

June 2008

a Skills Strategy for South Australia's Future

On 22 April, the Adelaide Advertiser described the South Australian Skills Strategy thus:

The principle aim is to help lower the costs of publicly funded training and free up more cash for training places.

A Skills Strategy for South Australia's Future was released as a discussion paper on 19 March. The objective of the report and the "communication and consultation" process which is currently going on is to 'achieve understanding and support for the strategy and to stimulate change'. The objectives of the proposal are to:

- Ensure all DFEEST staff are informed and understand the Skills Strategy
- Gain TAFE SA staff commitment for the implementation of improved business practices required of a demand-driven, customer focused VET system
- Ensure primary external stakeholders are informed, understand and are supportive of the changes required to meet the skills needs of the State.

At no stage does the Skills Strategy discussion paper propose genuine consultation around the significant changes proposed in the paper. The so-called communication and consultation process is around eliciting support for the strategy to ensure its smooth implementation. It is not about engaging stakeholders in a critical analysis of the proposed changes.

The context for the SA Skills Strategy is solely economic. It is replete with the same arguments around productivity that are contained in both the Commonwealth and other state proposals. The report, however, uses as one of its dominant rationales for the changes the high cost of delivery of publicly-funded training in the state. Using the rhetoric of efficiency and effectiveness, the core of the South Australian proposal is to reduce costs.

The SA Skills Strategy outlines six things that will be different in a "Dynamic Training Environment". These include:

- This plan will detail how much of the required training delivery should be by the public provider, TAFE SA, and how much (and in what areas) will be put to tender in an increasingly more competitive training market
- There will be significant increase in the level of State Government funding available on a contestable basis. This will be complemented by changes occurring as part of the new Commonwealth policies and will see an increase from 25% of total funding being contestable to close to 50% by 2012

June 2008

- There will be greater opportunities for Registered Training Organisations (RTOs) such as paid access to public facilities
- In planning to significantly increase the level of contestability, it is critically important to position TAFE SA to operate in this more commercial, dynamic business environment. This includes a revised financial management framework with a focus on encouraging external revenue generation, investment of surpluses, and a more commercially accountable and incentive driven approach. (p4)

The report goes on to list a number of other things that will be different, including that the unit cost delivery of publicly funded training will be 10% lower by 2012. (p5)

The SA Skills Strategy is about cost cutting. There is no mechanism in the process for “consultation and communication” for challenging or changing the key direction of the report. Interestingly, the report argues that its proposals are designed to “complement” changes occurring ‘as part of the new Commonwealth policies’.