MEDIA RELEASE
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Training Sector Restructure Could Put NSW Back on Top

New South Wales can take a key step towards regaining its mantle as Australia’s number one state for productivity growth by restructuring its vocational education and training (VET) system to offer more choice and diversity to students, according to the Australian Council for Private Education and Training (ACPET).

Responding to the O’Farrell Government’s release of a discussion paper on reforming the NSW VET system, ACPET CEO, Claire Field, said adopting a demand-driven funding system, such as the system that has operating with great success in Victoria and which will soon commence in South Australia, would deliver prospective students greater choice between a wider range of high quality education providers.

“The Premier State has been the slowest growing state in Australia for the past 15 years, and some part of the blame for that must rest with an out-of-date VET sector that limits the choice and diversity of training available to students,” Ms Field said.

“Diverse, high quality and industry responsive education and training is crucial to sustained productivity growth, but for decades NSW has primarily funded vocational training through large public institutions like TAFE and purchasing training from other providers based only on unreliable predictions of future skills shortages.”

“If NSW is to reverse this trend, it must recognise that students today want to have a choice between attending a traditional TAFE or an innovative private institution, with closer links to their chosen industry and more flexible modes of delivery. Training should be driven by the needs of students and employers, not the needs of institutions,” she said.

Ms Field cited recent reforms to Victoria’s VET system as evidence that greater demand-driven and contestable funding can deliver vast improvements in the ability of a State’s training sector to target and alleviate skills shortages.

“In the last 12 months, Victoria has seen 23% growth in government funded enrolments related to industries experiencing shortages, including health, social assistance and construction,” Ms Field said.

“As well, the demand led system is creating more opportunities for Victoria’s disadvantaged communities to develop important vocational and job ready skills, with a 26% increase in enrolments from culturally and linguistically diverse students, 22% increase for students with a disability and a further 16% increase by Indigenous students.”

“I want to see my home State of NSW enjoy similar productivity growth as we’re seeing in Victoria, so I urge the NSW Government to follow the lead of the Council of Australian Governments and invest in a training sector that puts diversity, choice and responsiveness to industry and students first.”

Claire Field is available for comment
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