners are referenced only once. Given the circumstantial premise that private provision is efficient, references to efficiency suggests an increased market share for private providers operating at lower cost than public providers. There is also no recognition of responsibility for skills development resting with employers and enterprises. The assumed direct link between skills development and economic growth is not evidenced.

The goal sits within the discourse of marketised governance that sees the sole purpose of training as serving the market economy without considering other options that might exist or possible negative impacts this might have.

Assessing the values

The values underpin and orient the goal, which establishes a context for thinking about the problem and its solution.

Values - The Government should be concerned with fostering privatisation, competition, contestability and efficiency in training provision.

The values of the Taskforce appear in the report as an assumption about causal effects between competition, contestability and efficiency. This formulaic thinking has already been identified as part of the discourse of marketised governance and New Public Management:

Free market → competition → best value for money → optimum efficiency
(Lorenz, 2012)

The literature review (Chapter 2) indicates that this implied causal connection leading to an outcome of efficiency in terms of both cost and quality is not universally accepted and, therefore, cannot be taken as inevitable as the Taskforce appears to do in claiming: “The emergence of large, efficient, quality private providers ... should not surprise policy makers or the market” (lines 62-3). Without evidence to support this claim the Taskforce is engaging in wishful thinking or speculation that cost and quality go hand in hand. Of the other five references to quality, four are used to express doubt about the future quality of TAFE Queensland that, without evidence, is also an exercise in speculation (lines 10, 11, 19 and 98).

It is noteworthy that other values are missing, particularly those associated with public value. There is no reference to concern for benefits for the individual learner through,

for example, gaining access to education, acquiring qualifications, utilising qualification pathways or getting better access to employment opportunities. There is no reference to the concern for benefits to the community as a whole through more highly qualified citizens able to contribute to society. The values relate to benefits that will accrue to private providers in the form, for example, of increased access to government funding, greater market share and access to government-owned assets.

Overall, the value premises are narrow and ideologically based. Given the composition of the Taskforce, it could even be argued that they are driven by self-interest.

Assessing the means-goal

The means-goal draws the previous elements of the argument together as a proposed strategy. In this way the elements of the argument are consolidated as a platform for action.

Means-goal - If a planned process is put in place to remove the distinctions between public and private providers so that the success of public providers depends entirely on their ability to compete, the goal will be achieved.

The Taskforce links the elements of this argument into a means-goal that sees: private providers as inherently efficient; public providers as inherently inefficient; and therefore, making public providers like private providers is the solution.

This argument becomes circular when the causal assumptions are not questioned. It is one thing to say TAFE Queensland needs reform which could well be the case.

However, it is quite another thing to say that competition is the only way to achieve reform. No other options or combination of options are considered. The possibility that there may be another option is not even canvassed. There is no discussion of the different business models of public and private providers, where the former re-invests any surpluses in education and training (or returns surpluses to government) and the latter pays dividends to shareholders.

There is also no consideration of possible negative consequences of this means to achieve the goal. For example, no requirements are placed on the private provider at all. But what are the consequences for students and employers if cost and quality do not go hand in hand, that is, if quality is compromised for profit? In a fully competitive market, what might happen to the affordability of training? What if it transpires that some private providers are not efficient? What if some private providers are unethical?

What are the implications for the use of tax-payer funds? What checks and balances are in place for the government to hold the private provider accountable? Will they be strengthened as the numbers of private providers increase? These are just some of the critical questions that relate to the means-goal.

Finally, the implementation of the means-goal presumes government intervention. This is highlighted by the emphasis by the Taskforce on the need for a transition process for TAFE Queensland (lines 26, 34, 37, 41, 45, 54, 56, 57, 61, and 68). This assumption portrays TAFE Queensland as incapable of changing without planned Government involvement and assistance, but no such transition is considered necessary for private providers.

[Assessing the claim for action](#)

The claim for action crystallises the argument in a proposal for action.

Claim for action (solution) - The Government must reform TAFE Queensland to make it fully competitive and sustainable in an open training market and it must support the growth and market share of private providers.

The claim for action is an extension of the earlier elements which are, almost entirely, unsupported by evidence but indicate a belief in the power of the market. The Taskforce's claim for action indicates that it is the Government's role to make TAFE compete with private providers in an open training market and if TAFE cannot compete, it should not survive. Differently put, there is no value in the public provider outside of what the private provider can offer, notwithstanding the profit motive of the private provider. Taxpayers' funds should be made available for private providers to increase efficiency in VET. But this claim for action is premised on the belief that private providers are efficient, when efficiency is linked to shareholder value and profit, but without any specified controls on the extent of that profit. Whether or not the public provider is equally motivated to generate profit or surpluses from government income and how that profit would be used is not considered.

The meaning of efficiency and what it references is a critical question because unless profit becomes the property of the public sector employees, the distinctions between public and private providers are not in fact removed. At that point, the argument for NPM that informs marketised governance breaks down. Since it is difficult to imagine that the government would allow public sector employees to extract profit for personal

benefit, the public TAFE system cannot become like the private providers. On that basis, it would seem that the public provider is not expected to survive.

Other issues related to the argumentation

In the selected text, the approach to PDA of Fairclough and Fairclough includes two further tests that are considered part of the methodology, namely:

- Elements of argumentation that are not included in the selected text
- Critical questions in practical reasoning.

Firstly, in explaining their approach, Fairclough and Fairclough identify a series of elements that might be expected in an exhaustive argument, depending on the nature of the argument. This provides a means to examine not only what is included in the selected text, but also what is not included. A number of elements not included in the selected text have already been noted above, but it is worth examining them in their totality. The elements that Fairclough and Fairclough identify include:

- Acknowledging alternative options to the means-goal premise – demonstrating that other options have been weighed
- Analysing the alternative options – explaining why they can be refuted or disregarded
- Considering possible counter claims and alternatives from stakeholders
- Dealing with these counter-claims and alternatives
- Anticipating objections to the claim for action
- Dealing with these objections
- Introducing arguments from authoritative sources to support the means-goal or claim for action
- Outlining potential negative consequences of not acting or taking an alternative approach
- Dealing with anticipated negative consequences of proposed action
- Noting emerging positive consequences of action already taken.

(I. Fairclough & Fairclough, 2012)

The absence of these elements in the selected text, and for that matter in the complete report, suggests that the Taskforce has formulated its argument in a way that supports its own conclusion. The time-line for the writing of the report outlined in Box 5.1 is consistent with this possibility, as it takes time to deal with elements within a deliberative process of argumentation that do not share premises. It is significant that the absence of these elements is evident in the Queensland Taskforce's deliberation even on the basis of a primary PDA analysis, without bringing into consideration any other information that a secondary PDA analysis would show to be available in the public domain at the time. Fairclough and Fairclough offer a number of examples of deliberation and one example of argumentation is comparable to the Queensland case in the number of absent elements. In discussing this comparable case, Fairclough and Fairclough come to the view that no actual deliberation has taken place although it appears to have. They state that the argument is "biased in favour of a foregone conclusion and is a good illustration of ... 'spin'" (I. Fairclough & Fairclough, 2012, p. 92).

Secondly, and against this background, Fairclough and Fairclough also note the importance of asking critical questions about practical reasoning when evaluating a means-end argument. These questions, they maintain, highlight the essence of practical reasoning and whether:

- The action that is being advocated really leads to achieving the goal
- The action might have other effects than the intended goals (including negative effects)
- Other actions, different from the one that is being envisaged, also lead to the fulfilment of the goal.

(I. Fairclough & Fairclough, 2012, p. 61)

The primary PDA analysis demonstrates that the Taskforce's argument gives no confidence that these questions relating to practical reasoning have been considered. There is reason to doubt that the action advocated will lead to the perceived goal, as the elements of the argument are largely unsubstantiated and no other possible actions have been canvassed. Further, it is quite possible that the claim for action will lead to other effects than the intended goals, but those possibilities were not addressed by the Taskforce. Finally, whether other actions might lead to the fulfilment of the intended

goal is an entirely open question because alternative courses of action were not considered by the Taskforce.

INITIAL OBSERVATIONS ON THE IMPLICATIONS FOR PUBLIC VALUE

This primary PDA analysis shows that the Queensland Taskforce does not see particular public value in the public provider. It envisages TAFE's future role as "a fully commercialised private training provider" with no reason why TAFE could not become "a corporate or private brand" (line 16). There is no mention of the impact of this transition on the student or the community. *Non-market services*, that is, the services that have traditionally been provided on an ongoing-basis through the TAFE system to ensure access to training required by the community and industry, should be costed and made contestable as part of the government intervention to modify the services it purchases. Private providers, the Taskforce argues, are equally capable of delivering non-market services or will become so as they achieve greater market share. Private providers seem likely to be the beneficiaries of approach proposed by the Taskforce because the impact on students and the community are not considered. These observations are revisited alongside the results of the Victorian PDA analysis in Chapter 7.

CHAPTER 6: CASE STUDY B - ANALYSIS OF THE EXECUTIVE SUMMARY, VICTORIAN TAFE REFORM PANEL

INTRODUCTION

This chapter reports on the Political Discourse Analysis (PDA) of the 2012 Victorian TAFE Reform Panel Report. It begins by explaining the political context in which this review of TAFE was undertaken and how the text for analysis was selected. An initial analysis discusses the nature of the discourse involved. The main PDA is then detailed in three steps: Identifying the argument; reconstructing the elements in a more succinct and diagrammatic form; evaluating the argument; and identifying other issues related to the argument. The chapter concludes with some observations on the implications for public value.

As with the Queensland analysis (Chapter 5), this analysis is undertaken in several stages but differs in two key respects. Firstly, two main strands of argument were identified in the Victorian report and these are dealt with sequentially. Secondly, the primary PDA analysis of the arguments in the Victorian report is extended to a secondary analysis, which draws attention to other relevant information that was available in the public domain at the time of the Review and might have been included, but does not appear to be addressed. The commentary relating to the secondary review is integrated into the evaluation of the argument (Step 2.3). The analysis is structured using the following sub-headings

1. Establishing the context
 - 1.1 Background to the Victorian TAFE Reform Panel Report
 - 1.2. Rationale for how the text for analysis was selected
 - 1.3 Initial analysis of the discourses involved
2. Political Discourse Analysis
 - 2.1 Identifying the argument
 - 2.2 Reconstructing the argument
 - 2.3 Evaluating the argument - primary and secondary levels
 - 2.4 Examining other issues related to the argument
3. Initial observations on the implications for public value.

ESTABLISHING THE CONTEXT

Background to the Victorian TAFE Reform Panel Report

The Victorian Liberal Government came to power in December, 2010, succeeding a Labor Government. That Labor Government had already embarked on a major reform program for TAFE outlined in a 2008 policy document *Securing Jobs for your Future – Skills for Victoria*. The changes set the scene for radical change with the document claiming: “It is clear that change must be far-reaching and it must begin now” (p. 7). It also indicated the direction of change, stating:

Nationally, vocational education and training has been identified as central to productivity growth. As part of the national focus on productivity and the development of Australia’s human capital, there is a strong emphasis on making training systems more responsive to changing labour market demand through more competitive and user-focused delivery.

(Victorian Government, 2008, p. 7)

There was bi-partisan agreement on the intended reforms, only the speed and extent of which were likely to alter with a change of government. The new Liberal Government took up the reform program with alacrity and sought advice on implementation from various sources. These sources included the Essential Services Commission of Victoria, which produced the report *VET Fee and Funding Review: Blueprint for Change* (Essential Services Commission Victoria, 2011) in September 2011, and the Victorian Competition and Efficiency Commission whose draft report ‘*Securing Victoria’s Future Prosperity: A Reform Agenda*’ (Victorian Competition and Efficiency Commission, 2011) was released in November 2011. Both reports made a range of recommendations promoting increased competition in VET and changes to structural and funding arrangements for TAFE.

Against this backdrop of considerable momentum for change, the then Minister for Higher Education and Skills released a ministerial statement entitled *Refocusing Vocational Training in Victoria* (Department of Education and Early Childhood Development, 2012) in April 2012. It announced a range of measures including:

- An overall increase in investment in VET;
- An expansion of the entitlements to a Government subsidised training place for individuals at a provider of their own choice;
- Allowing providers to set their own prices for training;
- Implementation of the same subsidy rates for all providers;

- Support for TAFE institutes in adjusting to new funding arrangements;
- Changes to the TAFE governance framework; and
- Changes to enterprise bargaining arrangements.

It also announced changes designed to ensure: the quality of VET delivery; a stronger voice for industry; pathways for apprentices; and partnerships with higher education providers.

Victoria became a signatory to the National Partnership Agreement on Skills Reform (NPASR) through the Council of Australian Governments (COAG) on April 13, 2012 (See chapter 4). Victoria's potential share of Commonwealth funding attached to the NPASR was \$435m over five years. Although the NPASR provided for discretion at State level on the pace of reform, action in Victoria was swift and decisive.

The 2012 State budget announced in May included the foreshadowed increase in investment in VET to over \$1 billion with funds available to private providers while at the same time introducing cuts to TAFE in the order of \$300 million. The announcement unleashed an unprecedented public backlash. It seemed that the cuts occurred without the full knowledge or approval of the Minister for Higher Education and Skills. Newspapers reported that the Minister wrote to TAFE institute leaders stating that he shared their "emotions of shock, incredulity, disbelief and anger" about the cuts, admitting that he had considered "throwing in the towel" in response. However, this was quickly retracted in a subsequent letter expressing his support for the decision (*Sydney Morning Herald*, May 3, 2012; May 4, 2012). The Minister did not fail to point out that the Labor Party had first introduced "radical reforms" to TAFE (Hansard, 23 May, Parliament of Victoria, 2012, p. 14).

These events set the scene for the establishment of the Victorian TAFE Reform Panel on June 28, charged with the task of providing advice to the government on how to implement reforms to TAFE, particularly as outlined in *Refocusing Vocational Training in Victoria*. The terms of reference were relatively open-ended but contained the following specific elements:

- Provide strategic advice to government on TAFE transition plans and advise the Government on opportunities for system-wide efficiencies, including through stronger partnerships and amalgamations, with the aim of securing a strong sustainable TAFE network in Victoria.

- Review and provide feedback to TAFE institutes on their Business Transition Plans
- Advise on government decisions necessary to support individual TAFE institutes to respond to the new funding environment
- Advise where there is need for government to provide financial and other support to TAFE institutes in the transition
- Advise the Premier, Treasurer and Minister on structural reform options for securing a sustainable TAFE network that meets community and economic needs and encourages pathways between school, VET and higher education.
- Contribute to a roadmap for the TAFE network.

(*TAFE Reform Panel*, 2012)

The four-person Panel, two of whom had significant senior experience in TAFE and two of whom had broader but related experience, could be seen to have constituted a balanced group, able to give independent and informed advice. However, it is clear from the preceding events, the terms of reference and subsequently in the Report, that the Panel's role was not to provide independent advice on TAFE, as is the usual convention in a review, but to provide advice confirming the implementation of a decision that had already been made: to implement a fully competitive training market.

The report of the Victorian TAFE Reform Panel was released in January 2013. The Government's formal response is dated the same month. Entitled *Next Steps for Refocussing Vocational Training in Victoria – Supporting a Modern Workforce* (Department of Education and Early Childhood Development, 2013), the response comprises 28 pages providing more supporting argument for competition and concludes by accepting all but one of the Panel's recommendations.

Rationale for how the text for analysis was selected

The text selected for this analysis is the introduction to the Executive Summary of the *TAFE Reform Panel: Final Report* – 118 lines of text. This represents two pages of a 49-page report (excluding Appendices) and compares with 104 lines of text from the 83-page Queensland report (Chapter 5). In order to keep the size of the text manageable, it does not include the remaining sections of the Executive Summary which relate to six individual areas of recommendations required by the terms of reference. It is considered that the opening introductory section provides a high level

overview of the direction of the Report and accurately foreshadows the detailed recommendations and their rationale. However, relevant excerpts from the body of the text and supporting data cited are referred to when this is required for completeness and fairness of interpretation.

On this basis it should be clearly understood that this analysis does not purport to provide an evaluation of the Final Report in its entirety. There are many other aspects that could be discussed or challenged, particularly relating to individual recommendations, but that is beyond the scope of the research. The selected text along with a summary and overview of its contents is contained in Appendix 4.

Locating the discourse

As was the case with the Queensland case study, a keyword count and visual representation is presented to begin to identify the nature of the discourse in the selected text before embarking on the detailed analysis. Neither of these analyses are conclusive in their own right, but they are a useful starting point for the PDA.

Word count of the frequency of key words

Key words in the text extract were allocated to three categories to indicate the discourse contained in the texts under discussion: VET sector (context), public value and marketised governance. The frequency with which these words appear in the selected text is shown in Box 6.1.

The key word count analysis in the VET sector category confirms the focus on TAFE and includes high frequency use of the word 'government'. While there is an emphasis on the discourse of marketised governance, particularly 'training/skills', 'market' and 'competition/contestability', key words relating to public value discourse are also present, with the most frequent reference being to 'student/learner' and to the outcome of training, namely 'attainment/ qualification'.

