

**GOVERNMENT RESPONSE
TO THE REPORT OF
THE HOUSE OF REPRESENTATIVES STANDING
COMMITTEE ON EMPLOYMENT, EDUCATION
AND TRAINING**

'TODAY'S TRAINING. TOMORROW'S SKILLS'

INTRODUCTION

The Government welcomes the opportunity to respond to the report of the House of Representatives Standing Committee on Employment, Education and Training, *Today's Training. Tomorrow's Skills*, following their inquiry into the role of institutes of technical and further education (TAFE).

The States and Territories have principal responsibility for funding of Vocational Education and Training, with the Commonwealth providing about 30% of total funding. States and Territories are responsible for administering their training systems, including delivery of training and management of TAFE institutes. This means that it is for the States and Territories to decide the detailed role of institutes of TAFE within the broader vocational education and training system in the context of the National Strategy for Vocational Education and Training for 1998 to 2003, agreed by Commonwealth, State and Territory Ministers in May 1998.

The Agreed National Strategy supports the role of institutes of TAFE in vocational education and training. It is recognised that TAFE will be a key provider of vocational education and training, particularly in regional areas, and in meeting the diverse needs of the community. A system of strong TAFE institutes operating alongside, and in competition with, quality private provider networks will improve the efficiency of the vocational education and training system and its responsiveness to clients in a growing and diverse training market.

The Government's primary concern is to work with the States and Territories to ensure that the outputs from the publicly funded system are relevant and are delivered efficiently and effectively. Primary considerations for the Government are that the training provided leads to the skills that firms and the economy need, that there are increased opportunities for young people (especially through New Apprenticeships) and that the system provides equitable outcomes.

The main aims of the vocational education and training and higher education sectors mean that there are significant differences between the clients of, and products and services offered by, the two sectors. In relation to links between vocational education and training and higher education, the Government encourages development of improved pathways between the two sectors and co-operation between the sectors to make the best possible opportunities available to clients. There should also be an increased focus on the links between the school sector and the vocational education and training sector.

THE GOVERNMENT'S RESPONSE

Recommendation 2.1 (paragraph 2.26)

The Committee recommends that membership of the ANTA Board be amended so that:

- one of the current number of Board Members be chosen, in future, from serving industry members or Presidents of TAFE Institute Councils, or their nearest equivalent according to the jurisdiction; and
- an additional Board member be chosen as soon as practicable from currently serving Directors of TAFE institutes.

The TAFE Institute Council and TAFE Director members of the ANTA Board are not to be chosen from the same State or Territory as each other and are to be chosen from different States or Territories from the two State Training Authority members of the ANTA Board.

The composition of the Australian National Training Authority (ANTA) Board is a matter for the ANTA Ministerial Council (MINCO), comprising the Commonwealth and all State and Territory Ministers responsible for vocational education and training, under the terms of the ANTA Agreement.

Following agreement by the ANTA MINCO, the ANTA Board was recently increased by two members to expand the breadth of industry representation. In its consideration of Board membership, MINCO focussed on ensuring that the Board has the skills to oversee ANTA and advise Ministers while not expanding to the point where it could become inefficient.

The Committee's report acknowledges the success of the industry based board.

Board members are selected to bring a wide range of interests and experience to their deliberations. Two current members of the Board have experience on TAFE institute councils. Ms Stella Axarlis was formerly a Member of the then Council of the Casey Institute of TAFE in Victoria and Mr Peter Griffin was on the Council of the North West Institute of TAFE in Tasmania.

Further, the Board consults extensively with the ANTA CEOs group which provides a TAFE perspective in the national vocational education and training planning and decision making process.

The Government considers that the composition of the ANTA Board should continue to be a matter for collective decision by the ANTA MINCO and that any consideration of direct TAFE representation should be balanced by a recognition that TAFE is not the only provider of vocational education and training.

Recommendation 3.1 (paragraph 3.28)

The Committee recommends that the Commonwealth Minister for Schools, Vocational Education and Training pursue, with relevant State and Territory Ministers, the universal provision of secondary education through TAFE. This should be an option available to school age young people whose needs are not met in a traditional secondary school learning environment.

The Government acknowledges the need to ensure that there is an appropriate range of programmes available in post-compulsory schooling for all students and to promote vocational education and training as a highly valued, quality option for young people. However, the delivery of education and training is primarily a matter for States and Territories and the Commonwealth does not support making it mandatory to provide secondary education through institutes of TAFE as proposed in this recommendation.

