



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON EDUCATION AND TRAINING

Reference: Department of Education, Science and Training annual report 2006-07

THURSDAY, 5 FEBRUARY 2009

CANBERRA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfoweb.aph.gov.au>

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EDUCATION AND TRAINING

Thursday, 5 February 2009

Members: Ms Bird, (*Chair*), Dr Jensen (*Deputy Chair*), Mr Clare, Ms Collins, Mrs D'Ath, Mr Irons, Mr Oakeshott, Mr Sidebottom, Dr Southcott and Mr Zappia

Members in attendance: Ms Bird, Ms Collins, Mrs D'Ath, Mr Oakeshott and Mr Sidebottom

Terms of reference for the inquiry:

To inquire into and report on:

Department of Education, Science and Training annual report 2006-07

WITNESSES

GRIFFIN, Ms Donna, Branch Manager, Australian Apprenticeships Branch, Department of Education, Employment and Workplace Relations 1

HEWLETT, Ms Susan, Branch Manager, Industry Engagement Branch, Department of Education, Employment and Workplace Relations 1

MANNNS, Mr Rod, Branch Manager, Funding and Student Support Branch, Department of Education, Employment and Workplace Relations 1

McAUSLAN, Mr Neil, Branch Manager, Policy, Funding and Performance Branch, Department of Education, Employment and Workplace Relations 1

Committee met at 9.39 am

GRIFFIN, Ms Donna, Branch Manager, Australian Apprenticeships Branch, Department of Education, Employment and Workplace Relations

HEWLETT, Ms Susan, Branch Manager, Industry Engagement Branch, Department of Education, Employment and Workplace Relations

McAUSLAN, Mr Neil, Branch Manager, Policy, Funding and Performance Branch, Department of Education, Employment and Workplace Relations

MANNS, Mr Rod, Branch Manager, Funding and Student Support Branch, Department of Education, Employment and Workplace Relations

CHAIR—I declare open the eighth public hearing of the House of Representatives Standing Committee on Education and Training as part of its review of the 2006-07 annual report of the Department of Education, Science and Training. Although the committee does not require you to give evidence under oath I should advise you that the hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. As no-one has indicated that they would like to make an opening statement we will proceed to discussion.

Clearly, we are at the closing end of this particular report, so we appreciate your time today just to clarify a few matters. There are a few questions here. I might ask my colleagues if they would like to start because they are both on quorum duty, which means that they have to leave at 10 o'clock to attend the parliament. Ms Collins, you have the flexibility and responsiveness of the VET system area.

Ms COLLINS—Are there any initiatives around or about to come on board to improve the consistency between the standards and qualifications endorsed by the National Quality Council and those being placed on the National Training Information Service?

CHAIR—Who would like to take that question? Ms Collins, would you mind repeating the question?

Ms Hewlett—I will take that question.

Ms COLLINS—It was a long question. We are curious as to whether there are any initiatives currently or in the pipeline that will improve the consistency between the standards and qualifications endorsed by the National Quality Council and those being placed on and implemented the National Training Information Service?

Ms Hewlett—The way that the qualifications and the competency standards are developed in the national training system is through the industry skills councils. The industry skills councils are responsible for the training packages. They consult with their industry sectors, identify the competency standards and develop the qualification profiles. So they make an assessment in conjunction with industry as to what the competencies and standards should be. They are very lengthy consultation processes; they can go for two or three years. They then present the training

package to the National Quality Council, and the National Quality Council takes their advice on the standards and competencies that are contained in the qualifications. Then the council makes its recommendations and the ministers endorse or agree to those recommendations. That is the process for identifying competency standards and qualifications, and that is the process through which there is consistency and quality assurance.

Ms COLLINS—Through the industry skills councils?

Ms Hewlett—Through the industry skills councils, yes.

CHAIR—Could you just explain to us how Skills Australia fits into that.

