

OUTCOME 3

VOCATIONAL EDUCATION AND TRAINING – INDIVIDUALS ACHIEVE RELEVANT SKILLS FROM POST SCHOOL TRAINING.

Outcome 3 resourcing

Table 3.3.1 shows how the 2007-08 Budget appropriations translate to total resourcing for outcome 3, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

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Table 3.3.1: Total resources for Outcome 3 (\$'000)

	Estimated Actual 2006 - 07 \$'000	Budget Estimate 2007 - 08 \$'000
Departmental appropriations		
Output 3.1 – Policy Services	24,776	27,273
Output 3.2 – Programme Management	60,386	66,472
Output 3.3 – Service Delivery	25,154	25,297
Total revenue from government (appropriations) contributing to price of departmental outputs	110,316	119,042
Revenue from other sources		
Departmental	1,644	1,389
Total price of departmental outputs (Total revenue from government and from other sources)	111,960	120,431
Administered expenses		
Skilling Australia's Workforce	1,269,776	1,286,372
FEE HELP for Vocational Education and Training Courses	0	2,460
Vocational and Technical Education – National Programme	37,524	41,108
National Centre for Vocational Education Research Ltd	602	615
Australian Apprenticeship Centre	142,137	167,229
Support for Australian Apprenticeships	520,165	604,562
Australian Apprenticeship Workforce Skills Development	116,368	231,618
Australian Apprenticeship Access Programme	20,087	26,965
Workplace English Language and Literacy	14,502	14,807
Language, Literacy and Numeracy	46,373	58,840
Disability Co-ordination Officers	2,041	135
School of Fine Furniture	154	31
Tasmanian Community Forestry Agreement Training Initiative	1,420	962
ABSTUDY	38,255	41,971
Youth Allowance	180,619	183,506
Austudy	59,148	63,199
Total administered expenses	2,449,171	2,724,380
Total administered revenues	3,412	5,212
Total estimated resourcing for Outcome 3 (Total price of outputs and administered appropriations)	2,561,131	2,844,811
Average staffing level	446	494

Measures affecting Outcome 3

Realising Our Potential – support for young Australian Apprentices in skill-shortage trades

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	69.3	87.1	90.7	95.4

Realising Our Potential - fast-track apprenticeships

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	6.4	11.8	17.3	23.0

Realising Our Potential – fee assistance for Australian Apprentices

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	47.8	52.2	52.9	53.6

Realising Our Potential - FEE-HELP for Diploma and Advanced Diploma VET courses

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	4.3	3.4	3.5	3.4

Related revenue (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	1.8	6.8	15.1	25.3

A Better Future for Indigenous Australians – COAG work skills vouchers

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	4.0	4.8	6.3	6.3

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457 visas – ongoing management of caseload

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	0.8	0.4	-	-

Migration Programme – 8,800 place increase for 2007-08

Expense (\$m)	2007-08	2008-09	2009-10	2010-11
Department of Education, Science and Training	4.3	10.0	16.5	21.6

Contributions to achievement of Outcome 3

A key focus of Australian Government policy is on continually renewing and increasing Australia's supply of educated and skilled people, thereby facilitating a more competitive and innovative economy, and a better informed society.

Each year the publicly funded training system educates more than 1.6 million Australians. Under Australian's Constitutional arrangements, state and territory governments have primary responsibility for their training systems. The Australian Government contributes approximately one third of the total government funding for training.

Vocational Education and Training (VET) provides Australians with the skills needed to enter the workforce for the first time, to re-enter the workforce, to retrain for a new job and to upgrade from an existing job.

The *Skilling Australia's Workforce Act 2005* reflects the Australian Government's commitment to vocational education and training and establishes the key elements of the new training system. The Act is underpinned by a Multilateral Agreement and Bilateral Agreements with each jurisdiction, focusing on achieving true industry leadership, a greater flexibility and significant changes to a number of state and territory operations and processes. The Multilateral Agreement sets out overall objectives and aims for the national training system, provides the mechanism for the release of funding to state and territory governments, and recognises and reflects the joint funding of the training system by all governments. The Bilateral Agreements provide flexibility to implement national priorities and establish performance levels that are relevant to each jurisdiction.

