

T R A N S C R I P T

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into student pathways to in-demand Industries

Melbourne—Monday 17 November 2025

MEMBERS

Alison Marchant—Chair

Kim O’Keeffe—Deputy Chair

Roma Britnell

Anthony Cianflone

John Mullahy

Nicole Werner

Dylan Wight

WITNESSES

Felix Pirie, Chief Executive Officer, and

Sally Deane, State Policy Manager, Independent Tertiary Education Council Australia.

The CHAIR: Welcome to the public hearing for the Legislative Assembly Economy and Infrastructure Committee's Inquiry into student pathways to in-demand industries. All mobile telephones should now be turned to silent.

All evidence given today is being recorded by Hansard and broadcast live on the Parliament's website. While all evidence taken by the committee is protected by parliamentary privilege, comments repeated outside of this hearing, including on social media, may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts and other documents provided to the committee during the hearing will be published on the committee's website.

Thank you, both of you, for being here today and for coming along. Thank you for your submission as well for the committee to consider. My name is Alison. I am the Chair and the Member for Bellarine. I will introduce the committee as well, and then we will hand over to you.

Kim O'KEEFFE: Welcome. I am Kim O'Keeffe, Member for Shepparton.

Nicole WERNER: Hi. I am Nicole Werner, Member for Warrandyte.

John MULLAHY: John Mullahy, Member for Glen Waverley.

Anthony CIANFLONE: Anthony Cianflone, Member for Pascoe Vale.

The CHAIR: We have allowed for you to have some brief opening remarks, so if you want to talk to your submission, we might hand over to you.

Felix PIRIE: Thank you very much. Felix Pirie, Chief Executive Officer, Independent Tertiary Education Council Australia.

Sally DEANE: Sally Deane, State Policy Manager with ITECA.

Felix PIRIE: We have prepared an opening statement, but noting the timing and the constraints the committee is under, I am happy just to dive into questions, and we can weave in some of those elements in the statement, if you are happy with that, Chair.

The CHAIR: I am happy to do that too. That is great. That is fantastic, because we get a bit more out of the questions anyway.

Felix PIRIE: I thought so. Sally has written a terrific statement—

Sally DEANE: Which he is not going to use.

The CHAIR: Okay. Thank you so much. I am going to head to Anthony first.

Anthony CIANFLONE: Thank you, Chair. Thank you for your submission and for appearing. Your submission highlights that most VET students choose to study with independent RTOs. I guess my question is: in your view, why is it the case that they choose an independent RTO over a TAFE?

Felix PIRIE: Good question of course. This is not a unique thing for Victoria. This is a national phenomenon. Among the many reasons is individual student choice. Students make these choices due to a range of factors. The previous witness, Gary, was highlighting some of these. Independent RTOs are innately connected to industry, so they are businesses and they are part of the business community. Also, in the case of schools, they are almost always able to engage directly with schools. From a learner's perspective, they are able to engage with learners and discuss their unique needs and where they want to go with their careers and so forth. They are also able to discuss wraparound needs—wraparound services that a particular student might need. With an independent RTO, on occasion they might just deliver one type of training. So they are not a large, comprehensive institution that delivers everything. They might just deliver one type of training, or they might deliver several.

So they are incredibly agile institutions and they are in some cases able to stand up a type of training within six months, whereas what we find with public institutions is they tend to take a much longer time to be able to do that. Just to give you an example, one of our members here is actually located quite close to where we are today. When the Free TAFE program started in Victoria in 2019, they were doing enrolled nursing. They had a full class, and that class went straight out the door, two blocks away, to a TAFE campus offering the enrolled nursing program that was free. The challenge for the TAFE—and this member of ours describing it to me said he was actually feeling a bit sorry for the manager of the TAFE program—was they had no teachers for the first week. The second week they had three different teachers but no facility. So that entire class came straight back to him to pay the full tariff because they were not able to get a subsidy. That is one of the reasons why students prefer to go to an independent provider on the whole. We are not saying all students of course. In Victoria it is a bit over 88 per cent of all student enrolments with an independent provider.

I should also be quite clear: when we say independent providers, we are capturing a range of different provider types. There are Learn Locals, there are not-for-profit providers—and there are a very large number of not-for-profit providers in metropolitan areas, outer metropolitan areas and regional and remote parts of the state and so forth—and for-profit providers too, and a lot of those are really small businesses. They are just a family offering a couple of units of competency sometimes.

Anthony CIANFLONE: So just to clarify as well, is the data that you are referring to national data or state-based data? Because I am reading National Centre—

Felix PIRIE: Yes.

Anthony CIANFLONE: So national-based data.