Ms Hewlett—Skills Australia does not actually have a role in the development of competency standards and qualifications. Skills Australia was established under the Skilling Australia for the Future policy. The relationship between Skills Australia and the industry skills councils is more about gathering industry intelligence. So the industry skills councils do an annual environmental scan, consult with their industries, look at workforce development—

CHAIR—Is that around developing skill areas?

Ms Hewlett—It is more around forecasting the skill that are going to be needed in the future in particular industries. Skills Australia does not have a role in assuring quality or consistency of the competency standards or the qualifications.

CHAIR—When they have done that do they task back to the Industry Skills Councils? When they have done their audit and they have identified emerging skills needs and so forth where does that link back to, in developing the competencies and so forth?

Ms Griffin—The information that Skills Australia gleans from industry, research and so forth is fed back, I am advised, to the Australian government. Then it would feed back into the formal processes.

Ms Hewlett—There is a two-way relationship between the Industry Skills Councils and Skills Australia. Skills Australia consults with industry as well. Industry Skills Councils and state and territory governments provide advice to skills Australia, and from that gathering of information from a variety of sources, as Ms Griffin, has said—

CHAIR—And then they provide that to government who then decides how to action it and where is the most appropriate place for it to go.

Ms Hewlett—Yes.

Mrs D'ATH—I just wanted to ask about mature-age apprenticeships, and support for mid-career recipients. The department's supplementary submission stated that at 6 May 2008 there was almost 7,500 recipients of mid-career support—2,306 were upgrading existing skills, 5,188 were new Australian apprenticeships. Could you update the committee on the uptake of support for mid-career recipients? Do you have current data on that?

Ms Griffin—I do not have that with me but I am happy to provide it to the committee. You were just after updated figures?

Mrs D'ATH—Yes. On the issue of the support for VET study, the TAFE Directors Australia have stated that students that are at the margins in many cases do not have access to HECS and have to go through the FEE-HELP regime, and that that seems unreasonable. Are you able to explain why TAFE students are not eligible for participation in HECS supported courses?

Mr Manns—I might start that answer. HECS, as it is commonly still called, is essentially a system for higher education courses. It is, I suppose, fundamentally based on the rationale that the Commonwealth is the principal funder of the provision of higher education in Australia. As you probably know, that scheme has been in place in various forms since 1989. By contrast, vocational education and training is primarily a responsibility of the states, although the Commonwealth provides substantial funding to the states for that purpose. There has been an extension of a HECS type of scheme—and my VET colleagues might want to say more about this when I finish—which is called VET FEE-HELP, for certain vocational education and training qualifications, principally at the higher level: the diploma and the advanced diploma levels. And there have been some further developments with regard to the expansion of that scheme, particularly within the state of Victoria.

Mr McAuslan—As Mr Manns has outlined, in the VET base, up to fairly recently, funding was basically provided by the Australian government and state and territory governments to fund training. States and territories generally impose fees on the students as part of that arrangement. From 1 July there will be access to VET FEE-HELP for diploma and advanced diploma students. There are a number of conditions relating to that. There has to be a clear pathway between VET and hiring arrangements. That is largely going to be expressed by arrangements between VET providers and higher education providers. Those are basically going to be full-fee-paying arrangements, with the focus at this stage on the high-level qualifications. The department is now working through the many and varied applications from VET providers who are interested in accessing that financing arrangement.

CHAIR—I am conscious that people on income support are generally exempted from paying TAFE fees anyway. Does that also apply to those higher associate diplomas?

Mr McAuslan—Those arrangements are managed by the state and territories.

CHAIR—So there is variation across—

Mr McAuslan—There is variation across the states and territories. Generally people on income support would not pay fees in subsidised places, but my suspicion would be that that would largely be at the lower end of the qualification scale.

Ms COLLINS—If I could ask for further clarification—this VET FEE-HELP scheme is funded nationally?

Mr McAuslan—Yes.

Ms COLLINS—And the criteria for it is different and it has a higher threshold than HECS-HELP?

