**Don’t blame Dawkins; Kangan laid the foundation for VET markets**

**Abstract**

Standardisation serves an important role in supporting the establishment of markets that operate across multiple jurisdictions and was explicitly sanctioned in the 1974 Kangan review of Technical and Further Education. This paper traces the introduction and growth of standardisation in Australian vocational education and training through a discourse analysis of key policy documents. The benefits and limitations of standards-setting in increasingly contestable training markets are described. It will be argued that the ubiquitous acceptance of standards in multiple vocational education and training policies and processes now serves as a form of ‘cultural constraint’. After 40 years, the time is ripe for an exploration of alternative mechanisms that will better support the politically popular market-driven behaviour expected of the training sector.

**Introduction**

Many accounts of the historical development of Australia’s national system of training cite the early 1990s as the starting point for open, contestable and, sometimes, competitive markets for the provision of vocational education and training (VET). This view is widely shared by a range of system participants, including former senior vocational educators (Kinsman 2009, 25) and senior Commonwealth Government bureaucrats (Johnston 1994). When writing her comprehensive historical account of the development of Technical and Further Education (TAFE), Goozee (2001, 90-91), neatly summarises the commonly held view that:

Although the idea of a competitive training market has been the dominant theme of discussions about the reform of VET since 1992, its genesis is not clear. It appears to have been derived from the Deveson (1990) report, *Training costs of award restructuring.*

Through the application of fresh perspectives, this revisitation of the *Kangan Report* (Australian Committee on Technical and Further Education 1974) some 40 years after it brought federal government policy and funding into the training arena makes the case that the foundations for today’s training market were put into place at that time. In particular, the role of standards, as a technology of governance, and their ubiquitous application in contemporary vocational education and training is described. As will be shown, the use of standards plays a crucial role in the creation of markets – particularly across multiple jurisdictions which was a key matter being addressed in the Kangan review of TAFE.

**Background and method**

Rethinking the Kangan report’s contribution to the creation of our current training market draws upon three sources of theory. The first two are related and use a style of analysing discourses attributed to Foucault; “we should attempt to understand the meaning, value and functioning of the discourses themselves and not ask what goes on in the head of those who wrote them” (Oksala 2007, 39). In this analysis of standards, we are more interested in the constructivist function of the public policy documents that prioritised the desirability of standards than in who authored and sponsored them. Miller and Rose (2008, 32) apply the Foucauldian analytic style to identify the ‘technologies of government’. Their use of the term ‘technologies’ describes the mechanisms used by the authorities to guide and normalise the population’s conduct, thought and aspirations; thus ensuring citizens behave in ways deemed to be economically and socially desirable. Not only must the grand political environment be considered, such as Marxism or neo-liberalism, but Miller and Rose (2008, 32) also describe the equal importance of considering the transactional significance:

of apparently humble and mundane mechanisms which make it possible to govern: techniques of notation, computation and calculation; procedures of examination and assessment; the invention of devices such as surveys and presentational forms such as tables; the standardisation of systems for training and the inculcation of habits; the inauguration of professional specialisms and vocabularies; building design and architectural forms.

The language of experts and the public policy discourses that emerge play a crucial role in establishing a link between the grand political ambitions and the ordinary technologies that are used to govern the social and economic. By sharing vocabularies, theories and explanations, loose and flexible associations can be established both across time and space, building a network that can be used to regulate the behaviour of the population in non-coercive ways (Miller & Rose 2008, 35). However, “whilst ‘governmentality’ is eternally optimistic, government is a congenitally failing operation” because the technologies that are used, for example, standards in vocational education and training, tend to produce unexpected problems. “Reality always escapes the theories that inform programs and the ambitions that underpin them” (Miller & Rose 2008, 35).

Contrariwise, techniques invented for one purpose may find their governmental role for another, and the unplanned conjunction of techniques and conditions arising from very different aspirations may allow something to work without or despite its explicit rationale (Miller & Rose 2008, 71).

The near universal application of standard-setting and auditing in the contemporary national training system, on the face of it, is an example of a technology of government that has been uncritically applied to virtually every vocational education and training problem.

Finally, policy debates on the matter of who should pay for training and who benefits from the acquisition of labour market skills has commonly been reduced to a dualistic (Dow 1990) focus upon how to best supply vocational training – markets or governments. Wolf (1993) argues that while the major reason for public intervention, market failure, is well theorised, the same cannot be said of nonmarket failure due to under-theorisation and poor articulation. Wolf (1993, 39) summarises the major options open to governments as follows:

Public policies intended to compensate for market shortcomings generally take the form of legislative or administrative assignment of particular functions to one or another government agency to produce specified outputs that are expected to redress the market’s shortcomings. These outputs or activities are of four types:

* regulatory services
* ‘pure’ public goods such as defence or space research
* quasi-public goods such as education and health research
* administering transfer payments through welfare or pension schemes.