Box 6.1: Word count of frequency of key words in the selected text

DISCOURSE					
VET SECTOR (CONTEXT)	<i>f</i>	PUBLIC VALUE (PV)	<i>f</i>	MARKETISED GOVERNANCE (MG)	<i>f</i>
VET/ vocational ¹	12	student (8) /learner (7)	15	market	11
TAFE ²	19	education ³ / program	5	training ³ (21)/skills (6)	27
provider/ RTO	13	benefit/ value	1	competition (9) /contestability (1)	10
institute	15	community/ society	3	economy (2)/ industry (6)	8
government	22	pathway (1)/ employment (4)	5	commercial	6
policy	2	learning (4)/ teaching (1)	5	business	7
reform ²	4	attainment (3)/ qualification (6)	9	performance (5)/ monitoring (2)	7
delivery	1	quality	4	productivity (2)/efficiency (1)	3
region	2	access (3)/ engagement (3)	6	financial (1)/ cost (2)/ profit (1)/ funding (7)	11
state	1	public	4	private	3
<p><i>f</i> = frequency</p> <p>¹The text does not use the acronym VET</p> <p>²Excludes reference to the TAFE Reform Panel</p> <p>³Does not include use in proper names</p>					

Visual representation of the frequency of the key words

The visual representation involves the use of the software program *Wordl* to identify the frequency of words used. This is presented in Box 6.2 which depicts the 30 most frequently used words in the selected text, where the size of the word indicates its comparative dominance in the text.

Box 6.2: Visual representation of 30 most frequently used words in the selected text



In this visual representation, key words from the VET discourse predominate: (TAFE, institutes, government, providers, vocational). Interestingly, 'government' is not as immediately obvious as in Box 6.1, because it is separated into three forms: government, Government and Government's. It is important to note that, in all its forms, the frequency of 'government' is second only to 'training/skills' in the selected text. The occurrence of words from the marketised governance discourse are also readily identifiable – training, market, commercial, business, skills, performance, competitive and industry. However, unlike the Queensland case study, key words from the public value discourse are also present, even though less obviously visible: students, learners, learning and qualifications.

POLITICAL DISCOURSE ANALYSIS

Identifying the arguments – strand 1

Drawing on the method suggested by Fairclough and Fairclough (2012) shows that the argumentation in the Victorian Report has two strands, as distinct from the single strand argument in the Queensland case study. The *claim for action* (solution) applies to two sets of *circumstances* (problems) that need to be addressed.

The *circumstances* for strand 1 is contained in lines 9-38 and concerns what the Panel identifies as a continuing mismatch between skills needed by employers and the

economy, and the training being provided, despite VET reforms undertaken to date. According to the Panel, with Victoria evolving into a service-oriented economy, skill requirements are changing. Low-skilled jobs are diminishing and better educated and more self-directed workers are required by employers. Training providers need to respond to this situation and to the different needs of learners. The text of the report implies this training is not occurring. Some communities have low levels of participation in training and the level of youth participation in training needs to be raised.

The *goal* in this regard is included within the same section (line 15), which the Panel identifies as promoting future prosperity by ensuring Victorian industries and enterprises have the skills for a successful transition to the future economy. Prosperity, it is argued in lines 20-24, will come through higher qualifications leading to higher level incomes and greater levels of employability. Data from a 2011 Australian Bureau of Statistic (ABS) survey is cited in support of this. In the Fairclough methodology this is identified as an *argument from authority*.

The *value premises* underpinning the goals are: educational attainment, lifelong learning, increased access to skills training and high levels of productive employment (lines 19-38).

The *means-goal*, or means to achieve the goal, is identified as taking the reform process further, that is, implementing a fully open and competitive training market.

This is based on the claim that as a result of previous government actions over the past twenty years, the system has evolved to a more “student-centred, demand-driven system” (line 43). A “relatively deep vocational training market” has emerged resulting from the introduction of competition between public and private providers (lines 44-5). In the methodology of Fairclough and Fairclough, this is identified as *positive consequences of action already undertaken*, which is used to justify the means-goal. In this case, the assertion is made but the evidence is unclear, other than statistics on the growth of private RTOs between 2008 and 2012.

This argument leads to the first part of the *claim for action* – the answer to the question of action, of what to do. The TAFE Reform Panel’s answer is that the Government must implement a fully competitive vocational training market.

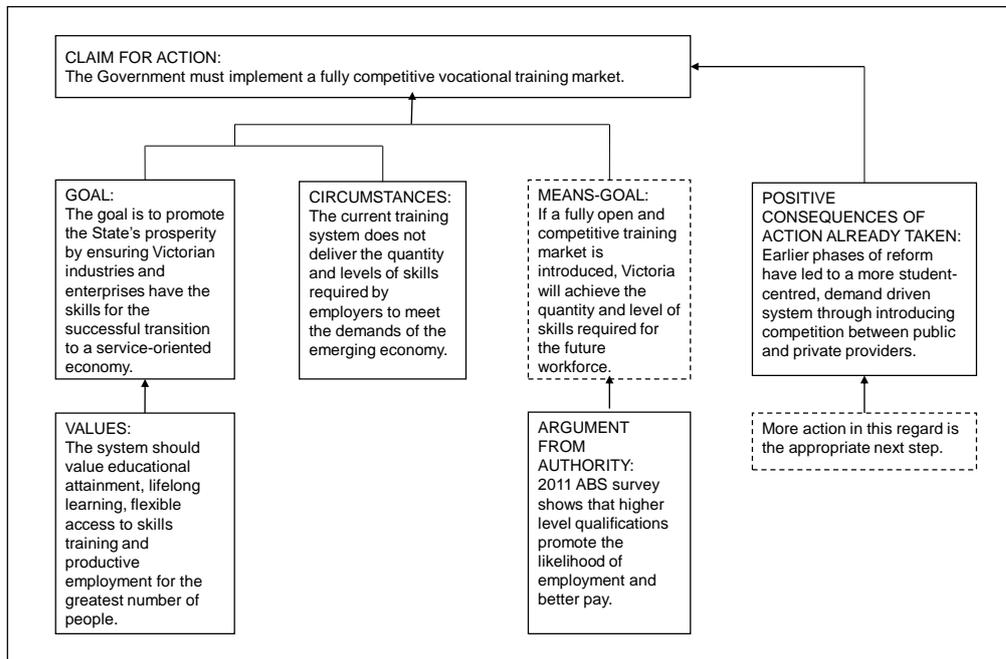
Reconstructing the argument – strand 1

The argument in strand 1 can be more succinctly reformulated as follows:

<i>Claim for action</i> (solution)	The Government must implement a fully competitive training market
<i>Circumstances (1)</i> (problems)	The current training system does not deliver the quantity and levels of skills required by employers to meet the demands of the emerging economy
<i>Goal (1)</i>	The goal is to promote the State's prosperity by ensuring Victorian industries and enterprises have the skills for the successful transition to a service-oriented economy
<i>Value premises (1)</i>	The system should value educational attainment, lifelong learning, flexible access to skills training and productive employment for the greatest number of people
<i>Means-Goal (1)</i>	If a fully open and competitive training market is introduced, Victoria will achieve the skills required for the future workforce.
<i>Argument from authority</i>	2011 ABS Survey shows that higher qualification levels promote the likelihood of employment and better pay.
<i>Positive consequences of action already undertaken</i>	Earlier phases of reform have led to a more student-centred, demand driven system through introducing competition between public and private providers.

At this stage the argument can be represented as in Box 6.3. Dashed lines, as in the approach of Fairclough and Fairclough (2012) indicate that the right means to achieve the goal is based on particular presumptions.

Box 6.3: Strand 1 of the Victorian TAFE Reform Panel’s argument for a fully competitive vocational training market.



Identifying the arguments – strand 2

The *circumstances* for the strand 2 argument builds on the first strand of argument and is distributed throughout lines 39-106. It is related to, and by implication is, in part, a causal factor of the strand 1 circumstances. The Panel pinpoints a range of weaknesses in the vocational training system which are directly or indirectly attributed to TAFE, including:

- The system has been TAFE-centred and insufficiently student centred and demand driven (line 42)
- TAFE has been the lever for decision-making rather than the market (line 52)
- TAFE institutes have assumed they have an exclusive role and have delivered services not necessarily required by government (community service obligations) (line 81)
- TAFE has been the beneficiary of protectionist policies (line 84-5)
- TAFE institutes are insufficiently agile and responsive to learner and industry needs (line 105)
- TAFE institutes now need assistance from Government to transform their businesses (line 107).

These weaknesses contrast with the *goals* as identified in lines 103-6. The Panel considers the Government's goal must be to ensure TAFE institutes: are more responsive to market changes; become more commercially self-sufficient; improve their competitiveness and productivity; adapt to learner and industry needs; and focus more on their strategic directions. All these attributes are alleged to be current weaknesses. In summary, the Government's goal is to ensure TAFE institutes become competitive and financially sustainable in the open vocational training market.

The *value premises* are competition, commercial and business-like approaches, and financial sustainability (lines 84–107) – all words that are prevalent in discourse of market governance and more dominant in the text than the set of values in the strand 1 argument.

The *means-goal* for this second set of circumstances is implementation of a range of strategies to promote the competitiveness of TAFE institutes. This link between competition and the identified goal leads to the second part of the *claim for action*: that the Government must take a series of actions to support and transform TAFE institutes to become more efficient and commercial. These actions include implementing what is referred to as “sector neutral funding arrangements” (line 66) and “levelling [of] the playing field” (line 109). More specifically it means that the same funding arrangements and conditions would apply to the public and private sector for government-subsidised training with: no more “protectionist policies” for TAFE (line 85); no longer an exclusive role for the public provider (line 68); no requirement to deliver community service obligations (line 82); and providers able to set tuition fees at the level they deem appropriate (line 59). It also means removing constraints to an open market and targeting funding to deliver the greatest public returns on investment (lines 57-62). The Government's ownership role of the public sector should change to the role of setting clear directions and empowering TAFE institutes to compete, while still retaining a range of interventions with respect to under-performance or avoiding institutional failure (lines 90-115). The Panel maintains that if the Government undertakes these actions, the goal will be achieved.

The goals for the two sets of circumstances and the means to achieve them are linked so that together they lead to the consolidated claim for action: The government must implement a fully competitive training market and take action to transform TAFE institutes into efficient, commercial operations.

Reconstructing the argument – strands 1 and 2

The two sets of circumstances can now be consolidated and reconstructed as follows:

<i>Claim for action</i> (solution)	The Government must implement a fully competitive training market and take appropriate actions to transform TAFE institutes into efficient, commercial operations.
 <u><i>Strand 1</i></u>	
<i>Circumstances (1)</i> (problems)	The current training system does not deliver the quantity and levels of skills required by employers to meet the demands of the emerging economy
<i>Goal (1)</i>	The goal is to promote the State's prosperity by ensuring Victorian industries and enterprises have the skills for the successful transition to a service-oriented economy
<i>Value premises (1)</i>	The Government values educational attainment, lifelong learning, flexible access to skills training and productive employment for the greatest number of people
<i>Means-Goal (1)</i>	If a fully open and competitive training market is introduced, Victoria will achieve the skills required for the future workforce.
<i>Argument from authority</i>	2011 ABS Survey shows that higher qualification levels promote the likelihood of employment and better pay.
 <u><i>Strand 2</i></u>	
<i>Circumstances (2)</i> (problems)	The market advantages and protectionist policies enjoyed by TAFE have led to an inefficient system where Government needs to intervene to support TAFE to become commercial and competitive.
<i>Goal (2)</i>	The goal is to ensure TAFE institutes become competitive and financially sustainable in the open vocational training market.
<i>Value premises (2)</i>	The Government values competition, commercial and business-like approaches and sustainability in training provision

<i>Means-Goal (2)</i>	If the Government adopts the recommended actions to support and transform TAFE institutes, the goal will be achieved.
<i>Emerging positive consequences of action already taken</i>	Earlier phases of reform have removed some of the constraints on the operation of an open competitive training market.

The argument is presented diagrammatically in Box 6.4.

Evaluating the argument – strand 1

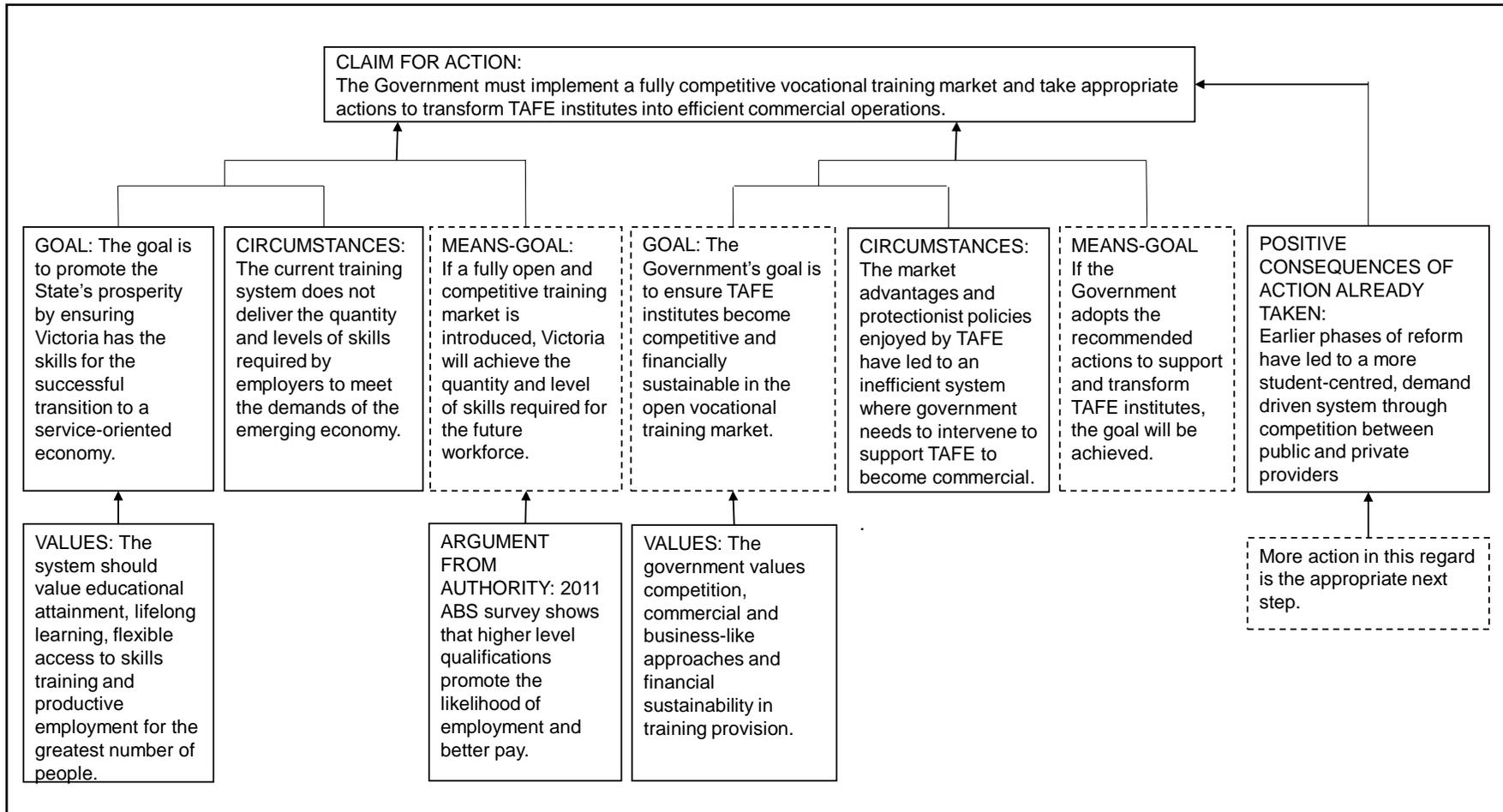
The Levels

The evaluation of the argument distinguishes between two different levels:

Primary level of analysis - evaluating the stated argument based on the contents of the selected text, taking into account the remainder of the report as appropriate for accuracy and fairness but also identifies omission of any elements in the argumentation (I. Fairclough & Fairclough, 2012).

The *secondary level of analysis* questions what other relevant information was available in the public domain at the time that was not included, for example, records of parliamentary debate, newspaper articles, data research reports and the like. The intention of this level is to throw light on whether the proponents of the argument took into account all the information that was at their disposal at the time. Building on this approach, both levels are considered simultaneously in this case. The two strands to the argument are first evaluated separately, before examining the claim for action which is common to both strands.

Box 6.4: The Victorian TAFE Reform Panel's complete argument for a fully competitive vocational training market



Circumstances (1) – The current training system does not deliver the quantity and level of skills required by employers to meet the demands of the emerging economy.

This premise is questionable from a number of points of view.