Mr McAuslan—Yes. It is separate from the subsidised funding arrangements for training. As Mr Manns has pointed out, the Australian government has not moved into the notion of a HECS arrangement for subsidised students in vocational education and training as it has done in the higher education space. That is because the funding arrangements that relate to vocational education and training have been, and will largely remain, different from those arrangements.

CHAIR—I want to have a look at the emerging skills area again. Firstly, we were talking about the Industry Skills Council and Skills Australia, but it was raised with the committee that there is some problem with the states translating those national qualifications into accurate operation at the state level and with the quality controls in place there.

Ms Hewlett—After the training packages have been endorsed by the National Quality Council and the ministers, the training package goes on the national training information system. The registered training organisations can then elect whether or not to deliver those qualifications and the state training authorities can then elect whether or not to fund the delivery of those qualifications through public funding. So there are other ways that those qualifications can get delivered. They can also get delivered by fee for service. So the state and territory governments—and my colleague might be able to expand on this—develop the VET plans for the future and identify the priorities that they are going to have over the forthcoming year. They then make a decision about which qualifications to fund on that basis.

CHAIR—Do they also take over quality assurance control at that point?

Ms Hewlett—They do. The state registration bodies are responsible for registering the registered training organisations and also for monitoring the quality of delivery.

CHAIR—How varied are the state systems for quality control on delivery?

Ms Hewlett—The AQTF, the Australian Quality Training Framework, is a national quality framework, and it is against that framework that the state registration bodies assess the training providers.

CHAIR—I suspect from the evidence that we received that there is some concern that the systems may well be in place but not the capacity to implement them in terms of following up on RTOs and checking the quality of what is delivered and so forth. That is the concern that has been fed back to the committee. I do not know whether there are particular improvements or innovations that have been run out that you are aware of. Are there any innovations or anything else you are aware of that have been done to improve the capacity to use that system to ensure quality at the state level?

Ms Hewlett—Again, I invite others to comment on this, but I am aware that there is a Quality Standing Committee under the National Quality Council that is responsible for looking at consistency nationally. I am also aware that there has been a formative evaluation of the Australian quality training framework, and I understand that there is another step in the review process shortly to ensure that the system is working well nationally.

CHAIR—Is that a systems assessment or a delivery assessment?

Ms Hewlett—That, I am afraid, I cannot answer, but I am very happy to follow that up for you.

CHAIR—To be honest, as a local MP, when people come to me and complain about the quality of something they have been delivered there actually is not a complaints place to refer them to, such as any sort of national ombudsman of training courses, if you like, or something like that. We seem to always look at the systems and presume because the systems are well set up that what the student in the classroom at the end of the line experiences reflects that. Some of the evidence we are getting is that that is not always the case and they do not know where should they go. I do not know. Mr McAuslan, did you want to add anything?

Mr McAuslan—Yes. As Ms Hewlett has outlined, the responsibility for quality assurance rests with the states and territories, and they have fairly clear processes that they work through to make sure that the quality of delivery in their jurisdiction is up to the standard they require. We do not have any information about whether there is a hotline that people can call if they have concerns about that. It is an issue primarily for the states. The Australian government basically provides an input in relation to ensuring that there is a quality framework that is nationally consistent and then it is pretty much up to states and territories to ensure that the providers that they are providing funding to, including their TAFE providers, are delivering at the required standard.

CHAIR—I am conscious there are some almost inspectorate type arrangements but, given the huge size of the sector now, I am doubtful as to how much gets checked and so forth. That would perhaps be something we can follow up with some of the state authorities who have put submissions in. If you could just check that at the national quality framework level there is no particular mechanism or consideration for a mechanism for a direct reporting. I am sure that the Centrelink and Job network providers themselves will have plenty of stories about people very unimpressed with the quality of the training they have been referred to. We are funding it, so we want to make sure of that.

The other thing that was raised with us in the emerging skills area, in particular around photovoltaics and some of those emerging technologies with emerging skills attached to them, was the capacity to just, if you like, step in and do discrete units of training rather than getting a whole qualification. I am assuming if you are a qualified electrician by trade you would like the capacity to easily add on units to your trade rather than have to go back and undergo a full qualification. Then there is the issue of the availability of that sort of training. Can anybody indicate to me whether that is a mechanism that has been looked at, because a lot of the industry sectors have told us that there is an issue with existing trades qualified people wanting add-ons and not wanting to have to undertake full qualifications and so forth.