The Australian Government identified further national policy priorities for VET through its major policy statement *Skills for the Future*, announced by the Prime Minister on 12 October 2006. The Government's approach focuses on:

- the need for continuous upgrading of skills over the course of an individual's working life
- assisting adults to gain the literacy and numeracy skills that are basic requirements in the workplace.

Skills for the Future introduced a set of major new initiatives: Work Skills and Business Skills Vouchers for Apprentices, Support for Mid-Career Apprentices, More Engineering Places at University, and Incentives for Higher Technical Skills. These initiatives broaden young Australians' options after school, attracts mature aged Australians back to study, enables workers to upskill and provides them with specialised skills and pathways to new careers.

Realising our Potential builds on *Skills for the Future* with an Apprenticeship Wage Top-Up and Apprenticeship Training Voucher for eligible first and second year apprentices in a skill shortage trade, three new Australian Technical Colleges, Support for Fast-Track Apprenticeships and FEE-HELP for vocational Diplomas and Advanced Diplomas. These measures will attract new apprentices with higher wages and shorter

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apprenticeships, increase the status and availability of quality technical training and improve access to higher level technical skills.

OVERVIEW OF OUTPUTS

The Multilateral Agreement creates the basis for a partnership between the Australian, state and territory governments to work collaboratively together to support the implementation of the national training arrangements. It reinforces a shared commitment between governments and industry to:

- support the national goals and objectives for vocational education and training
- provide Australia with a highly skilled, productive and competitive workforce
- equip individuals with the knowledge and skills they require to actively participate in work and society.

Since 2005, the Multilateral Agreement has introduced significant changes to the national training system to ensure a more flexible, competitive and highly skilled workforce by:

- ensuring industry and business drive training policies, priorities and delivery
- better quality training and outcomes for clients through more flexible and accelerated pathways
- simplified and streamlined processes to enhance national consistency
- greater opportunities for young people to gain a wide range of lasting skills that provide a strong foundation for their working lives
- expanding training opportunities in areas of current and expected skills shortages.

The Ministerial Council for Vocational and Technical Education (MCVTE) is the national forum for vocational education and training. The Ministerial Council comprises the Australian Minister for Education, Science and Training and Minister for Vocational and Further Education, and state/territory training ministers. MCVTE provides leadership through a number of mechanisms, including:

- the National Governance and Accountability Framework, which established the decision making processes and bodies responsible for training, as well as planning and performance monitoring arrangements
- the National Skills Framework, which sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training
- the Australian Quality Training Framework (AQTF), which contains the requirements for registration and audit of training organisations delivering national qualifications. It has been updated (AQTF 2007) to increase national consistency, and ensure higher levels of industry confidence in quality skills outcomes. The changes come into effect from 1 July 2007 with optional excellence criteria introduced from 1 January 2008.

Leadership by, and engagement of, industry operates at all levels of the national training system. This ranges from high level advice to the Ministerial Council on

business and industry priorities and skills needs, to input at the operational level, such as development and review of Training Packages.

Australian Apprenticeships in traditional trades, as well as in a diverse range of emerging careers, are available in most sectors of business and industry and are an Australian Government flagship programme.

Administered activities

Funding for Vocational Education and Training

The department administers a number of programmes and initiatives to progress the achievement of national priorities for vocational education and training including:

- *Skilling Australia's Workforce Act 2005* (SAW Act) – seeks to strengthen Australia's economic base through providing a highly skilled workforce that will meet the future needs of Australian businesses, industries, communities and individuals. It promotes a national approach to the delivery of vocational education and training through collaboration and cooperation between the Commonwealth, the states, territories and industry.
 - *Recurrent and Capital Expenditure* funding is provided to support the ongoing operations of the publicly funded VET system in each state and territory. Recurrent funds provide for a range of operating costs, including salary, programme and course delivery costs. Capital funding supports the infrastructure costs of the public training system including the maintenance of existing buildings and related infrastructure and new buildings and IT platforms.
 - *Strategic National Initiatives* are projects that have been identified by the Ministerial Council as requiring a multi-jurisdictional approach to address a significant systemic issue confronting the public VET sector. The selected projects are expected to contribute to overall improvements to the public VET system.
- *Vocational Education and Training – National Programmes* – aim to support the implementation of the National Goals and Objectives contained in the VET National Strategy document titled 'Shaping our future: Australia's National Strategy for VET 2004–2010' and the related National Priorities. Funded projects support a range of activities which aim to strengthen the National Training System including enhancing mechanisms for obtaining industry input and advice into national VET policy; the development of national training standards and training packages and activities that promote the VET sector.
- *National Centre for Vocational Educational Research (NCVER) Programme* – contributes funding to NCVER, along with the states and territories. The NCVER is a national research, evaluation and information organisation which provides valuable information for the vocational education and training sector in Australia.

