

OUTCOME 2

Individuals achieve relevant skills and learning outcomes from post school education and training.

DESCRIPTION

High quality outcomes for post school education and training are critical to both individual welfare and Australia's national competitiveness and economic development. We must continually renew and increase our supply of skilled people with attitudes and competencies which support life long learning, an increasingly competitive and innovative economy and a better informed society.

The Australian Government takes a lead role to promote a post-school education and training system that is nationally consistent and coherent, responsive to individual, industry and community needs and is recognised as providing high quality outcomes.

The Australian post school education and training system comprises two core sectors: vocational education and training and higher education.

Vocational Education and Training

Vocational education and training 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 for an existing job. It broadens young Australians' options after school, attracts mature aged Australians back to study, and provides them with specialised skills, and pathways to new careers.

Each year the publicly funded training system educates more than 1.7 million Australians. Under the Australian Constitution, State and Territory Governments have primary responsibility for vocational education and training. The Australian Government contributes approximately one third of the total government funding for training.

The Australian Government is strongly committed to addressing industry skills needs and will commit in excess of an additional \$1.06 billion for vocational education and training programmes through 2005-08. New Commonwealth legislation is expected to come into effect on 1 July 2005 and will provide clear national objectives and goals for vocational education and training and set out the planning, funding and accountability responsibilities.

Significant changes to the vocational education and training system from 1 July 2005 will ensure that in the future Australia's training system will be even more responsive to the ever changing needs of industry. Industry and business needs will drive training policies, priorities and delivery. Better quality training will be ensured through more flexible and accelerated pathways.

Agency Budget Statements — Agency outcomes —DEST

A cooperative and collaborative approach between the Australian Government, States, Territories, business and industry will continue.

To facilitate and guide the reforms to vocational education and training the Department will assume the responsibilities and functions of the Australian National Training Authority from 1 July 2005. A new Ministerial Council on Vocational and Technical Education will be formed to lead the national training system. The Ministerial Council will consist of the Australian Government Minister for Education, Science and Training and Minister for Vocational and Technical Education, and State/Territory Government Training Ministers.

The National Governance and Accountability Framework will establish the decision making processes and bodies responsible for training, as well as planning and performance monitoring arrangements to guide the operation and growth of the training system.

The National Skills Framework will set out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training.

Industry leadership and engagement will be injected into all aspects of the new 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.

New Apprenticeships in traditional trades, as well as in a diverse range of emerging careers, are available in most sectors of business and industry. The Department funds independent organisations to operate New Apprenticeship Centres for the promotion of New Apprenticeships and to provide support services to employers of New Apprentices.

Higher Education

In higher education, the Australian Government works in partnership with the State and Territory governments and the university sector to achieve national priorities. The Australian Government, through agreement with the State and Territory governments, has primary responsibility for funding the higher education sector, including student loan arrangements and scholarships. Publicly funded institutions receive on average around 59 per cent of their operating revenue from Australian Government grants and loans.

Universities and other higher education institutions offer programmes leading to bachelor degrees and a range of postgraduate awards, including higher degrees by research. Universities also offer some shorter undergraduate and corporate development programmes. Quality assurance for higher education, both domestically and internationally, is maintained through the Australian Higher Education Quality Assurance Framework.

The higher education sector comprises 37 public and three private universities, which are autonomous and self-accrediting, four other self-accrediting higher education institutions and over 100 other institutions, such as theological colleges and providers. All but three of the self-accrediting universities and higher education institutions in Australia are established or recognised under State or Territory legislation. The Australian National University, the Australian Maritime College and the Australian Film Television and Radio School are established under Commonwealth legislation.

A package of reforms, *Our Universities: Backing Australia's Future*, provides an integrated policy framework based on the principles of sustainability, quality, equity and diversity. These reforms are being phased over several years and will continue through 2005-06.

The Australian Government works with the State and Territory governments, education and training providers and industry, with the Australian Government taking a lead role, to promote a post school education and training system that is nationally consistent and coherent, responsive to individual, industry and community needs and recognised as providing high quality outcomes.

While the two sectors remain largely distinct, there are overlaps and connections. There are a number of multi-sector universities and some vocational education and training providers offer higher education qualifications. Some credit transfer arrangements also exist between the two sectors.

STRATEGIC PRIORITIES

The Department's medium term strategic priorities for Outcome 2 are to:

5. Increase the diversity and responsiveness of post school education and training provision to meet the expectations of individuals, industry and communities;
6. Enhance the long term sustainability of education and training provision for post school students;
7. Increase collaboration between and across vocational education and higher education sectors to respond to the needs of individuals, industry and communities;
8. Strengthen the quality and national consistency of post school education and training outcomes for individuals and the community; and
9. Achieve equitable participation and outcomes for all Australians from post school education and training.

Strategic Priorities 1-4 are under Outcome 1; Strategic Priorities 10-16 are under Outcome 3.

Strategic Priority 5: Increase the diversity and responsiveness of post school education and training provision to meet the expectations of individuals, industry and communities.

The post-school education and training system must be able to:

- Provide individuals with flexibility and choice in types of courses, levels of qualifications, learning pathways and modes of delivery to meet different needs and expectations; and
- Encourage institutions to build on their strengths and strategic advantages to respond to changing and diversifying needs of industry, individuals and communities, particularly in response to new and emerging technologies and industries, and to improve Australia's competitiveness in a global economy.