The challenges confronting the emerging economy are described in very general terms and are indistinguishable from many other western countries or Australian states. Neither are they particularly new. Challenges such as the transition to a service economy, the rise in high skilled jobs, the need for higher qualifications and better educated workers (lines 10-25) are very familiar themes, not unique to Victoria. The former national body, Skills Australia, had outlined the same themes in much greater detail applying to the whole of Australia in its 2011 report *Skills for Prosperity – a Roadmap for VET* (Skills Australia, 2011, pp. 20-27). Even earlier, a 2009 NCVET Report covers similar themes (B. Knight & Mlotkowski, 2009, pp. 21-23) and the Deveson Report had referred to it earlier still (Deveson, 1990, p. 6).

Secondly, evidence in support of insufficient quantity and level of skills is weak. Appendix 4 of the Report contains some data at only the most general level - the number of occupations in shortage by region (without actually specifying these occupations or their association with the service economy); the number of occupations in shortage for which courses are conducted by region and sector; and a breakdown of the labour force by attainment (qualification) level (p. 57-58). The most relevant data in the body of the report shows that between 2003 and 2011 the Victorian population increased at a faster rate than the number of government-funded and reported TAFE fee-for-service students, but there is no analysis as to why this is the case. The body of the report also contains very general data relating to shifts in actual and forecast employment in a sample of five broad industry sectors and the impact of changes to course subsidy levels across occupational groupings (pp. 1- 4). The implications of the data for the shift to a service economy are not discussed and are not self-evident. In the absence of more specific information, the data must be regarded as inconclusive.

Further, appendix 5 of the Panel's report lists seven key themes from the written submissions but these do not include the failure of the training system to respond adequately to employers' skills requirements or related issues. No information is provided about the key themes from the face-to-face consultations. This raises doubts

as to whether the circumstantial premise was actually supported by the consultation process.

The circumstantial premise also implies a direct and exclusive causal link between the training system and the alleged lack of skills required by employers to meet the demands of the emerging economy. The question arises: Do any other factors influence this?

For example, there are several other options the Panel might have considered as ways for employers to acquire the appropriate skills for the future, none of which are mentioned. They include:

- undertaking more effective skill needs analyses and workforce planning;
- providing more formal and informal training opportunities for current employees - in-house or external;
- offering better employment terms and conditions, including paying higher wages and other incentives;
- introducing more targeted recruitment strategies;
- attracting workers from other states or overseas;
- changing industry work practices in a more timely and diagnostic fashion; and
- responding more rapidly to changes in industry trends and technology.

Other actions which might be taken by government are also not considered, including:

- Undertaking more sophisticated data gathering and research to identify skill needs and technological change;
- Analysing the investment in training from 2003 to 2011 and how it impacted on the slow growth in enrolments compared with population growth;
- Targeting government subsidies to areas of need more effectively;
- Analysing the role of schools and career advisors in directing students into areas of skill need and implementing strategies to promote this;
- Mounting a marketing campaign to encourage students to enrol in the courses required by industry;
- Reviewing curriculum content and structure to ensure it is relevant, fit-for-purpose and adaptable for industries of the future;
- Achieving a different numerical and proportionate mix of public and private providers; and

- Analysing and responding to providers' decision-making processes for course offerings e.g. availability and cost of staff; availability and cost of equipment and facilities; extent of liaison with industry and the community, cost and profit projections of delivery.

At the time the Panel was doing its work the only data available on the outputs of the training system was for government-funded programs delivered by public and private RTOs; and any other delivery by TAFE institutes and other government funded RTOs (ACE providers).

Until mandatory reporting was introduced, private RTOs did not submit data on enrolments other than those that were government-funded. This means that it was impossible to get a comprehensive overview of what the training system was delivering and to make a judgement of the kind the Panel made. The year 2014 was the first for which comprehensive data was collected for all RTOs and from all funding sources. It was not published until November 2015. Critically, data was not submitted by enterprise RTOs about the training employers were undertaking themselves – training that was presumably targeted at meeting their own future needs. In the absence of such data, the circumstantial premise should be regarded as unsubstantiated.

At a more general level, the extent to which employers' training needs should be funded from the public purse or by enterprises is not discussed, implying that the Panel sees this as primarily the responsibility of government. Expressing a contrary view, the then Federal Minister for Tertiary Education, Senator Chris Evans stated in an interview in 2011 that better data needs to be collected and industry could do more to fund training (Mitchell, 2012, p. 7). Chapter 4 outlines how this was unsuccessfully attempted in the 1990s through the 'Training Guarantee'.

If these additional factors come into play, and it is asserted that they do, how is it possible to attribute the lack of skills to the training system and more specifically to TAFE? The above examples show that many other factors could have been considered but are not.

The lack of evidence and the failure to consider other factors that could influence the availability of skills lead to the conclusion that the circumstantial premise consists of assertions that are narrow, without significant evidence and designed to justify action that was pre-determined.

Goal (1) - The goal is to promote the State's prosperity by ensuring Victorian industries and enterprises have the skills for the successful transition to a service-oriented economy.

The goal premise can also be challenged. The Panel claims in lines 16-17 that the competitiveness of Victorian industries and the resultant prosperity of the state is largely based on the skills and capabilities of its people. However, the argument is framed as if the successful transition to a service economy and the State's prosperity is solely based on the skills produced by the training system and can be entirely controlled by Government.

This can be further broken down into four assumptions:

- a) Government can (and must) control the outputs/skills required for the future economy
- b) The Government can accurately identify, quantify and manage the delivery of the skills required for transition to a service economy.
- c) The transition to a service economy will be successful if these skills are available.
- d) By implication, skills required by other parts of the economy are of less importance or can be left to chance.

Assumption a) is incongruous for several reasons.

Firstly, the report provides data on the growth in the number of private providers engaged in publicly funded training starting from 201 providers in 2008 to 430 providers in 2011 – more than doubling of the numbers (p. 9). Even under ideal circumstances, this growth challenges the capacity of Government to monitor the outcomes. No reference is made to this risk.

Secondly, as previously stated, the Panel had no data on delivery by private RTOs other than that which was publicly funded and so could not effectively document and hence control the match between skills and training.

Thirdly, the Panel affirms the Government's policy of empowering students to access a subsidised training place in the course and training provider of their own preference in the form of a student entitlement (lines 55-56). The apparent tensions between this student-centred policy and the stated aim of ensuring that industry obtains the skills it

needs was already being challenged by industry leaders. In an article in 2010, the CEO of Restaurant Training Australia had expressed this concern:

By placing the purchasing decision in the hands of the student... the employer relationship with the system will be rendered all but irrelevant. Not only will there be no link between the training delivered and the job role that the trainee is preparing for, but there will be no sense that any information will be provided to trainees on what jobs might be suitable for them. (Mitchell, 2012, p. 16)

Similarly, the CEO of the Australian Industry Group stated in 2012 that the Victorian skills reforms had led to a “proliferation of courses that have sprung up to meet the demands of individuals rather than demands of industry” (Mitchell, 2012, p. 34).

The Government’s response to any distortions in the apparent match between the training conducted and the skills required was to adjust subsidy levels to encourage students to undertake the courses deemed to be required. However, this at odds with the notion that students should be empowered to access a place in a course of their own choosing and points to inherent weaknesses in the concept that a training market will ensure industry skill needs are met.

The above comments also raise serious doubts about the validity of the other assumptions related to the role of skills in the economy and Government’s capacity to control them (assumptions b-d). Successful transition of the economy is reliant on more than specific skills. Much is unpredictable, as was seen with the Global Financial Crisis and the downturn in the resources industry. Such global phenomena could be seen as argument for individuals to be resilient and adaptable and for a spread of training across industry sectors rather than for resources and individuals to be steered into particular industries on a short term basis. It also means that individuals will be highly mobile and move to find employment if necessary.

No other influences on the effective transition to a service economy are considered by the Panel. The role of industry and enterprises and their leadership and management competence in making the transition are disregarded.

Like the circumstances, the goals can be regarded as narrow, assuming a direct link between skills and the success of the economy which is not substantiated.

Assessing the value premise

Value Premise (1) - The system should value educational attainment, lifelong learning, flexible access to skills training and productive employment for the greatest number of people.

The value premises are implicit and have didactic and exhortative connotations:

‘...lifelong learning is more important than ever before’ (lines 19-20)

‘...training providers must support ... learners with low levels of previous educational attainment (lines 28-29).

‘The demand for higher skills and for employees that are capable of becoming more productive has enormous implications for vocational training providers’ (lines 25-26).

‘...learners are seeking greater flexibility in timetabling to accommodate work and caring commitments’ (lines 31-32) (emphasis added)

It is as if these values are new and that providers (by implication TAFE) are unaware of them and need guidance to embrace them. In reality, the values were widely understood and this is at least partly because, with their emphasis on the needs of the learner and educational attainment, they related to public value:

In evidence of this, Appendix 5 provides extracts from strategic statements contained in 2011 Annual Reports of a sample of Victorian TAFE institutes and an analysis of the alignment of the content with the TAFE Panel values. All the Institute statements pre-date the Panel’s work and the analysis shows that there is considerable alignment even though the wording is slightly different. Under these circumstances TAFE institutes might see themselves as justified in perceiving the values and the tone in which they were presented as self-evident, if not platitudinous. In this context, it should also be noted that private RTOs are not obliged to reveal their strategic intent in the same way in annual reports and could therefore not be held accountable or enjoined to respond in the same way as TAFE institutes were.

Assessing the means-goal

Means-Goal (1) - If a fully open and competitive training market is introduced, Victoria will achieve the skills required for the future workforce.

This means-goal exhibits similar formulaic and linear thinking to that described in the Queensland case study.

It can be expressed as follows:

Greater competition → greater incentive among providers to attract students/ market share → more skills and higher skill levels → skill requirements of the future workforce met → economic prosperity

Reduced to this simple form, the over-simplification of the argument is clear.

Ongoing reform in the form of driving more competition in the training system is presented as the only way to ensure employers can gain the skills they need for the future economy and more competition is presented as the only mechanism for reform. Questions about what was done in the past and other potential courses of action were ignored.

Referring to the past, the Panel states in lines 41-45 that considerable reform has already been undertaken over the past twenty years which has led to a “relatively deep vocational training market”. As stated above, ‘relatively deep’ is not defined except to say that government-owned and private providers openly compete. Data is provided showing that TAFE’s market share of government-funded enrolments fell from 90% in 1997 to 45% in 2012 as a result of competition. It is then stated that this had made the system more student-centred and more demand driven but no evidence is given to support this claim and no commentary or evidence given on the quality of the training offered. Could it be that this twenty year process was flawed or ill-advised and some other approach might have been more effective? This possibility is not canvassed.

Instead it is claimed that further reforms already proposed by Government will ensure that the system is dynamic, high-quality, responsive to the needs of industry and targeted to the skill areas of highest need (lines 46-49). This is seen to follow inevitably from greater competition, without any explanation of how or why, or canvassing any possible negative consequences.

Just as importantly, it can be argued that the competition referred to is in some senses engineered. It is, at least in part, simply a measure of how much funding the Government decides it will make available to the private sector, what criteria will be applied to enable them to gain access to Government funding and how rigorously the criteria are applied. In this regard, there is evidence that the number of private RTOs

has grown in response to the availability of government funding, not in response to demand for full fee paying programs. Between 2008 and 2011 there was a 33% increase in the number of providers in Victoria from 561 to more than 750, concurrent with increasing access to government funding. Thus the Government has to some extent created a private training sector by simply making public funds available, but this blurs the meaning of 'private'. Arguments that there is a training market and that more competition is required could be interpreted as part of an ideology the Government wishes to promote rather than a case of private providers establishing themselves in response to genuine industry and community demand for training services that were not being met. It may also explain why questions such as how providers would be regulated, what the optimum number of providers might be, what the training outcomes are and how quality would be assured were not given serious attention. Demand for training is also generated by the availability of student entitlements.

Again, other options to achieve the goals are not considered. For example, requiring employers to contribute more to the cost of training; placing a greater emphasis on quality; or reviewing product offerings to ensure relevance, quality and value for money might be other valid approaches to achieving improved training outcomes.

The *means-goal* to do more of the same and to disregard any alternative courses of action is effectively part of an open-ended and circular argument whereby the lack of appropriate skills can always be seen as an argument for more competition.

The second strand of the Panel's argument can now be considered.

Evaluating the argument - strand 2

Preamble

Before moving to the analysis of circumstantial premises for strand 2, further introductory observations are relevant.

Firstly, it is important at the outset to observe the subtle shift in the selected text from general reference to the 'training system' and 'training providers' in the first strand of the argument to the 'TAFE sector' and 'TAFE institutes' in the second strand (line 67 onwards). The onus for all that is deficient in the training system is now tacitly shifted to TAFE and it is through reform of TAFE that these deficiencies will be addressed. There is no mention of any deficiencies with other RTOs, most notably private RTOs.

Through their exclusion, the impression is left that it is inherent in private providers that they are beyond reproach. Their performance is not referred to at all despite there

already being considerable questioning about the Victorian reforms and the practices of some private RTOs.

Speaking in Parliament on September 12, 2012, the Minister for Education reported on practices that were known to be common among some private RTOs:

There are ... issues such as predatory marketing to attract students, uncompetitive pricing and a whole range of quickie courses. It is possible to do a certificate III in 90 days and receive a laptop at the end of it. You will get it for nothing if you bring in another student. They are the sorts of problems we will be tackling. (Hansard, September 12, Parliament of Victoria, 2012, p. 4074)

VET researcher John Mitchell (2012) also documented a range of concerns about improper practice that had been highlighted nationally, that is, during and before the time the Panel was undertaking its work. No reference is made to any of this in the Final Report.

Secondly, the selection of the word 'reform' in the discourse, and sometimes the softer alternative 'transform' is noteworthy. This latter term is analogous to the use of 'transition' in the Queensland case study instead of 'reform'. Dictionary definitions of reform give the sense of the alteration or correction of abuses, malpractices or vices (Collins Dictionary on-line). Reform is therefore serious business and serious action is required. The Panel is titled the TAFE Reform Panel with the implication that something is seriously wrong with TAFE.

In the text, typical uses of 'reform' and 'transform' are:

"The thrust of the vocational training policy reforms is the use and reliance on market levers" (line 51)

"Building on earlier phases of reform, the (government) policies remove legacy constraints on the operation of an open, competitive training market" (line 53)

"TAFE institutes will need to be geared to rapidly respond to market changes and transform strategies and operations to become commercially self-sufficient, to continually improve their competitiveness and productivity, and to continue to adapt to learner and industry needs" (line 103) (added emphasis)

Thus, a subliminal association is created in the mind of the reader of the report between 'reform' and 'competition'. Since reform is assumed to be both necessary and desirable, it follows that competition must be necessary and desirable too.

Other language might have been used in this context, such as 'improvement', 'change', 'advancement' or 'betterment'. If the TAFE Reform Panel had been titled the TAFE (or

VET) Improvement Panel, the link with competition would not have been as easy to make.

Strand 2 of the argument is considered against this background.

Assessing the circumstances

Circumstances (2) - The market advantages and protectionist policies enjoyed by TAFE have led to an inefficient system where Government needs to intervene to support TAFE to become commercial and competitive.

The second set of circumstances or problem is stated in various ways throughout lines 41-107. Expanding on the earlier comments, and setting aside whether they are true or not, the deficiencies outlined earlier in this analysis can be separated into those for which TAFE institutes can reasonably be held responsible and those that are attributable to government policy as shown in Box 6.5.

If the allocation of responsibility in Box 6.5 is accurate, the circumstances (2) can be seen as much a sign of failure of government policy, as they are an indication of the shortcomings of the TAFE institutes. The problem then becomes one at least partly of the government's own making that it is being called upon to rectify. This is after twenty years of a reform process. However, the text is phrased as if the inefficiency of the training system is the result of the lack of capability in the TAFE institutes.

Box 6.5: Deficiencies in the training market - identifying responsibilities

Line:	Claim	Responsibility
42	The system has been TAFE-centred and insufficiently student centred and demand driven	<i>Government policy</i>
51	TAFE has been the lever for decision-making rather than the market	<i>Government policy</i>
81	TAFE institutes have assumed they have an exclusive role and have delivered services not necessarily required by government (community service obligations)	<i>TAFE institutes</i>
84	TAFE has been the beneficiary of protectionist policies	<i>Government policy</i>
105	TAFE institutes are insufficiently agile and responsive to learner and industry needs	<i>TAFE institutes</i>
107	TAFE institutes now need assistance from Government to transform their businesses	<i>Government policy</i>

The issue of community service obligations referred to in line 81-2 is of particular relevance to this research. Since their inception, it was accepted as part of TAFE's role that institutes delivered services for public benefit particularly in regional and rural areas, in much the same way as schools and universities do. The emphasis was on maximising access to vocational education and training for all members of society. The introduction of competitive neutrality caused this to be questioned as giving TAFE an unfair advantage. The 2012-13 State budget announced that "TAFE funding rates will be brought in line with private sector providers, boosting competition and choice" (Department of Treasury and Finance, 2012, p. 23). Consequently, funding for community service obligations ceased that year. In lines 81-2 the Panel is confirming that aspect of government policy, but it is phrased as though TAFE institutes had taken on this role of their own accord, when in fact community services obligations were previously considered socially important, were funded by government and withdrawing from them is not necessarily simple in a publicly funded entity. The Panel is effectively declaring that TAFE has no public value in the sense meant by Moore or other writers.