Proceedings suspended from 10.00 am to 10.05 am

CHAIR—We will resume our hearing. Ms Hewlett, you were responding to a question, so we will come back to you.

Ms Hewlett—Yes, we were looking at emerging technologies and how the VET system can cater to emerging skills. As part of the development of training packages, the industry skills councils do add on new skillsets, new competency standards and new qualifications. It is possible for somebody who has already undertaken a trade apprenticeship and has finished that apprenticeship to then go and do the add-on modules or skillsets for which they would get a statement of attainment on top of their qualification. So they would not need to go through the competencies that they had done under their trade certificate.

CHAIR—And the availability of those would depend on the decision by RTOs to take them up and offer them in that format?

Ms Hewlett—That is correct.

CHAIR—And if some of the larger providers, such as the TAFE systems, were offering the whole qualification they could still enrol existing tradespeople in a subject?

Ms Hewlett—Yes, they could—absolutely—and give them a statement of attainment.

CHAIR—That is great. Thanks for clarifying that.

Mr McAuslan—Madam Chair, I would like to add that it is quite common for the Ministerial Council on Vocational Education and Training to look at issues like sustainability, green skills et cetera. There is actually some work that the council has commissioned in this area: an action group of officials to look at how you best address this particular situation.

CHAIR—It is something that has been raised with me consistently. My area is a big mining area and it is in the minerals training area. The provision of training is so expensive in terms of the equipment base and so forth—you just cannot borrow a classroom somewhere and run a course—that there has not been a sufficient uptake. It is quite difficult as to initial training. The extensive apprenticeship scheme seems to be okay. But getting the add-ons and up-qualifications is quite difficult because the provision of training is expensive and RTOs are less likely to be keen to undertake it. Have you an indication about how that might impact on rolling out new emerging skills that have significant capital attached to them? What was said to us was that it is mainly trade associations themselves, due to demand from their memberships, that have been going back and trying to find someone to offer training, but even they find it difficult because of the actual training facilities that are required.

Mr McAuslan—There are a couple of funding sources that have been available for quite some time, under the Skilling Australia's Workforce Act and previous acts, that make capital funding available to industry skills centres, which are industry focused organisations that want to develop particular skills that actually address the sorts of need that you are talking about. That arrangement will continue under the new Commonwealth-state funding arrangements.

CHAIR—Is that oversubscribed? Is that undersubscribed? What is the situation?

Mr McAuslan—It has varied quite considerably. I have been managing that program for three years and we have gone from undersubscription to oversubscription over that period of time.

There are now some additional funding sources for training related infrastructure which were announced before Christmas—and the department is working on the guidelines for those, as you were talking about earlier—and they will basically provide opportunities for organisations, particularly TAFEs, to access additional infrastructure funding. But TAFEs can enter into consortia with industry bodies et cetera to develop facilities that will help to meet training needs, including training needs relating to sustainability, green skills, and to help address the likely impact of the global financial crisis in regional areas and so on. That funding will roll out from 1 July.

CHAIR—Are they able to interact with the Trades Training Centres in Schools Program to perhaps look at complementary development of trades training in emerging skills—if you could get the trades training centres of a group of schools who were interested in green plumbing or whatever as well to bring their money to develop something really advanced?

Mr McAuslan—That is an interesting question. I do not have an answer in terms of whether there is a formal requirement or formal arrangement. I think we are trying to encourage more informal arrangements to be developed, perhaps at the community level, to look for solutions, using those various funding sources.

CHAIR—Could you check for us whether, if industry wanted to get together with some schools and develop something, there would be any barriers to doing that, so we know whether we need to make any recommendations about things that might be blocking that.

