

Additional Comments from Coalition Senators

1.1 The Australian Government provides funding to states and territories to support their training systems and has allocated \$1.8 billion in 2014-15. State and Territory Governments then allocate that funding within certain conditions.

1.2 The former Federal Government, along with all States and Territories, signed the National Partnership Agreement on Skills Reform (NPA) in 2012.

1.3 A central principle of the NPA is that students and employers should have access to the most relevant, high quality training that best meets their individual needs.

1.4 Clause 28 of the NPA requires jurisdictions to “create a more accessible and equitable training system through introducing and strengthening a national entitlement to a government subsidised training place to a minimum of the first Certificate III qualification which is accessible through any training organisation (RTO, public or private) which meets state-based criteria for access to the national training entitlement”. As South Australian Premier, the Honourable Jay Weatherill, MP explained to the South Australian Parliament on 2 June 2015, “everything at the heart of the agreement is to have contestability between the private sector and the TAFE sector”.

1.5 In 2013 about 74 per cent of training in South Australia was contestable, yet under the South Australian Government’s WorkReady policy around 90 per cent of new training places are reserved exclusively for the public provider from 1 July 2015.

1.6 Further to concerns raised by the South Australian Council of Social Service, the Mental Health Coalition of South Australia, Business SA, Master Builders Association SA and Sport SA, the Federal Assistant Minister for Education and Training, Senator the Hon Simon Birmingham, is seeking further advice on how this seemingly regressive step lines up with the NPA. Training sector representatives have claimed that up to 10,000 jobs¹ could be lost in the training sector and have raised concerns about broader implications for the South Australian labor market.

1.7 This is not about preferring TAFEs or private providers, as both deliver excellent training in many areas. The Coalition Government is firmly committed to providing students and employers with choice to access the highest quality, best value for money training that delivers the skills employers need.

¹ Australian Council for Private Education and Training (ACPET), “ACPET calls for Workready chaos to be sorted out”, *Media Release*, 20 May 2015

1.8 It is also worth noting that The University of Sydney Business School research, *The Capture of Public Wealth by the For-Profit Sector*, referenced in section 1.8 of the report was commissioned by the Australian Education Union.

Senator Bridget McKenzie
Deputy Chair