

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2012-13
28 and 29 May 2012

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

TOPIC: COAG_VET national partnership and national agreement on skills

REFERENCE: Written Question – Senator Rhiannon.

QUESTION No.: BI-226

The Minister also made clear his commitment to preserve and “protect the vital public investment in things like the TAFE system”, and a commitment to not “downgrade or reduce the role of the TAFE system”. The Minister also acknowledged that TAFE provides access for capital intensive courses.

1. Is the Government concerned that TAFE may lose the ability to cross-subsidise cheaper to run courses if greater contestability results in funding moving across to private providers?
2. What is the Government doing to ensure this does not happen?
3. How will the Government ensure TAFE does not become a provider of last resort by allowing profitable courses to be funded through private operators?
4. What minimum protections has the Government insisted on for TAFE, within any greater contestability of the market?
5. What minimum protections has the Government tied to its VET funding, to ensure the continued viability of public TAFE institutes?

ANSWER

1. Under the National Partnership Agreement on Skills Reform states and territories have agreed to the “development and implementation of strategies which enable public providers to operate effectively in an environment of greater competition, recognising their important function in servicing the training needs of industry, regions and local communities, and their role that spans high level training and workforce development for industries and improved skill and job outcomes for disadvantaged learners and communities”.
2. Refer to question 1.
3. As states and territories have responsibility for managing their VET arrangements and have traditionally provided two thirds of the funding in the VET system, the steps to encourage responsiveness in training arrangements is a matter for individual states and territories.
4. Refer to question 1.
5. Under the National Partnership on Skills Reform, states and territories are required to outline in an Implementation Plan, the strategies they will implement over the life of the agreement to enable public providers to operate in an environment of greater competition.

The effective operation of public providers is the responsibility of each state and territory.