Vocational Education and Training Sector

There is a critical need to ensure training is focussed on current and future skill needs. A significant challenge to ongoing economic growth in Australia is the need for more skilled workers to meet demand. Demand extends from the traditional trades through to more sophisticated skills required to meet the changing needs of industry. The national training system also needs to meet the changing expectations of individuals, particularly the mature aged and young Australians. Providers and institutions must continue to innovate and adopt new technologies and practices to meet these needs.

Significant changes to the vocational education and training system from 1 July 2005 will ensure a more responsive national system and strengthen national consistency and quality assurance arrangements. A new Ministerial Council on Vocational and Technical Education will have responsibility for the operation of the national training system, including agreeing national priorities and strategies, planning for the operation of the national system and ongoing monitoring and accountability.

Amongst several key priorities, the Department will further enhance flexibility and responsiveness in the national training system. This includes progressing user choice through legislation and the new Commonwealth-State Training Funding Agreement (refer Strategic Priority 6) with the States and Territories to support employers and New Apprentices to choose the provider (public or private), timing and style of delivery that best suits their needs.

To increase the uptake of training in the trades the Australian Government will work to remove industrial relations barriers to School-Based and Part Time New Apprenticeships, strengthen arrangements for recognition of prior learning, and better harmonise occupational licensing with training.

New Apprenticeships continue to be a priority. During 2005-06 the Department will implement a number of new initiatives designed to increase participation in New Apprenticeships, particularly in the trades:

- The Commonwealth Trade Learning Scholarship will be introduced from 1 July 2005. Scholarships will provide \$500 to eligible people in skill shortage trades at the successful completion of each of the first and second years of their New Apprenticeship.
- The Tools for Your Trade programme will be introduced from 1 July 2005 and will provide eligible New Apprentices in skill shortage areas with a tool kit worth up to \$800.
- 3,000 new School Based New Apprenticeships in trades and 4,500 new opportunities for pre-vocational training in trades will be provided through Group Training Organisations.
- Changes to the New Apprenticeships Incentives Programme, effective 1 July 2005, are aimed at rewarding employers who contribute to a New Apprentices' training. Where a New Apprentice completing a Certificate III or IV changes employers during his or her training, the completion incentive payment will be shared between the relevant employers.
- Eligible New Apprentices will have an entitlement to Youth Allowance and the Living Away From Home Allowance will be extended to New Apprentices in their third year.

Higher Education Sector

During 2005-06 the Department will consolidate newly implemented changes and instigate further reforms under the *Our Universities: Backing Australia's Future* package to give institutions the flexibility and incentive to develop their respective strengths, differentiate their purposes and increase their accessibility.

The Department will continue to assess new applications from private institutions for approval under the *Higher Education Support Act 2003*. As of March 2005, 31 institutions have been given Ministerial approval to become Higher Education Providers (HEPs). Institutions need to meet the Australian Government's quality and accountability requirements to be approved as HEPs. Allocation of places in National Priority areas, such as nursing and teaching, to approved higher education providers will also continue during 2005-06.

The Commonwealth, States and Territories all agree that there is a need for national debate about the future diversity of Australian universities and higher education and the best regulatory framework for them. Following the March 2005 release of an Issues Paper: *Building University Diversity: Future approval and accreditation processes for Australian higher education*, the Department will consult with

stakeholders as a prelude to consideration by MCEETYA of any changes to the National Protocols originally agreed in 2000. The five National Protocols act as a 'gatekeeper' to the higher education sector to ensure consistent criteria and standards across Australia.

In addition, the release of the discussion paper *Building Better Foundations for Higher Education in Australia: A Discussion About Re-aligning Commonwealth-State Responsibilities* in March 2005, will inform the debate about the division of responsibility for Australian higher education between State and Territory governments and the Commonwealth. It is to be followed, during 2005-06, by a consultation process with key stakeholders.

To better inform decisions and investment in relation to funding under the Commonwealth Grant Scheme, the Department is developing a set of national strategic principles for higher education provision. The principles will be used to inform the Government in its decisions on the allocation of new Commonwealth supported places, the movement of existing places between campuses and the protection of discipline areas of national importance (including to address skills shortages) to ensure that the higher education sector is best meeting the social, economic and cultural needs of the nation.

Guidelines already established under the *Higher Education Support Act 2003* (HESA) will continue to be revised and amended as necessary on an ongoing basis after 1 July 2005, in consultation with the higher education sector. The Department will continue to consult with the sector in finalising programme guidelines for Other Grants.

Strategic Priority 6: Enhance the long term sustainability of education and training provision for post school students

The long term sustainability of the post school education and training system relies on institutions being able to increase revenues in line with their costs and diversify their revenue sources, and have effective and efficient governance arrangements. It also requires strategic positioning at both the institutional and sector levels in response to the needs of the community. This is important in an increasingly competitive global environment.

Vocational Education and Training Sector

From 1 July 2005 the new Commonwealth-State Training Funding Agreement will set out the overall objectives and aims for the national training system and provide the mechanism for the release of funding to State and Territory Governments. The Australian Government contributes \$1.15 billion per annum to the State and Territory Governments for vocational education and training.

