

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Climate Change, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2013-14
3 and 4 June 2013

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

TOPIC: VET

REFERENCE: Written Question – Senator Rhiannon

QUESTION No.: BI-100

1. Considering that 19 private VET colleges in Victoria that have received a combined \$13.6 million in public subsidies have since been closed down by regulators for “critical non-compliance” or have voluntarily relinquished their licenses, what similar patterns are emerging in other states that are moving to greater contestability in the provision of VET courses?
 - a. What are the government’s concerns regarding this issue?
 - b. Has any Commonwealth funding been lost in similar circumstances in any state?
 - c. What conditions are attached to Commonwealth VET funding to ensure avoiding the Victorian scenario?
2. What types of oversubscribed VET courses have had caps imposed? What are the courses and what are the caps that have been imposed?
3. Is the Department finding any emerging correlations between quality of VET courses and costs borne by providers?
4. The Australian Workforce & Productivity Agency’s (AWPA) Future Focus report says that recurrent funding for VET has fallen 25% which “raises questions about ongoing quality” and that it especially criticises the cutting of TAFE budgets stating “TAFE institutes remain the bedrock of the national VET system”. It also calls for a federally commissioned VET funding review similar to the Base Funding Review for higher education, and the Gonski review for schools?
 - a. What are the government’s concerns around the questions of falling TAFE budgets and the effects on the VET system as a whole given TAFE’s cornerstone role in the system?
 - b. Has there been any discussion or consideration given to the need for a federally commissioned VET funding review?

ANSWER

1. There doesn’t appear to be any correlation or emerging patterns in relation to the private VET colleges in each state and territory that have closed following a regulatory decision by ASQA and the state and territory level of contestability in particular states or territories.
 - a. The Government is concerned to ensure high quality and transparently accountable VET delivery, which is reflected in the creation of the Australian Skills Quality Authority (ASQA) and in the National Partnership Agreement on Skills Reform.
 - b. No Commonwealth funding in relation to VET FEE-HELP has been lost. VET FEE-HELP is funding to students, not to providers and no funding has been unaccounted for in the VET FEE-HELP program as a result of a regulatory decision.

- c. Legislative responsibility for delivery of training and compliance with regulators remains with the individual states and territories under their respective vocational training acts.
2. Under the Victorian Government's policy, there have not been caps on courses, but some, including hospitality, business administration, events management and sport and recreation fields of study, have had their subsidy levels reduced.
3. ASQA takes regulatory action against poor quality providers that do not meet the nationally agreed standards. ASQA does not have data on the costs borne by providers in relation to VET courses. Training and assessment is core to the delivery of quality courses and RTO compliance of this matter is checked by ASQA. The Department does not currently hold the data necessary to examine this question. Course cost data is only available to the Commonwealth in some cases.
4. (a) Legislative responsibility for the delivery of training, including the setting of state-based training priorities, policies related to public funding subsidies and fees and access to training across regional areas, remains the responsibility of individual states and territories under their respective vocational training acts.

Through the reforms agreed under the National Partnership Agreement on Skills Reform (NP), states have committed 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.

(b) Under the NP there is a requirement for a review of the overall progress of the NP which will be completed by 31 December 2015. The review will focus on the outcomes of the transparency reforms and the state reform of funding to providers and enterprises through the introduction of a national training entitlement and income contingent loans.