

Submission Number: 17
Date Received: 19/4/2013

**Submission to the
Inquiry into the role of the Technical and Further Education system
and its operation**

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The vocational education and training (VET) sector in the Northern Territory is dominated by two public providers who are independent, autonomous organisations established under their own individual legislation. They are governed by their own representative Council and are not deemed to be a government owned entity in any way. The Northern Territory does not have a technical and further education (TAFE) sector and relies on these two providers to perform functions similar to TAFE. While there are a small number of medium sized training providers who deliver across various industry sectors, the majority are small and deliver in very niche markets.

The National Agreement for Skills and Workforce Development and the new National Partnership Agreement on Skills Reform support the development of skills in the Australian economy. They commit all state and territory governments and the Australian government to work together to improve outcomes in VET, ensure the VET system meets the needs of industry and individuals (including those from disadvantaged groups and locations), improve linkages and pathways between education, training and employment, and increase the level of workforce participation. The Northern Territory is signatory to both these agreements and is fully committed to achieving the outcomes sought through the agreements.

These agreements enable all jurisdictions and the Australian Government to meet the challenges of changing economic conditions which in turn will maximise the productivity of the workforce.

The Northern Territory faces a number of challenges in the delivery of VET, including remoteness, variances in weather impacting on accessibility to remote communities, and the demographics of the population. Approximately 31% of the Territory's population are Indigenous and over 60% of these live in remote communities, limiting their access to VET on a regular basis. Low levels of foundation skills among the Indigenous population, particularly those in remote areas, impact on the ability of this cohort to achieve outcomes in VET without significant levels of support, including literacy and numeracy. The Northern Territory Government has a number of programs in place to support these Territorians to achieve training and employment outcomes, particularly through the public providers.

The high costs of delivering training and small student numbers in remote areas continue to be an impediment to continuous and quality service delivery.

The Northern Territory VET sector operates in a thin market. It also has a thin client base and managing demand driven reforms, and increasing participation and training completions in such a thin training market is in itself, challenging. Large projects and external interventions (such as the Northern Territory Emergency Response) impact greatly and can cause significant downturns in training activity that is beyond our control. There is a need to balance the high cost of training in the thin market, while ensuring training providers and delivery remains viable for all, which makes supporting the role that the Northern Territory public providers play all the more important. We need to strike a balance between the benefits of competition and the need to maintain strong and viable public providers.

Public providers play a critical role in the Northern Territory and it is important we enable and support them to operate effectively in an environment of greater competition, and recognise their function in servicing the training needs of industry and particularly the needs in regions and local communities. This includes ensuring provision of high level training and workforce development for industry and improved skill and job outcomes for disadvantaged learners and communities.

Training activity in skill sets and individual units of competency is relatively high in the Northern Territory. Individuals seek training in specific skill sets or units to upgrade and update their skills, for example, to meet licensing requirements, or simply because they need a particular skill for a particular job activity. This is particularly so for existing workers and Indigenous people in regional and remote communities. The training environment in the Northern Territory supports the delivery of skills sets when required, by both public and private providers.

The challenges and impediments aside, the VET sector in the Northern Territory could be described as quite robust, with the Northern Territory having one of the highest VET participation rates in Australia. There are currently high numbers of apprentices and trainees in training and government targets for apprentice and trainee commencements continue to be met. Northern Territory Government support for the VET system and delivery of training continues to be in excess of \$90 million each year.

Training is a key element of the Northern Territory Government's "Employment Strategy – 2012-2015". The strategy brings government policies and initiatives into an overarching workforce development structure and includes a key focus on growing the size of and skilling the Territory workforce.

Employment and Training NT
Department of Business
April 2013