The new funding arrangement will recognise and reflect that the training system is jointly funded by the Australian and State/Territory Governments. The Agreement will

focus on the level and type of training to be delivered using Australian Government and State or Territory funds, the actions that States and Territories plan to take to address agreed national priorities, national targets and performance measures that reflect policy objectives.

In addition to this multilateral Agreement, separate bilateral agreements with each State and Territory covering the period 1 January 2006 to 31 December 2008, will provide flexibility to implement national priorities and establish performance levels that are relevant to each jurisdiction.

Higher Education Sector

Accountability, quality, fairness and the financial viability of institutions and the sector is now monitored by the Institution Assessment Framework (IAF). Annually required data will be used systematically in forming the Department's assessments of higher education providers.

The Department will monitor the Commonwealth Grant Scheme for teaching and scholarship, newly implemented for 2005. Under the scheme the Department provides a contribution for each Commonwealth supported student. A Funding Agreement between the Australia Government and each institution is in place that will support a specified number of student places in specified discipline clusters each year.

The Department will establish a new Workplace Productivity Programme from 2006 to encourage institutions to pursue a broader workplace reform agenda.

The Department will implement the Voluntary Student Unionism legislation, subject to its passage through parliament, to prohibit higher education providers from requiring a person to become a member of a student organisation, or requiring a student to pay fees for non-academic student services.

Strategic Priority 7: Increase collaboration between and across vocational education and higher education sectors to respond to the needs of individuals, industry and communities.

Collaboration between the vocational education and training and higher education sectors is critical in responding to the needs of individuals, industry and the community. It is particularly important in regional and rural areas in facilitating increased participation in lifelong learning and in improving the social development and economic sustainability of the community. Issues for collaboration include articulation and credit transfer arrangements, joint courses and research, and shared resources including shared and/or co-location of campuses.

Vocational education and training sector

Agency Budget Statements — Agency outcomes —DEST

The Department will promote articulation between the sectors through the National Skills Framework which will be in place from 1 July 2005. The framework will continue the national approach to qualifications through industry defined competencies, and a unified regulatory scheme. The framework also recognises the integration of learning in the workplace with structured training that results in national qualifications gained through the New Apprenticeships system.

Higher Education Sector

The Department will monitor the newly established Collaboration and Structural Reform Fund. Operating for the first time in 2005, competitive funds will be used to foster collaboration between higher education providers and business, other education sectors, including the vocational education and training sector, professional associations and community groups. National Priority areas for collaboration in the first round of the Fund are in course provision between two or more higher education providers; between vocational education and training provider/s and higher education provider/s in course provision or an area related to teaching and learning; between universities and their communities, particularly regional communities; and between universities and business/industry/employers or professional associations.

The Department will work with the new Business, Industry and Higher Education Collaboration Council (BIHECC) to develop ways to increase collaboration between the higher education sector and other public and private business, industry, community and educational organisations. Three key areas of focus are greater business/industry involvement in the higher education sector; collaboration between Australian universities; and the interface between higher education and vocational education and training.

Work will continue on national arrangements to strengthen collaboration on articulation and credit transfer between the higher education and vocational and training sectors to enhance learning options for students. In May 2005 MCEETYA will consider strategies to improve information provision and practice.

Strategic Priority 8: Strengthen the quality and national consistency of post school education and training outcomes for individuals and the community.

Australia's quality assurance framework for post school education and training operates at a variety of levels. There is a nationally agreed framework for post school education awards through the Australian Qualifications Framework (AQF). From 1 July 2005, the National Skills Framework (NSF) will set out arrangement for the quality assurance and consistency of training outcomes for the vocational education and training sector through the Australian Quality Training Framework and Training Packages. The Australian Higher Education Quality Assurance Framework sets out the quality assurance arrangements for the higher education sector.

The challenges facing Australia's quality assurance framework for post school education and training arise from an increase in, and a growing diversity of, the student population seeking access to post school education; the impact of new technologies on learning experiences and outcomes; new skills and knowledge requirements from the knowledge economy and emerging industries; new providers and new structures; and an increase in the internationalisation of Australia's education and training.

Vocational Education and Training Sector

The Australian Government places a high priority on promoting strong quality assurance mechanisms to ensure that vocational education and training leads to quality outcomes for both individuals and for industry. Integral to this is ensuring that the quality of the training outcome is nationally consistent.

Significant changes to the training system from 1 July 2005 will ensure quality outcomes. Through the Ministerial Council, the Australian Government will continue to encourage the development of a fully integrated national vocational education and training quality assurance system with nationally consistent legislation.

Competency based training will continue to be a priority of the training system. Training packages will be strengthened following implementation of the recommendations of the 2004 High Level Review of Training Packages. Initiatives include increasing the take-up of Recognition of Prior Learning, streamlining access and reducing inconsistencies across Training Packages, including employability skills in Training Packages and designing Training Packages to align with regulatory and licensing requirements.

Quality will also be driven through consumer choice. The Department is finalising work to establish the Institute for Trade Skills Excellence. It will provide an employer perspective on the quality of training in the traditional trades.