Mr OAKESHOTT—I was just going to pick up on the same point from a slightly different angle—that is, in my region the TAFE institute is incredibly asset shy and I get the feeling it is because of the contestability environment; they just do not want to take on anything. From the internal TAFE point of view, they do not want any new assets, any new facilities, because—

CHAIR—They become a white elephant if they lose the course.

Mr OAKESHOTT—And they are carrying a burden in competition with RTOs, who can drive into town and compete. One of the key issues is facilities, I would have thought, in the provision of trade skills, yet there are these competing messages coming out from various sectors.

Mr McAuslan—Up till the end of last year, when the SAW Act ostensibly ceased, the Australian government provided funding for major capital, which went towards the TAFE sector. So there has been funding available for TAFEs, both through state and territory funding—at the moment about two-thirds of funding for vocational education and training is provided by states and territories—and federal funding. So I believe there has been an opportunity for TAFES to be adequately funded for infrastructure, being mindful of the fact that they do not want to end up with facilities that will not be utilised effectively.

Mr OAKESHOTT—Yes, in the long term. Are you getting that message as well?

Mr McAuslan—We are getting that message anecdotally in some areas, yes. In some areas there has been such strong demand for trade training, particularly in states like Western Australia and Queensland, where the growth in facilities has not actually matched the growth in

apprenticeships and so on. So one of the aims of the new funding that we have for infrastructure—and \$400 million of that will go towards TAFEs and TAFE consortia—is to try and address some of those needs to upgrade existing facilities, start building facilities that are going to help address the skills needs of the future.

CHAIR—I will just indicate there that I think part of the problem with the state level is exactly as you have said—that, when the funding becomes available outside the mainstream recurrent funding, the problem with the contestability model is that TAFEs will cross-subsidise their expensive courses by running the cheaper-to-deliver courses, and, if somebody comes along into town and cherry-picks all of the cheaper-to-deliver courses, it becomes unsustainable. I get the same message in my area. It has implications for us in that nationally we are rolling out, for example, productivity places training. From a mining-manufacturing area, whilst we have a diversified economy, none of my productivity places are in those trade areas; they are all in retail and aged care and so forth. The TAFE was saying to me, ‘It’s not viable for us to put in for those more expensive ones unless we get a share of the cheaper-to-deliver ones, because that’s how we cross-subsidise course delivery.’ So I can understand why they are reluctant to say, ‘We’ll put in for some money for capital,’ if they cannot guarantee that they can continue to run courses.

Mr OAKESHOTT—Added to that, it is not even money for capital works, and this is a local example. There is a problematic issue with the Australian Technical College and what to do with it next year. TAFE was offered the building, so it is not even a capital question. They just do not want to know the asset; they do not want it on the books because of this issue of everything being contestable. So bricks and mortar are a burden to carry.

Mr McAuslan—Potentially. And one of the other things that was included in the SAW Act was a requirement that states and territories make their training facilities available to other training providers to try to maximise the use of those infrastructure assets. That has been, to say the least, patchy.

Mr OAKESHOTT—Can I explore that. Is that happening anywhere? Are there good examples out there of that happening?

Mr McAuslan—There are examples of it happening but I would have to say that it has not been something that has been taken up in a big way in any part of the country.

CHAIR—We have enough trouble getting mining companies to share their railway tracks—let alone in this sector.

Mr McAuslan—It is a big issue, particularly in regional settings, where you have got either one provider or a couple of providers and the major training asset in that location is the TAFE institute. Certainly one of the things we have been looking at is trying to maximise the utilisation of those facilities.

Mr OAKESHOTT—Is anyone willing to comment about where this is going to end up, in light of those competing questions. Because it looks like a train wreck coming unless something structurally changes. Either the public sector does not deliver any more and is taken out of the game and the future is completely privatised delivery or there has got to be some sort of policy

change in the arrangements between the Commonwealth and the states on how VET is delivered. Is anyone willing to comment?

CHAIR—It is a decision for us.

Mr McAuslan—It is certainly a decision for governments to look at.

Mr OAKESHOTT—Are there options being put forward to decision makers?