According to Wolf (1993, 65-89) there are four major contributors to nonmarket failure. Firstly, when governments use public resources, the link between the cost of producing the output and the value of the nonmarket output is broken, unlike in market environments. Secondly, public sector organisations “require certain explicit standards” or internalities (p. 68-70) that are disconnected from the external price system resulting in inflated agency costs, higher unit costs and lower levels of real nonmarket output, in other words, nonmarket failure. Thirdly, derived externalities are the unanticipated side effects of nonmarket activities and contribute to nonmarket failure because “they are not realised by the agency responsible for creating them, and hence do not affect the agency’s calculations or behaviour” (p. 80). Finally, Wolf argues that nonmarkets are just as subject to similar distributional inequities as found in markets. These inequities can arise when well-organised and connected lobby groups achieve large public subsidies at the expense of other groups. One only has to look at the endless debate that pre-dates Kangan concerning lower allocations of public funding to the vocational education and training sector, when compared to schools and universities, to see this type of nonmarket failure in action. Wolf (1993, 155) concludes:

The choice between markets and governments is complex, and it is usually not binary. Rather than being a pure choice between markets or governments, it is usually a choice between different combinations of the two, and different degrees of one or another mode of allocating resources.

The current Australian public policies for the provision of vocational education and training clearly exhibit the inability or unwillingness of governments and society to pursue a fundamentalist option. While the risks of market failure in matters to do with ‘thin markets’ and equity are well articulated (for example see the European Centre for the Development of Vocational Training 2012, 17-18), the case for nonmarket failure is less clearly argued and is frequently badged and rebadged as never-ending ‘reform’ because of vague notions to do with being industry-driven, more responsive, more transparent and of higher quality (Council of Australian Governments 2012). The technology of government that binds this market-nonmarket training amalgam together is standardisation.

**Blending markets and standards**

The terms of reference for the Kangan review did not invite the examination of non-TAFE providers operating in an open training market or the issues of cost recovery through fees and charges. The issue of putting a price on training “was removed from the final terms of reference for the Kangan Committee” (Johnston in Kearns & Hall 1994, 143). In pursuit of the eternally optimistic outcomes sought by governments, the Kangan report strongly advocated for the technology of standard-setting to address the problems of the newly created training sector of education. In referring to the intended benefits that would result from the distribution of Commonwealth Government financial grants, the Kangan report (Australian Committee on Technical and Further Education 1974, xix) speculated:

Through such grants it is hoped that national standards for skill and accreditation will emerge, that the quality of existing accommodation and educational services will be raised to a standard which the community can accept as satisfactory, that learning environments can be developed through central resource centres and their satellites within individual institutions, that more libraries will become available, that personal help can be given to people through guidance and counselling services and that teachers can develop a new learning environment and can keep their knowledge up to date.

Throughout the report, setting of national standards were recommended for virtually every problem facing the training sector and the use of public monies would be guided by the application of these standards. Successive state, territory and federal governments have enthusiastically embraced the perceived benefits of standardisation and applied them to the core operations of the training system.

According to the Commonwealth Department of Industry (2014) standardisation, and its fellow travellers of regulation, quality and competency, is an essential feature of the national training system. Currently major areas subject to standard-setting include: providing the mechanism with which to regulate the detailed operations all training providers and their staff, maintaining the integrity of qualifications through the Australian Qualifications Framework, identifying the required occupational skills competencies that form the basis of training packages, establishing the operations of VET regulators, setting out the requirements for education and training provision for overseas students, prescribing mechanisms for national reporting requirements for total VET activity by all providers that issue a formal qualification and how to use the new Unique Student Identifier. The mutual recognition of skills in the licensed professions and of overseas qualifications is also subject to national standardisation. During the Rudd-Gillard Labor Government years, there was even a National Skills Standards Council that had set out an ambitious scheme to extend the use and scope of standardisation in vocational education and training. While this council was disbanded by the Abbott Coalition Government, its functions were transferred to a department.