The national online register for Registered Training Organisations (National Training Information Service) will remain central to quality; the Department will assume management of NTIS from 1 July 2005.

A National Quality Agency will be established as a Committee of the Ministerial Council for Vocational and Technical Education to oversee quality assurance and ensure national consistency in the application of AQTF standards for the audit and registration of training providers.

Higher Education Sector

The renewed emphasis on learning and teaching will be consolidated in 2005-06. To foster excellence and enhance prestige in higher education teaching the Department established a competitive Learning and Teaching Performance Fund to reward

Agency Budget Statements — Agency outcomes —DEST

institutions that achieve excellence in teaching and learning. Initial allocations will be made in late 2005 following finalisation of the allocative mechanism.

The Carrick Institute, launched in August 2004 will provide a national focus for the enhancement of learning and teaching in Australian higher education institutions. The Department will monitor the outcomes of the Institute.

From 2005 the Department commissioned the Australian Universities Quality Agency (AUQA) to undertake enhanced auditing of Australian higher education provision overseas. Audits of private institutions in receipt of Commonwealth support are part of quality and accountability requirements. In 2005-06 the Department will work with the AUQA, institutions and other stakeholders to prepare for the extension of audits. Following a strategic assessment of the scope, role and methodology of the AUQA there will be a review of the AUQA in 2006.

Cross-sectoral initiatives

The Australian and State/Territory governments, through MCEETYA, have endorsed a whole-of-government, cross-sectoral approach to ICT in education and training. The overall strategic context is set out in a high level Joint Ministerial Statement on Education and Training in the Information Economy released in February 2005. An accompanying action plan is expected to be released through MCEETYA in mid-2005. The Department has played a leadership role in ensuring that investments in the use of ICT in education and training made in the three education and training sectors are coordinated and contribute to a nationally coherent approach.

The Joint Ministerial Statement and Action Plan provide a national vision for improving education and training outcomes for all Australians through the effective use of ICT. The Department continues to work closely with State and Territory jurisdictions and other key stakeholders to advance the ICT agenda. This includes work under the Australian Flexible Learning Framework which supports activities in the Vocational Education and Training (VET) sector, including professional development, leadership, online product development and technical infrastructure.

Other key priorities include a focus on quality and raising technical standards through the development of a nationally agreed standards framework covering all aspects of the deployment of ICT as a tool for improving learning outcomes in Australian education and pursuing improved approaches to the management of intellectual property for online learning.

During 2005-06 the Department will continue to:

- manage Australia's involvement in the development of international and domestic technical standards in the post school education sectors. This will include the development and implementation of digital rights management and interoperability standards. This will be crucial to ensuring that investments made by the post school education sectors in information and communications technology based delivery systems represent the best possible value for money;

- improve the provision of high speed telecommunications bandwidth to all education and training institutions, which are amongst the highest users of bandwidth. Total funding of 80 million has been allocated for 2002-06 from the Systemic Infrastructure Initiative to create the Australian Research and Education Network (AREN), a network connecting all Australian university campuses;
- work with the vocational education and training sector to progress agreed options arising from the recommendations of the Access to Bandwidth for Connectivity report, which include the facilitation of access to education repositories of information and resources nationally; and access to preferred cost-effective infrastructure services provision through AARNet;
- support Framework for Open Learning projects to catalyse ICT developments for the whole of the education and training sector, foster collaboration and innovation in the use of ICT, and promote national and international engagement in such innovation.
- work with state and territory governments to assess how schools can take advantage of improving access to high speed bandwidth;
- support the Australian Flexible Learning Framework in its contribution to achieving increased opportunities for learners, trainers and industry to maximise access to quality vocational education and training; and
- build on the success of the Australian Partnership for Advanced Computing (APAC) to ensure Australia has a world class, collaborative high performance computing capability, linked to advanced network communications.

The Department also aims to improve the ability of teachers, learners and researchers to make productive and innovative use of new technologies.

- \$1.5 million has been allocated as part of the Australian Flexible Learning Framework for 2005 projects dealing with the use of ICT for client engagements, capacity building and establishment of benchmarks.
- \$22 million has been allocated for 2003-06 from the Systemic Infrastructure Initiative to improve the access of Australian academics and researchers to online information resources, particularly research information.

Initiatives such as AREN, APAC and improved access to research information also contribute substantially to Outcome 3.

Strategic Priority 9: Achieve equitable participation and outcomes for all Australians from post school education and training

All Australians are entitled to an equal opportunity to participate in post school education and training so that they can fulfil their potential, regardless of their personal circumstances and backgrounds. The Australian Government seeks to remove systemic barriers to participation and to provide measures that respond to the

Agency Budget Statements — Agency outcomes —DEST

varying needs of students from different backgrounds, and that encourage participation and success from groups in society that are under-represented.

Successful completion of post school education and training confers significant personal and economic benefits to the individual. There is less risk of being unemployed or experiencing lengthy periods of unemployment and of being marginalised in a knowledge-based society that requires sophisticated skills and a capacity to access and interpret new knowledge. Australia's ability to be competitive in a global marketplace is dependent on maximising the skills of its citizens.