Skills for the Future

- *Skills for the Future* – These initiatives (\$837 million over five years) will focus on the need for continuous upgrading of skills over the course of an individual's working life. Initiatives include:
 - *Australian Skills Vouchers* – with two components: Work Skills Vouchers and the Business Skills Vouchers for apprentices. The programme aims to improve the basic skills of Australia's workforce and to develop a more entrepreneurial workforce by providing vouchers for approved accredited training to eligible individuals.
 - *Support for Mid-Career Apprentices* – to support mid-career workers undertaking a traditional trade apprenticeship.
 - *Incentives for Higher Technical Skills* – extends employer incentive payments to a range of Diploma and Advanced Diploma qualifications. The initiative addresses industry's call for higher level qualifications and recognises that Australian businesses will need higher level skills and the ability to continuously upgrade workforce skills to remain competitive.

Realising our Potential

- *Realising our Potential* - These initiatives (\$638 million over four years) provide additional financial support for first and second year apprentices in traditional trades and improve the availability of quality vocational training, including in higher technical qualifications.
 - The *Apprenticeship Wage Top-Up* will increase the take-home pay of eligible apprentices. The programme provides a tax-free payment of \$1000 per year (paid in six monthly instalments) for first and second year apprentices under thirty in skill shortage trades.
 - The *Apprenticeship Training Vouchers* will provide up to \$500 to all first and second year apprentices in skill shortage trades to help apprentices or their employers meet the cost of their course fees.
 - The establishment of three new *Australian Technical Colleges* in Perth, Brisbane and Western Sydney will increase the availability and status of quality technical training in Years 11 and 12.
 - *Support for Fast Track Apprenticeships* will provide grants of up to \$50,000 to Registered Training Organisations to develop fast track apprenticeships. These will help apprentices reach their qualification sooner while still meeting the skills requirements of employers and industry.
 - *FEE-HELP for Vocational Diplomas and Advanced Diplomas* will allow full-fee paying students to access interest free loans to meet the upfront costs of studying. This will encourage more people with existing qualifications to further build their skills and knowledge.

Australian Apprenticeships

The Australian Government provides funding to employers of Australian Apprentices and a number of personal benefits to eligible Australian Apprentices, including:

- *Australian Apprenticeship Centres* – funds more than 300 full-time and part-time sites across Australia requiring them to offer a genuine one-stop-shop for employers and apprentices, including more streamlined services and facilitation of job placements.
- *Support for Australian Apprenticeships* – funds the Australian Apprenticeships Support Services, which is delivered by a national network of Australian Apprenticeships Centres contracted to work in close cooperation with state and territory training authorities. The aim is to provide a streamlined and comprehensive service to employers and individuals to enable them to access quality Australian Apprenticeships and promote and administer the Australian Apprenticeships Incentives Programme.
- Initiatives under *Skills for the Future – Business Skills Vouchers, Support for Mid-Career Apprentices* and *Incentives for Higher Technical Skills* are set out above.
- *Australian Apprenticeship Workforce Skills Development* funds:
 - *Tools For Your Trade* – aims to increase the numbers of Australian Apprentices commencing in trades that are experiencing a national shortage of skilled tradespersons by providing a tool kit up to the value of \$800
 - *Group Training in the Trades* – increases Australian Apprenticeships using group training arrangements, to address a need for more training in the trades
 - *Joint Group Training Programme* – increases Australian Apprenticeships using group training arrangements to address a need for targeted skills training
 - *Group Training Australian Apprenticeships Targeted Initiatives Programme* – enables Group Training Organisations to generate quality Australian Apprenticeship opportunities in priority areas that would not otherwise happen without intervention
 - *Industry Training Strategies Programme (ITSP)* – supports the Government's VET reform agenda by providing outcomes against several key workforce skills development strategies. By funding a variety of targeted projects, ITSP addresses skills development needs, facilitates better industry engagement and access to the National Training System, and improves training outcomes for Indigenous people and disadvantaged groups.
- *Australian Apprenticeship Access Programme* - increases Australian Apprenticeships and employment opportunities for eligible job seekers facing barriers to employment, using brokerage arrangements.