The Kangan report had also noted the significance of gathering nationally consistent data that would report on the operations of the new training sector when it advocated for a national research centre to address “what at present is a virtual barren desert” (Australian Committee on Technical and Further Education 1974, xix). In response that grand survivor of the training sector, the National Centre for Vocational Education Research, has come to provide the information required to make the various technologies of government operational through the mandated use of another standard – AVETMISS – the Australian Vocational Education and Training Management Information System Standard. This was “the first professional specification of information for vocational education in Australia and the world” and further exemplifies the local enthusiasm for this particular mechanism (Australian Committee on Vocational Education and Training Statistics 1993, foreword). In keeping with Wolf’s observation of nonmarket internalities, the research used to support the proposed vocational training information standards contained 16 positive results that were anticipated from standardisation. These included national consistency, accuracy, total activity reporting and better informed planning. On the other hand, not a single negative potential outcome from introducing these specifications was listed, ignoring things such as the costs of compliance and systems maintenance (Australian Committee on Vocational Education and Training Statistics 1993, 8-9).

The intersection of markets and standards in Australian vocational education and training commenced and maintained a symbiotic relationship. There is evidence that there were marketplace purchaser-provider relationships developing as early as 1981, when the Commonwealth Department of Employment and Industrial Relations “began buying programs from TAFE on a fee-for-service basis” (Goozee 2001, 53). This had grown to nine Commonwealth agencies funding TAFE programs in 1984.

By the early 1990s Lundberg (1996, 84) states that “while the views of some involved in education might suggest otherwise, the market for education and training services is a structural reality rather than a policy option” and the only real decisions revolved around the appropriate balance of market and nonmarket provision. Lundberg also notes the pivotal position that had been allocated to developing and using nationally consistent standards, particularly competency standards, in the rapidly evolving training market. After all, “in the training market, competencies (standards) function as the skills currency: the measure of the value of skilled labour” (Marginson 1993, 153).

Federal Minister Dawkins aided and abetted joining the technology of standards with an open training market when he wrote to state and territory ministers with responsibility for training in October 1990 giving his response to the Deveson report, describing it “as a significant milestone on the path of reform along which we have been moving over the last three years” (Northern Territory Archives Service 1985-1990). He indicated his support for “an open training market in which TAFE must lose is monopoly position in respect of many aspects of training”. He then outlined the areas he felt would further contribute to these training market reforms through the application of standards, including setting skill competencies, national core curriculum, accreditation, certification, articulation, support for capital infrastructure and regulation of both public and private training providers.

**Findings and discussion on the significance of standards**

Marginson (1993, 152) reports that even from the mid-1980s the Organisation for Economic Cooperation and Development saw standards as both

‘an instrument for classifying and identifying skills’ and the basis for measuring performance. ‘Standardised skill measurement and credentials are potentially useful for both on-the-job and institutional training, as well as for independent providers of courses in private markets’.

In Europe standardisation has been identified as “a key instrument” in supporting the operation of a single market because 33 national standards can be replaced by one, facilitating cross-border trade (European Committee for Standardisation 2014). As another example of the optimistic nature of those who advocate for the technologies of government described by Miller and Rose (2008), the European Committee for Standardisation (2014) can only see benefits from setting out specifications for a wide variety of products, materials, services and processes because it provides the basis for mutual understanding and facilitates communication among individuals, business, public authorities and other kinds of organisations. As with all government technologies, this European standardisation project is made operational by teams of technical experts in order to deliver technological, economic, societal benefits including consumer protection. In common with those specialists who developed AVETMISS, not a single negative impact from European standardisation is canvassed (European Committee for Standardisation 2014).

One of the most prominent benefits attributed to standardisation is its crucial role in facilitating operations and processes that operate in multiple jurisdictions. The Kangan report was expected to recommend a means to deal with “the confusion of institutional eccentricity” represented by the chronically disparate State training systems that were producing neither the number of skilled workers nor the right skills for a national economy facing a global trading market driven by rapid advances in technologies (Whitelock 1974, 269). The review committee believed that national standardisation could fulfil this need to work across state borders, as have the Europeans more recently. An unanticipated outcome of the wide application of standardisation advocated in the Kangan report was the creation of a precursor of training markets. Standards can simultaneously regulate, as well as catalyse, market behaviour.

While not discounting the intensely political nature of the historical events that have constructed the national training system, it is clear that the Kangan report’s advocacy for national training standards has produced a seemingly inexorable, bi-partisan policy position in support of an open, contestable market for the provision of vocational education and training in Australia. An extraordinary level of expert advice and system design has been dedicated to developing the standards that now define and regulate the contemporary balance between market and nonmarket forces – the training ‘quasi-market’ (Fitzgerald 1998).

In describing the principles of good design, Norman (1990, 200-202) lists both the benefits and, unlike the ever-optimistic expert proponents of government technologies, the pitfalls of standardisation. On the positive side of the ledger, standardised processes and mechanisms:

* only have to be learnt once
* encourage consistency
* minimise the need for planning and problem-solving and
* allow for major improvements in usability.