Felix PIRIE: That is from the National Centre for Vocational Education Research. It is a company that is owned jointly by the states, territories and the Commonwealth. So that data is provided to NCVER by the state. It is provided first to the state and then to NCVER, which does the national analysis. So yes, it is essentially state data provided to the national body.

Anthony CIANFLONE: Does some of that data—my last question, sorry, Chair—also count short unaccredited courses as well and capture it in the whole dataset? Because the TAFE courses I am referring to are the ones that lead directly to the long form, as you say, but I am just curious to know in terms of the breakdown of the data. It is potentially something you can take on notice.

Felix PIRIE: No, it is fine. I know Sally will have the detail, but the short answer is yes, it does. However, independent providers, for example, do the majority of cert III, cert IV and diploma programs in Victoria. I think it is up to 70 per cent for the diplomas. But it does have those shorter programs that you are referring to. For example, what we will sometimes see is a student might enrol in a cert IV and not complete it, because they get exactly what they need to get the job outcome.

Anthony CIANFLONE: Okay.

Felix PIRIE: Right. So they might enrol in a cert IV in widget making, for example. They will do the three skill sets, because that is exactly what they need, and then they have got their employment outcome.

Sally DEANE: Actually cookery is a really good example. A cert III cookery course is one of the courses that has some of the lowest completion rates but has some of the highest employment outcomes. That is because we see students get a certain way through their qualification and then they actually get an employment outcome. They get picked up in the RSL or at the local club. So that is a good example of where you have a qualification where the completion rate is not always the best indicator of outcomes. But Felix is right: in terms of the actual AQF qualifications, in Victoria we see there has been more NCVER data come out since we put our submission in. In 2024 independent providers across Victoria accounted for just under 61 per cent of diploma-and-above qualifications. At the cert IV level it was around 67, and cert III, 63. And then it levels out at the cert I and II levels at about 52 per cent.

Anthony CIANFLONE: I think, just as a follow up, I would like if it was possible on notice maybe to get a breakdown, where possible, of that.

Sally DEANE: Yes, absolutely. It is publicly available—very happy to.

Anthony CIANFLONE: I think that will help us consider the context.

Felix PIRIE: We will provide you, as Sally mentioned, the more up-to-date data that came out more recently.

Anthony CIANFLONE: Yes, that would be good.

Felix PIRIE: We can break that down for you. Yes, sure.

Anthony CIANFLONE: Thank you.

Sally DEANE: It came out in the last few weeks.

The CHAIR: Thank you. Kim.

Kim O'KEEFFE: That was good. It answered a couple of extra questions that are in front of us as well actually.

Anthony CIANFLONE: Sorry.

Kim O'KEEFFE: No, it was good. My question is in regard to your submission, which states students with disabilities, students with disadvantaged backgrounds and female students preference studying with independent RTOs. I also come from a very large multicultural community, and I assume they would almost fit into that sort of category as well, being disadvantaged when it comes to language and culture barriers—and Indigenous students as well. Why do these students prefer to study at an independent RTO? I think some of that might be a little bit obvious, but I would like to hear it a bit more in-depth. And what support services do independent RTOs offer disadvantaged students?

Felix PIRIE: It is a really important question and one that I will speak to quickly, and then I will ask Sally to add some colour and light to what probably might not be very from me. But one of our members, VACCHO, for example, here in Victoria—one of the terrific things they are doing, and this might sound obvious, is they are a really good example of an independent training provider that is offering culturally appropriate training. Independent providers have the capacity to offer culturally appropriate training in a particular context as well, a geographic context, that TAFEs do not always have the capacity for. That is a thing that they are able to do. A family member of mine had the experience of going to an independent training provider to do Auslan. Again, that was something that they had the ability to do that TAFE in their location could not actually deliver for them. I do not like talking about it, but she actually wanted to go to TAFE because it was going to suit her, she felt, but again, it was a geographic issue for her. There are these many-layered issues—it is cultural competency, and it is geographies. It is often things like that.

Sally DEANE: The thing I might just add—Felix covered it earlier—is that often what we hear is that, particularly because there are such a range of sizes of RTOs in the independent sector, they are often able to be very agile. So they are able to adjust delivery modes or learning approaches to meet the needs of the learner. They are able to individualise and tailor that, probably in some cases quite quickly. Often the class sizes can be smaller so that they are able to deliver a qualification to a smaller cohort. I think it also goes to the point that Felix made that often because they are located in regional areas—obviously metropolitan as well as regional—they have a very strong alignment with industry. Therefore they are working very closely with industry and businesses to make sure that the training that they deliver is very tailored to the needs of the employer. So it is highly relevant, and I think that helps with motivation and keeping students engaged in their learning. As I said, they are able to tailor and have flexible delivery models as well.