The Government seeks to work cooperatively with State, Territory and non-government education authorities to ensure the quality of schooling for all students, with a major objective to enhance school to work transition by ensuring an increased focus on vocational education and training in the senior secondary curriculum.

Increasing the number and quality of vocational education programmes in schools, developing closer links between industry and schools, providing school students with opportunities to commence New Apprenticeships while still at school, and fostering closer linkages between vocational education and training and the schools sectors are all important measures to meet the needs of young people.

Full Service Schools for Students at Risk (\$22.7 m over 1998-2001) is an initiative which will provide additional support to schools to develop innovative programmes and services in collaboration or partnership with TAFE institutes, private education providers and government/community agencies to address the specific needs of young people returning to school following introduction of the Youth Allowance and for current students who are at risk of not completing Year 12 or making a successful transition from school to work. It will target students who are not likely to benefit from mainstream pathways and enable them to achieve quality learning outcomes or, if they leave school, to undertake other training or employment.

Recommendation 3.2 (paragraph 3.70)

The Committee recommends that the Minister for Health and Family Services, in consultation with State and Territory Ministers and nursing authorities, establish a uniform standard of preparation for enrolled nurses throughout Australia.

The Commonwealth is supporting consistency of VET across Australia through development of national Training Packages which provide for national qualifications in industry sectors.

The development of a national Health Industry Training Package is currently being negotiated between Community Services and Health Training Australia, the national Industry Training Advisory Body (ITAB) and the Australian National Training Authority (ANTA). Industry stakeholders will be consulted in the development of the Package, which may include elements of nursing.

At present there are competency standards available for enrolled nurses, but these are not part of a Training Package. However, the National Training Framework does provide a structure that would support articulation to higher level nursing qualifications in the future.

Recommendation 3.3 (paragraph 3.73)

The Committee recommends that the Minister for Health and Family Services and the Minister for Employment, Education, Training and Youth Affairs, in consultation with their respective State and Territory Ministers and nursing authorities, seek to establish a uniform national agreement on credit transfer from TAFE to university and from university to TAFE for nursing education.

The Government has provided funds to the Australian Vice-Chancellors' Committee (AV-CC) Credit Transfer project to assist with continuing progress in credit transfer between the higher education and vocational education and training sectors.

The AV-CC has developed, with participating universities, national credit transfer arrangements for holders of TAFE qualifications in thirteen broad fields of study. Nursing is one of the fields of study in this programme and a nursing pilot will initially operate in seventeen universities.

While the Government will continue to encourage co-operation between the sectors in credit transfer policies, further development of credit transfer will require the co-operation of both sectors and other interested parties, including professional associations.

Recommendation 4.1 (paragraph 4.30)

The Committee recommends that the Commonwealth make available to secondary schools specific funding which enables them to purchase VET training through TAFE. Where this is not practicable, VET in schools program funding should be supplied to schools to provide their own VET.

The Government has introduced a range of initiatives to support the expansion of vocational education and training in schools, including ANTA's provision of \$80 million of vocational education and training funds over four calendar years (1997-2000). These funds are available for the development and delivery of programmes which contribute to the expansion of vocational education in schools, and can include the purchase of vocational education and training through institutes of TAFE or private providers. However, the Government would not want to be prescriptive as to whether vocational education and training is purchased from institutes of TAFE or provided by schools themselves. This decision is best made at the individual school, or State or Territory level.

Recommendation 4.2 (paragraph 4.31)

The Committee recommends that the Commonwealth increase the funding commitment for VET in schools programs to ensure that the initial per capita figure is at least maintained. It should also adopt a funding mechanism that maintains real per capita funding irrespective of fluctuations in demand for VET in schools.

The Commonwealth does not provide per capita based funding for VET in schools. The Commonwealth provides per capita funding for school students through the General Recurrent

Grants Programme. Any increase in retention of students through participation in VET in schools programmes would be reflected in an increase in the general recurrent funding received by a school.

The major source of specific Commonwealth funding for VET in schools is provided through the ANTA, with \$80 million over four calendar years, 1997-2000. Funding is provided to support a demonstrated expansion of vocational education and training activity and assist with the development costs associated with extensive expansion of accredited vocational education and training in senior secondary schools.

