

MEDIA RELEASE

Friday 5th June 2015

Students and young unemployed the big losers in SA Government's WorkReady program

The Australian Council for Private Education and Training (ACPET) Chief Executive Rod Camm says students and young unemployed will be the big losers if the government continues with its recently announced WorkReady program.

The program sees the number of government-funded vocational education and training (VET) places collapse by 92,000 places since 2013. For new places, only 5000 students of 51,000 will get any choice between public and private registered training organisations (RTOs).

"Students in South Australia have shown they want a diverse training market, with the most recent figures showing that despite only receiving 18% of the funding, private RTOs delivered over 43% of students," Mr Camm said.

"This shows just what is possible if Assistant Minister Senator Simon Birmingham by-passes the South Australian Government and contracts the \$65 million of training direct with the private sector."

"The WorkReady program will take away this choice and force the majority of new students back into a public system, which will struggle to cope after recent mass redundancies."

He said the number of government-subsidised courses was also cut from 900 to 700.

"Young people looking to give themselves the best chance of a job through training have a right to ask the South Australian government why these options have been taken away from them?"

He also said he had been told by several members that some employers will simply stop investing in traineeships if they are not subsidised or offered at an RTO of their choice.

"How can a government serious about creating skills for the future take away training places or traineeships?"

Mr Camm said there were no winners in the WorkReady program. "Industry no longer can drive the system, students have no choice and many small businesses will be forced to close."

"ACPET supports a robust public provider, but it must be acknowledged that since 2012, TAFE has received significant structural adjustment and capital funding, in addition to two and a half times the subsidy rate received by private RTOs," he said.

"It would appear the government is prepared to throw good money after bad, rather than focus on maximising the skills of South Australians."

Mr Camm said the government had ignored the impact the sudden change would have on private RTOs operating in the state, many of whom were already laying off staff.

"Government claims that there was significant consultation and it is a one off funding injection. This is a complete fallacy," he said.

“Industry was led to believe this successful program would continue, with minor adjustments. The government’s own Independent Evaluation of Skills for All acknowledged it was a 10 year program.

“These South Australian businesses had five year business plans agreed with the government and now, three years in, they’ve had the rug pulled out from under them while being told they should have seen it coming.”

Media Contact:

Rod Camm, CEO ACPET, Ph: 0409 484 051

Madeleine Brennan, Ten Colours, Ph: 0402 715 577.

Key facts about the South Australian training market

- In 2013, National Centre Vocational Education Research (NCVER) figures show that:
 - 173,000 students were in government-funded VET places in SA (Compared to 81,000 places in 2015/16 budget)
 - 97,600 (56%) in TAFESA
 - 75,400 (43.5%) in non-TAFE providers.

- In 2013, South Australia spent \$580 million in TAFE operating expenses to deliver training to 97,600 students at TAFE. This equates to a cost of \$5,942 per student.

- South Australia contracted \$128.8 million of training delivery to non-TAFE providers in 2013 to service 75,400 students (including 5,800 community education students). This equates to a cost of only \$1,708 per student, some \$4,234 less per student or only 29 per cent of the cost of the TAFE equivalent, for the same student outcomes as reflected in NCVER student outcomes surveys.

- The *Australian Government Competition Policy Review Final Report* (Harper Review) released in March noted the potential benefits of competition in human services include lower prices, greater efficiency in service provision, greater innovation and improved customer choice.

- The NASWD and associated National Partnership for Skills Reform outlines the reform directions specifically focused on a competitive training market that:
 - encourages responsiveness in training arrangements by facilitating the operation of a more open and competitive training market;
 - improves training accessibility, affordability and depth of skills, though the introduction of a national training entitlement and increased availability of income contingent loans; and
 - strengthens the capacity of public and private providers and businesses to deliver training and support people in training.

<END>