Vocational Education and Training Sector

Significant changes to the vocational education and training system from 1 July 2005 will continue to provide a focus on equity issues. Through the Ministerial Council, the Australian Government and the States and Territories will continue to strive to improve vocational education and training participation and outcomes for disadvantaged groups, in particular Indigenous Australians and those with disabilities, through targeted strategies.

The Commonwealth-State Training Funding Agreement will continue to progress recommendations from Partners in a Learning Culture, Australia's National Aboriginal and Torres Strait Islander Strategy for vocational education and training and Bridging Pathways, the national strategy for people with disabilities in vocational education and training.

The Department will continue to facilitate the provision of a broad range of initiatives to improve the employment prospects of individuals from disadvantaged groups in the community. These programmes include Workplace English Language and Literacy, Basic IT Enabling Skills for Older Workers and Language, Literacy and Numeracy .

New Apprentices will receive increased residential support from 1 July 2005, when eligibility for the allowance will be extended to third year New Apprentices. This initiative will be delivered through New Apprenticeship Centres and is expected to particularly benefit those New Apprentices from regional areas.

From 1 July 2005, the New Apprenticeships Access Programme will be extended by an additional 5,000 places, targeting industries and regions experiencing skill shortages. This programme assists job seekers who experience barriers to skilled employment to obtain and maintain a New Apprenticeship, other employment or further education and training.

Higher Education Sector

The major changes to the student financing arrangements to promote choice, remove systemic barriers to participation in higher education and to encourage increased participation and improved learning outcomes from those groups currently under-represented in higher education will continue to be supported by the Department. There will be increased funding to institutions to support equity groups and ongoing

provision of support for people with particular types of disadvantage to undertake award courses.

The Student Learning Entitlement (SLE) will continue for Commonwealth supported places. To facilitate and monitor the introduction of the SLE, scholarships and the increased range of loans that students can access, the Department will be continuing to develop and implement a new higher education information management system (HEIMS).

Work will continue to provide more comprehensive information to students through enhancements to the new goingtouni website.

Cross Sectoral

The Department continues to improve the capacity of young people to undertake and participate in education, training or employment by supporting flexible activity options and financial assistance. The Department provides a range of programmes to assist young people to improve their level of engagement in education and assist them overcome the barriers to participation:

- ABSTUDY (tertiary) provides a means-tested living allowance and some supplementary benefits for Aboriginal and Torres Strait Islander students at the tertiary level, including students undertaking courses at the Masters and Doctorate levels. The supplementary benefits payable under ABSTUDY are provided to remove some of the barriers faced by Indigenous students.
- The Department assumed policy responsibility for Youth Allowance (student), Austudy and Fares Allowance income support schemes from the Department of Family and Community Services in late 2004. New Apprentices will be included as a customer group from 1 July 2005. Youth Allowance, Austudy and ABSTUDY will be extended to New Apprentices assisting them to complete their education and training and make a successful transition to full-time employment.

The Indigenous Higher Education Advisory Council (IHEAC), will provide policy advice to the Minister to improve outcomes in higher education for Indigenous students and staff relating to their participation, progression and retention both in study and employment. The IHEAC has a membership of 16 representatives drawn from all States and Territories, and key national higher education and training organisations. It held its first meeting in March 2005 and will meet three times a year with an annual conference.

The new Indigenous Youth Mobility Programme will assist 600 young Indigenous people, primarily from remote areas of Australia, to access pre-vocational training, trade and non-trade New Apprenticeships and other training and employment opportunities, including in occupations such as nursing, accountancy, business management and teaching. Once they have completed their training, some will return

to their communities to take up skilled jobs while others will pursue their careers elsewhere.

An Indigenous Staff Scholarship Programme has been established for Indigenous staff (academic or general) who have actively encouraged Indigenous students to participate in higher education and to complete their courses. Scholarships are awarded on merit as determined by the Minister following advice from IHEAC, with priority given to people undertaking postgraduate awards.

Activities to improve the participation and success of Indigenous people in higher education are supported through the Indigenous Support Programme (ISP). Based on advice provided through the Higher Education Review consultations, and to ensure a more effective programme, eligibility and accountability requirements under the ISP have been improved.

The administration of outstanding debts under the Student Financial Supplement Scheme (SFSS) will be simplified. This will be achieved by buying back the total outstanding amount of SFSS loans held by the Commonwealth Bank of Australia, aligning the SFSS repayment thresholds and indexation factors with the nearest ones for HECS-HELP loans, and aligning the definition of taxable income for repayment purposes with arrangements under HECS-HELP loans.

Outcome 2 resourcing

Table 3.1.2 shows how the 2005-06 Budget appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources (Departmental) and the total price of outputs.

