

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Supplementary Budget Estimates Hearing 2012-13
17 October 2012

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

TOPIC: TAFE system – Liberal and National governments

REFERENCE: Question on Notice (Hansard 17 October 2012, pages 77-78)

QUESTION No.: SI-34

Senator CAMERON – I will put my last question in these terms. Could you provide this committee with an analysis of what you think the implications are both in productivity terms and economic terms and in social terms of the economic vandalism being perpetrated on the TAFE system by Liberal and National governments in Queensland, New South Wales and Victoria? Can you also advise the committee as to the implications of having some of these courses done by private providers who do not provide the appropriate levels of quality assurance that the TAFE system provides?

Senator EVANS: I will see what we have got. Obviously this is a bit of a moving feast at the moment, particularly somewhere like Queensland where we have not yet had implementation of the draft report's recommendations. We will see what we can get the committee of what we have been able to collect so far. We will provide that to the committee.

ANSWER

The current situation with Queensland, New South Wales and Victoria is outlined below:

The Queensland Skills and Training Taskforce delivered its Final Report to the Queensland Government on 5 November 2012. The recommendations in the Final Report are being considered by the Queensland Government who will formally respond by the end of November 2012.

New South Wales announced changes to VET funding in its 2011-12 Budget. Further changes involving staff redundancies and increases in course and concession fees were announced on 11 September 2012. On 23 October 2012, the New South Wales Government also announced its new *Smart and Skilled* Vocational Education and Training Plan which will roll out over four years commencing in 2014. The *Smart and Skilled* plan features a staged reform program with full operational details are yet to be announced.

In its 2012-13 Budget, the Victorian Government announced major changes to the funding of VET in the state, including cuts of approximately \$290 million to Victoria's 18 TAFE institutes and a reduction in funding rates for approximately 80 per cent of VET courses. An independent TAFE Reform Panel was convened to consider transition plans from individual TAFE institutes and to make recommendations to the Victorian Government on how to manage the changes.

A summary of the proposed Victorian TAFE transition plans was published in the media on 14 September 2012. The summary reveals significant potential changes to the structure of the

TAFE system in Victoria, including reductions in course offerings, increases in student fees, significant loss of staff, industrial relations issues regarding the funding of enterprise agreements with TAFE teachers and proposed amalgamations and campus closures.

The Panel is expected to finalise its report in November 2012 with a response from the Victorian Government to follow.

The Government is concerned about the potential impacts these changes may have on the TAFE system, however, it is too early to ascertain exactly what they might mean in terms of productivity and what the social and economic implications might be. Final plans from these states will be carefully assessed to ensure they honour their commitments as agreed under the NP on 13 April 2012.

The Australian Government is supporting TAFE Directors Australia in an initiative to explore the impacts of Government investment on the VET sector and the economy. The project aims to better understand the relationship between VET and economic outcomes such as participation and productivity. The research will be disseminated through the publication of an Occasional paper by June 2013.

On your second point, the Australian Skills Quality Authority (ASQA) commenced operation on 1 July 2011, with regulatory powers over:

- all Registered Training Organisations (RTOs) in New South Wales, Australian Capital Territory and Northern Territory;
- RTOs in Victoria and Western Australia which offer VET courses in a referring state or territory and/or offer VET courses to overseas students.

ASQA assumed responsibility for all RTOs in Tasmania on 15 February 2012; South Australia from 26 March 2012 and Queensland from 29 June 2012.

ASQA ensures that private and public RTOs meet the Standards for NVR Registered Training Organisations. The Standards apply to all RTOs which come under the jurisdiction of ASQA, including public and private providers.

ASQA has a range of powers including the application of sanctions, and prosecutions involving civil and criminal penalties, to effectively regulate training providers.

The Standards are made by the Australian Government Minister for Tertiary Education under advice from the National Skills Standards Council (NSSC) through the Standing Council on Tertiary Education, Skills and Employment (SCOTESE), which is one of a number of Standing Councils that report to the Council of Australian Governments (COAG).