The allocation of these funds between States/Territories was based on the 15-19 year old cohort and with the distribution of funds between the school sectors made on the basis of the total student population in Years 11 and 12. Priorities for funding include the development of school-based apprenticeship and traineeship arrangements and support for innovative activities.

The Government is also supporting this expansion by providing a range of funding initiatives, such as the School to Work Programme (\$23.09 million over four years) to promote effective and reliable pathways from schooling to employment, the Australian Student Traineeship Foundation with core funding of approximately \$10 million per year and an additional \$10 million for work placement co-ordination, and the Jobs Pathway Programme (\$36 million over three years).

The MCEETYA Task Force on VET in Schools established a project to address a wide range of resource issues for VET in schools programmes. This has reported and the Taskforce has been requested to undertake further work..

It would be premature to consider changes to resourcing arrangements before the completion of this further work.

Recommendation 4.3 (paragraph 4.38)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs pursue with State Education Ministers the removal of barriers to TAFE institutes entering collaborative research ventures with universities.

States and Territories are responsible for the administration of TAFE institutes. The removal of any existing barriers to institutes of TAFE entering collaborative research ventures with universities is a matter for State and Territory Ministers to address with their respective State Training Authorities.

Collaborative research projects between institutes of TAFE and universities do exist in the vocational education and training sector. Under the National Research and Evaluation Strategy for Vocational Education and Training 1997-2000 several collaborative projects are planned and/or are in progress.

The Strategy was developed by the National Centre for Vocational Education Research (NCVER) for the National Research and Evaluation Committee (NREC) which provides priorities and direction for research activities. The Strategy was developed in consultation with stakeholders, including education and training providers such as institutes of TAFE and universities, and is specifically designed to meet their needs.

The Strategy details several sources of research, projects undertaken or funded by other individuals and organisations, for example universities, training authorities and training providers.

Recommendation 4.4 (paragraph 4.39)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs ask the Australian Research Council to give further consideration to appropriate collaborative research projects and to report on these to the Minister within six months.

The Government will bring this recommendation to the attention of the Australian Research Council.

Recommendation 4.5 (paragraph 4.45)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs raise in the ANTA Ministerial Council the need for better information to be obtained on the extent of higher education/TAFE research collaboration including a cost benefit analysis of such activities.

As States and Territories are responsible for the management of institutes of TAFE, it is an issue for individual States and Territories to decide whether there is merit in conducting a cost/benefit analysis of their institutes of TAFE participating in collaborative research projects.

Under the National Research and Evaluation Strategy for Vocational Education and Training there are many providers of research, including collaborative arrangements between universities and institutes of TAFE.

The national arrangements for research in the vocational education and training sector are described in the response to Recommendation 4.3. Under the National Research and Evaluation Strategy there is a process for reviewing the strategy, including the effectiveness of the outputs and outcomes of the research and evaluation programme to ensure that it is meeting the needs of stakeholder groups and represents value for money.

Recommendation 4.6 (paragraph 4.57)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs, in conjunction with the State Ministers for education, remove any barriers to institutes of TAFE establishing subsidiary companies or enterprises for the purpose of operating Employment Placement Enterprises and group training companies.

TAFE institutes are able to tender to become Job Network members. In the 1997 tender round, all tenders were considered on their merits against the selection criteria and processes laid down in the *Employment Services Request for Tender* documentation. Under the 1999 Job Network Request for Tender arrangements the Government will be looking to contract a wide range of providers at the local, regional and national levels, and TAFE institutes will be eligible to tender for Job Network services.

In 1997 the Government was seeking to have as large a field of tenderers as possible and recognised that there could be some public sector organisations for whom double funding was an issue. Rather than preclude them from tendering, the Request for Tender provided a mechanism for addressing the double funding issue. Institutes of TAFE which submitted tenders where double funding was an issue were asked to declare any such instances.

In the last Job Network tender round there were a number of institutes of TAFE successful in their bids to become Job Network providers.

The Commonwealth has no specific restrictions on institutes of TAFE becoming Group Training Companies (GTCs). A TAFE Group Training Company would have to meet a number of general GTC requirements that include:

- being the common law employer of its trainees;
- being able to demonstrate its financial viability; and
- ensuring that any host employer would be independent of, and at 'arms length' from, the GTC itself.

Recommendation 4.7 (paragraph 4.77)

The Committee recommends that the Commonwealth Government fund a universal careers guidance service.

The Government agrees with the premise behind the recommendation that ready access to effective career information and services is important for individuals at all stages of career transition and for the effective functioning of the labour market. The Commonwealth takes an active role in the career guidance field.

