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The Committee Secretary
House of Representatives
Standing Committee on Education and Employment
Parliament House
CANBERRA ACT 2600

Sent by email: ee.reps@aph.gov.au

RE: Inquiry into the role of the technical and further education system and its operation

CPSISC appreciates the opportunity to comment in relation to the inquiry into the role of the TAFE system and its operation.

CPSISC makes the following comments on the terms of reference:

1. The development of skills in the Australian economy;

- 1.1 The TAFE system plays a vital role in developing the future skills needs of the economy;
- 1.2 There are 61 TAFEs and polytechnics delivering training in over 1300 locations nationally, that play a role underpinning employment, productivity, regional communities development and future workforce development;
- 1.3 Public TAFE providers have over time positioned themselves well in the eye of the community as recognised, respected, and trusted players in the delivery of skills to the Australian economy;
- 1.4 It is important that TAFEs retain their commitment to traditional trades training, and property services qualifications and that apprenticeships and traineeships be adequately funded to allow this to happen;
- 1.5 TAFE programs must ensure ongoing involvement of industry and ISC's in training, assessment and business development across all the fields of study in which a provider operates to better understand and to meet industry skills demand.

2. The development of opportunities for Australians to improve themselves and increase their life and employment prospects;

- 2.1 TAFE plays a pivotal role in providing access to training opportunities for Australians to improve themselves and increase their life and employment prospects;

2.2 A range of national statistics and indicators including those developed by NCVER highlight the productivity and well being benefits of persons being in training. The likelihood of an individual being employed and increasing national participation rates increases with the enrolment of an individual in training.

2 The delivery of services and programs to support regions, communities and disadvantaged individuals to access training and skills and through them a pathway to employment;

- 2.1 TAFEs manage training infrastructure and a community service outreach into regions where training opportunities may not otherwise exist;
- 2.2 In particular these regional services includes training and skilling for disadvantaged and equity groups;
- 2.3 Rationale for government intervention into VET to support regions and communities where market failure can be addressed in a cost effective manner was highlighted and evidenced by the Productivity Commission in 2011. This report highlighted this role of TAFEs, such as where the NSW Department of Education and Training indicated that, *TAFE NSW does not avoid thin markets although the cost of delivery in newly developing or relatively remote areas is significant;* (Productivity Commission, Vocational Education and Training Workforce, Research Report 2011).
- 2.4 Government intervention to address market failures in the free market need to be weighed up against cost effectiveness and enhancing efficiency;
- 2.5 Technology and flexible learning may reduce some market failures in the regions.

3 The operation of a competitive training market;

- 3.1 The operation of a competitive market model for training should underpin the delivery of training for the future skill needs of the country;
- 3.2 There are some training needs that the competitive market ignores which are still important to the future economic needs of the country;
- 3.3 As reflected in the National Partnership Agreement, strategies are needed to enable TAFEs to operate effectively in an environment of greater competition, recognising their important role in servicing the training needs of industry, regions and local communities;
- 3.4 TAFE's receive profile funding whereas private RTO's receive Student Contact Hour funding and training places. The allocation of profile funding appears to be higher to TAFE's than the allocation of Student Contact Hour funding and the number of training places allocated by the State Government via the Department of Training & Workforce Development. There are ongoing calls for an equal playing field;

- 2.1 Funding of public VET provides good cases of reasonable value, providing a sufficient contribution to the comprehensive educational and training services necessary for future economic, productivity and participation goals of Australia;
- 2.2 Where the private RTO sector has been favoured at the expense of the public sector there is doubt that consumers of training, whether employers or trainees/apprentices, are getting value for money in all cases;
- 2.3 The opening up of the VET market to wholesale access to public funding, without a full understanding of the long term implications for the training system and community service obligations requires caution;
- 2.4 A level playing field for public and private providers must be the focus with TAFE community service obligations potentially funded separately.

3 Those jurisdictions in which State Governments have announced funding decisions which may impact on their operation and viability.

- 3.1 State Governments continue to cut funding for school based apprenticeship and pre-apprenticeship programs. Funding decisions for TAFE in Victoria and Queensland in particular have impacted on training delivery in construction and property services qualifications to the potential detriment of industry in the long term;
- 3.2 There are some qualifications where funding has declined yet the demand for new skills is growing e.g spatial sciences funding in Victoria;
- 3.3 TAFEs and industry must work with State and Federal funding bodies and ISCs to;
 - 3.3.1 Further investigate ways to promote examples of good collaborative practice within the TAFE system;
 - 3.3.2 Ensure that flexible TAFEs that provide meaningful 'return to industry' programs and actively encourage delivery in the workplace that lead to improved training quality and relevance should be promoted. TAFE must be drive real commitment to forming industry partnerships.

Yours sincerely

Alan Ross
Chief Executive Officer