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Standing Committee on Economics,
Industry and Recreation

Submission Cover Sheet

Inquiry into governance arrangements at CIT

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MASTER BUILDERS
AUSTRALIAN CAPITAL TERRITORY

Submission to the Inquiry into the Governance Arrangements at Canberra Institute of Technology (CIT)

Together, we build better.

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Introduction

Master Builders ACT is the peak body representing the ACT's building and construction sector. Our membership includes residential, commercial and civil contractors, subcontractors, suppliers and professional consultants involved in delivering Canberra's built environment.

Our members engage and train construction apprentices and, in partnership with training providers, invest substantial time and resources in developing the industry's future workforce.

The Canberra Institute of Technology (CIT), the ACT's public provider of vocational education and training (VET), plays a central role in developing the Territory's workforce across a broad range of disciplines, including construction. CIT is the ACT's largest vocational education provider, and the ACT Government has committed to directing at least 75 per cent of total VET funding to CIT.

MBA Training operates in the same VET market as CIT. It delivers nationally recognised training, including full qualifications in construction fields, as well as building and construction short courses.

Master Builders ACT therefore brings two perspectives to this inquiry: that of a training provider operating alongside CIT, and that of employers who rely on CIT to provide high-quality training for their apprentices.

Master Builders ACT is committed to working with the ACT Government and CIT to develop a strong, skilled local construction workforce.

Recommendations

Master Builders ACT recommends:

Recommendation 1

Strengthen CIT's governance arrangements by setting clear expectations for financial sustainability and operational efficiency, requiring transparent and accurate reporting against those expectations, and holding CIT accountable for educational and employment outcomes.

Recommendation 2

Establish formal industry representation within CIT's governance framework, supported by ongoing employer consultation. These arrangements should give employers a meaningful role in workforce planning, training priorities, qualification development and delivery models.

Recommendation 3

The ACT Government should: (a) remove CIT's default status as the provider of Fee-Free TAFE places and establish a contestable funding framework under which eligible specialist, independent and not-for-profit RTOs can access publicly funded training places on equitable terms, assessed against competitive neutrality principles; and (b) commission an independent evaluation of the ACT's Fee-Free TAFE arrangements and publish its findings. The evaluation should compare cost per enrolment, student outcomes and value for money across providers and inform future allocations.

Recommendation 4

Require CIT to develop and implement a comprehensive institutional improvement strategy with measurable outcomes for financial performance, operational efficiency and public accountability. The strategy should address CIT's reputational challenges through demonstrated progress, supported by appropriate independent oversight.

Recommendation 5

The ACT Government should commission or support a comprehensive, independent business case examining a potential merger of CIT and the University of Canberra. The assessment should consider financial, educational, workforce and competitive neutrality implications. The Government should pursue a merger if the business case demonstrates a clear net public benefit.

1. Strong and accountable

Master Builders ACT recognises CIT's importance to the skills and workforce needs of the ACT and surrounding region and its role in growing and diversifying the local ACT economy.

The ACT needs a strong, effective and financially sustainable public VET provider. Public ownership carries an accountability not just to Government but to all ACT ratepayers. Canberrans expect their public VET provider to operate efficiently, manage finances responsibly and demonstrate results. It does not, by itself, justify making CIT the default recipient of publicly funded training places. Those places should be allocated fairly and transparently across the VET sector based on criteria demonstrating quality, industry partnerships, and results.

As a participant in the VET sector, Master Builders ACT appreciates that tracking student results can be challenging, but it is not impossible. Transparent reporting of commencements, completions, and apprentices-in-training should be reported as a minimum.

CIT must demonstrate that public investment delivers high-quality training and responds positively to the changing needs of all VET participants: students, employers, and industry.

Governance reform should set clear expectations for financial sustainability and operational performance, supported by transparent reporting on results and the use of taxpayer funds.

Recommendation 1

Strengthen CIT's governance arrangements by setting clear expectations for financial sustainability and operational efficiency, requiring transparent and accurate reporting against those expectations, and holding CIT accountable for educational and employment outcomes.

2. Formalise industry engagement

From an industry and employer perspective, CIT's current governance framework lacks a sufficiently clear and accountable process for industry engagement. Employers need to understand how their input informs decisions and how CIT responds to the issues they raise.