Table 3.1.2: Total resources for Outcome 2 (\$'000)

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000
Administered appropriations		
Output Group 2.1 - Funding for vocational education and training	1,194,808	1,298,561
Output Group 2.2 - New Apprenticeships	723,001	794,309
Output Group 2.3 - Assistance for skills and career development	72,375	74,648
Output Group 2.4 - Funding for higher education	4,248,566	4,617,976
Output Group 2.5 - Assistance for post school students including those with special needs	1,928,954	2,857,049
Revenue from other sources		
Administered	371,976	444,376
Total administered appropriations and other revenue	8,539,680	10,086,919
Departmental appropriations		
Output Group 2.1 - Funding for vocational education and training ⁴	10,034	16,981
Output Group 2.2 - New Apprenticeships	29,282	31,575
Output Group 2.3 - Assistance for skills and career development	21,273	21,572
Output Group 2.4 - Funding for higher education	25,705	27,625
Output Group 2.5 - Assistance for post school students including those with special needs	33,326	116,715
Total revenue from government (appropriations) contributing to price of departmental outputs	119,620	214,468
Revenue from other sources		
Departmental ⁵	57,940	16,824
Total price of departmental outputs (Total revenue from government and from other sources)	177,560	231,292
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	8,717,240	10,318,211
Average staffing level (number)	606	720

1 Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.

2 Special Account outflows are shown in the payments column of the Special Account table in Table 2.6. The estimated payments from special account balances are provided by way of note only and do not form part of the total estimated resourcing.

3 Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

4. The increase in funding is a result of ANTA's functions being transferred to DEST.

5. Includes resources received free of charge from the Department of Family and Community Services (FaCS) for continued provision of services for income support programme between October 2004 and April 2005.

Administered Expenses by Item – Outcome 2

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000
Output 2.1		
Vocational Education and Training Funding Act 1992	1,152,442	1,261,072
Vocational Education and Training - Priority Places	6,509	-
Vocational Education and Training National Programmes	35,278	36,900
National Centre for Vocational Education Research Ltd	579	589
Total 2.1	<u>1,194,808</u>	<u>1,298,561</u>
Output 2.2		
New Apprenticeship Centres	131,826	130,826
Support for New Apprenticeships	558,418	587,141
New Apprenticeship Workforce Skills Development	22,139	53,773
New Apprenticeship Access Programme	10,618	22,569
Total 2.2	<u>723,001</u>	<u>794,309</u>
Output 2.3		
Workplace English Language Literacy	13,906	14,259
Career Planning	3,118	3,319
Language, Literacy and Numeracy Training	48,156	49,741
Basic IT Enabling Skills for Older Workers	5,750	5,750
Disability Coordination Officers	1,280	1,424
School of Fine Furniture	165	155
Total 2.3	<u>72,375</u>	<u>74,648</u>
Output 2.4		
Higher Education Funding Act 1988 & Higher Education Support Act 2003	4,242,999	4,604,882
Higher Education Contribution to Australian Education International	-	5,749
Higher Education Special Projects	2,400	7,000
Indigenous Higher Education Advisory Council	398	274
Framework for Open Learning	2,694	-
Superannuation Payments for Former Commissioners	75	71
Total 2.4	<u>4,248,566</u>	<u>4,617,976</u>
Output 2.5		
Higher Education Loan Programme	514,853	619,774
Higher Education Funding Act 1988 & Higher Education Support Act 2003	48,157	68,287
Student Assistance Act 1973 (ABSTUDY)	100,211	96,321
Social Security Act 1991 (Youth Allowance and Austudy)	1,265,733	2,072,667
Total 2.5	<u>1,928,954</u>	<u>2,857,049</u>
TOTAL OUTCOME 2	<u>8,167,704</u>	<u>9,642,543</u>

Measures affecting Outcome 2¹

Australian National Training Authority - Abolition

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	-2.7	-3.1	-3.1	-3.1

New Apprentices - increased residential support

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.5	1.7	1.8	1.8

Institute for Trade Skills Excellence

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	4.3	6.8	6.8	4.8

New Apprentices Poaching- adjusting incentive payments

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.2	0.1	0.1	0.1

New Apprenticeship Incentives - broadening eligibility

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.3	0.7	0.8	0.9

¹ Further details of measures are published in Budget Paper No. 2.

New Apprenticeship Sporting Operations Incentive - withdrawal

	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	-0.3	-0.9	-1.1	-1.1

Pre-vocational training in trades

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	4.4	4.4	5.5	5.6

School-based New Apprentices in the trades – increased opportunities

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	1.4	4.4	8.9	11.3

Migration Programme -Trade Skills Training Visa – arrangement for regional Australia

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.3	1.1	2.2	2.7

Additional places in Language, Literacy and Numeracy Programme

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	3.6	3.7	3.8	3.9

University of Western Sydney - Infrastructure Projects

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	8.0	8.0	9.0	0.0

Agency Budget Statements — Agency outcomes — DEST

Debt Prevention Research and Development

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	-0.1	-0.4	0.0	0.0

Drought assistance – Exceptional Circumstances assistance

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.7	0.3	0.0	0.0

Student Financial Supplement Scheme - Simplification of Administrative Arrangements

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	-12.7	-15.1	-6.0	0.3

Working Age Payments – extension of waiting periods

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.0	-2.8	-3.7	-3.8

Welfare to Work – more generous Newstart Allowance Income test

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.0	48.2	55.0	54.7

Welfare to Work – expansion of Vocational Education and Training to support participation

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.0	25.5	13.2	3.9

Agency Budget Statements — Agency outcomes —DEST

Welfare to Work – increasing participation of parents

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.0	10.9	27.5	39.3

Welfare to Work – increasing participation of people with a disability

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	-1.5	2.5	6.0	10.4

Welfare to Work – increasing participation of the mature age

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.0	0.5	0.2	0.2

James Cook University - Additional Veterinary Science and Tropical Agriculture Places