The Department of Education, Training and Youth Affairs (DETYA) and the Department of Employment, Workplace Relations and Small Business (DEWRSB) produce and distribute a range of occupational, labour market and career-related information products to ensure that Australians can access up-to-date, relevant and accurate information to underpin career decision making. These products, which are available to the public and mostly provided free of charge, include pamphlets, posters and publications which provide information on things like:

- the nature of particular occupations and their short and longer term prospects;
- education and training options and career pathways;
- job search, application and interview skills;
- how to relate skills developed in everyday life to work; and
- how to relate skills and interests to particular occupations.

In addition to directly ordering these products through distributors, the public can access them and other career information sources via the Centrelink Network, and in particular through Centrelink's Career Information Centres.

DETYA also provides copies of and/or information about all its career related publications free via the Internet and maintains a career planning Internet directory site which links with a wide range of other relevant and useful sites. Further developments in this area are under consideration by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA).

The Government also introduced career counselling assistance as part of the enhanced mutual obligation arrangements that came into effect on 1 July 1998 for young unemployed people. Access to the programme has recently been extended to all registered jobseekers and to young people aged 15 – 20, not eligible for income support and referred by Centrelink. The first two years of the Career Counselling Programme will be managed by CRS Australia, with funding of \$3.3 million to provide career counselling for up to 17,500 young unemployed people across Australia.

Recommendation 5.1 (paragraph 5.25)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs require universities to include in faculty handbooks and other promotional material, information about their credit transfer policies. Such information should include where students can obtain further details on credit transfer available for specific TAFE courses and how to apply.

All Commonwealth funded higher education institutions are expected to subscribe to the set of credit transfer principles developed by the Commonwealth and endorsed by the Australian Vice-Chancellors' Committee (AV-CC). The Government supports the provision of this information to students and other interested parties.

The AV-CC provides information through its Web site and through the Credit Transfer working party, where it has encouraged institutions to publish their policies. The Government expects universities to make as much information available as possible to prospective students, and will write to remind them of their responsibility to make credit transfer information available.

Recommendation 5.2 (paragraph 5.41)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs:

- require universities to collect data on admissions to university on the basis of TAFE studies. A distinction between completed and partially completed TAFE courses should be sought; and
- seek to amend the Australian Vocational Education and Training Management Information Statistical Standard to include, and so require the National Centre for Vocational Education and Research to maintain, a statistical collection which distinguishes between students entering TAFE with completed or partially completed higher education backgrounds. Such data collected should identify courses undertaken by each group so as to provide a better understanding of their respective needs and career preferences.

Changes are already planned for the relevant data element in DETYA's higher education student statistics collection and will be implemented in the year 2000 collection.

In the VET sector, information on entrants with partially completed higher education qualifications was collected from 1994-96. However, the National Advisory Committee on Vocational Education and Training Statistics discontinued the collection of information on partially completed courses because it was not possible to obtain reliable information. Information on entrants with completed higher education qualifications is included in the current national VET statistical collection.

Recommendation 5.3 (paragraph 5.63)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs commission research into the strengths and weaknesses inherent in the different single and multi-sector institutional models. Such research should include the risks and benefits each institutional model presents for the provision of programs in the TAFE and higher education sectors.

While this is primarily a responsibility for State/Territory Governments and the institutions concerned, the Government sees merit in a diversity of approaches to higher education provision

and in this context there may be some capacity to contribute to research into cross-sectoral campuses.

Recommendation 5.4 (paragraph 5.74)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs negotiate with the appropriate State and Territory Ministers to establish arrangements: which, where there is scope to provide joint infrastructure, favour proposals for capital works for TAFE and higher education where both sectors share or have access to facilities on equal terms; and where facilities for professional and para-professional training are involved, favour proposals which bring both together on the one site.

The ANTA Ministerial Council (MINCO) annually allocates infrastructure funds provided through the Commonwealth's *Vocational Education and Training Funding Act 1992* for payment, through ANTA, to States and Territories. States and Territories manage their own capital development programmes in consultation with ANTA including determining priorities for funding within their jurisdictions.

A review of the Infrastructure Programme has been completed. The Review recommends an increased focus on new technology and delivery systems and the development of a new accountability framework, in line with a broad infrastructure management strategy.