In the negative column:

* standards can be imposed too soon and miss out on the latest technologies or even lock systems into primitive technologies
* can be expensive to amalgamate or eliminate altogether
* users often require extensive training
* if implemented too late, gives rise to irreconcilable multiple systems and
* can introduce rules that are grossly inefficient or even error-inducing.

Overall, Norman (1990, 202) describes “standardisation is the solution of last resort, an admission that we cannot solve the problems in any other way. So we must at least all agree to a common solution”. He also believes that standardisation provides a form of ‘cultural constraint’ that guides acceptable social behaviour. “These cultural conventions have to be learned, but once learned they apply to a wide variety of circumstances” (Norman 1990, 55).

While it is not obvious if the Kangan report moved immediately to the ‘last resort’ as a solution for the problems of TAFE, it is clear that it was responding to the idiosyncratic Australian cultural expectation of government intervention into the economic and social affairs of the citizenry. This propensity has been described as a form of “colonial socialism” (Butlin, Barnard & Pincus 1982, 13) in which Australians practice a distinctive and peculiar expression of their individualism characterised by reliance upon the state – an entity that is seen as a ‘vast public utility’ for the satisfaction of needs (Manne & Feik 2012, 2). This expectation of government action has also been historically accompanied by a deep discounting of the real costs of nonmarket failure. The easy acceptance and extension of standardisation into the national training system reflects a cultural and political constraint.

**Conclusion**

Post-Kangan, the actions taken by governments have progressively morphed from being the sole provider of training to the use of technologies designed to implement the funding, regulation and standardisation of vocational education and training. This has been driven by two policy shifts. The first reduces the emphasis on market failure that has been used to justify public expenditure on training and increases the focus upon the real price of nonmarket failure. Secondly, the cost of training is increasingly being shifted from the public purse to individuals and employers because the benefits of increased skills acquisition are increasingly believed to be largely private (Dawkins 1989, 4). Accompanying this alteration, the rationale for the use of standards can be moved in the direction of consumer protection, stopping exploitation and improving the quality of training.

This re-rationalised usage of standardisation in vocational education and training has been simplified and made into an issue that allows for easy presentation in the media. The Assistant Minister for Education and Training has responded to the problem of “rogue training providers” by having “already taken action to introduce tough new standards for registered training organisations, and has provided $68 million over four years to bolster the capacity of the Australian Skills Quality Authority to enforce these strong standards” that will be further supported by a “new one-stop-shop hotline” (Birmingham 2015).

While strongly advocating for an open and competitive training market, governments are not about to wait for the discipline of the marketplace to remove providers who perform unsatisfactorily. The cultural expectation of government intervention provides for too many negative political repercussions if ignored. However, by shifting the role of standards from supporting the operations of the market to a more regulatory function, the usefulness of this proven and widely accepted technology of government is maintained. However, as always, this comes at a cost. Training providers that have embraced market principles and that seek to use innovative teaching methods, deploy creative methods of skills assessment or who wish to operate in novel environments are exposed to the easy transition in thinking that allows them to be labelled as ‘rogue providers’ just because they operate differently. For example, the Australian Skills Qualification Authority, in explaining the new 122 page guide to the new training regulations that came into effect in January 2015, has pointed out that there are particular challenges facing those who use distance learning methods, including online (Bita 2014). This regulatory usage of standardisation rewards conformity with national standards and poses significant risks for those providers who wish to innovate and compete on price in an open market.

The 1974 Kangan report gave vocational education and training the enduring legacy of standardisation. This technology of government is highly adaptable to public policy considerations and has shown itself to be applicable to a wide variety of operational areas in the pursuit of a training market. It is clear that Australian governments are not able or willing to relinquish training to unregulated forces of the market, but are also reluctant to maintain a monopolistic system of public providers. The ubiquitous acceptance and easy application of standardisation in vocational education and training will continue to oscillate between the role it plays in facilitating free market operations and its regulatory function. This is all the more notable because virtually every one of the problems to do with TAFE that were identified in the Kangan report and were, optimistically, to be addressed by the setting of standards, is still subject to debate and discussion 40 years later. Standardisation in support of both market and nonmarket responses remains at the heart of the expert provision of public policy options.

In revisiting the intention of an open, nationally consistent and contestable training market, several good design principles should be considered rather than accepting standardisation’s uncritical default position of last resort. A reconceived training market should make

* it easy to determine what actions are possible at any moment
* things visible including conceptual system models, alternative actions and results
* it easy to evaluate the current state of the system
* clear the natural mappings between intentions, the information available, the required actions and the resulting effect.

“In other words, make sure that (1) the user can figure out what to do, and (2) the user can tell what is going on” (Norman 1990, 188).

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