

Vocational Education and Training



The Independent Commission of Audit's final report is a broad-ranging strategic blueprint to guide the changes needed for Queensland to once again be a high-performing State, both financially and in terms of value for money services.

The report makes recommendations about the changing role of Government in a modern economy. There are private sector operators and non-government organisations that have new ideas and ways of approaching problems. The Government must transition to become the "enabler" not the "doer".

The Newman Government is determined to ensure that Queensland's public service is the best public service in Australia, delivering quality services to all Queenslanders.

This plan is a significant and positive step towards the Government fulfilling the five pledges it made to the people of Queensland on entering office—grow a four-pillar economy, lower the cost of living, deliver better infrastructure, revitalise front-line services and restore accountability in Government.

The Government's response is a long-term plan to ensure future generations enjoy the same Great Opportunities we have been afforded. A Great State with Great Opportunity.

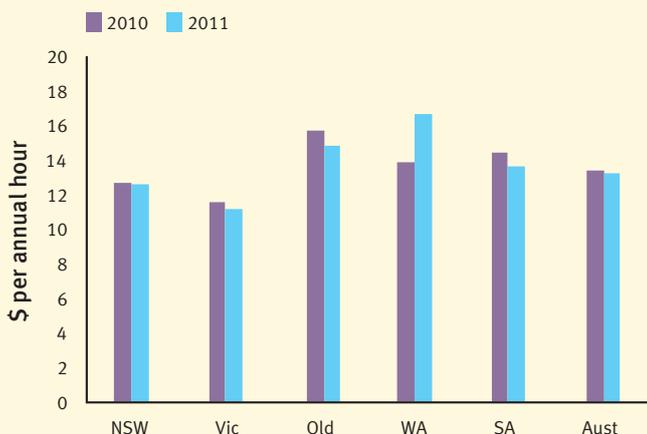
Quick Facts:

- ▶ Queensland's Vocational Education and Training (VET) sector is serviced by public and private providers.
- ▶ The number of VET qualifications completed in Queensland grew by 88.5% between 2006-2010, compared with 51.2% nationally, 34.3% in New South Wales and 57.7% in Victoria.
- ▶ Queensland's VET participation rate has been increasing since 2009, but remains consistently below the national average.
- ▶ The number of skilled Queenslanders finishing VET qualifications has not been keeping pace with population increases, or growth in the state's economy.

How does Queensland stack up?

Queensland is a high cost provider of VET services, with cost per unit of output significantly higher than most other states. This can be seen in the chart below.

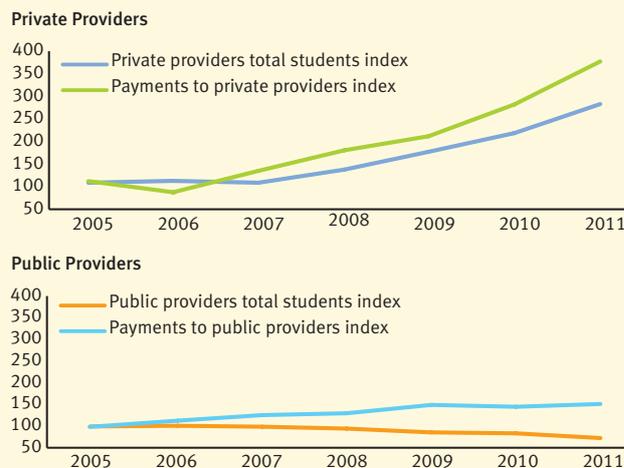
Government real recurrent expenditure per annual hour



Source: Steering Committee for the Review of Government Services Provision Report on Government Services 2013, Table 5A.19

VET public provider expenditure has increased by almost 50%, but student numbers have declined since 2005. In contrast, private provider increases in expenditure have broadly been matched by increases in student numbers. This can be seen in the charts below.

Public and Private expenditure vs total student numbers (Index: 2005=100)



Source: NCVER Financial Information 2011 & 2008, NCVER Students and courses 2011

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Commission of Audit recommendations

In the area of vocational education and training, the Commission's recommendations are about reducing duplication between the State and Australian Governments, and ensuring Government makes better use of the skills, capacity and innovation of the non-government sector. In other words, the Government must transition to become the 'enabler' rather than the 'doer'.

Recommendations include:

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| <p>90 The Government reduce duplication between State and Australian Government resource allocation for vocational educational training by focussing State investment on certificate level training, particularly for those individuals without a post-school qualification – with priority for those qualifications and pathways that are critical to industry and the economy.</p> | <p>92 There be a clear separation between the VET purchaser function performed by the independent skills authority and the VET provider function (comprising TAFE and private registered training organisations).</p> | <ul style="list-style-type: none"> • improving labour demand analysis to influence future investment priorities • improving skills demand and supply information available to consumers • a deregulated pricing mechanism that reflects the shared benefits of skills • variable government subsidies for courses to reflect skill priority needs of the economy • optimisation of investment from both individuals and industry, for example through greater use of HECS-type schemes • improving quality assurance through industry-led purchasing and market oversight. | <p>with a view to rationalising the asset base, facilitating third party access and improving asset utilisation.</p> |
| <p>91 An independent industry-led skills statutory authority be established, with leadership responsibility for developing a competitive skills market through a clearly defined purchaser role in the Vocational Education and Training system.</p> | <p>93 Competition be adopted as the preferred VET purchasing model, with a target to be established for the proportion of government funding allocated through contestable processes of 80% by 2015.</p> | <p>95 Asset ownership be separated from TAFE and transferred to a specialist commercial entity with skills and expertise in owning and managing such assets,</p> | <p>96 Reforms be implemented to redefine the role of TAFE as a public training provider operating in a competitive skills market, with particular emphasis on:</p> <ul style="list-style-type: none"> • refocussing the capabilities of its workforce to respond more effectively to the skills training needs of the economy • revised and competitive industrial relations arrangements for the TAFE workforce, to address cost pressures in areas such as restrictive attendance time and normal hours, loadings and overtime, and additional leave entitlements. |
| | <p>94 The skills authority be responsible for improving alignment between the skills produced by the VET system and the needs of the economy, through strategies such as:</p> <ul style="list-style-type: none"> • supporting open and contestable arrangements for allocating government investment for those markets considered competitive | | |

Government response

The Government largely accepts the Commission of Audit's recommendations and will work to strengthen VET in Queensland by:

- focusing State investment on certificate level training, particularly for those individuals without a post-school qualification
- adopting competition as the preferred VET purchasing model
- transferring TAFE asset ownership to a specialist commercial entity
- undertaking a significant program of reform to redefine the role of TAFE as a public training provider.

On the recommendation of establishing an independent industry-led skills statutory authority (Recommendation 91), the Government does not accept this recommendation.

It prefers that responsibility for a competitive skills market in the VET system remain with the Department of Education, Training and Employment. The Minister for Education, Training and Employment will be actively engaged in leading this improved approach to skills training.

On the recommendation of improving alignment between skills and the needs of the economy (Recommendation 94), the Government accepts this recommendation in part. It endorses the strategies outlined in the recommendation, as they are consistent with the outcomes of the Skills Taskforce. However, it believes responsibility for a competitive skills market in the VET system more properly lies with the Department of Education, Training and Employment.

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