The Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator the Hon. Chris Evans, has welcomed the publication of the Productivity Commission’s Final Report on the impact of COAG’s VET reforms. The Report confirms that VET qualifications at Certificate III level and above yield significant benefits to individuals and estimates that the COAG targets have the potential to generate a 2% increase in GDP, although it warns that greater government effort will be required to achieve this.

The Report’s assessment of the value of VET is significantly more positive than that contained in last December’s discussion draft report. This is, in part, due to TDA’s contribution – supported by data supplied by the Victorian TAFE Association and additional technical analysis by Independent Economics – to the consultations which the Commission undertook earlier in 2012. One of the most important changes is the Report’s recognition of the positive outcomes that can flow for mature learners who undertake ‘partial qualifications’ (i.e. modules and skill sets) or second and subsequent qualifications at the same or a lower level. There is also a stronger emphasis on the importance of quality in achieving positive employment and productivity outcomes.

There are no formal recommendations included in the Report but a list of ‘key points’ suggests some clear directions for future VET reform. These include:

- A greater emphasis on quality and improved quality control measures
- Ensuring VET reforms are sequenced so that the building blocks are in place for the successful transition to more contestable markets
- Greater autonomy and capacity for TAFEs to compete with other providers
- Making information available to students on the costs of training, on quality and on labour market outcomes for individual training organisations
- Tying payments to outcomes. (Vol.1, p.89)

TDA has appreciated the genuinely consultative approach adopted by the Commission during this review and believes that the final Report is considerably more robust and useful as a consequence. Nevertheless, we continue to have reservations regarding some of its underpinning assumptions and conclusions and will undertake a more detailed analysis of its implications for TAFE providers.