Kim O'KEEFFE: Thank you.

Nicole WERNER: If I can give an example from my local community, there is a neighbourhood house that runs an aged care course. It has been capped at 20, and there is a cohort of 10 community people, so people from a Burmese background. They much prefer going to this smaller size just given their—how would I put it—cultural hesitation to be really out there. They are not so much a forthcoming type of community, so they have preferred that. Having had that conversation with them over the weekend, what can we do to better

support these independent RTOs given that they are a vast majority of the sector? You said 88 per cent of students are choosing to go there instead of TAFEs.

Felix PIRIE: It is an interesting thing. From a lot the discussions you have probably had today and the things you will have read, everything is always about funding and governments needing to fund more. Across Australia students at independent providers tend to receive I think around 11 per cent of total government funding. It is a very, very small proportion.

Nicole WERNER: How much, sorry?

Felix PIRIE: I think it is around 11 per cent, but we will provide you with some updated—

Sally DEANE: That is across Australia.

Felix PIRIE: That is Australia wide, and it varies quite markedly by jurisdiction. There are a very large number of providers that do full-fee-for-service training, and they do it really, really well. For particular cohorts, however, and identified cohorts in particular courses where there is a particular need and so forth—and the VSA does a terrific job in this particular area—I think there is a real need for governments to step in and say, ‘We’ll support you,’ whether or not it is a particular cohort, just so that they are connected to their community. Where it is a particular skill that is in need, one thing we have advocated for for a long time is that government investment in skills training should be focused on students; it should be student centred. I think at the moment, where we are talking about how it should be centred on a particular provider type, it sort of misses the mark, because if you are a student in a community like that or a potential learner, you might be in a situation where the nearest fully subsidised or largely subsidised course is 2, 3 or 4 hours away, and you have got to drive to and from that on a country road—notoriously not very safe—each way.

Instead, there is a high-quality independent provider or Learn Local 20, 30 or 40 minutes away, but you have got to pay full tariff to go there. The mentality of the way in which we invest in skills training is all wrong. We have got to invest in students and say, ‘If you want to go and do widget-making, it’s really important to our economy and it’s really important to local business. We’ll support you.’ In regional areas that is more important than anywhere else; it is really fundamental, because we want to keep people in regions. We do not want them all drifting to cities. We do a lot of work with the Regional Australia Institute, and they are heavily engaged in all jurisdictions, particularly here in Victoria. They have been doing some work recently. We are starting to see this drift of people after COVID—when they came into the regions—back into cities for education, and that is killing regional communities.

Nicole WERNER: Thank you.

The CHAIR: John.

John MULLAHY: Thanks, Chair. We have had some evidence today with regard to the negative perceptions of VET. I was wondering how ITECA and independent RTOs are working to address negative perceptions of vocational education and training among students, parents, teachers and schools, and what the government can do to improve perceptions of VET.

Felix PIRIE: Thank you. I have had that question a couple of times, and I often wonder, when the question is put about the negative perception, where the perception is coming from and what it is being driven by, because when I speak to business—and we are closely engaged with the chamber here in Victoria and chambers around the country—they do not have a negative perception. They have a very strong and positive perception of the independent sector. I am not sure where the negative perception of VET comes from. If there is a perception of a disparity between higher education and skills training, if that is the perception that people talk about, then—

John MULLAHY: Yes, we got that earlier about the vocational major rebrand, I guess, in high school, which has seen a higher uptake.

Felix PIRIE: Absolutely. I think we heard just before about that from Gary as well. I completely agree that there is that perception. That is a societal issue that Australia has had. One of the most damaging things that happened to vocational education training or skills training in the last 20 years was the demand-driven funding

system in higher education, because we are essentially telling the community and telling families and young people that there is a place for them. It does not matter what; there is a place for them in higher education at a public university. There is a place for them there: 'Don't worry about it. That'll just be a loan you have to pay back at some time in the future. You don't really need to worry about it. That's fine.' And there are a whole generation of young people who thought, 'This is terrific. I don't have to worry about VET. That's for someone else; that's not for me.' They flocked to it. I was in the public service in Canberra when that was going on, and that was incredibly damaging to the VET system.

Now we are facing a challenge in Australia where everyone is going, 'Oh, gee, we need people to build houses. We need 1.2 million new houses in a very, very short space of time.' Queensland is going, 'Gee, we've got to put on an Olympics. We've got no-one to build the facilities for it.' We have got all of these challenges. Every single big challenge we have requires people with skills-training backgrounds, and we have a massive shortage of it. Yes, there is a negative perception, but it is balanced out by what we actually need. But that perception has got to be balanced. If we want to tilt it back the other way, it has got to be balanced by investment. That investment does not necessarily mean just throwing dollars at it; it is about how those investment dollars are targeted.