Assessing the goal

Goal (2) - The Government's goal is to ensure TAFE institutes become competitive and financially sustainable in the open vocational training market.

Although this goal is stated explicitly in lines 83-4 and reiterated elsewhere in the text, the preceding commentary and closer analysis give rise to some doubts about its authenticity. In lines 50-51, the Panel affirms the Government's reliance on the use of price, information and supply contestability as the main market levers in the reform, replacing the previous reliance on TAFE institutes. The use of the language of the market somewhat disguises its meaning, however a reasonable interpretation of it is that the policy is to make TAFE institutes cheaper to operate and private providers are the vehicle for this to occur. This is clear from a closer look at the Panel's analysis of the specific measures contained in the Government's strategy and how they might be re-phrased. The first three of six are as follows:

Line 55 - Students will have access to the course and training provider of their choice.

Rephrased: An increasing proportion of students will be trained at lower cost (private) providers.

Line 57 - There will be a level playing field for public and private providers to access government training subsidies.

Rephrased: Public providers (TAFE institutes) will receive lower subsidies for training than has previously been the case.

Line 59 - Providers will set their own tuition fees.

Rephrased: Private providers will be cheaper forcing TAFE institutes to reduce their fee structures.

The unstated but clear assumption in the text is that private providers are more competitive and cheaper and TAFE institutes should follow their lead. It can even be said that 'competitive' is used as a euphemistic synonym for 'cheap' and 'financially sustainable' means that they manage to remain cheap. The text lists the areas where TAFE institutes need to improve: to respond rapidly to market changes; to become commercially self-sufficient; to continually improve their competitiveness and productivity; to adapt to learner and industry needs; to be more agile organisationally;

and to focus on their strategic directions (lines 102-106). The implication is that TAFE Institutes lack these capabilities that are implied strengths of private providers. The educational soundness or quality of the provision receives little attention except that the Panel, along with the Government, appear to take the view that quality is an inherent outcome of competition:

Through its Refocusing Vocational Training reforms the Victorian Government has set out its strategy ... [to achieve] ... a dynamic, high-quality vocational training system (line 47).

A later reference to government's role in monitoring quality assurance appears in line 64, but there are no details as to how this will be implemented.

There is also no reference to the possibility of perverse outcomes from the changes cited, for example that cheapness and quality may not necessarily go hand in hand.

As outlined earlier, the assumption that private providers would drive a more competitive and high quality training market was already questionable at the time the Panel was doing its work. The Minister even conceded in *Refocussing Vocational Training in Victoria* (2012) that "a small number of providers have engaged in unscrupulous training practices" (p. 2) but this appears to have been treated as a short-term aberration rather than a possible long-term and serious risk, with the market deemed to be self-correcting.

On the basis of the above, goal 2 can be regarded as lacking transparency and therefore somewhat misleading. That is, the unstated goal is for training to be cheaper.

[Assessing the value premise](#)

Value Premise (2) - The Government values competition, commercial and business-like approaches and sustainability in training provision

It is instructive to compare the value premises for strand 1 and strand 2. Whereas the value premises underlying the circumstances in strand 1 had some relevance to the concept of public value, the value premises for strand 2 reveal an underlying marketised governance agenda through government that is far more pervasive throughout the text. Using a word frequency approach as adopted in Box 6.1 is too crude an analysis, since values are often expressed in more subtle ways, but the two sets of values can be compared as follows:

Box 6.6: Comparison of value premises in strands 1 and 2

Value premise – strand 1	Value premise – strand 2
<ul style="list-style-type: none">• Educational attainment	<ul style="list-style-type: none">• Competition/contestability
<ul style="list-style-type: none">• Lifelong learning	<ul style="list-style-type: none">• Commercial
<ul style="list-style-type: none">• Flexible access to skills training	<ul style="list-style-type: none">• Business/business-like
<ul style="list-style-type: none">• Productive employment/jobs	<ul style="list-style-type: none">• Sustainable/sustainability

However, on the basis of the *claim for action* it is argued that the value premises in strand 2 are the prevailing values and that the public value principles contained in the strand 1 value premises are sub-ordinate to them. This is consistent with the nature of the discourse described by Box 6.2 and Box 6.3.

[Assessing the means-goal](#)

Means-Goal (2) - If the Government adopts the recommended actions to support and transform TAFE institutes, the goal will be achieved.

A closer analysis of the recommended actions and the status of Government policy as outlined in the Ministerial Statement *Refocusing Vocational Education and Training in Victoria* of April 2012 is instructive. This is outlined in in Box 6.7.

In fairness, the body of the Panel's report goes into greater detail about the recommended actions but it is true to say that the recommendations do little more than reiterate the earlier contents of the Ministerial Statement.

It is also noted that the above actions do not address the question of whether these actions or means will in fact achieve the goal, an exercise complicated by the fact that the authenticity of the goal has already been put in doubt. What is clear however, is that there is no attempt to explore any other means that might achieve the goal or to question whether the means identified could have any other effects than those intended.

Box 6.7: Comparison of Government policy as at April 2012 and recommendations of the Victorian Panel in January 2013

Status of Government Policy as at April 2012	Recommendations of the TAFE Reform Panel - January 2013
All providers will receive the same subsidy rate by January 2013 to create a more level playing field (p. 7)	Level the playing field between providers operating in the subsidised vocational training market (line 109 110)
Clear expectations are being set for all providers of government-subsidised training (p. 8)	Clearly articulate expectations and obligations on TAFE institutes (line 111)
A number of legacy constraints on TAFE institutes will be addressed such as reporting requirements and workplace arrangements (p. 8)	Remove constraints on them successfully competing and meeting those expectations (line 112)
The government will work with TAFE institutes to adjust to the new funding arrangements (p. 7)	Provide transitional financial support to avoid institutional failures, assist the implementation of viable business strategies, and incentivise competitive and commercial outcome (line 113 -5)

This gives further strength to the view that the Panel is essentially a mouthpiece for Government and is locked into an argument that is linear and ideological rather than deliberative in the sense that “deliberation involves weighing reasons in favour of one or several proposals and reasons against ... [and] ... adequately considering and balancing as many relevant considerations as possible” (I. Fairclough & Fairclough, 2012, p. 26)

The Panel does not present a sound and plausible argument for future Government actions but lends support for what was already preordained in earlier Government statements. Simply put, competition is the solution to all deficiencies in the training system. Further analysing the argument is unlikely to yield any further insights.

The consolidated claim for action that brings the two strands together can now be considered.

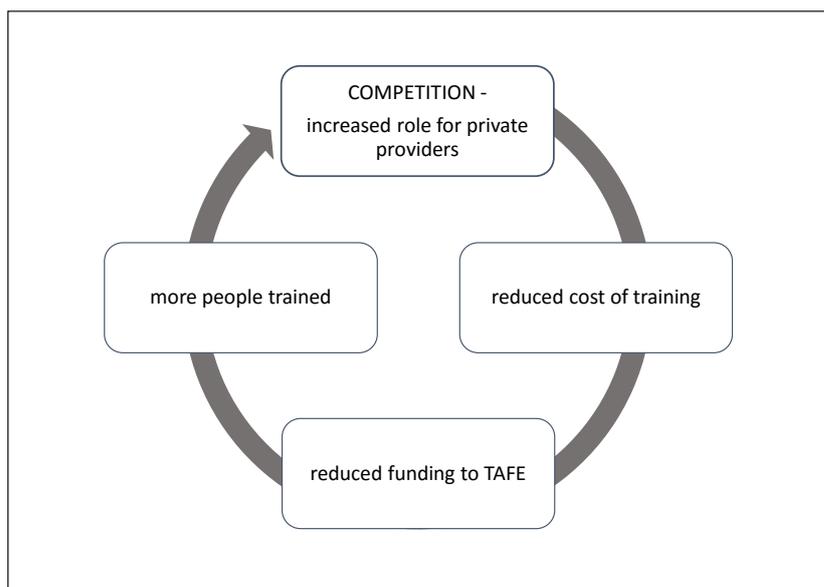
Assessing the claim for action

Claim for Action – The Government must implement a fully competitive vocational training market (strand 1) and take appropriate actions to transform TAFE institutes into efficient commercial operations (strand 2).

Little further comment is required here since the claim for action is embedded in the means-goal for each strand already discussed. The two-fold nature of the claim for action reflects the two strands which are mutually reinforcing. Competition is unquestionably a desirable state of affairs and so while TAFE has already been exposed to competition, more competition will be even better and will make TAFE institutes efficient.

This claim for action might be seen to be based on a circular argument as illustrated in Box 6.8. The claim for action takes no account of anything outside the cycle.

Box 6. 8: The essence of the TAFE Reform Panel's claim for action



Related Issues

As was the case in the Queensland case study, further comment relevant to the Faircloughs' approach to PDA can be made. The two aspects to be considered are:

- Elements of the argumentation that are not included in the selected text
- Critical questions in practical reasoning

Elements of the argumentation not included in the selected text

Fairclough and Fairclough cite the following:

- a) Identifying alternative options to the means-goal premise – demonstrating that other options have been weighed
- b) Analysing the alternative options – explaining why they can be refuted or disregarded
- c) Considering possible counter claims and alternatives from stakeholders
- d) Dealing with these counter-claims and alternatives
- e) Anticipating objections to the claim for action
- f) Dealing with these objections
- g) Introducing arguments from authoritative sources to support the means-goal or claim for action
- h) Outlining potential negative consequences of not acting or taking an alternative approach
- i) Dealing with anticipated negative consequences of proposed action
- j) Noting emerging positive consequences of action already taken. (I. Fairclough & Fairclough, 2012)

Overall, as in the Queensland case study, these elements are not addressed with the possible exception of g) and j). Box 6.4 shows that a 2011 ABS survey is used as an argument from authority (g). However, much other information that was available in the public domain at the time and could have been considered is ignored. Box 6.4 also shows that the Panel points to positive results as a result of earlier phases of reform over a period of 20 years (j). As already pointed out, this is not entirely convincing because it is used as an argument for ‘more of the same’ rather than to question whether the 20 year strategy had been well-conceived.

With respect to the other elements, the evaluation of the argument above gives many examples in the analysis of the circumstances, goal and means-goal for both strands 1 and 2 of the options and alternatives that could have been considered but were not.

As was the case with the Queensland case study the process of deliberation undertaken by the Victorian TAFE Reform Panel can be seriously questioned. What poses as the report of an expert panel is instead an argument devised to justify actions already partly put in place by government. The intention is to repeat and reinforce the need for these actions, not to critically analyse them, let alone to overturn them. In the process, much important and available information and many additional considerations

were disregarded. Again, in the way demonstrated by Fairclough and Fairclough (2012) this can be considered as 'spin' purporting to be reason.

Critical questions in practical reasoning

As stated earlier and in the Methodology, the claim for action can be tested against three questions selected by Fairclough and Fairclough because they 'highlight the essence of practical reasoning'. These questions ask whether:

- the action that is being advocated (claim for action) will really lead to achieving the goal/s?
- the action will have other effects than the intended goals (including negative effects)?
- other action, different from the one that is being envisaged, will also lead to the fulfilment of the goal? (I. Fairclough and Fairclough, 2012, p. 61)

As already indicated from the commentary above, the Panel's argument fails to address these questions. The Panel concedes that twenty years of reform have been required to arrive at the current state, yet more of the same style of reform is recommended – competition. The Panel does not entertain the possibility that this time scale might indicate that the course of action was other than effective. Further, despite authoritative evidence in the public domain at the time, for example in the form of statements in Parliament that negative consequences of the intended goals were already apparent, the Panel ignores these warnings and extols the virtues of proceeding in the way outlined. Finally, the answer to the last question is clouded by the fact that there is some doubt about the authenticity of the strand 2 goal as stated. That is, the stated goal to ensure TAFE institutes become competitive and financially sustainable is quite possibly camouflaging a goal to make VET cheaper to operate and forcing TAFE institutes to cut costs. In that case, the answer to the question is unclear. Competition provides a hidden and convenient mechanism to achieve the goal of cutting costs.

INITIAL OBSERVATIONS ON THE IMPLICATIONS FOR PUBLIC VALUE

The analysis shows that, unlike the case of the Queensland Taskforce, the discourse in the selected text pays some attention to the concept of public value. It is also evident to some extent in strand 1. Part of the reason for separating the two strands in the analysis was to do justice to this fact. However, in the course of the text it becomes clear that this is little more than lip service. The real agenda of the Panel becomes

clear in strand 2 – the agenda of marketised governance. The previous public value role of TAFE is quite openly negated:

“There is not an exclusive role for public providers within the vocational training market” (line 68)

“TAFE institutes should no longer assume they are required to deliver community service obligations” (line 81).

In essence, the Victorian TAFE Reform Panel is just as dismissive of the public value role of TAFE as the Queensland Taskforce is. The only difference is that the Panel gives the appearance of being even-handed. In both instances, the role of the training system is presented as almost entirely instrumental - to produce the skills required by employers for the emerging economy. There is little to no emphasis on ‘public value’ or public value management in the sense meant by Moore.

Further observations and conclusions on this text are contained in Chapter 8.

CHAPTER 7: SIMILARITIES AND DIFFERENCES BETWEEN THE QUEENSLAND SKILLS AND TRAINING TASKFORCE AND THE VICTORIAN TAFE REFORM PANEL

INTRODUCTION

In this chapter some comparisons are made between the reports of the Queensland Skills and Training Taskforce (hereafter the 'Queensland Taskforce') and the Victorian TAFE Reform Panel (hereafter the 'Victorian Panel').

The first section refers to the process adopted for each report, which requires reference to the wider reports as well as the selected texts. This is designed to provide a deeper insight into the role of Government in each State and to avoid any risk of the selected texts being considered too much in isolation.

The second section draws on the specific analyses in chapters 5 and 6 to make comparisons about the argumentation used.

The third section addresses the analytical framework that emerged from the literature review.

Of necessity, there is some repetition of the comments from the individual chapters, but every attempt has been made to keep this to a minimum.

Overall, the intention is to identify the areas of commonality and divergence in the context of marketised governance and public value.

PROCESS CONSIDERATIONS

Establishment and timing

Both reports were the work of review bodies set up by the Victorian and Queensland governments respectively within a week of each other in June 2012 and in the wake of the signing of the *National Partnership Agreement on Skills Reform* (NPASR) on April 13, 2012.

The Queensland Liberal Government, succeeding a Labour Government, came to power on March 26, 2012, less than one month before becoming a signatory to the NPASR. The terms of reference for the Queensland Taskforce were announced on June 21, just five weeks later.

The Victorian Liberal Government had come to power on December 2, 2010, also succeeding a Labour Government. The terms of reference of the Victorian Panel were

agreed on June 28, 2012 six weeks after the NPASR came into effect and following the 2012-2013 State Budget.

These sequences in announcing the reviews in the two states show both similarity of timing and speed of decision-making. Clearly, the governments in both states were keen to implement changes that would comply with the NPASR without delay, although the NPASR provided for change to proceed at different paces according to state differences (Council of Australian Governments, 2012b, p. 4).

The timing also suggests that it is likely that work had taken place to prepare for the two reviews before the NPASR had been signed and in the case of Queensland, perhaps even before the Government had come to power. This can at least partly be explained by the fact that there was a level of bi-partisan agreement in both states on the intended reforms.

Membership

Membership of the two review bodies can be examined in terms of who is included in the policy-making process and who is excluded.

The Victorian Panel consisted of four members as listed in Box 7.1.

Box 7.1: Membership of the Victorian TAFE Reform Panel

MEMBER	GENDER	BACKGROUND
Chair	Male	Extensive public sector experience, including in the TAFE and university sectors
1	Male	Primary producer and tertiary educator, including as a former TAFE CEO
2	Female	Former consultant specialising in audit, risk and corporate recovery
3	Female	Professional architect with experience in tertiary education.

Consistent with its role in reporting on the TAFE sector, two of the members had TAFE experience and a third had broader tertiary as well as industry experience. The fourth was a corporate consultant. On the face of it, two had significant experience in TAFE such that they could be considered well-placed to conduct such a review of TAFE. The other two had broader but related experience. This, together with the gender balance, appeared to be even-handed, although there was no union representation and only limited representation of the major industries served by TAFE. In any event, the Panel

did not profess to be independent. It stated that its recommendations were informed by “an understanding of the policy intent of recent (government) reform” (line 6).

As shown in Box 7.2, the Queensland Taskforce was much larger, consisting of nine appointed and three official members.