Mr McAuslan—I think at the moment there are many options being put forward in relation to funding for the sector, including, as you mentioned earlier, the Productivity Places Program, which Ms Hewlett can talk about. But there is a collection of government programs and funding that is going out into the marketplace. What we are trying to achieve with that is to make the whole system work more effectively, whether it is public provision or private provision. Public provision still accounts for about 85 per cent of VET delivery. I honestly cannot see that changing dramatically in the near future. But I think it is a policy area where there are lots of different things happening and where we do need to come up with a more cohesive set of arrangements between the states, the territories and the Australian government to make that work as effectively as we can, acknowledging of course that the primary responsibility for delivery still sits with the states and territories.

Mr OAKESHOTT—So why do you say 85 per cent will not change? What gives you the confidence to say that?

Mr McAuslan—I just do not think that you can move things that quickly with current policy settings.

CHAIR—And there is not enough room to make profit.

Mr OAKESHOTT—Which will limit the private?

Mr McAuslan—Over a long period of time there have been arrangements in place in the VET sector to provide access to private providers, particularly in the apprenticeship space, to user choice funding. Those arrangements have moved very slowly; they have certainly contributed to the situation now where we see 85 per cent of training still being delivered by public providers. So my sense would be that it would be a fairly slow and incremental change in making the funding arrangements more competitive out there in the marketplace under current policy settings.

Mr OAKESHOTT—Would you be able to bring—

CHAIR—One more?

Mr OAKESHOTT—One more. Can you bring back some info on examples where there are multiple providers on the TAFE side? I would be really interested to see where those are and how they operate.

Mr McAuslan—I will see what I can do.

CHAIR—You have covered that question. That is very good. I want to make sure that we have covered everything we need to before we get to writing the final report. The other issue that was raised was about overcoming the siloing of industry skills councils. It should be able to transport some of the more generic components that are within a particularly industry sector across to other industry sectors. Obviously, there are accreditation and recognition processes in place, but sometimes, because you are sitting in a silo looking at your own industry, the design does not make the end product easily portable. Some of the industry skills councils raised this with us in the context of a decline in an industry and tradespeople shifting between sectors—not necessarily between skills sets, but between sectors—and then finding that they have been too narrowly trained to easily transfer between sectors. I am wondering if that has been looked at in this process.

Ms Hewlett—It is a very good question. These processes take time, but all of the industry skills councils have engaged in a rationalisation process over the last couple of years. Many of them have recognised this issue and are addressing it by collapsing their training packages down and merging them. For example, you now have plumbing in with the building and construction industry training package. The packages are becoming big to acknowledge that there are lots of underlying skills that are relevant across a broad range of occupations. That is happening within industry skills councils. Manufacturing Skills Australia is looking at in fact having one training package for manufacturing and then having add-ons for specialisations.

CHAIR—For individual sectors.

Ms Hewlett—That is right. The other thing that they are doing is looking at picking modules up from the training packages of other industry skills councils. For example, in the business skills training package of Innovation Business Skills Australia there are a whole bunch of competencies that are relevant to just about every occupation and every qualification. If you look at the makeup of a qualification on the national training information system you will often see in the codes that they have picked up modules from other training packages so what we are stopping that duplication from happening. It does take a while, but there has been an attempt to do that.

CHAIR—The interest that had in it has become more pertinent given the economic situation. There has been a collapse in the mining industry and now there will be a huge injection into construction, which we feel will flow on from the package that we have introduced. How easy is it for someone who has been trained in the mining sector but has skills that could be very easily adjusted to the construction sector? Under occupational health and safety, employment agreements and so forth and requirements for qualifications may actually become a barrier. They are not going to go back and undertake a complete package. That movement between sectors that was of major concern and it will become more of an issue for us as we see this shift between sectors. How amenable is the design of training to people identifying modules that they could pick up in another sector so as to be able to move across? Are they designed so that if a person had this base from one sector they could add a few modules on to become familiar with another sector? Occupational health and safety is a classic example. The training in mining will be mining focused. It will be very specific to the industry. How easy would a person find it to pick up an OH&S module in construction so that they can move across?