Assistance for skills and career development

The department administers a range of programmes which support individuals to develop skills to assist them to obtain and maintain employment:

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- *Workplace English Language and Literacy* – provides funding to organisations to train workers in English language, literacy and numeracy skills
- *Language, Literacy and Numeracy Programme* – seeks to improve clients' language, literacy and/or numeracy skills, to enable them to participate more effectively in training or in the labour force

The department administers a number of financial assistance measures directed at assisting students with funding appropriated for specific purposes:

- *ABSTUDY* - to address the particular educational disadvantages faced by Aboriginal and Torres Strait Islander people by providing support to students and Australian Apprentices to improve access and participation in secondary and tertiary education and training.
- *Austudy* – to provide support for students and Australian Apprentices who begin study or training when aged 25 years and over, who are in need of financial assistance, to undertake full-time post-compulsory secondary or tertiary education or training.
- *Youth Allowance* - to provide support for full-time students and Australian Apprentices aged 16-24 years who are in need of financial assistance, to undertake secondary or tertiary education or training.

Performance information for Outcome 3

Performance information for administered items, individual outputs and output groups relating to the Department of Education, Science and Training are summarised in Table 3.3.2

Effectiveness Indicators for outcome 3

Programmes and initiatives delivered by DEST which contribute to Outcome 3 form part of a wider set of factors that affect that Outcome. The indicators in table 3.3.2A provide an indication of the overall trends under Outcome 3.

Table 3.3.2A: Effectiveness Indicators for outcome 3

<p><i>Vocational Education and Training</i></p> <ul style="list-style-type: none"> • Trends in student participation in VET • Trends in Australian Apprenticeship commencements • Trends in student achievement in VET • Trends in Australian Apprenticeship completions • Employment outcomes - Increasing percentage of TAFE graduates employed at the end of May by year of completion of training. • Employer satisfaction with Australian Apprenticeship Centres • Trends in number of all Indigenous students in the public vocational and technical education system by Australian Qualifications Framework level • Trends in number of Indigenous Australian apprenticeship completions in the 12 months to December 2005 • VET outcomes for Indigenous Australians
<p><i>Special Assistance</i></p> <ul style="list-style-type: none"> • Number assisted through Workplace English Language & Literacy (WELL) Programme • Increase in the percentage of the Language, Literacy and Numeracy Programme (LLNP) participants who complete at least one block of training and go on to further training or employment
<p><i>Student Assistance</i></p> <ul style="list-style-type: none"> • Trends in the number of full-time students receiving income support under <ul style="list-style-type: none"> ➤ Youth Allowance ➤ Austudy ➤ ABSTUDY • The percentage of the relevant full-time student population receiving support under <ul style="list-style-type: none"> ➤ FEE HELP

Table 3.3.2B: Performance in delivery of Administered Outputs

Performance Measure	2006 Estimate	2006 Estimated actual	2007 Estimate
Skilling Australia's Workforce Act 2005			
Number of VET students	1,670,000	1,670,000 ²	1,700,900
Annual Hours Curriculum ¹	271 million	271 million	272 million
Australian Apprenticeship Centres			
Number of Centres	30	29	29
Number of Australian Apprentice commencements	-	258,500	265,300
Number of Australian Apprenticeship completions	142,000	141,500	141,500
Support for Australian Apprenticeships			
Total number of employers assisted nationally	-	71,300	73,000
Total number of Australian Apprentices assisted nationally through Personal Benefits	-	59,800	62,900
Number of organisations contracted to provide services	30	29	29
Australian Apprenticeship Access Programme			
Number of eligible job seekers assisted	9,500	9,500	9,500
Australian Apprenticeship Workforce Skills Development			
<i>Group Training in the Trades Programme (GTTP)</i>			
• Number of school-based apprentices supported in trade areas	1,700	1,500	2,700
• Number of pre-vocational places supported in trade areas	1,100	1,000	1,700
<i>Targeted Initiatives Programme (TIP)</i>			
• Number of Group Training Organisations (GTOs) supported	28	28	11
• Number of apprentices through GTOs:			
➢ commencements	589	562	97
➢ completions	964	721	677
Number of Australian Apprentices in state/territory sub-programmes	20,000	20,000	22,000

¹ Annual Hours Curriculum are based on nominal hours for each subject and represent the anticipated hours of supervised training under a traditional delivery strategy.