Box 7.2: Membership of the Queensland Skills and Training Taskforce

MEMBER	GENDER	BACKGROUND	
<i>Appointed</i>			
Chair	Male	Executive in the Resources industry	
1	Male	Former Executive in the Retail industry	(RTO)
2	Female	CEO private RTO peak body.	
3	Male	Executive in the Tourism industry	
4	Male	Executive in the Horticulture industry	
5	Male	Executive in employer peak body	(RTO)
6	Male	CEO private RTO	
7	Male	State Secretary in major industry union	(RTO)
8	Male	Executive in the Construction industry	(RTO)
<i>Official Members</i>			
1	Female	Senior executive, Department of Treasury and Trade	
2	Female	Senior executive, Department of Education, Training and Employment	
3	Male	Senior executive, Department of Premier and Cabinet	

In addition to the three official government members, there was noticeable extensive representation from industry bodies: resources, retail, tourism, horticulture, employers and a union (but not a teacher union). The appointed members were mostly male, but the gender balance was somewhat assisted by the inclusion of the official members. There were also two representatives of private registered training organisations (RTO) and four of the other six appointed members came from organisations that were also

RTOs. Unlike Victoria, there was no representative from TAFE. Chapter 5 describes issues relating to conflict of interest that arose as a result. By any measure, the Queensland Taskforce was weighted in favour of the private sector – both private industry and private RTOs.

Comparing the two, the Victorian Government nominated what appeared to be an independent, expert panel, but provided it with terms of reference that restricted its independence. On the other hand, the Queensland Government nominated a taskforce which was large enough to accommodate independence but it was so dominated by the private sector and private RTO interests as to make the exclusion of the public sector even more noticeable than might have been the case with a smaller group.

Terms of reference

The terms of reference/objectives for both reviews had similarities but also differed in some major respects. They are summarised and compared in Box 7.3.

The terms of reference of the Queensland Taskforce ostensibly covered the whole of VET, while those of the Victorian Panel related only to TAFE. Nonetheless, the Queensland terms of reference provided wide scope for an examination of TAFE, without a specific or equivalent analysis of private RTOs within the wider VET sector.

The Victorian Panel was required to provide advice on a system that was already in a state of transition, commenced by the previous Labour government and reinforced by the 2012-2013 State budget, whereas the Queensland Taskforce appeared to have more discretion. However, the fact that a radical interim report confined to TAFE issues was released within three months of the Queensland Taskforce commencing gives cause to conclude that despite the broad terms of reference covering the whole of VET, TAFE reform was a core agenda.

Box 7.3: Comparison of the terms of reference of the Queensland Taskforce and the Victorian Panel

QUEENSLAND TASKFORCE	VICTORIAN PANEL
<p>1. Provide advice to the Minister on actions needed to improve the operations and outcomes of Queensland’s VET sector</p>	<p>1. Provide strategic advice to government on TAFE transition plans and advise the Government on opportunities for system-wide efficiencies</p>
<p>2. Review the role and function of all statutory bodies that contribute to the VET sector in Queensland</p>	<p>2. Contribute to a roadmap for the TAFE network</p>
<p>3. Consider the strategic direction of TAFE including:</p> <ul style="list-style-type: none"> • The appropriate role for TAFE in supporting the economy • The current offerings and outputs of TAFE and their quality • The level and nature of industry involvement in setting the direction of TAFE • The operational efficiency of TAFE including asset management, workforce management, organisational structure and operating systems. 	<p>3. Specifically:</p> <ul style="list-style-type: none"> • Review and provide feedback to TAFE institutes on their Business Transition Plans • Advise on government decisions necessary to support individual TAFE institutes to respond to the new funding environment • Advise where there is need for government to provide financial and other support to TAFE institutes in the transition • Advise the Premier, Treasurer and Minister on structural reform options for securing a sustainable TAFE network that meets community and economic needs and encourages pathways between school, VET and higher education.
<p><i>Queensland Skills and Training Taskforce: Final Report, 2012, p. 6-7</i></p>	<p><i>TAFE Reform Panel: a Strong and Sustainable Victorian TAFE Sector, 2013, p. 50</i></p>

Stakeholder Input

Both bodies invited written submissions and undertook consultations and face-to-face meetings with selected stakeholders.

By far the major component of the face-to-face consultations of the four-member Victorian Panel was with the TAFE stakeholders. It consulted individually with the CEO, Board Chair and other senior staff of every TAFE institute and dual sector university over a three month period. This is not entirely surprising since the focus was on TAFE but it is creditable that the consultation was so extensive. Only a small number of experts were interviewed.

The Panel also invited written submissions. The somewhat unusual mix of those received is summarised in Box 7.4. While it is unclear how representative this group is of the categories of those invited, it shows a narrow range of local government and industry input.

Box 7.4: Written submissions received by the Victorian Panel from invited bodies

BODIES	NO.	
Industry peak bodies	6	(Tourism; Recreation; Building; Hotels; Horticulture; Local Govt.)
Other peak bodies	2	(Disability, Regional Development)
Local councils (metropolitan)	14	} There are 79 Councils in Victoria
Local councils (regional/rural)	10	
TOTAL	30	

(TAFE Reform Panel, 2013, pp. 60-63).

The Queensland Taskforce presents a different picture and alongside the composition of the Taskforce itself, gives further credence to the view that TAFE was being sidelined. The Taskforce used four group meetings as the major method of consultation with the TAFE CEOs and the Chairs of the TAFE Councils. It held eleven other consultations with a wide range of other government and education/training representatives. In addition twenty-one industry peak bodies were selected for direct consultation as outlined in Box 7.5.

Box 7.5: List of peak bodies consulted by the Queensland Taskforce

STAKEHOLDER PEAK BODY	NO.
Industry	11 <i>(3 of which were also private RTOs)</i>
TAFE	1
Other VET/education	7
Union	2 <i>(not including teacher unions)</i>
TOTAL	21

(Queensland Skills and Training Taskforce, 2012a, p. 105)

A total of 91 submissions from peak bodies (10), TAFE institutes (11), other organisations (50) and individuals (20) were also received. (Queensland Skills and Training Taskforce, 2012a, pp. 105-111).

In neither case were consultations held with students, staff or staff unions.

The rationale for the approach adopted in these reviews is not directly stated, but is implicit. The appointment of what are intended to be perceived as expert panels, the conduct of stakeholder consultations and the inviting of written submissions is a common, contemporary form of conducting reviews in the TAFE sector and in education more broadly. It is seen as a means to give credibility to the findings of the reviews and to allow Government to implement the findings without fear of community backlash.

However, in the case of Queensland, the sequence of events suggests that the Taskforce's findings on TAFE were predetermined since the interim report on TAFE, released in August and containing sweeping recommendations for change, was released before the TAFE consultations were complete and well before all consultations were complete.

In the case of Victoria, as already outlined, the Panel was consulting on decisions already made.

Use of Data

Queensland

Performance data: The chapter on TAFE in the Queensland Taskforce Report contains data on TAFE's performance, mostly of a financial nature and without any reference to the outcomes of training. It includes:

- Gradual decline in TAFE Queensland’s market share in apprenticeship and trainee commencements (2006 - 2012)
- Increase in the delivery of higher level skills by TAFE Queensland (2006 - 2012)
- Increase in TAFE Queensland’s staff productivity through staff reductions (2006 - 2012)
- Fluctuations and mixed results in TAFE Queensland’s financial performance (2009/10 – 2012/2013)
- Comparatively poor asset utilisation rates (apparently not exceeding 50% on any one day) at one metropolitan institute in Semester 1, 2011.

(Queensland Skills and Training Taskforce, 2012a, pp. 54-61)

Data in the other chapters of the report is of a very general nature. In the view of the writer, the necessary evidence to provide a compelling case for the poor performance of TAFE Queensland is not provided, especially in relation to public value.

Key messages from the stakeholder consultations: The Queensland Taskforce Report also includes a summary of the key messages from the written submissions and stakeholder consultations in Attachment 1, consisting of 12 pages. Over a third of this is related to TAFE. Interestingly, while many of the documented key messages refer to exposing TAFE to more competition, a number also refer to a public value role for TAFE, whereby TAFE was seen as:

- “valuable to both the sector and the economy”
- “able to address regional needs”
- “a provider of knowledge and skills that would otherwise not be available in the workplace or through private training providers”
- “a provider of pathways, community service obligations including rural and remote training provision for and access for equity groups”
- “an important pathway to, or entry into, higher education”

(Queensland Skills and Training Taskforce, 2012a, p. 90)

However, these key messages are eclipsed by those relating to increased competition in the body of the report.

References: Attachment 2 of the Queensland Taskforce Report consists of just over two pages listing the data and literature considered by the Taskforce, but there is little

reference to these sources. In fact sources listed in the body of the report are generally not included in the attachment.

Victoria

Performance data: The body of the TAFE Reform Panel Report contains some very general data about changes in the economy and VET and some comparative data on Victorian and interstate TAFE delivery and performance. The five page appendix 4 provides data that compares delivery of VET by region, in some cases including Adult and Community Education (ACE) and private providers. However, the data is of such a general nature and high level as to make conclusions difficult to draw.

Key messages from the stakeholder consultations: Appendix 4 of the Victorian Panel Report entitled Stakeholder Process lists all submissions received and consultations conducted. It includes seven short key themes emerging from the written submissions (mostly from local councils), none of which are worded in such a way as to be critical of TAFE. Three of the seven themes could be seen to support the concept of public value, namely: “maintaining a focus on quality”; “the need to ensure access to training, particularly for disadvantaged groups”; and “the importance of the presence of a TAFE institute in [local councils’] catchment area” (TAFE Reform Panel, 2013, p. 60).

Overall it can be said that the use of data in both reports is lacking in rigour and even token. In some respects the data contradicts or at least does not corroborate the statements made in the reports. Marketised governance is emphasised at the expense of some evidence in the reports of stakeholders’ concern for public value.

Importantly, no data or evidence is provided that increased competition leads to improved efficiency, equity or quality.

Report Content

A short analysis of the content of the two reports is contained in Box 7.6.

Box 7.6: Analysis of the Two Reports

REPORT	Queensland Taskforce	Victorian Panel
No pages (inc. attachments)	123	76
No pages (body)	83	62
No. pages specific to TAFE	22	38
% pages specific to TAFE	26%	69%
No. recommendations	40	19
No. recommendations specific to TAFE	16	12
% recommendations specific to TAFE	40%	63%

It can be seen that the Queensland Taskforce, although having terms of reference covering the whole of VET and which included the role of industry; funding; linkages with schools and higher education; apprenticeships and traineeships as well as TAFE, 40% of the recommendations were specific to TAFE, giving further cause to conclude that TAFE reform was the core agenda¹⁶. The issues addressed by the Victorian Panel that were not specifically TAFE-related were mostly concerned with the functioning of a competitive market.

Implementation

The Queensland Government issued a formal response to the Taskforce's report in the same month as it was released, that is November 2012, stating that implementation would commence the following year. In Victoria, the government had already commenced a number of actions contained in the recommendations, which had been outlined in the Ministerial Statement of April, 2012, *Refocusing Vocational Training in Victoria*, that is, at the time of signing the NPASR.

¹⁶ Eleven of the other recommendations relate to streamlining and improving apprenticeships

Summary

The above points of comparison lead to the conclusion that the governments in both Queensland and Victoria were determined to act as quickly as possible to implement a competitive training market and bring about radical change in TAFE. Both governments set up bodies in such a way as to ensure they produced reports containing recommendations to support actions that legitimised that change, in line with their general policy intent. Both employed what might be described as the trappings of investigation and consultation which on closer investigation were dominated by the tenets of marketised governance and provided only thin evidence for the decisions reached. The legitimacy and support perspective, in the sense meant by Moore (2013), was narrowly confined to the interests of the governments concerned.

THE ARGUMENTATION

Deliberation

Analysis of the selected texts from the reports of both the Queensland Taskforce and the Victorian Panel, as outlined in Chapters 5 and 6 respectively, show that neither review engaged in deliberation in the sense described by Fairclough and Fairclough (2012). That is, there is no weighing of the available options, no consideration of counter-arguments and alternatives, no consideration of contrary evidence and limited and selective use of data. The argumentation in both instances is designed to favour the conclusion that open competition in vocational education and training is both necessary and desirable. Anything that might question that conclusion is ignored. The marketised governance discourse prevails to the extent that the idea of 'competition' becomes ideology, with the concept of public value playing no role.

Key Components of the Arguments

It is instructive to compare the key components of the two sets of arguments in the selected texts as identified in Chapters 5 and 6. These are set out in Box 7.7 including the two strands of the argument of the Victorian Panel as appropriate.

Box 7.7: Comparison of key components of the arguments in the selected texts

COMPONENT	QUEENSLAND TASKFORCE	VICTORIAN PANEL
Circumstances	TAFE Queensland is inefficient, lacks capability and has enjoyed too much protection from government at the expense of private providers.	1. The current training system does not deliver the quantity and levels of skills required by employers to meet the demands of the emerging economy
		2. The market advantages and protectionist policies enjoyed by TAFE have led to an inefficient system where government needs to intervene to support TAFE to become commercial
Goal/s	The goal is to build an efficient training system that delivers the skills needed for economic and employment growth	1. The goal is to promote the State's prosperity by ensuring Victoria has the skills for the successful transition to a service-oriented economy.
		2. The goal is to ensure TAFE institutes become competitive and financially sustainable in the open vocational training market.
Values	Competition, contestability, privatisation, efficiency	1. Educational attainment, lifelong learning, flexible access to skills training, productive employment for the greatest number of people
		2. Competition, commercial and business-like approaches, sustainability in training provision
Means-Goal	If a planned process is put in place to remove the distinctions between public and private providers so that the success of public providers depends entirely on their ability to compete, the goal will be achieved.	3. If a fully open and competitive training market is introduced, Victoria will achieve the skills required for the future workforce.
		4. If the Government adopts the recommended actions to support and transform TAFE institutes, the goal will be achieved.
Claim for Action	The Government must reform TAFE Queensland to make it fully competitive and sustainable in an open training market and it must support the growth and market share of private providers.	The Government must implement a fully competitive vocational training market and take appropriate actions to transform TAFE institutes into efficient commercial operations.

The similarities between the States in all key components are noticeable even though one report was about the VET system and the other about TAFE. Except for the fact that two strands are necessary to fully convey the argument of the Victorian Panel while Queensland Taskforce's argument can be expressed in one, the *claims for action* are so similar as to be almost indistinguishable. Fully open competition is seen as the solution to the future of vocational education and training and economic prosperity in both States, bringing with it efficiency and the desired level of skills.

In both cases, TAFE is seen as inefficient, having enjoyed protection from government and lacking capability. It is standing in the way of private RTOs, although there is no analysis of, let alone comparison with these private RTOs, to justify this claim.

Characterisation of TAFE

Characterising TAFE as inefficient is coupled with a propensity more broadly in the selected texts to discredit the public provider by apportioning, directly or indirectly, much or most of the blame for deficiencies in the training market on TAFE. This is misleading because government is the owner of TAFE, what occurs in TAFE is a direct result of government policy and TAFE is accountable to government. The texts use the device of isolating TAFE from government, so that government is absolved of responsibility and TAFE, particularly TAFE institutes, can be subjected to criticism. This enables the Queensland Taskforce to be disparaging of the capability of the TAFE institutes while the Victorian Panel argues somewhat ironically that TAFE institutes are incapable of reform without significant Government intervention, which includes removing some of the legacy constraints of previous governments. The Queensland Taskforce and the Victorian Panel speak in one voice with their respective state governments while the TAFE institutes become guilty by default for the perceived failings of past government policy.

The Discourses

Both reports adopt the discourse of marketised governance. This is well illustrated by juxtaposing the two visual representations- the Wordls - of the thirty most frequently used key words in the selected texts as shown in Box 7.8.

Box 7.8: Words for the selected texts for Queensland and Victoria



The presence of key words from the marketised governance discourse is obvious in both, particularly ‘market’ and ‘training’, but also words related to competition, contestability, commerciality, business and performance. The word ‘public’ in the Queensland Wordl relates to public provider, not public value. Only the Victorian

example includes words from the public value discourse but, as explained in Chapter 6, references to marketised governance ultimately prevail in the argumentation.

