

Department of Education

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Mr Tim Watling

Secretary

Standing Committee on Education, Employment and Workplace Relations

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Dear Mr Watling

Tasmanian Department of Education Input into the *Higher Education Support Amendment (Streamlining and Other Measures) Bill 2012*

Thank you for your letter dated 15 October 2012 inviting me to make a submission into the inquiry on the *Higher Education Support Amendment (Streamlining and Other Measures) Bill 2012*.

Tasmania has a small but diverse economy and a small, slowly growing population of just over 510,000¹. With a gross state product of \$22.3 billion (2009-10)² Tasmania comprises just over 2% of the nation's economy. Our economy is experiencing structural change as it responds to external forces and changing markets.

Tasmania has not benefitted significantly from a resources boom and the stock of skills in Tasmania is now under threat because of higher wages available in other states as well as the volatility of private investment locally.

Australia as a whole has an ageing population. This is more pronounced in Tasmania than in other states and territories. This creates challenges for the workforce when there are more people leaving the labour force than entering it. Our demographic profile suggests there will be relatively fewer people of working age as a proportion of the total population living in Tasmania for the foreseeable future. This may lead to more competition for skills by Tasmanian employers, low productivity growth and slower growth in consumer spending.

Many industries are suffering from competitive pressures and industry intelligence suggests Tasmanian employers don't have the resources to take on the same numbers of apprentices and trainees they did in past years or to hire new staff. Large segments of previously well-established industries, such as forestry and manufacturing, are in rapid transition, and the workers leaving those industries must be supported to convert their skills to those which align with developing areas of employment opportunity.

Therefore, there is a greater need to support:

- transformation as it allows individuals to adapt to changing employment opportunities throughout their whole working life; and
- entrepreneurship as it supports individuals to create their own employment futures leveraging from place-based assets and changes in technology. Entrepreneurship may also mitigate the exodus of young people from the state.

One way to support transformation and entrepreneurship is through a flexible and responsive vocational education and training (VET) system. Tasmania is implementing the Skills for Work Reform Program, which will introduce changes in Tasmania to create a VET system where:

- individuals are well informed, ready for serious training and are able to enrol in a training organisation of their choice;
- employers are engaged with the training system, planning and developing their workforce and participating in industry skills planning; and
- the training system is responsive to industry demand, including skills for innovation and emerging industries and provides quality learning experiences, quality outcomes, value for money and equitable access to foundation and higher level skills.

Changes to the Tasmanian VET system in the next five years will include:

- the establishment of TasTAFE as the public Registered Training Organisation (RTO) in Tasmania;
- the introduction of an entitlement to a government subsidised training place in a Certificate III qualification;
- development of an endorsed RTO model, which introduces quality focused eligibility requirements for RTOs who want to offer government subsidised training; and
- the introduction of VET FEE-HELP for Tasmanians enrolling in a Diploma or Advanced Diploma level qualifications through endorsed Tasmanian RTOs.

The Tasmanian Articulation and Credit Transfer Committee (TASACT) is working to ensure that policy development for the tertiary education sector as a whole is aligned. The interconnections or pathways for all students in Tasmania post year 10 institutions is being progressively accomplished through joint higher education, VET and school stakeholder participation in policy and project creation.

Tasmania is supportive of measures to improve the accessibility of higher level qualifications. We would support measures that would streamline and simplify student access to VET FEE-HELP. In particular, we would support measures that would enable legislation to allow specified Certificate IV level qualifications to be eligible under VET FEE-HELP.

Benefits of introducing VET FEE-HELP in Tasmania for Diploma, Advanced Diploma and specified Certificate IV level qualifications will include allowing us to prioritise government subsidies to the areas of greatest needs such as foundation skills and pathway qualifications and qualifications in Tasmania's priority industries and occupations.

Tasmania is supportive of amendments to the *Higher Education Support Act 2003* in the areas being investigated by the inquiry.

Thank you once again for inviting me to make a submission to the inquiry.

Yours sincerely

Colin Pettit
SECRETARY

¹ ABS: 3101.0 – Australian Demographic Statistics, March 2011, Table 4

² ABS: 1307.6 - Tasmanian State and Regional Indicators, Dec 2010