

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2010-2011**

Outcome 3 - Higher Education

DEEWR Question No.EW0069_11

Senator Hanson-Young provided in writing.

Question

TAFE NSW HAD LOST \$50 MILLION DOLLARS IN LLNP FUNDING

Given that the Minister, Ms Gillard was quoted in the Sydney Morning Herald on Monday 31 May as saying "that while the majority of existing providers have gained additional funding ... a few ... will have to make staffing adjustments where they have not been successful" and that the same article stated that as a result of the competitive tendering process TAFE NSW had lost \$50 million dollars in LLNP funding which was equivalent to 170 equivalent full time positions, please advise if:

- a) you are aware that wages and conditions are the single biggest cost in the price of delivery of LLNP?
- b) "staffing adjustments" in these circumstances will mean job losses often of part time casual teachers?
- c) as a consequence of these decisions teachers working in this area could be re-employed by organisations that have had successful LLNP tenders on lower wages or even on a Modern Award?

Answer

- a) The Request for Tender documentation asked tenderers to consider all cost components when calculating unit prices. This included, but was not limited to, costs for property maintenance, insurance, salaries, the purchase of resources, funding for promotion of the program, administration and travel costs. The cost components, and their relative proportional value, are likely to differ from provider to provider based on factors such as the urban or remote nature of the Business Service Area where the program is being delivered. Given the nature of the Language, Literacy and Numeracy Program (LLNP) services, staff costs are likely to be one of the higher cost components which contribute to a provider's unit price.
- b) The potential for job losses would be subject to the nature of each provider's workforce, business plans and other existing and new income streams. In the event unsuccessful tenderers choose to lay off staff there are potentially good opportunities for trainers, assessors and other support staff to gain employment with the successful organisations.

- c) Under both the Request for Tender documentation and the LLNP Contract, providers are required to comply with all relevant Commonwealth, State, Territory and local authority legislation, regulation and requirements. This includes the requirement to comply with all obligations in relation to pay and conditions as set out in the applicable industrial instrument irrespective of whether it is:
- a collective agreement, an award or another form of instrument; and
 - in the Commonwealth or a State jurisdiction.