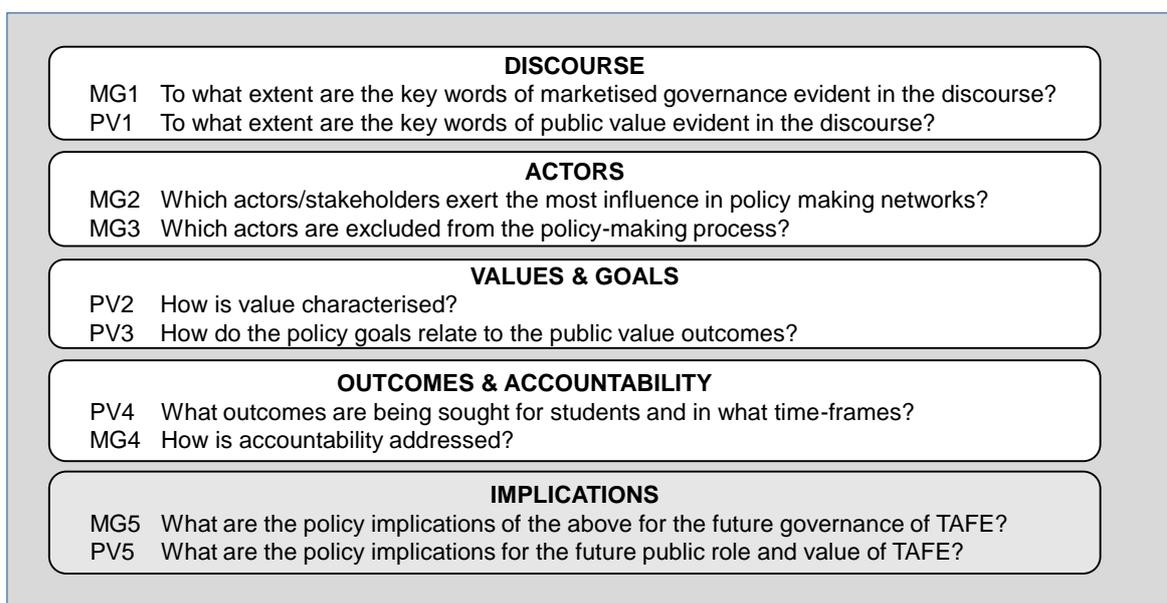
Summary

An examination argumentation used in the selected text of the two reports reveals considerable similarities. The dominance of the discourse of marketised governance in the argumentation of both reports is clear. At the same time, the associated discourse of public value plays a minor, almost invisible role in both cases.

THE ANALYTICAL FRAMEWORK

The analytical framework links under five key headings the two sets of questions that emerged from the discussion of the concept which the writer has termed 'marketised governance' (coded MG) and the concept of public value (coded PV) in the literature review. Included in Chapter 2 as Box 2.4, the analytical framework is reproduced here as Box 7.9 for ease of reference.

Box 7.9: The Analytical Framework



Responses to the linked questions are provided below.

Discourse:

MG1: To what extent are the key words of marketised governance evident in the discourse?

PV1: To what extent are the key words of public value evident in the discourse?

MG1: Previous sections have demonstrated that the key words of marketised governance dominate the discourse in both of the selected texts and marketised governance determines the nature of the claim for action called for in the argumentation.

PV1: In contrast, the key words associated with public value are conspicuous by their absence. The selected text for the Queensland Taskforce makes virtually no reference to it. The Victorian Panel pays some attention to the discourse of public value, particularly in strand 1 of the argument, but it reverts to the discourse of marketised governance in strand 2, such that the discourse of public value might almost be regarded as token.

Actors:

MG2: Which actors/ stakeholders exert the most influence in the policy making networks?

MG3: Which actors/ stakeholders are excluded from the policy-making process?

MG2: The dominant role of the private sector in the case of the Queensland Taskforce has already been highlighted. In practice, it was possible for the government to achieve two goals simultaneously, that is, to have a both a strong industry voice and strong influence by the private RTOs. In the case of the Victorian Panel, the policy directions of government were already set, such that the consultation with stakeholders would not change it.

MG3: Those excluded from the policy-making process are an extension of those who are included. In neither Queensland nor Victoria was any attempt made to consult with the key consumers of VET, the students or graduates, regardless of whether they were from public or private RTOs. There was also no consultation with parents or community groups except in the form of local councils invited to provide submissions to the Victorian Panel.

In both cases, TAFE teachers were excluded both directly and as members of teacher unions in the consultation processes, although one out of twelve members of the

Queensland Taskforce was from the wider union movement. The Victorian Panel did not consult with the staff unions and appears not to have invited them to forward a submission.

Whereas previously consulting with industry meant consulting with both employers and employees/unions, the emphasis in both cases was on the employer side and the employee/union voice was minimal.

Direct consultations with students and teachers/trainers from both public and private RTOs might have thrown light on why TAFE was apparently so less capable than the private sector, but this did not occur.

Values and Goals

PV2: How is value characterised?

PV3: How do the policy goals relate to public value outcomes?

PV2: Box 7.7 compares the underlying values arising from the analysis of the two selected texts. Comparing these further, Box 7.10 uses colours to represent identical or related concepts.

Box 7.10: Comparison of the Values identified in the selected texts:

	VALUES IDENTIFIED IN THE SELECTED TEXTS
Queensland Taskforce	competition • contestability • privatisation • efficiency
Victorian Panel	Strand 1: educational attainment • lifelong learning • flexible access to skills training • productive employment for the greatest number of people
	Strand 2: competition • commercial and business-like approaches • sustainability in training provision

There is considerable overlap between the values in the two texts. While the Victorian Panel gives more attention to concepts associated with public value in strand 1, these are subsequently overridden by the arguments in strand 2, making the values identified in strand 1 ultimately inconsequential. The dominance of the tenets of marketised governance is clear.

PV3: The goals evident in the two texts provide a framework to address the relationship between the policy goals and public value outcomes. These are as follows:

Queensland Taskforce:

The goal is to build an efficient training market that delivers the skills needed for economic and employment growth.

Victorian Panel:

Strand 1 - The goal is to promote the State's prosperity by ensuring Victorian industries and enterprises have the skills for the successful transition to a service-oriented economy.

Strand 2 - The goal is to ensure TAFE institutes become competitive and financially sustainable in the open vocational training market.

The two have much in common and both assume the inevitability of the proposition that competition leads to efficiency and that efficiency will result in economic prosperity. Public value in the sense described by Moore (1995, 2013) and other writers and as contextualised for the TAFE/VET sector in Chapter 3, is virtually expendable in both cases. That is, value is characterised only in narrow economic terms with no reference to social impact or outcomes.

Outcomes and Accountability

PV4: What outcomes are being sought for students and in what time-frames?

MG4: How is accountability addressed?

PV4: The word 'student' or related words such as 'learner' or 'graduate' appears only once in the Queensland text in the context that making TAFE more competitive would make it of more value to students (line 86). That is to say, the Queensland Taskforce took the view that TAFE being competitive was the desired outcome for students, although there was no consultation with students and no other evidence cited to support this view. Noticeably there is no reference to the quality, accessibility or affordability of training.

Although there is more frequent reference by the Victorian Panel to students and learners and meeting their needs, this is accompanied by an assumption that competition is the way that this can be achieved.

In both cases, in so far as students are referred to, competition is presented as the desired outcome for them, although no consultation with them took place to arrive at this conclusion.

MG4: The issue of accountability arises in marketised governance because of the array of actors involved in the policy-making process. These many actors are also part of different accountability systems (Moore, 2013). When government seeks policy advice from a diverse body such as the Queensland Taskforce how is accountability addressed if this advice is flawed or biased? It has already been pointed out that there was potential for conflict of interest and bias in this case, despite the fact that this was denied by the Minister at the time. In essence, improvement to the Queensland VET sector only involved the public sector. If anything, TAFE is accountable for the apparent weaknesses in the training market under these circumstances, leading the Taskforce to question TAFE's "ongoing relevance" (line78).

Although the composition of the Victorian Panel appeared to be even-handed, it has also been pointed out that there was no expectation for it to give independent advice since it was clearly acting within the 'policy intent' of the Government (line 6), that is, to re-affirm the need for more competition. In this way it was relieved of accountability.

While the respective governments must be ultimately held accountable for the work of the Taskforce and the Panel and the decisions arising out of them, in both cases persons were appointed who were aligned or confined to the governments' desired policy outcomes and therefore likely to affirm the governments' policy intentions. Further, there was no examination in either case of other possible consequences of the means-goal, potential risks associated with it or the impact on the consumer - the student. The accountability framework is therefore weak and accountability is not treated as a serious consideration.

MG5: What are the policy implications of the above for the future governance of TAFE?

PV5: What are the policy implications of the above for the future public role and value of TAFE?

MG5: Based on this analysis, the influence of the tenets of marketised governance was pervasive in the work of both the Queensland Taskforce and the Victorian Panel. Earlier chapters make it clear that this was not simply a fortuitous similarity of approach in the two States. Its origins and political underpinnings were in the agreement at

national level through COAG that application of competition principles was appropriate and even necessary for the VET sector. This at least partly explains why there was bipartisan agreement in both States on the power of competition to bring about efficiency, with efforts to pursue this effectively remaining constant with changes of government. The individuals providing policy advice through the Queensland Taskforce and the Victorian Panel were such as to ensure that the emphasis on marketised governance would be reinforced. As has been pointed out, since efficiency ideally means both cost-effectiveness and quality, the absence of serious consideration of quality outcomes in both selected texts meant that the emphasis on efficiency was implicitly associated with reducing the cost of training – an attractive proposition for governments in times of budgetary pressure. ‘Efficient’ thus becomes a euphemism for ‘cheap’. Under these circumstances, marketised governance appears likely to dominate TAFE policy for the foreseeable future.

PV5: This research has shown that although there has been extensive and considered literature on the concepts of public value and public value management both within Australia and overseas for at least the past twenty years, it has had little to no impact on VET policy in Australia, much less on the governments of Queensland and Victoria in developing their terms of reference for the Queensland Taskforce and the Victorian Panel. As part of the methodology for this research, it was necessary to extrapolate from much more general writings on the value of TAFE to identify appropriate key words for a public value discourse in VET.

In the case of the two States that are the subject of this research, public value can be seen to be incompatible with competition in so far as competition, though thinly veiled as efficiency, is principally aimed at cost reduction. Further, the concept of public value does not sit easily with the emphasis by the two States on the private sector being innately superior to the public sector. In other words, value is to be achieved through private, not public means whereby value is principally about cheapness.

While none of the above is stated explicitly, it can certainly be deduced from the two selected texts and, by extension, would be likely to apply more widely through the COAG network and through both major political parties.

Based on the above, it appears unlikely that the concept of public value will have any real influence on VET policy in Australia unless and until marketised governance is

questioned as the basis for policy. Likewise, governments are unlikely to be receptive to arguments in favour of a public role and value of TAFE.

CHAPTER 8: CONCLUSIONS

OVERVIEW

This research has found that, in two key states of Australia, the tenets of marketised governance dominate contemporary VET policy development. In this context, the term 'marketised governance' encompasses the notion of network governance dominated by private sector actors and the prevalence of neo-liberal principles such as privatisation, competition, deregulation, the power of the market and efficiency focussed on reduced cost. Under these circumstances, public sector providers have no specific role to play and the concept of public value is mostly not acknowledged.

This priority accorded to private sector actors and the discounting of public benefits represents a major shift in government thinking. Since the inception of TAFE in 1974, the concept of a system of public (TAFE) providers was seen as the main vehicle to deliver vocational educational and training for public benefit. The shift towards a contestable training market encouraged the entry and growth of private sector providers through access to government funding. It also meant public sector providers were seen as expendable unless they could compete on the same terms as the private sector operating to deliver returns to owners and shareholders.

The Commonwealth and all States and Territories are signatories to the National Partnership Agreement on Skills Reform. This agreement provided the legal and funding underpinnings for the changes to TAFE in Queensland and Victoria, analysed in this research. These two States were selected for analysis because they are seen as leaders in adopting marketised governance rather than as exceptions. However, a detailed discourse analysis of selected texts drawn from the key report advocating TAFE reform in these two states indicates that the rationale and justification for reform was weak. There was no consideration of differences between public and private sector organisations, which meant that questions raised by Harvard Professor Michael Moore, about public value were not acknowledged, let alone addressed.

The remainder of this chapter specifically addresses the research question and concludes with some critical reflections on the research process from the perspective of the writer.

COMMENTARY ON THE RESEARCH QUESTION

The primary question that guided this research is:

How has the public role and value of TAFE been reframed since its establishment in 1974 and what are the implications for the future role of public sector vocational education and training?

Reframing of the public value and role of TAFE

The Kangan Report of 1974 established TAFE as a post-secondary sector in its own right. Charged with the responsibility of meeting the needs of people as individuals, it had a clear social and implicit public value role, and it was funded accordingly. However, this role was to be short-lived as governments embraced national competition principles in the early 1990s and progressively applied them to TAFE/VET through promotion of the concept of a 'training market'. The opening up of government funding to the private sector was accompanied by that sector's assurances that it could deliver training more cheaply and effectively than TAFE.

The impact of this transformation is encapsulated in a comparison of membership of the bodies put in place by governments to review and provide policy advice on TAFE/VET at inception and in present times. With the Victorian Panel consisting of only four members, the best comparison is between the Kangan Committee (1973) and the Queensland Taskforce (2012), which were of similar size. This is shown in Box 8.1.

Box 8.1: A comparison of the membership of the Kangan Committee (1973) and the Queensland Taskforce (2012)

Representatives	Kangan Committee	Queensland Taskforce
Industry	3	6 (inc. Chair) – RTOs: 4
Government: education	4	1
Government: other	1 (Chair)	2
Education/ training	1 (academic)	2 (private RTO)
Union	2 (inc. 1 teacher union)	1 (non-education)
TOTAL	11	12

In commissioning the Kangan Review, the Commonwealth government of the day selected an eleven member panel of whom six (over 50%) were professionally involved

in education/training. Overall, five (over 40%) were from within government, including the Chair; and three (less than 30%) were from industry. The teacher union as well as one other union representative were included. There were no provider representatives. As noted in Chapter 4, this gave a strong combined voice to education and government, which together formed over 60% of the membership.

In contrast, some forty years later, the Queensland Government selected a 12-member Taskforce of whom six (50%) were from industry, including the Chair. Three (25%) were directly involved in education/training, with two representing private RTOs and one government. Taking into account overlap in the categories, 50% of the total members were directly or indirectly associated with private RTOs. Three members (25%) of the total membership were from government and there was one non-education union representative. There was provider representation but only that of private providers. Chapter 5 notes that this gave a strong combined voice to industry and private RTOs, which together formed 75% of the membership, with government taking a secondary role.

These two snapshots in time illustrate the shift in governance in TAFE to the point where, in the case of the Queensland Taskforce, TAFE was excluded from the body formulating major policy recommendations determining its future. In addition its role in the stakeholder consultation process has been shown to have been minor. The industry involvement in TAFE governance summarised in Appendix 2 further illustrates this shift.

The status of TAFE and its capacity to influence policy declined as the influence of the private sector and the number of private RTOs increased. Consequently, TAFE shifted from being the focal point of vocational training supported by government to being merely a sub-set of the VET system and just another provider with no particular status or role. In both case studies, TAFE was portrayed as offering nothing that could not be offered equally well or better by private RTOs. The Queensland Taskforce saw TAFE's relevance as being determined only by its ability to compete (lines 78-9), while the Victorian Panel stated explicitly that public providers have no exclusive role in the vocational training market (lines 68-9). In other words, TAFE shifted from being a key enabler of governments' VET policy to being peripheral to VET policy and subordinate to the private sector.

Both the Queensland Taskforce and the Victorian Panel describe TAFE as inefficient, lacking capability, privileged and protected. They present TAFE as disconnected from government, implying that blame for the failings of the training system can be attributed to TAFE with government's role discounted. The criteria used by Queensland and Victoria to assess the value of TAFE are those related to competition. That is, TAFE is to be assessed by its ability to compete with the private sector, to operate in an environment where government treats it no differently from private providers and to become financially sustainable with reduced funding. Importantly, its value is not to be assessed by its contribution to the community because the reports indicate that TAFE has no role in that regard. With government aligning itself with the private sector, TAFE was further discredited.

The release of the two reports and the almost total and immediate acceptance by the two governments of their recommendations meant TAFE's charter of the Kangan period was fundamentally changed, at least in those two States. TAFE's identity as a public sector of education became one of inefficiency and incompetence, its status was diminished, it had no unique charter and its ideology was to compete or to be replaced.

[Implications for the future role of public sector vocational education and training](#)

It is the writer's view that the research reveals a bleak future for the role of public sector vocational education and training. While the research only relates specifically to Queensland and Victoria, these two states are part of a national agenda through COAG that gives their actions greater significance than might at first seem to be the case. The ideology of competition and the market as applied to vocational education and training has had such appeal to governments of both major parties across Australia that it maintains its momentum, at least for the time being.

The view that markets are ultimately self-correcting provides a defence against any evidence that competition in VET can be anything other than beneficial. This view seems to be strongly held in Australia, despite the considerable body of international literature to the contrary referred to in Chapter 2. In particular, it is of concern that in Australia there appears to be little recognition of debates about public value and little awareness of the substantial research by Moore and others into the nature, measurement and significance of public value as a means of serving the public, citizens and clients. It would seem that VET policy, at least for the time being, is not engaging with this international debate about public policy and the important

differences between public and private sector organisations. In this context, the erosion of TAFE public value is likely to continue and TAFE providers will need to become more like, and perhaps even indistinguishable from private RTOs, in order to survive.

CRITICAL REFLECTIONS ON THE RESEARCH PROCESS

As a person with well over forty years of experience in education and over thirty-five years of practice in TAFE, the decision by the writer to embark on this research project was initially challenging and ultimately highly rewarding.