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	1.7	3.1	4.2	5.0
<i>Related Revenue (\$m)</i>				
Department of Education, Science and Training	0.0	0.007	0.026	0.1

Our Universities – additional medical places at James Cook University

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	0.2	0.2	0.2	0.2

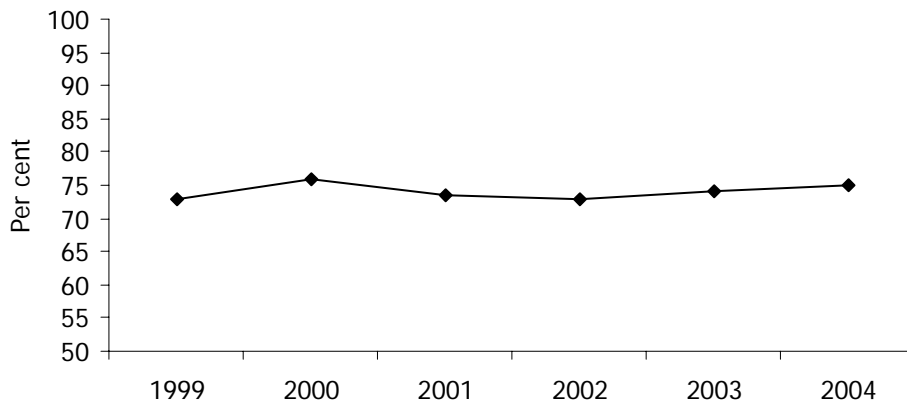
Implementation of Higher Education Reforms

Expense (\$m)	2005-06	2006-07	2007-08	2008-09
Department of Education, Science and Training	2.2	2.0	2.5	2.6

Performance information for Outcome 2
Effectiveness in Achieving the Outcome

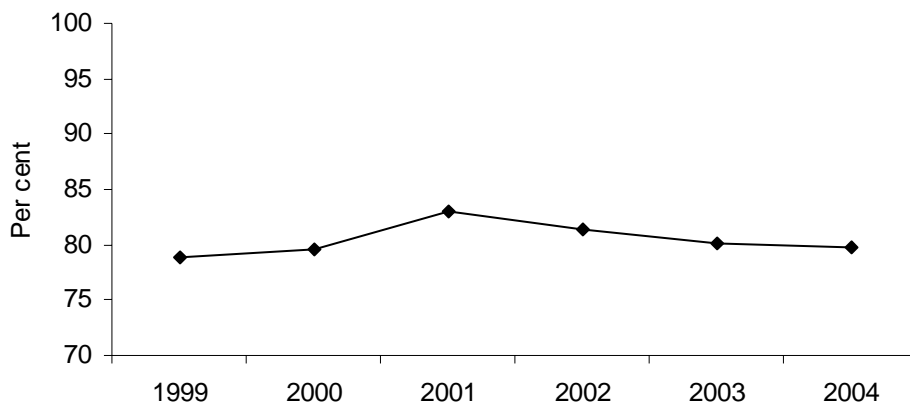
Effectiveness Indicator: Employment outcomes

Graph 2.1: Percentage of TAFE graduates employed at the end of May by year of completion of training



Source: Student Outcomes Survey (NCVER)

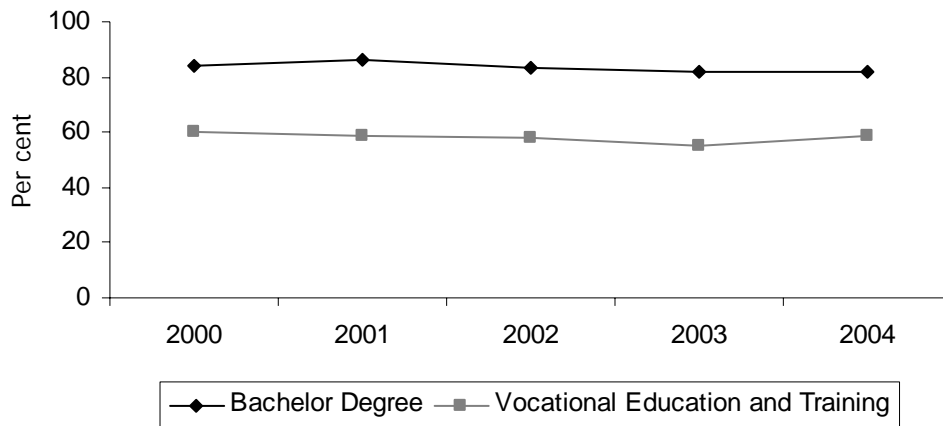
Graph 2.2: Percentage of higher education graduates in full time employment within four months of completion of degree, of those available for work



Source: Graduate Destination Survey

Effectiveness Indicator: Economic return

Graph 2.3: Graduate starting salaries as a proportion of Average Weekly Earnings



Note: VET figure for 2004 is subject to a break in series. The increase compared to 2003 may not indicate a trend.

Source: Graduate Careers Council of Australia and ABS data.

