MEDIA STATEMENT
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Education Peak Body Urges NSW Training Reform

The O'Farrell Government should consider a complete restructure of vocational education and training (VET) in NSW if it wants to revive the State’s flatlining economy, according to a new report released today by the Australian Council for Private Education and Training (ACPET).

The report warns of worsening skills shortages and productivity challenges if the State’s training sector is not overhauled, and points to successful training reforms in other States that have grown enrolments, increased competition and enabled a wider range of training providers to offer more choice for students and businesses.

“For too many years, NSW and much of Australia, has primarily funded vocational training predominantly through large public institutions like TAFE, limiting the diversity and competition between different types of institutions,” said ACPET CEO, Claire Field.

“The State has also designed its training system based on unreliable predictions of future skills shortages, with large amounts of public funding often going to addressing skills shortages that never occurred. This, combined with an ageing training model, has handicapped the sector and had a direct impact on the skills and capacity of the NSW workforce.”

But Ms Field said ACPET’s report offers a new training pathway for NSW.

“NSW needs a training system that is flexible, innovative and nimble enough to respond immediately to skills shortages when, or even before, they develop,” Ms Field said.

“Open competition between all training providers, be they public, private or community; funding that follows students, not institutions; and a level playing field where all providers have to meet the same standards, are the foundations for a system capable of achieving that goal.”

The ACPET report cites five main policy areas that must be overhauled for NSW’s training sector to underpin productivity and skills development, namely:

1. Student choice – lifting demand and optimising use of public funds.
2. Enterprise capacity – encouraging workplaces to invest in training.
3. Provider efficiency – streamlining regulation nationally and in NSW.
4. Governance – structural separation for innovation and investment.
5. Professional staff development of teachers across all providers.

“Vocational Education and Training in Australia has evolved tremendously from the traditional trades, and while TAFE institutes are a vital part of the VET sector in Australia, they aren’t the only part, and now its time for the NSW Government to catch up,” Ms Field said.

“Training reform in NSW is the main ingredient of a simple recipe that generates employment, advances the careers of those already employed and increases productivity.”

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