Employers rely on VET to develop the skills their workplaces need. Their involvement is essential to ensuring that training products, qualifications and delivery models reflect contemporary and future workplace requirements.

This is particularly important for the building and construction sector, given the ACT's significant workforce shortages and the skilled workforce needed to deliver the ACT Government's ambitious housing and infrastructure pipeline.

CIT's governance arrangements should give industry a continuing, formal role in decisions about training, rather than relying on occasional or discretionary consultation. Formal engagement with industry must be reported transparently and tracked in annual reports.

Recommendation 2

Establish formal industry representation within CIT's governance framework, supported by ongoing employer consultation. These arrangements should give employers a meaningful role in workforce planning, training priorities, qualification development and delivery models.

3. Fee-Free Training

The ACT Government's allocation of Fee-Free TAFE places is restricted to CIT. Allocating places based on public ownership, rather than proven performance, raises concerns about the efficient and effective use of public training funds.

Victoria's experience illustrates the importance of evaluating provider-restricted funding. In May 2026, the Victorian Auditor-General's Office tabled its audit of Victoria's Free TAFE initiative. This initiative became the basis for the national Fee-Free TAFE program. The audit found that waiving tuition fees at TAFEs cost the government between 33.4 and 94.2 per cent **more** per eligible enrolment than the same courses delivered by non-TAFE providers. Students in Free TAFE courses reported outcomes similar to those in equivalent courses at private providers. By August 2025, more than $718 million had been spent on fee waivers. However, the responsible government department had no framework for evaluating the initiative as a whole and had not evaluated it since 2020. It therefore could not demonstrate whether the investment delivered value for money.

These findings raise serious questions about the additional cost of restricting funding to public providers and the evidence used to assess its value. The ACT should not replicate this model without demonstrating that it delivers value for money.

Where government-owned businesses undertake commercial activities comparable to those of private or not-for-profit providers, competitive neutrality requires that public ownership does not confer an unfair competitive advantage.

CIT's public service obligations should not automatically justify excluding other high-quality providers from accessing publicly funded training opportunities.

Specialist registered training organisations (RTOs), including not-for-profit providers such as MBA Training, deliver industry-specific qualifications, maintain close employer relationships and provide pathways into skilled employment.

These providers should have a fair opportunity to access government-funded training programs where they can demonstrate they meet transparent benchmarks.

Master Builders ACT supports a more contestable funding model to encourage innovation and improve responsiveness to employers. Funding decisions should assess providers' capacity to deliver the skills the ACT economy needs.

Funding arrangements should distinguish between legitimate support for CIT's public-service obligations and preferential treatment that unnecessarily distorts competition.

Recommendation 3

The ACT Government should:

(a) remove CIT's default status as the provider of Fee-Free TAFE places and establish a contestable funding framework under which eligible specialist, independent and not-for-profit RTOs can access publicly funded training places on equitable terms, assessed against competitive neutrality principles; and

(b) commission an independent evaluation of the ACT's Fee-Free TAFE arrangements and publish its findings. The evaluation should compare cost per enrolment, student outcomes and value for money across providers and inform future allocations.

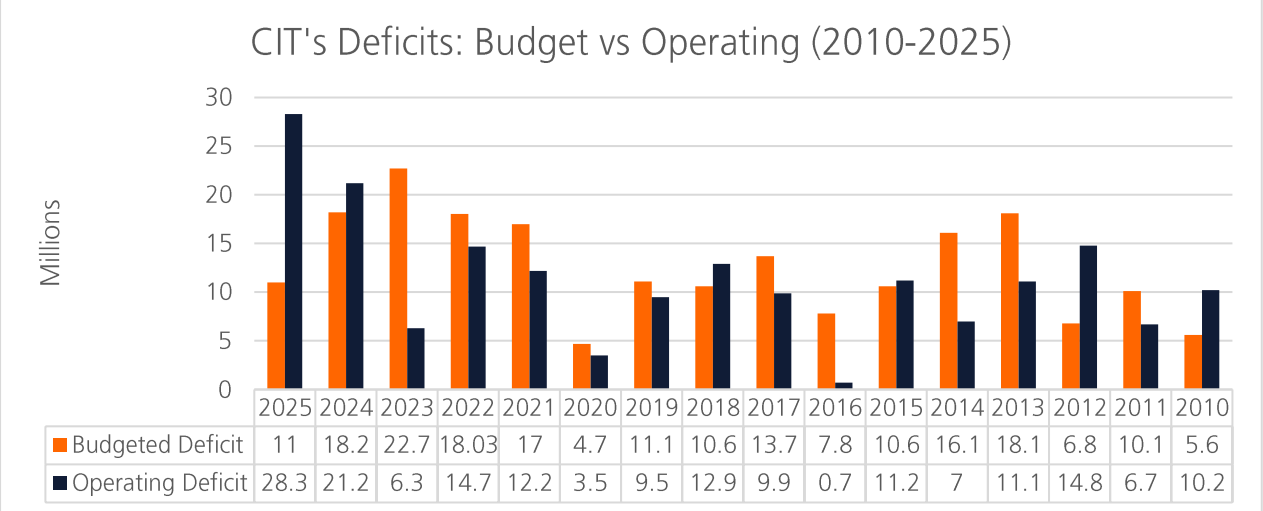
4. Address reputational and financial issues