The key insights and lessons learned from the research are explored under the following headings:

- Analytical framework
- Methodology
- Text selection
- Applying and integrating multiple complex concepts
- The research process
- Practice and research
- Insights from the research

These are addressed below.

Analytical framework

Development of the analytical framework came particularly through extensive reading about the concepts of governance and public value. In the case of governance, the various definitions of governance and their associated political underpinnings were used to provide a framework for locating and understanding governance in VET. Initially it seemed that the concept of 'network governance' could be applied but in time it became apparent that this term did not sufficiently also convey the concept of 'governance as New Public Management (NPM)' which was critical for the VET context both in Australia and more widely. The adoption of the term 'marketised governance' as a means to combine the two concepts was a breakthrough for the writer. It significantly assisted the research by enabling a complex concept to be conveyed in a few words and without having to resort to using terms such as 'neo-liberalism' or 'managerialism' which have party political connotations and, in a dispassionate

research project, were best avoided. While political neutrality is not entirely possible, the writer's intention was to be objective as possible and to avoid language that implied any alignment with a political ideology. At the same time, it became evident that when coupled with NPM, the decision-making networks within networked governance were likely to be constrained by and conform to the NPM paradigm, thus limiting the scope of actors within those networks.

Extensive reading on public value provided a powerful counterpoint to the discourse of market governance because it highlighted the importance of the public, citizens and clients in the design of vocational education. Mark Moore's extensive body of work in this field is important because his aim was to overcome the difficulties of assessing value in the public sector, where value is not always immediately evident or quantifiable. Building on these insights, Moore's strategic triangle (Box 2.1) indicates the multiple elements public sector managers should consider when seeking to maximise public value. However, it also highlighted just how limited the impact of the writings on public value has been in the Australian VET context.

Methodology

[Approach to the analysis of political discourse](#)

Discovery and adoption of the most recent methodology for the analysis of political discourse developed by Fairclough and Fairclough (2012) was a real stimulus for proceeding with the research and making it central to the methodology. The Fairclough and Fairclough use of deliberation as the basis for PDA provided a methodical and objective way of approaching the analysis. As noted in Chapter 3, many early writers in this field use a narrative and sometimes a discursive approach which rests on interpretations but without the detailed disaggregation and assessment of each element of an argument. While Fairclough and Fairclough apply the methodology in a far more sophisticated and academic way than this writer, the procedural character of their PDA method and the detailed exemplars meant that it was possible to apply their methodology and critically analyse the selected texts. This application meant that the interpretation of texts could focus on the quality of each argument and draw out their limitations as arguments. It provided an evidence base for making dispassionate assessments of the way each report contextualised the argument, evidenced criticisms of TAFE and proposed reforms. The writer's distinction between primary, secondary and tertiary analysis in PDA, which might count as an original contribution to the field, is illustrated in Box 3.4.

The research does not address the tertiary level analysis referred to in Box 3.4, that is, evidence of the impact of the actions arising out of the two reports since they were implemented, and this is the potentially the subject for future research.

Text selection

Selection of appropriate texts that properly illustrate the argumentation is critical to the Fairclough and Fairclough approach to PDA. It is a far more exhaustive process than its ultimate placement in an appendix would imply.

The Victorian Panel was reasonably straightforward because the review was only about TAFE and the Executive Summary, in its entirety or in part, was a logical starting point. The decision to use only the overview section was consistent with a manageable length and the avoidance of unnecessary operational details.

On the other hand, the selection of the text from the Queensland Taskforce was more complicated. It was discovered that the final report was preceded by an interim report and that there was considerable overlap between the two. It was therefore decided to use only that part that was unique to the final report, because it was the subject of longer consideration, more strategic in focus and suitable in length.

Overall, although it took some time to settle on the selected texts and to ensure they were sufficiently comparable in length and focus to make comparison possible, it is maintained that the resulting texts were as close to optimal for the analysis as was possible under the circumstances.

Applying and integrating multiple complex concepts

As the research process unfolded, it was clear that there were two parallel activities occurring, namely:

- Analysing the political discourse in Queensland and Victoria and the context within which they were set in terms of marketised governance and public value, using one and two levels of analysis respectively
- Showcasing the Fairclough and Fairclough approach to PDA - no other relevant examples of which were readily available as a point of comparison.

Box 3.6 depicts the relationships between these parallel activities and was progressively developed by the writer as part of clarifying how these two processes were integrated.

The research process

Comparing the original research proposal and the final result it is clear in retrospect that the research took a number of deviations. The most significant change between the original research proposal and the final result was the truncating of Chapter 4 describing the background and history of VET. The initial intention was to explore this in greater detail and perhaps even to use the Fairclough and Fairclough approach to PDA to analyse an extract from the Deveson Report. However, it became clear that a thorough analysis of the two case studies, particularly Victoria, demanded more attention and therefore space than was originally anticipated. Further, much has already been written about these earlier phases of the history of VET and allowing the emphasis to be on contemporary developments could therefore be justified.

Practice and Research

The writer is aware that in the course of many years of professional practice, views may have been formed that were held to but not rigorously tested. In day-to-day working life these views therefore tend to be fluid and, working at an executive level in the public sector, they are always influenced by the need to conform to the realities of government policy. Part of the reason for undertaking the research was to better understand whether, as a result of the research, views formed in the course of a long professional career would be validated, modified or fundamentally changed. On reflection, there is no simple answer. However, by examining the VET sector through a different conceptual lens and a rigorous research methodology, the writer now claims to have developed a more comprehensive and holistic assessment of the VET

landscape and its possible future directions, even though there were limitations on some aspects of the research. This largely occurred through coming to an understanding of the Faircloughs' concept of deliberation in the course of the two case studies and being able to identify the weaknesses in what has so often been presented by policy-makers as sound argumentation but which is not necessarily so at all.

Key Insights from the Research

The key insights from this research are sobering for someone with a long background and commitment to public sector VET provision.

Chapter 2 highlighted that claims about public value in TAFE most typically come in the form of what are at best described as advocacy documents and there is little by way of thorough research in the field. It was therefore necessary to extrapolate key words to signify public value in TAFE with reference to the tests of public value proposed in Moore's (1995) strategic triangle.

If Moore's strategic triangle is taken as the yardstick, the research has revealed the extent to which, in the forty years since TAFE became recognised as the public sector VET provider, it has failed to demonstrate its public value. According to Moore, all three tests need to be met for value to be assured.

TAFE has arguably failed the first test of value to stakeholders in the sense of being able to deliver vocational education and training at low cost in terms of money and authority, since governments have turned to the private sector for what is seen as a less costly option. It has arguably failed the second test of legitimacy and political sustainability as it has been unable to attract the ongoing support and resources from the political authorising environment to which it is accountable, because governments have distanced themselves from TAFE and sought to achieve their goals through the private sector. Whether or not TAFE has passed the third test of having the organisational capability necessary to achieve its goals may be open to question, but the failure to meet the first two tests already means that public value is not assured.

However, the research has also identified the flaws in argumentation that have led governments to take the position it has on TAFE. Thus, if TAFE becomes more adept in arguing the case for its public value and the flaws in governments' argumentation become more apparent, there is the potential for the current trajectory of public sector VET provision to take a different direction.

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APPENDICES

Appendix 1

Acronyms and Definitions

ACE	Adult and Community Education
ACER	Australia Council for Educational Research
AEU	Australian Education Union
ANTA	Australian National Training Authority (former national body)
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework
ASQA	Australian Skills Quality Authority
BCA	Business Council of Australia
COAG	Council of Australian Governments. COAG is the peak intergovernmental forum in Australia, the members of which are the Prime Minister, State and Territory Premiers and Chief Ministers and the President of the Australian Local Government Association.
CEO	Chief executive officer
Competition	refers to a situation in which public and providers independently strive for students to achieve improved market share and profit, so creating a training market (OECD, 2008)
Contestability	means that there are no barriers to entry for private providers, that is, they have equal access to government funds and physical assets (OECD, 2008)
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
DEEWR	Department of Education, Employment and Workplace Relations (former federal government department)
Deregulation	means allowing private providers entry into the training market to improve the economic performance of public providers (OECD, 2008)
Efficiency	means achieving maximum output, in terms of cost and quality, from a given level of resources (OECD, 2008)
ESOS	Education Services for Overseas Students The term is used in the <i>Education Services for Overseas Students (ESOS) Act 2000</i> which provides for The National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students. The National Code is a set of nationally consistent standards that governs the protection of overseas students and delivery of courses to those students by providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).
Privatisation	refers to the transfer of government resources to private providers

NCVER	National Centre for Vocational Education Research (Australia)
NASWD	National Agreement on Skills and Workforce Development of April 2012, established under COAG set targets and performance measures for the delivery of VET
NPASR	National Partnership Agreement on Skills Reform of April 2012 established under COAG included Commonwealth financial allocations to the States/Territories for the implementation of VET reform totalling \$1,747m over 5 years
NPM	New Public Management – a style of public management linked to neo-liberalism
OECD	Organisation for Economic Development and Cooperation
Privatisation	refers to the transfer of government resources to private RTOs
RTO	Registered Training Organisation (Australia)
TAFE	Technical and Further Education
Training package	A set of nationally endorsed standards and qualifications for recognising and assessing people's skills in a specific industry, industry sector or enterprise.
VAGO	Victorian Auditor-General's Office
VET	Vocational education and training
VfM	Value for money
VRQA	(former) Victorian Registration and Qualifications Authority

Appendix 2

The Role of Industry Leaders in VET Policy – Examples

Name	Year	Current/Former Position/s	Appointment
Ivan Deveson	1990	CEO, Nissan Australia	Chair, Training Costs Review Committee producing the report 'Training Costs of Award Restructuring'
Brian Finn	1991	CEO, IBM Australia	Chair, Australian Education Council Review Committee into young people's participation in post-compulsory education and training
Eric Mayer	1992	Chief Executive Officer, National Mutual	Chair, Committee to advise the Australian Education Council and Ministers of Vocational Education, Employment and Training on employment-related key competencies for post-compulsory education and training
Peter Laver	1992	Group General Manager, BHP	Chair, National Board of Employment Education and Training
Stuart Hornery	2002	Chair Lend Lease Corporation	Chair, Australian National Training Authority (ANTA)
Phillip Bullock	2008	Managing Director IBM	Chair, Skills Australia
David Gonski	2010	Chairman of the Australian Securities Exchange, Coca-Cola Amati, ANZ, Transfield Holdings, Investec Bank, and others	Chair, Review of Funding for Schooling (Gonski Report)
Michael Chaney	2012	Chairman, National Australia Bank Ltd, Woodside Petroleum Limited, Gresham Partners Holdings Ltd.	Chair, International Education Advisory Council
John Hart	2014	Chief Executive, Restaurant and Catering Australia	Australian Government Vocational Education and Training Advisory Board
Michael Roche	2012	Chief Executive, Queensland Resources Council	Chair, Queensland Skills and Training Taskforce
Terry Charlton	2015	Chair of Water NSW and Greater Sydney Local Land Services	Chair, NSW TAFE Commission
Neil Coulsen	2015	Chief Executive, Jayco Corporation Director CMG, Pty Ltd	Victorian Skills Commissioner

Appendix 3

Case Study A: Queensland Skills and Training Taskforce Final Report, 2012 – Selected Text

(Extract from Chapter 3, pp. 71 -74)

1 **Implementation and longer term considerations**

2 The Taskforce's recommendations, whilst clearly establishing a role for TAFE Queensland
3 aligned to training for economic and employment priorities, cannot eliminate or mitigate all
4 future risks inherent to being in business in an increasingly competitive market. The
5 recommendations do provide Government and TAFE Queensland with a degree of flexibility
6 about the longer term role and function of the public provider in Queensland's training market.

7 The Report's recommendations, if adopted, would transform TAFE, making it 'fit for purpose'
8 in the emerging VET and economic context, and put it on the path to becoming a 'going
9 concern'. The recommendations do not intrinsically guarantee that TAFE will then successfully
10 take the next crucial steps to become a sustainable quality operation, as that remains a
11 function of many variables. These include market forces, quality of leadership, management,
12 training personnel and product, customer and client relations, and pricing - in short, all the
13 factors with which every business must continuously contend.

14 TAFE Queensland's long term future role may therefore be seen on a continuum from
15 delivering training aligned to economic and employment priorities with a base grant for clearly
16 identified 'non- market' services through to a fully commercialised private training provider.
17 TAFE has historically been a public brand but there is no intrinsic reason why it could not also
18 become a corporate or private brand - its association in the public mind is arguably about
19 factors such as access, training, quality and trust, and not the legal status of its ownership.

20 The following sections outline possible options for the future of TAFE Queensland over the
21 short, medium and longer term on the basis of the Taskforce's recommendations in this
22 Report. Ultimately, the future role and function of TAFE Queensland will be determined by the
23 Government's approach to the Taskforce's recommendations, the public provider's success
24 in meeting the market, and Government's policy and expectations in the medium to longer
25 term.

26 **Transition of the public provider and Queensland's training market**

27 Currently, TAFE Queensland delivers two-thirds of reported training in Queensland, which is
28 significant in the context that Queensland has the second highest portion of contestable
29 funding in Australia. With an increasingly contestable training market, it is expected that
30 TAFE's market share will reduce as the funding provided explicitly to TAFE Queensland (VET
31 Revenue General) decreases.

32 These factors illustrate the likely reduction in TAFE Queensland's market share correlating to
33 an increase in the market share of private providers, as contestability increases.

34 An important consideration for the Government during this transition period will be ensuring
35 that there is adequate capacity within the training sector to deliver the skills needed to grow
36 the four pillar economy and meet the State's training targets for Commonwealth funding. It
37 should be noted that the training market itself is not static, and that transition of TAFE will be
38 occurring against the backdrop of a continuing dynamic economy and training market.
39 'Capacity shock' must be actively averted.

40 Put simply, notwithstanding advice provided to the Taskforce about the maturity and
41 preparedness of the private training market in Queensland, a well-planned transition process
42 for the public provider to its future form would be prudent to maintain and then further build
43 the State's overall training capability aligned to the economy, which in turn will support
44 employment and economic growth.

45 An additional consideration for a well-planned transition is promoting the availability and use
46 of public infrastructure. Further to asset management strategies recommended in Section 3.5,
47 the Taskforce heard a range of ideas and suggestions to improve access to government-
48 owned training infrastructure by both private and public providers to increase the overall
49 capacity of the State's training market. In this regard, one option proposed for consideration
50 was establishment of high quality, specialised learning environments available on competitive
51 access arrangements to maximise utilisation.

52 **Medium to longer term options for the public provider**

53 Ring-fencing capacity for Government's direct public provision of VET within the training
54 market during the transition period for TAFE Queensland to its new entity, role and purpose
55 should only be considered a short term feature.

56 A key element of the transition phase for TAFE must be raising the capacity of the broader
57 training market so that the transition is transparent in access and capacity terms - skilling
58 continuity to support industry and the Queensland economy must be maintained over the
59 medium to longer term.

60 In addition to maintaining capacity of the broader training market to deliver skills, the TAFE
61 transition period will also provide opportunities to further consider Government's role in
62 training. As private providers grow not only in terms of market share and numbers, some may
63 also be expected to grow in scale. The emergence of large, efficient, quality private providers
64 of a similar size to present TAFE institutes should not surprise policy makers or the market
65 and they would certainly drive further market dynamics. Government, as the ultimate owners
66 of large fixed TAFE assets and infrastructure, need to be alert to risks and opportunities as
67 the market itself evolves and transforms.

68 The TAFE transition period would provide an opportunity to clearly define the 'non-market'
69 services, if any, which Government seeks from the training market, with a view to accurately

70 costing and testing the investment required to deliver these services.

71 Once the specification and cost for these services is established, it should be readily possible
72 over the near to medium term to test the training market's capacity and willingness to deliver
73 the identified services in a contestable market. Said another way, over time, the 'non-market'
74 services may become contestable, by virtue of increased capacity in the broader training
75 market. This approach would also allow Government to modify the services it purchased from
76 the market from time to time, in the same way that Government's training and purchasing
77 priorities change over time.

78 In the medium to longer term, under the scenario outlined above, the on-going relevance of
79 TAFE Queensland would be driven increasingly only by its success in the competitive training
80 market, rather than in delivering specific Government priorities. Care must also be exercised
81 in thinking about TAFE Queensland in 'all or none' terms. As the Taskforce recognises, there
82 are inherently variable strengths and opportunities across the public provider with entities
83 such as SkillsTech Australia likely to be capable of forging their own futures, value-adding to
84 Queensland's skilling outcomes with good forward thinking policy settings.

85 Regardless of any future market driven outcomes or government policy imperatives, the first
86 sensible step is to put TAFE on a commercial footing to be more competitive and sustainable
87 and of value to students, employers and the broader economy. All further options would then
88 flow from this base repositioning.

89 Consideration must also be given to areas where it may not be possible to move government
90 funding for priorities and non-market services into a fully contestable market for a long period
91 of time. Strategies to deal with market failure would also be required. Just as TAFE the brand
92 has arguably neither public nor private connotations, nor does any market response require
93 a future new public provider to be a 'TAFE'.