Ms Hewlett—I think that it is beginning to happen. There are some innovative projects going on, for example, between the Minerals Council of Australia and the National Farmers Federation. So they are looking at location based solutions to those sorts of barriers. They are looking at those workers who, on the face of it, look like they would have quite different skills in driving a tractor and driving a big earth moving machine. There are obviously some competencies in common. So there are industry sectors that are getting together to explore those options and hopefully we will be able to pick up on what they have learnt and look at them in the context of other industries as well.

Mr OAKESHOTT—How confident are you that industry voices at the table around the industry skills councils represent the industry needs and demands? Is there any second-guessing or checking that is done? I am particularly coming from a regional angle, just to explore the question of whether the needs within that industry are different and if they are therefore being represented. I have had some feedback from within that industry—and I represent a regional area—that those voices are not necessarily talking on behalf of them.

Ms Hewlett—I can certainly talk about the way the system is meant to work, but do you have some specific examples that we could perhaps pick up and explore? Certainly the industry skills council members are all independent companies. They are voted onto the board by their industries and there is a connection—

Mr OAKESHOTT—Do you guys have any authority over that process or any auditing of that process to make sure it is legit?

Ms Hewlett—They are independent companies, and we certainly have expectations in the contracts with the industry skills council that they will consult broadly with their industry sectors but also that they will develop relationships with the state industry training advisory bodies or councils so that they are able to pick up some of the regional nuances that they might not get at the national level.

Mr OAKESHOTT—You take it on good faith that the is being done?

Ms Hewlett—We have examples where that system is working incredibly effectively and really well. We have other examples of where it is not working so well. So we see our role as supporting and facilitating the parties to communicate and sort out those issues. We have convened forums to enable the industry parties and sectors to talk to each other about those issues and help them work through them.

CHAIR—One of the great challenges with such democratised processes is that everybody complains about not having their say when they are unhappy, but when it is time to actually put some work in to develop something its ‘We will trust you to do that.’ So I have some sympathy. There is one last area that I want to ask about, and I am conscious that our deputy chair is not here and was particularly interested in the science enrolment, so I will get one of my colleagues to ask some of those questions on his behalf. The overseas VET was raised with us. It was indicated to us, I think by the TAFE directors, that there is a real problem with the Australian-Chinese partnership in VET and that there had actually been a suspension of Australian providers in China. There were some concerns around the quality of what was being provided through some RTOs. Is anybody aware of that or what the current status of that may be? It might

be something that they are experiencing as individual providers. The TAFE people were telling us that they were really frustrated in the field because the Chinese had said that they were not going to take up Australian providers, even TAFE, because we have been burnt by some. We might have to follow that up with them and see if that is an issue. I am not sure whether that was in terms of the provision in China or whether it was a backlash of some of that more publicised stuff about students experiences here. But we will follow that up with them.

As a result of that, they raised with us their concern that we are just not being rigorous enough in approving RTOs. Having had a brother who worked in the English language space in Sydney and another friend who left three providers because they were so disgusted themselves at what was being provided to students, I think it is a pretty pressing and real issue. From what I understand from what you said earlier, the registering and following of RTOs is a state responsibility. Is that right?

Ms Hewlett—That is correct.

CHAIR—Even in this area? Even in overseas student provision?

Ms Hewlett—If an RTO that is based on shore in Australia is delivering to international students, yes, it is the responsibility of the state or territory to register that registered training organisation.

CHAIR—And that is where the issues between the department of immigration and the requirements to be complying with visas and their training providers occur. That is the space in which those problems would occur, because obviously the problem is that our requirements under immigration study visas have particular parameters. Indeed, if you then want to qualify for a longer stay visa, you have to have reached particular levels. The problem has been that the advertised and sold training actually did not comply. Would that be something we would talk with Immigration about, or do you guys get involved in that?

