



This replaces the 1 February 2007 version of this Digest to include subsequent comments made by the office of the Minister for Vocational and Technical Education.

Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No. 2) 2006

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Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No. 2) 2006

Date introduced: 7 December 2006

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: Royal Assent

Purpose

The purpose of the Bill is to amend the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Act 2005* (the Act) to provide additional funding of \$112.6 million over the years 2005 to 2009 for the establishment and operation of Australian Technical Colleges (ATCs).

Background

The Act implemented a 2004 Coalition election promise. It provides for the establishment and operation of 25 ATCs for up to 7,500 year 11 and 12 students in 24 nominated regions across Australia.¹

Agreements have been signed for the establishment of 21 of the ATCs: five of these commenced in 2006 and the other 16 will be operational by the end of 2007. The successful proponents for three other ATCs (Central Coast, Dubbo and Queanbeyan) have been announced and negotiations for their agreements are underway. These ATCs are expected to open in 2008. There has been no announcement about the remaining proposed ATC for Lismore/Ballina.

At this stage three of the ATCs (all in Victoria—East Melbourne, Sunshine and Warrnambool) will be government run. However in a number of other cases ATCs will be working in partnership with state education departments and schools. The majority of ATCs will run multiple campuses and many will be established at new sites.

As at the end of 2006 there were 305 students enrolled in the five ATCs that were operational.² In an answer to a House of Representatives Question in Writing provided in October 2006, total enrolments by 2009 are projected at 5142 for the 19 ATCs which at that stage had signed agreements with the Australian Government.³

Warning:

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This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

Issues

The Explanatory Memorandum to the Bill states that the need for the additional funding 'reflects the success of the ATC programme'.⁴ The then Minister for Vocational and Technical Education in his Second Reading Speech explains that more ATCs than were originally anticipated would be opening by 2007 and this 'has resulted in additional costs'.⁵ The Act was also amended in 2006 to cater for the earlier opening of ATCs by shifting funds between program years.⁶

The implementation of the ATCs has not proceeded as anticipated in other ways as well. The previous Minister also attributed the additional costs to the flexibility of the program which has resulted in higher operational costs, and more new sites and multiple campuses than were anticipated.⁷

Others have interpreted the operation of the program differently viewing the colleges as duplicating or undermining the existing system of vocational education and training. Some have argued that the colleges should take on a broader range of subjects to ensure their viability in the long term. Given that ATCs are intended to cater for a maximum of 7500 students by 2009 some critics see them as having little impact on the skills crisis. There are also concerns about retention rates given the workload demands that will be placed on these students.⁸

The reported problems with the establishment of the proposed Lismore/ Ballina ATC are also a concern with a successful proponent yet to be announced. According to advice given in Senate estimates hearings in November 2006 a suitable proponent has yet to be found.⁹

The establishment of ATCs is another example of the new direction the Government has taken by either entering into the direct provision of school education services that bypass the existing state and territory frameworks, or by entering into what has been termed the 'micromanagement' of school education through its raft of new conditions funding under the *Schools Assistance (Achievement Through Choice and Opportunity) Act 2004*.¹⁰ Two other examples of the Australian Government bypassing the states and territories are the Reading Assistance Scheme that provides funding directly to parents to purchase additional reading assistance for their children and the Investing in Our Schools Programme which provides funding for small scale infrastructure projects directly, in the case of govt schools, to school communities.

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Financial implications

The Bill provides for an increase in appropriations of \$112.6 million as follows:

2006–07:	\$27.848 million
2007–08:	\$42.628 million
2008–09:	\$32.647 million
2009–10:	\$9.509 million

There may also be implications, particularly for general recurrent grants, and presumably non-government school establishment assistance, under the *Schools Assistance (Achievement Through Choice and Opportunity) Act 2004*. This is because more ATCs than anticipated will be non-government schools (only three will be government run) which attract a higher rate of general recurrent funding than do government schools.

Main provisions

Item 1 of Schedule 1 amends subsection 18(4) of the Act increasing funding for ATCs in each of the calendar years 2006 to 2009 to a total of \$112.6 million.

Concluding comments

ATCs are a new model of school education provision. Communities are directly involved in the operation of these schools through management boards that consist of representatives from government and non-government schools, TAFE and industry. It remains to be seen whether the ATC program will evolve further given the concerns that have been raised and the impact of the new Minister for Vocational and Technical Education, Andrew Robb, who has confirmed that he will be reviewing the progress of the program.¹¹

[Note: Subsequent to the publication of the first issue of this Bills Digest the office of the Minister for Vocational and Technical Education has advised that the Minister will be following the progress of the Australian Technical Colleges. The Minister has not called for a review.]

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Endnotes

1. For further information see the Department of Education, Science and Training's Australian Technical Colleges website, <http://www.australiantechnicalcolleges.gov.au/default.htm>, accessed on 4 January 2007; and C. Kempner and M. Harrington, 'Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Bill 2005', *Bills Digest*, no. 158, Parliamentary Library, Canberra, 2004–05, <http://www.aph.gov.au/library/pubs/bd/2004-05/05bd158.pdf>, accessed on 4 January 2007.
2. Senate Standing Committee on Employment, Workplace Relations and Education, [Hansard \[Estimates\], 1 November 2006](#), p. 109.
3. Gary Hardgrave, Minister for Vocational and Technical Education, 'Questions in Writing: Australian Technical Colleges', Question No. 3755, House of Representatives, *Debates*, 30 October 2006.
4. [Explanatory Memorandum, Australian Technical Colleges \(Flexibility in Achieving Australia's Skills Needs\) Amendment Bill \(No. 2\) 2006](#), (p. 1).
5. Gary Hardgrave, Minister for Vocational and Technical Education, 'Second reading speech: Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No. 2) 2006', House of Representatives, *Debates*, 7 December 2006.
6. For further information see Marilyn Harrington, 'Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill 2006', *Bills Digest*, no. 125, Parliamentary Library, Canberra, 2005–06.
7. [Gary Hardgrave, \(7 December 2006\)](#), op. cit.
8. For an overview of some of these criticisms see Leo D'Angelo Fisher, 'Slow learners', *Business Review Weekly*, 18–24 January 2007, pp. 26–29.
9. [Senate Standing Committee on Employment, Workplace Relations and Education](#), op. cit.
10. See, for example, Senator Trish Crossin, 'Second reading speech: Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Bill 2005' in Senate, *Debates*, 4 October 2005, p.9.
11. Samantha Maiden, 'Mr Fix-it has tools to restore colleges', *Australian*, 24 January 2007.

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