

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Additional Estimates Hearing 2011-12
15 February 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: TAFE as Subcontractor to Private Providers

REFERENCE: Written Question – Rhiannon

QUESTION No.: AI-176

Following on from your previous questions about TAFE being subcontracted by private providers to run courses:

1. How many private VET providers are sub-contracting their contracted services back to TAFE, specifically in the Language, Literacy and Numeracy Program and Australian Apprenticeships Access Program?
2. In such instances, what is the value of those primary contracts in public dollar terms?
3. Would private providers be profiting from such an arrangement?
4. If yes, is it known what the profit is (value of contracts minus value of TAFE subcontracts)?
5. Given COAG's stated support for TAFE as a public VET provider, in such instances would it have cost less public dollars to award the contracts to TAFE – given TAFE is effectively delivering such courses?

ANSWERS

1. The Language, Literacy and Numeracy Program (LLNP) has one provider that has a sub-contracting arrangement with a TAFE College.

The Australian Apprenticeships Access Program (Access Program) has five Brokers that subcontract to TAFE institutions.

2. Details of the primary contracts are provided in the table below:

LLNP Contracted Provider	Value of Contract (for the period July 2010 – 30 June 2013)
ACL / Riverina Community College	\$425,388
Access Program Broker	Total value of the Access Program Broker Contract (for the period January 2010 – 30 June 2013)
Group Training Australia	\$16,105,573
Mission Australia	\$31,751,150
Campbell Page	\$17,662,871
Workways	\$964,634
Job Futures	\$11,556,145

A value cannot be provided for the sub-contracted services as this information is commercial-in-confidence between the two parties concerned.

3. The commercial arrangements between the lead organisation and sub-contractor are a matter of negotiation between the parties.
4. Not applicable.
5. Both the LLNP and Access Program conducted national tender exercises with the contracted Providers/Brokers being deemed as the tenderers who would provide the Commonwealth with the best value for money for delivery of the services.