Ms Hewlett—It would be something that we would be able to respond to, but—

Mr Manns—Yes. It is not the exactly my area, but I can help you a little bit. There is Commonwealth legislation called the Education Services for Overseas Students Act, or ESOS, as it is commonly called, and an underpinning quality framework that relates to that. The Australian government maintains the register of providers who are effectively able to provide education for overseas students.

CHAIR—Across VET level courses or the whole lot?

Mr Manns—ELICOS, VET and higher education—and indeed schooling, because there are some kids—

CHAIR—Yes.

Mr OAKESHOTT—Who does that, sorry? I missed that.

Mr Manns—It is a federal regime and a federal register, and it is based on the fact that it is federal law that deals with student visas and the right of people to actually be in Australia to be students and the requirements that are imposed on the students in terms of attendance at a provider and so on. But, again, the placement of a provider on that register is underpinned by the state processes for approval of the provider. So, while there is an overarching federal and national framework, again, it is operationalised primarily at the state level. There are reserve powers—if you would like to call them that—where the Commonwealth can step in and take actions, but it is that federated national sort of arrangement again, as we have talked about more generally in the VET sector.

CHAIR—When you say it is operationalised through the states, basically that means they can set up an accreditation system and we accept the accreditation system as legitimate, so, if you pass that, you can go on to the federal register. What about quality control? Do we intervene in that? Do we do site visits on these providers?

Mr Manns—Again, you are getting a bit out of my area of expertise. We might take that question back for you. My understanding is that at least the first line of quality assurance rests with the states. It would be the states that would investigate problems and potentially remove a provider from the CRICOS register, as it is called. But I think there are some powers for the Commonwealth to act in the absence of state action, whether that—

CHAIR—Yes. I think some of the states have actually got quite hardline and proactive in reviewing some of these providers and taking away their licences, but that then leaves a whole lot of students unable to comply with their visas.

Mr Manns—Yes, that takes you into the territory of the so-called tuition assurance arrangements too. The providers who are registered on the CRICOS register have to have tuition assurance arrangements, which fundamentally mean that, if they go belly up, for example, there has to be an arrangement, typically underpinned by an insurance type scheme, of the student either being found another place somewhere else or at least having their tuition fees refunded. But you are right: unless the student can find another place and thereby meet the enrolment requirements of their visa, they cannot stay in Australia.

CHAIR—Thanks for that. Somebody on the committee was following the sciences issue: the low take-up of science courses. Dr Jensen was interested in that. If it is okay with you, we might provide Dr Jensen's range of questions in writing for response. I do not want to delve into an area that I am not particularly expert in, and he had a real interest in it, so we might do it that way. Were there any final questions, remembering that we are almost at the point of drafting a report? Is there anything people particularly want to clarify on this? I appreciate that Mr Oakeshott has not been here for the whole thing.

Mr ZAPPIA—This issue might have been covered. On the question of funding for children with special learning disabilities, I know that the funds go to the private schools—if it is for a private school—and to the state governments for the public schools. The question of the quantum of funding per student has been raised with me. Has there been any review of how much funding per student is currently paid and whether that figure ought to be increased?

Mr Manns—We do not actually have anyone from the schools area here with us today, so we would have to take that on notice.

CHAIR—I think we did seek some information on that. We might get Mr Zappia the responses we got at the time, if that is okay. We can follow up on that for you.

Mr ZAPPIA—Sure.

CHAIR—I am conscious that we are getting close to your time frame, and Mrs D’Ath has another committee. I want to thank you for your attendance here today. If you have been asked to provide additional information—which I know we have asked for—would you please forward that to the secretariat in a timely and prompt manner. My apologies for adding that, but we want to get this draft written and move on to our next inquiry. We may also have additional questions following this hearing, which the secretariat will forward to you, including the written questions on Dr Jensen’s area of interest. You will be sent a copy of the transcript of your evidence, to which you can make corrections of grammar and fact. Thank you again for your help today. It is very much appreciated.

Resolved (on motion by **Mrs D’Ath**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 10.37 am