ACPET: “The darkest days for Australia’s training sector”

Yesterday’s release of the government’s Economic Statement by the Australian Treasurer and Finance Minister slashes a staggering quarter of a billion dollars ($241.6 million) out of the Australian apprenticeship and traineeship system. That announcement comes on the back of Wednesday’s release of fee increases of between 170% and 280% by the Australian Skills Quality Authority, for training providers to maintain their registration.

“Collectively these decisions will gouge millions of dollars from training providers. The combined cuts and fee increases will weaken the financial viability of hundreds of training providers and result in an unprecedented number of providers closing their doors”, said the CEO of the Australian Council for Private Education and Training, Ms Claire Field.

“The flow on effects to the broader business community, the training opportunities available to women, people working in regional areas, and those employed in small and micro businesses will suffer as a result.”

The substantial cuts to training funding contained in the Economic Statement, cannot be reconciled with the Statement’s claims that skills development is one of seven priority areas where Australia needs to boost its productivity performance, and that “Australia’s national objective must be to build the best-educated, best-trained, and best-skilled workforce in the world. Vocational education and training is particularly important...” (page 8 of the Statement).

In May 2013 the government’s own statistical agency, the National Centre for Vocational Education Research, released data showing that the government’s 2012 cuts to apprenticeship and traineeship funding had resulted in an alarming decline in just one year of 130%, in apprenticeship and traineeship commencements in the non-trade areas.

“ACPET and other peak bodies have consistently warned the government that cuts to apprenticeship and traineeship funding will have a significant impact on apprenticeship and traineeship numbers. The impact of the 2012 cuts was already being absorbed by the sector. The impact of a further cut of $240 million is unimaginable” said Ms Field.

“Historically government has provided modest financial support to employers, to assist them to meet the costs of providing nationally recognised training to their staff. The government’s own research shows that this support plays a key role in opening up training opportunities. At a time when unemployment is on the increase, the government must work with employers and training providers, to ensure all workers have access to the training opportunities they need”, Ms Field stated.

While the budget situation is clearly difficult, ACPET’s Chief Executive, Claire Field urged the government to reverse its decisions. “Training providers contribute directly to Australia’s economic prosperity. An investment in skills is an investment in a stronger future. To penalise providers with significant fee increases for the ongoing registration of their businesses (of between 170% and 280%) is unjustifiable.

“At a time when the economy is going through a painful transition from the end of the mining boom it does not make economic sense to cut back on investing in skills and skill development”, said Ms Field.
“I’ve worked in the VET sector for almost two decades and I’ve never seen a time as bleak as this”, said Ms Field.

“At the same time that these changes are being forced on the sector, bureaucrats from around the country are meeting to determine nonsensical changes to the nomenclature for training providers – changing them from ‘registered’ to ‘licensed’ training organisations. It feels like a case of Nero fiddling while Rome burns,” said Ms Field.

“I call on the government to meet with the sector and hear directly about the impact of these decisions. To implement these collective changes will bring the sector to its knees. If government is genuine about skills and encouraging Australia’s move to a knowledge economy these cuts and fee increases must be reversed.”

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