John MULLAHY: Thank you.

The CHAIR: Thank you. I have just got a couple of questions, if I can. The RTOs that you look after—and then you have a relationship, obviously, with industry to have that pathway—does industry contribute to any funding of the RTOs?

Felix PIRIE: It depends. Not to us. We are a peak body for our members—

The CHAIR: Sorry, to the RTO, though.

Felix PIRIE: It depends. There are RTOs, there are training providers, that have a close relationship, or a business partner relationship, with a business where, for example, they will be training people. The best example I can give you is an enterprise training provider. There are enterprise training providers, enterprise RTOs, that are very large. You might think of one like McDonald's, for example. They basically train their own staff, but sometimes they will also train staff for other people. Royal Life Saving Society is another one. St John Ambulance is one. St John Ambulance is the largest RTO in Australia. They have over a million students a year. They are a good example of those ones doing the small—

Anthony CIANFLONE: Yes, they are short courses that do not lead to direct employment, and that is why it accumulates into—

Felix PIRIE: Sometimes when people say, 'But you are doing all these short courses,' I go, 'Yes, I'm pretty glad we do.' Exactly. There is a mix of those relationships, and they have relationships with certain businesses either to deliver fully trained people into that business or to train their staff from those businesses and return them.

The CHAIR: Okay. Yes, that makes sense. Then with that we have talked a little bit today about the connection with secondary students and being in schools. We heard the public TAFE system saying that they like to build those connections. There are tasters that kids can go to. Do you have a similar relationship with secondary?

Felix PIRIE: Yes, some of our members absolutely do. I have got to say some of the work that TAFEs do in this area is terrific. They really need to be commended on some of that work. I think Victoria, if memory serves me, has the second-largest number of providers of VET in schools in Australia. Queensland got the largest by a margin, but Victoria is doing really well and has been accelerating in that way. One thing that schools tend to do is they are often not delivering it themselves, and that has got a lot to do with teacher capability. It is an add-on for teachers. They need a different qualification. It is really difficult for the teaching workforce. So what they will do is they will engage with a provider, either through a TAFE or an independent RTO, and they will come in and they will deliver that part of the training. Then there is the trickier bit, which is—and I think Gary spoke about this—the engagement with the business. How do we actually put students, in a safe way, given whichever training package they are engaged in, with a business onsite for that short period? That is a complex question when you are working with young people who might be in year 10, year 11—that is a complex thing.

VET in schools is something we have really promoted across our membership. That is the other thing: school-based apprenticeships. That is another thing we have been really promoting for our members, and we have got quite a few that are really keen to push that and to turbocharge it.

The CHAIR: Thank you. Are there any other questions that anyone has?

Anthony CIANFLONE: I might have one more if that is all right.

The CHAIR: Yes.

Anthony CIANFLONE: You may disagree, but I recall about 10, 15, maybe 20 years ago we went through a bit of a phase where there was a lot of lowering of standards in a certain part of the RTO sector, noting that the overwhelming majority do a fantastic job. But there was that spike that was tied to immigration and visas. I remember, to their credit, it was a coalition government; then a Labor government went in and reformed the sector. But what is your advice to the committee around us keeping an eye to that front? As we work to develop up recommendations, how can we make sure that standards are maintained at a high level across the whole RTO sector, particularly for certain parts of the industry, around security, for example, and some of those other parts of that sector? What is your view on that front?

Felix PIRIE: I think that is an excellent point that you make. The point you are talking about there is about international education and those CRICOS-registered providers, but it is not limited there. We have seen some things recently over the last few years where providers who are what we would call non-genuine providers are moving into the NDIS, and we have got some serious concerns about that. We have got absolutely no time for non-genuine providers of any kind in the system or activities of any provider that are non-genuine.

In terms of our advice, we are working closely at the moment with the Commonwealth and with the regulator in international education. There is a Bill before the Parliament. We have provided a submission on that. The key thing from our perspective is to engage with the sector and the relevant parts of the sector in a really transparent way, saying, 'Look, we've got concerns about this. We're picking up these elements of intelligence'—if I can use that term—'that are really concerning to us. What is your advice on how we should act on that?' That is with certain caveats, because sometimes governments take action without that engagement and there are lots of flow-on unintended consequences, and those can be really damaging over a very long period to people's jobs and livelihoods and so forth, and they are people who have not done anything wrong. They are collateral damage, and we do not want to see that. But it is balancing that with, frankly, just getting rid of the non-genuine actors in the sector, because they hurt everyone.

The CHAIR: Thank you very much for your time today. We really appreciate you answering a few of our questions.

Witnesses withdrew.