Changes to CIT's governance structures must lead to improvements in how the organisation operates. Structural reform alone will not resolve its broader institutional challenges.

Public confidence in CIT has been damaged by multiple failures of public accountability. The cumulative effects of these breaches mean that it is not enough for the ACT Government to tell the community that everything is fixed; a genuine partnership with industry and the broader ACT community is required to rebuild that trust.

Reform must extend beyond changes to board composition or administrative oversight.

It must address the underlying institutional and economic problems that have contributed to public concern, with improvements that help rebuild CIT's reputation. As illustrated in the chart below, CIT has reported persistent financial deficits over the past 15 years, as documented in its annual reports. This trend has raised questions about the sustainability of its operating model, despite CIT receiving more than 75 per cent of ACT Government funding for VET as the Territory's primary public provider.



	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Budgeted Deficit	11	18.2	22.7	18.03	17	4.7	11.1	10.6	13.7	7.8	10.6	16.1	18.1	6.8	10.1	5.6
Operating Deficit	28.3	21.2	6.3	14.7	12.2	3.5	9.5	12.9	9.9	0.7	11.2	7	11.1	14.8	6.7	10.2

Restoring this confidence, particularly with employers who are essential partners in delivering VET, requires greater financial transparency, clear accountability for results and demonstrable improvements in operational efficiency.

The test of governance reform should be whether it produces measurable improvements in CIT's performance and the value it delivers to the community, not simply whether new structures are established.

Recommendation 4

Require CIT to develop and implement a comprehensive institutional improvement strategy with measurable outcomes for financial performance, operational efficiency and public accountability. The strategy should address CIT's reputational challenges through demonstrated progress, supported by appropriate independent oversight.

5. Merger with UC

Master Builders ACT supports investigating whether a merger between CIT and the University of Canberra (UC) would deliver better sustainable outcomes. Support for proceeding with a merger should depend on a rigorous independent assessment of its benefits and implications.

A merger could strengthen the ACT's tertiary education system by improving pathways between vocational and higher education, reducing administrative duplication and supporting a more integrated approach to workforce development.

For building and construction sector, a potential benefit is a clearer connection between vocational and higher education. Master Builders ACT has long been a champion for extending qualifications beyond an apprenticeship to build leadership capacity within the industry. A merger could strengthen pathways linking apprenticeships and trade qualifications with professional qualifications.

Given the ACT's relatively small size, there is merit in examining whether greater integration could expand educational opportunities and strengthen the competitiveness of its education sector.

Mergers between vocational providers and universities have had mixed results elsewhere in Australia. Regulatory requirements for RTOs and universities differ, and a unified governance structure may not deliver efficiencies but instead bureaucratise processes.

Any merger must preserve the importance of trade training, maintain strong industry engagement and avoid creating additional barriers for independent training providers.

If the business case demonstrates better outcomes for all participants, including students, employers, and the broader ACT economy, Master Builders ACT would support the merger.

The proposal should be assessed on its merits, with institutional and historical considerations weighed alongside the potential benefits.

Recommendation 5

The ACT Government should commission or support a comprehensive, independent business case examining a potential merger of CIT and the University of Canberra. The assessment should consider financial, educational, workforce and competitive neutrality implications. The Government should pursue a merger if the business case demonstrates a clear net public benefit.