94 Finally, while the Taskforce's deliberations appropriately create longer term options for the
95 role, purpose and function of the public training provider, the Taskforce's recommendations
96 to date have been about the first step - fit for purpose - including the operational efficiency of
97 TAFE Queensland, its role in supporting the four pillar economy, the level of industry
98 involvement in setting the direction of TAFE and the current quality of offerings of TAFE
99 Queensland.

100 **Recommendation 3.16:** That while TAFE Queensland be given reasonable opportunity to
101 reform through implementation of the recommendations in this Report, the level of public
102 provision in the longer term should be on an 'as and where it is needed' basis and the level
103 of public provider capacity maintained at any given time should be informed by the VET
104 sector's market dynamics and maturity.

Summary and Overview of the Selected Text

The opening lines of the text (lines 1-13) make it clear that the Taskforce seeks to align TAFE's role to economic and employment priorities, a point which is repeated several times. The Taskforce also seeks to enable TAFE Queensland to operate competitively and flexibly but while the recommendations are designed to make TAFE "fit for purpose" (line 7), the Taskforce expresses the view that there is no guarantee that TAFE will be successful due to questions about business capability.

Lines 14-25 outline a future for TAFE which envisages it becoming fully commercialised, questioning whether there is any role or need for a public provider in the long term. This, it is argued, will be determined by TAFE's capacity to respond to the market and government policy expectations.

The Taskforce considers that TAFE Queensland has too great a share in the training market and that this should decrease with contestability and a reduction in funding explicitly allocated to TAFE. The Government must ensure that this occurs without compromising the availability of skills to the economy or the ability of the State to meet training targets and this requires a transition process for TAFE institutes. A reference to advice provided to the Taskforce raising issues about the maturity of the private training market in this transition (line 40) is not elaborated on, either in the selected text or elsewhere in the Report.

Lines 45-51 foreshadow changes to occur in relation to government-owned training infrastructure. This includes making access to them contestable for both public and private training providers and potentially rationalising them to ensure full utilisation.

The remaining sections of the text outline medium to longer term options for the public provider. The Taskforce sees the Government's role in training changing as private providers grow in both market share and scale such that they would be comparable to TAFE institutes. This would cause government to re-think the need to have ownership of large fixed TAFE assets and infrastructure (lines 60-67).

In lines 68 – 77, the issue of 'non-market' services is raised. These services were a form of community service and were delivered only by the public provider. They were designed to facilitate access to vocational education and training regardless of personal or regional circumstances and where the cost of training might otherwise be

prohibitive. The Taskforce expresses the view that these services should be accurately costed and also made contestable as the capacity of private RTOs increases.

With all services contestable, the distinctive role of TAFE Queensland would be removed causing it to prove its relevance in the market based only on its ability to compete. This is problematic given the variable strengths of the providers. The Taskforce argues that putting all public providers on a commercial footing will deliver greater value to students, employers and the economy. The TAFE brand would have neither public nor private connotations (lines 78-93).

The recommendation contained in lines 100-104, effectively states that the result of exposing TAFE Queensland to VET sector market forces should determine the future of the public provider.

Appendix 4

Case Study B: Report of the TAFE Reform Panel: a strong and sustainable Victorian TAFE sector, 2013 - Selected Text

(Extract from the Executive Summary, pp. v – vi)

1 The TAFE Reform Panel (the Panel) has been given a significant task by government – to gain an
2 understanding of the transition risks and opportunities facing TAFE institutes in the move to
3 competitively neutral funding arrangements, and to help government make the decisions needed
4 to secure a strong and sustainable TAFE sector in Victoria.

5 In formulating our recommendations, we have been informed by not only the significant
6 information provided by TAFE institutes but also an understanding of the policy intent of
7 recent reforms and the characteristics of a vocational training system required by Victoria's
8 changing economy.

9 Victoria is transforming into a service-oriented economy, yet maintains a core of
10 technologically advanced sectors engaged in agricultural and manufacturing production. Over
11 the past 20 years the rise in employment in skilled occupations has outstripped growth in
12 low-skilled jobs. This trend is expected to continue. The skill requirements of many jobs are
13 predicted to change dramatically in response to new systems and technologies. In some
14 industries a Certificate III is emerging as the minimum qualification needed for entry level jobs.

15 The competitiveness and effectiveness of Victorian industries - and the resultant prosperity of
16 the state – is largely based on the skills and capabilities of its people. Employers are seeking to
17 work with government to foster pools of better-educated workers, who can work with more
18 complex technologies and continually expand their skills.

19 As the pace of business change and labour mobility increases, both pre-employment and life-long
20 learning is more important than ever before. There is considerable evidence that higher
21 qualifications increase the likelihood of getting a job. For example, the May 2011 Australian
22 Bureau of Statistics (ABS) Survey of Education and Work showed that those with a Certificate III
23 or higher qualification had a lower unemployment rate than workers who do not hold post-school
24 qualifications. Higher qualifications generally also mean higher pay.

25 The demand for higher skills, and for employees that are capable of becoming productive more
26 quickly, has enormous implications for vocational training TAFEs. To maximise workforce
27 participation amidst an ageing population, training providers must support a more diverse
28 student population. This includes learners with low levels of previous educational attainment,
29 learners seeking a pathway into higher education, and learners who are balancing learning with
30 work and family commitments. A diverse student population brings different preferences and
31 expectations. For example, learners are seeking greater flexibility in timetabling to

32 accommodate work and caring commitments. Many learners are looking for more engaged
33 learning experiences using their own technologies and social media tools. At the same time,
34 employers are seeking more say in training content and assessment and more emphasis on
35 practical work-experience and work-based learning, especially in pre-employment training.

36 While the overall level of educational attainment continues to rise, there continue to be
37 communities with lower levels of participation – particularly in outer metropolitan and regional
38 areas of Victoria. Raising youth participation and attainment remains an important priority.

39 In response to emerging skills gaps, and the need to attract and support a broader range of
40 students to gain skills and qualifications, Victoria's subsidised vocational training system has
41 undergone substantial changes over the past twenty years. The system has evolved from a
42 publicly funded, TAFE-centred, contract funded model; first to a government-planned, purchaser-
43 provider model; and finally to a more student-centred, demand-driven system. These changes
44 have seen the emergence of a relatively deep vocational training market where both government-
45 owned TAFE providers and private providers openly compete.

46 Through its Refocusing Vocational Training reforms, the Victorian Government has set out its
47 strategy for raising workforce participation and productivity through a dynamic, high-quality
48 vocational training system that responds to industry needs and focuses on providing training
49 in areas where skills needs are greatest.

50 The thrust of the vocational training policy reforms is the use and reliance on market levers –
51 principally price, information and supply contestability, as opposed to the institutional lever of
52 TAFE institutes – to drive the demand and supply of training. Building on earlier phases of
53 reform, the *Refocusing Vocational Training in Victoria* policies remove legacy constraints on the
54 operation of an open, competitive training market. The Government's strategy is based on:

- 55 • empowering students to access a government-subsidised training place in the course
56 and at their training provider of their preference
- 57 • a level playing field for high-quality public and private training providers to access
58 government subsidies
- 59 • providers being able to set tuition fees at whatever level they deem appropriate
- 60 • more direct engagement between industry bodies, prospective learners and training
61 providers to improve signalling of industry skill needs and satisfaction with training
62 provision
- 63 • targeting of funding to deliver the greatest public returns on investment
- 64 • a stronger role for government in monitoring overall system performance, quality assurance
65 and consumer information.

66 The stimulation of competitive market outcomes through sector-neutral funding arrangements
67 has implications for the role of, and the relationship between, TAFE institutes and government.

68 With the move to a competitively neutral market, there is not an exclusive role for public
69 providers within the vocational training market. However, the Panel sees value in the
70 Government continuing to recognise, support and maintain the strengths of Victoria's TAFE
71 institutes alongside private training providers, particularly as the critical operation elements of
72 an effective market continue to mature.

73 TAFE institutes will need to identify and maximise their competitive advantages –
74 educationally and commercially – to attract students and sustain revenues. They will need to
75 take account of the full costs of monitoring (including capital costs) in formulating business
76 strategies and budgets to meet their commercial obligations.

77 Like all providers, TAFE institutes will make strategic decisions on setting prices,
78 investing in services for students, capital stock and renewal, providing community or
79 commercial access to facilities and educational offerings and delivery models. These
80 investment decisions will need to be made on the basis of market analysis and strategic
81 planning. TAFE institutes should no longer assume that they are required to deliver
82 community service obligations that are not explicitly required and funded by government.

83 To deliver on the Refocusing Vocational Training in Victoria strategy, and to equip TAFE
84 institutes to be competitive and sustainable, there needs to be a shift away from protectionist
85 policies and direct government involvement in TAFE operations.

86 From an ownership perspective, the Government should set clear performance expectations
87 around supporting regional and community development, financial sustainability and teaching
88 quality. This implies a commensurate decrease in detailed reporting to government on service
89 activity measures and more focus on institutional business performance measures.

90 In place of operating controls and collection of large volumes of activity-based data, the
91 Government's 'ownership' role should be focused on:

- 92 • setting clear expectations to maintain the Government's investment and improve
93 student/employer outcomes
- 94 • setting clear, transparent 'rules of the game' for exercising commercial powers (including
95 clarity of the risk-appetite of government)
- 96 • empowering and equipping institutes to compete and re-invest profits in the business
- 97 • strategic oversight of performance informed by benchmark data shared with the TAFE
98 institutes, with a clear and transparent range of interventions in response to under-
99 performance or non-conformance with the 'rules of the game'.

100 As a funder, the Government will continue to require acquittal of training outputs (as is the case
101 for any contracted provider).

102 TAFE institutes will need to be geared to rapidly respond to market changes and transform
103 strategies and operations to become commercially self-sufficient, to continually improve their

104 competitiveness and productivity, and to continue to adapt to learner and industry needs. This
105 will require a higher level of organisational agility and focus on strategic direction than ever
106 before.

107 The Government's approach to supporting TAFE institutes in transforming their businesses
108 should be underpinned by a continued commitment to:

- 109 • levelling the playing field between providers operating in the subsidised vocational
110 training market
- 111 • clearly articulating expectations and obligations on TAFE institutes
- 112 • removing constraints on them successfully competing and meeting those expectations
- 113 • providing transitional financial support to avoid institutional failures, assist the
114 implementation of viable business strategies, and incentivise competitive and
115 commercial outcomes.

116 This report spells out six areas of action by government to enable and support the TAFE
117 institutes to transform their businesses and assure the efficient and effective operation of
118 the vocational training market.

Summary and Overview of the Selected Text

It is clear in the opening lines of the selected text (lines 1-9), that the Panel's role is to provide advice that helps government to make decisions on how TAFE should “move to competitively neutral funding arrangements” (line 4). The need to take action in this way is already established. While stating that it has consulted with TAFE institutes, the Panel emphasises that it has “an understanding of the policy intent of recent reforms and the characteristics of a vocational education and training system required by Victoria's economy” (lines 7-8).

In lines 10-25, the Panel provides a rationale for why change is required by describing economic changes in the State: the transition to a service economy; the rise in highly skilled jobs and reduction in low skilled jobs; jobs requiring higher qualifications; the link between the competitiveness of industry and skills; the need for better educated workers; and the link between qualifications and income

The description of the economic changes leads to a discussion of the implications for training providers in lines 26-39. According to the Panel, they must support a more diverse student population in the context of an ageing workforce so that workforce participation is maximised. Special mention is made of older workers, youth, those with low previous education, those seeking a pathway to further study and those balancing work and study. Attention is drawn to the different learning needs they have and their access to technology. They must also ensure that participation and educational attainment is spread as evenly as possible across metropolitan, regional and rural areas so that no areas are excluded. The Panel points out that there continues to be areas of low participation

This overview is presented as the reason why changes have been made to the training system over the past twenty years, progressively moving away from a TAFE-centred model to a “more student-centred, demand-driven system” and a “relatively deep vocational training market”. The opening up Government funding to the private sector so that public and private RTOs compete is presented as the way to ensure this occurs (lines 40-46).

In lines 47-50, it is claimed that further reforms already proposed by Government along these lines will ensure that the system is dynamic, high-quality, responsive to the needs of industry and targeted to the skill areas of highest need. This will occur through greater competition and the use of ‘market levers’ such as price, information

and supply contestability. The possibility that TAFE could be used as the way to achieve the desired outcomes of quality, industry responsiveness and alignment with skill needs is ruled out (lines 51-55). Lines 56-66 give further details of how the market levers are being implemented to “remove legacy constraints on the operation of an open, competitive training market” (lines 53-4).

The next section of the text discusses the implications for TAFE of the Government's policy and argues how TAFE will have to change (lines 67-83). Government's implementation of competitive neutrality means that there is no longer “an exclusive role for public providers in the vocational training market” (line 69). In addition, TAFE institutes should no longer assume they have community service obligations (line 83).

It is made clear by stating that Government's support for TAFE is “alongside private providers”, in the context of a maturing training market (line 73). In line 74, the Panel states that TAFE institutes will have to identify their educational and commercial advantages, taking into account the “full cost of business (including capital costs)” and making “investment decisions”.

This sets the scene for discussing how the relationship between Government and TAFE should change (lines 84-101). “Protectionist policies” towards TAFE and direct government involvement in TAFE need to be phased out (lines 84-5). The government should instead set clear performance expectations and measures.

Lines 108 to 116 summarise the Panel's advice to Government on how to deliver on its policy intent “to increase competition through competitively neutral funding arrangements”. The four key approaches include (1) creating a “level playing field”; (2) articulating clear expectations and obligations on TAFE institutes; (3) removing constraints on them competing; and (4) providing financial support in the transition to avoid institutional failure such as assisting “the implementation of viable business strategies’ and incentivising ‘competitive and commercial outcomes”.

In summary, this is an argument that competition is necessary to set TAFE on a sustainable path for the future.

Appendix 5

Analysis of Alignment of Victorian TAFE Institute 2011 Strategic Statements with Victorian TAFE Reform Panel Values

TAFE Reform Panel Values	Sample of TAFE Institute Strategic Statements 2011
<p>Values 1 The system should value:</p> <ul style="list-style-type: none"> • educational attainment • lifelong learning • flexible access to skills training • productive employment for the greatest number of people* <p>*Note that TAFE institutes do not provide employment services.</p>	<p>Box Hill Institute (metropolitan) Box Hill Institute exists to provide training and education to meet the workforce development needs of the communities we serve by developing skills which enable students to participate and optimise opportunities in the employment market and which enable enterprises to be competitive, sustainable and successful in the marketplace.</p>
	<p>NMIT (metropolitan – now Melbourne Polytechnic) <i>Vision</i> NMIT graduates will be recognised as practical and solution-oriented, making meaningful contributions to their chosen field of endeavour.</p> <p><i>Strategic Themes</i> LEARNING NMIT guides students in the acquisition of knowledge, vocational skills and lifelong learning capabilities to enable them to achieve their vocational goals ENGAGEMENT NMIT forges mutually beneficial partnerships with and between, community, governments, industry, professions and other education providers CAPACITY NMIT builds human resources, corporate practices and infrastructure to ensure the effective, sustainable and ethical conduct of the core activities of learning and engagement.</p>
	<p>Gordon Institute (regional) <i>The Mission</i> The Gordon aims to provide quality vocational education and training, and adult, community and further education programs and services which:</p> <ul style="list-style-type: none"> • Promote the prosperity and competitiveness of industry, particularly in the Geelong region • Enhance the potential of individuals to achieve their vocational objectives and other life goals • Serve the economic and social needs of the general community • Ensure the efficient and effective use of resources
	<p>GippsTAFE (regional – now part of Federation Training) <i>Vision:</i> Securing your future through flexible solutions <i>Values:</i> GippsTAFE puts you FIRST by demonstrating: Flexibility, Innovation, Responsiveness, Sustainability, Transformation <i>Purpose:</i> GippsTAFE develops and delivers customised training solutions for the economic and social development of individuals, enterprises and communities.</p>

It is also worth noting that, as early as 1997, the Victorian TAFE Association, on behalf of its member institutes made a submission to the *Inquiry into the Appropriate Roles of Institutes of Technical and Further Education* conducted by the House of Representatives Standing Committee on Employment, Education and Training. The following excerpts from the submission demonstrate a strong awareness of the values espoused by the TAFE Reform Panel some 15 years later:

“TAFE’s key role is to deliver through public access, customer focussed, applied vocational courses. The emphasis by TAFE is on skilling, and enhancing the employability of its graduates”

“TAFE makes a vital contribution to the economic prosperity of Australia by guaranteeing a responsive and contemporary training system which ensures Australian industry has access to the skills needed to equip it to compete globally”

“With the labour market moving decisively in favour of highly skilled workers, affordable access to education must be provided for those without skills, to provide them with a range of adaptable skills and a commitment to lifelong learning” (emphasis added).

(Victorian TAFE Association, 1997, pp. 7-10)