The Commonwealth ensures that capital grants to higher education institutions encourage universities to provide joint infrastructure by requiring proposals under the Capital Development Pool to demonstrate the potential for collaboration with institutes of TAFE, including co-location and shared use of facilities, where this is appropriate. The Commonwealth-State Joint Planning Committees for higher education provide a forum where planned capital developments, including those which involve professional and para-professional training, are discussed with State/Territory Governments.

Recommendation 6.1 (paragraph 6.16)

The Committee recommends that the Minister for Schools, Vocational Education and Training develop, with State and Territory Governments, a funding formula for TAFE institutes that ensures that institutes and campuses serving low income student populations are not further disadvantaged by disproportionately high levels of fee discounting.

The Government does not support this recommendation. Allocation of funds among individual VET providers, including institutes of TAFE, is a matter for the States and Territories. ANTA allocates Commonwealth funds to the States and Territories to support their efforts towards the development of a national vocational education and training system. These funds supplement those provided by State and Territory Governments, which are responsible for their own training systems, including the delivery of training, the administration of institutes of TAFE and, where appropriate, provision of funds for other providers of vocational education and training.

Recommendation 6.2 (paragraph 6.17)

The Committee recommends that the Commonwealth should provide additional funds on a dollar for dollar basis to State/Territory Governments through the Australian National Training Authority, to assist TAFE institutes enrolling a disproportionately large number of disadvantaged students.

The Government does not support this recommendation.

All State and Territory Governments have endorsed a new ANTA Agreement which was jointly developed by Ministers for vocational education and training. The Agreement includes a commitment from the States and Territories to achieve growth in their systems through efficiencies in return for which the Commonwealth will maintain its funding (\$918 million in 1999) in real terms for the period 1998 - 2000.

Under this agreement, Commonwealth funding is provided to the States and Territories to assist with the provision of vocational education and training. The agreement does not provide the Commonwealth with the capacity to influence directly the management, including funding, of any vocational education and training institution within a State or Territory.

Recommendation 6.3 (paragraph 6.22)

The Committee recommends that the Commonwealth Government establish a Training Innovation Fund for the purpose of financing projects related to TAFE curriculum development and delivery of vocational education, training and applied research in 'sunrise' industries.

With the implementation of Training Packages in the vocational education and training sector, there is a shift away from national curriculum development as such, to the development of learning materials to support flexible delivery of qualifications defined in Training Packages. Training Packages enable training providers to respond to the changing skill needs of enterprises and industries, including 'sunrise' industries, and vocational education and training services to be developed for all industries.

In addition to the direct investment by States and Territories in learning materials, ANTA provides Commonwealth funding for the development of Training Packages which often include learning materials. DETYA also funds minor projects for learning materials associated with Training Packages, in priority areas for New Apprenticeships. These priority areas include new sectors and those with potential, such as 'sunrise' type industries.

The National Research and Evaluation Strategy for Vocational Education and Training 1997-2000 identifies key priority areas for research, including future issues affecting the vocational education and training sector. Research under this priority will look at the training needs arising from emerging industries and technologies and establishing what implications these have for vocational education and training. The Government will provide, through ANTA, \$2.35 million in 1999 to support research under the strategy.

Recommendation 6.4 (paragraph 6.36)

The Committee recommends that the Minister for Employment, Education, Training and Youth Affairs seek agreement through the Ministerial Council to establish a review of the reporting requirements of higher education and VET institutions with a view to making the systems more compatible and less onerous, particularly for institutions reporting to both.

Institutions in the vocational education and training sector are not required to report to the Commonwealth or to ANTA. Reporting is at the State level.

In mid 1998, a *Review of Universities' Reporting Requirements* was undertaken. DETYA is currently developing an action plan flowing from recommendations made as a result of the review. This will lead to a considerable number of changes being made to the specifications for the year 2000 higher education student statistics collection.

Recommendation 6.5 (paragraph 6.37)

The Committee recommends that the Commonwealth Government establish accountability arrangements with the States and Territories which more readily accommodate the fact that joint capital funding of institutions may result in joint ownership of infrastructure.

Commonwealth funding for vocational education and training infrastructure is provided to meet identified training needs. On completion, the facilities are usually owned by the relevant State/Territory Government.

The infrastructure that results from the funding provided through Commonwealth higher education capital grants is owned by the universities concerned. DETYA requires universities to acquit capital grants to ensure proper accountability for the expenditure of public funds. These accountability arrangements are considered appropriate.