² Actual estimate to be revised pending data to be provided by states and territories.

Table 3.3.2B: Performance in delivery of Administered Outputs (cont)

Performance Measure	2006 Estimate	2006 Estimated actual	2007 Estimate
Number of tool kit vouchers issued	-	41,000	42,700
Number of Skills Vouchers:			
• Work Skills	10,000	13,000	25,000
• Business Skills	1,000	300	2,100
Workplace English Language and Literacy			
Number assisted through Workplace English Language & Literacy (WELL) programme	18,000	18,500	18,500
Language, Literacy and Numeracy			
Number assisted through Language, Literacy and Numeracy programme (LLNP)	20,450	21,000	20,450
ABSTUDY			
Number of students attending a TAFE College or Private training institution receiving ABSTUDY	-	11,872	12,000
Youth Allowance			
Number of students attending a TAFE College or Private training institution in receipt of Youth Allowance as at 30 June ³	-	28,000	28,000
Austudy			
Number of students attending a TAFE College or Private training institution in receipt of Austudy as at 30 June ⁴	-	6,000	6,000

³ The 2006 Estimated Actual and 2007 Estimate refers to the points-in-time at 30 June 2007 and 2008 respectively, being the end of their respective financial year.

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Table 3.3.2C: Performance in delivery of Departmental Outputs

Performance Indicator	2007-08 Estimate
Programme management	
<i>Quality</i>	
Payments are made in accordance with approved timelines.	All programmes to meet relevant administrative targets set by quality assurance processes in DEST.
Payments made are based on calculations which are accurate and in accordance with approved guidelines.	All programmes to meet relevant administrative targets set by quality assurance processes in DEST.
Lead reform of the national training system as agreed by the Council of Australian Governments and priorities identified by MCVTE.	Initiatives implemented in accordance with the Council of Australian Government and MCVTE timelines.
Encourage a shared commitment under the <i>Skilling Australia's Workforce Act 2005</i> between the Australian Government and State and Territory Governments to promote a national approach to the delivery of vocational education and training through collaboration and cooperation.	The multilateral agreement and a bilateral agreement is in force between the Australian Government and each State and Territory Government. The Australian Government Minister has approved the annual VET Plan submitted by each State and Territory Government.
Annual National Report of the Australian Vocational and Technical Education System is tabled in the Australian Parliament	Annual National Report is tabled in the Australian Parliament by October 2007.
Timeliness of Parliamentary reports (including interim responses where appropriate) provided to Parliament and its Committees	At least 90% meet deadline.
High quality Ministerial replies as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the replies.	Qualitative evaluation of satisfaction using feedback from the Ministers and Parliamentary Secretary to the Secretary. Analysis of trends over time to monitor percentage delivered within agreed timeframes.
<i>Client satisfaction</i>	
High quality delivery of Australian Apprenticeships Support Services, Australian Apprenticeships Centres as measured by satisfaction surveys undertaken in 2007 and 2008.	At least 85% satisfaction by employers and Australian Apprentices.
Policy Services	
<i>Quality</i>	
High quality policy advice as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of policy advice.	Qualitative evaluation of satisfaction and timeliness using feedback from the Ministers and Parliamentary Secretary to the Secretary.
High quality research and evaluation reports as measured by the level of satisfaction of Ministers and the Parliamentary Secretary with the quality and timeliness of the reports	Qualitative evaluation of satisfaction using feedback to the Secretary from Ministers and Parliamentary Secretary.
Research activities are completed according to plan	At least 90% completed to plan
Service Delivery	
<i>Quality</i>	
Satisfactory services as reported by Centrelink through the timely processing of ABSTUDY, Austudy, Youth Allowance, Assistance for Isolated Children claims	Services provided in accordance with DEST-Centrelink Business Partnership Agreement (BPA)