Table 3.2.2A: Performance in delivery of Administered Outputs

Output Group	Performance Measure	2003-04 ¹	2004-05 ²	2005-06 ³
		Actual	Estimated	Estimate
2.1 Funding for VET				
Quality	Employer satisfaction with VET* ⁴	Not available	80%	80%
	Graduate satisfaction with VET (rated overall quality as 4 out of 5 or above)*	85%	85%	85%
2.2 New Apprenticeships				
Quantity	New Apprenticeship completions	131,570	140,000	145,000
Quality	Level of employer awareness of New Apprenticeships	90%	90%	90%
	Level of employer satisfaction with New Apprenticeship Centres service	90%	90%	90%
2.3 Assistance for Skills and Career Development				
Quantity	Number who receive direct assistance for skills development through Australian Government programmes: Language, Literacy and Numeracy	22,925	20,000	20,450
	Workplace English Language & Literacy	23,217	18,000	18,000
	Basic IT Enabling Skills (BITES) for Older Workers	11,300	11,500	11,500
	People placed through Careers Planning Programme*	11,084	12,500	Not available

¹ Where Performance Measure is * indicates Calendar Year 2004

² Where Performance Measure is * indicates Calendar Year 2005

³ Where Performance Measure is * indicates Calendar Year 2006

⁴ Employer satisfaction statistic based on KPM under Australia's national strategy for vocational education and training 2004-2010, measuring the proportion of Australian employers who are satisfied with VET in meeting the skills needs of their workforce. Data from national Survey of Employer Use and Views on VET conducted every two years from 2005. The 2005-06 estimate reflects 2004-05 data.

Agency Budget Statements — Agency outcomes —DEST

Output Group	Performance Measure	2003-04 ¹	2004-05 ²	2005-06 ³
		Actual	Estimated	Estimate
2.4 Funding for Higher Education				
Quantity	Number of domestic undergraduate places*	410,021	>420,000	>425,000
	Number of domestic postgraduate coursework places*	53,443	>50,000	>50,000
	Number of domestic research places*	26,865	>24,000	>24,000
Quality	Graduate satisfaction with Higher Education - proportion of students broadly satisfied with courses*	89.4%	89%	89%
2.5 Assistance for post school students including those with special needs				
Quantity	Domestic higher education students enrolled in awards courses in receipt of loans (equivalent full-time)*	342,578	>345,000	>365,000
	Tertiary students in receipt of ABSTUDY*	23,486 ⁴	24,117	Not available
	Number of Youth Allowance Recipients ⁵	n/a	n/a	331,000

¹ Where Performance Measure is * indicates Calendar Year 2004

² Where Performance Measure is * indicates Calendar Year 2005

³ Where Performance Measure is * indicates Calendar Year 2006

⁴ Source: Extracted from Centrelink data using *BRIO* software. These are beneficiaries who received an ABSTUDY payment in 2004. Previous Centrelink data using *SuperStar* software reported beneficiaries paid and entitled to be paid in the calendar year.

⁵ New Indicator for 2005-06.

Table 3.2.2B: Performance in delivery of Departmental Outputs

Performance Indicator	2005-06 Estimate
Administration	
Accurate and timely approval, payment and acquittal of grants in accordance with legislation and guidelines	At least 90% compliance in relation to Quality Assurance exercises
Implement governance and administration arrangements for the national training system	Infrastructure is in place to enable a smooth transition to the new arrangements
Facilitate industry engagement and access to the national training system	Appropriate arrangements are put in place to enable input by key stakeholders
Encourage a shared commitment to support national goals and objectives for vocational education and training	Multilateral and bilateral agreements are signed by all States and Territories in 2005-06
Monitor and continually improve support services for New Apprenticeships Centres and State Training Authorities	Effective enhancement of the Training and Youth Internet Management System (TYIMS) in consultation with stakeholders to provide effective e-business support
Implement the National Skills Shortages Strategy	Effective implementation of the eight elements of the Strategy
Improved access for students to higher education	New applications from private higher education providers will be assessed for approval under <i>Higher Education Support Act 2003</i>
Review and implementation of arrangements to ensure the ongoing sustainability of higher education	Effective organisation and consultation with stakeholders across a range of higher education issues
More effective higher education institutional reporting	Effective administration of the Institution Assessment Framework in 2005
Improved focus on learning and teaching in higher education	Effective implementation of the Learning and Teaching Performance Fund by end 2005
Effective management of higher education funding and financing arrangements	Funding Agreements are in place with each institution and students are assisted through the Higher Education Loans Programme in 2005
Policy Advising	
The Minister will be satisfied with the timeliness and quality of briefs provided by the department	Satisfaction (at least 90%)
Ministerial and Parliamentary Services	
Parliamentary reports will be provided within timelines set by the Parliament and its Committees and, where this is not possible or resources do not permit, interim response will be supplied within set timelines	Satisfaction (at least 90%)
The Minister will be satisfied with the timeliness and quality of Ministerials provided by the department	Satisfaction (at least 90%)
Research, Analysis and Evaluation	
Research activities are completed according to plan	At least 90% completed to plan
Research and evaluation reports rated as satisfactory by the Minister	At least 90% satisfaction
Service Delivery	
Satisfactory services provided by Centrelink in relation to ABSTUDY and Career Planning Programme	Services provided in accordance with the Business Partnership Agreement