

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

**Outcome:** 2

**Output Group:** 2.1 – Funding for Vocational Education and Training

#### **DEST Question No. E165\_06**

Senator Nettle asked in writing in June 2005, the following question.

#### **Question:**

1. Given that the Commonwealth funds approximately 30% of TAFE funding, on what basis does the Commonwealth believe that it has the right to attempt to reshape staff employment conditions in TAFE?
2. How does this not equate to a rewriting of Federal/State relations without negotiation?
3. What will the Commonwealth do if States refuse to change their legislation to comply with the Commonwealth's IR requirements?
4. Is the Commonwealth willing to see TAFE colleges close and courses fail if the States cannot agree to the demands relating to industrial relations policy included in the current Commonwealth TAFE funding offer?

#### **Answer:**

##### *Industrial Relations Policy tied to Commonwealth Funding Offer*

1. The national training system needs to be flexible and responsive to the needs of industry to ensure that it has the capacity to respond to emerging pressures on the Australian economy such as skills needs, demographic change and changing employment patterns and industry structures.

The Australian Government is requiring the States and Territories to increase the responsiveness of their TAFE institutions, which provide up to 85% of all publicly funded training, so that they can better respond to local industry and community needs.

Implementing workplace reform in TAFE, including through more flexible employment arrangements such as Australian Workplace Agreements (AWAs) and performance pay, will give TAFE directors much greater capacity to respond quickly and innovatively to local employers and individuals seeking training.

Implementing a fair and transparent performance management scheme in TAFE Institutions will ensure that high performing employees are rewarded. It will allow TAFE directors to attract and retain quality staff and will give them the capacity to manage underperformance more effectively.

2. The Skilling Australia's Workforce legislation supports cooperation and collaboration between Australian, State and Territory governments, which is essential for a national training system. The Commonwealth-State Agreement for Skilling Australia's Workforce will maintain a strong focus on national collaboration. All jurisdictions agree that the training sector must be flexible and responsive to industry, and recognise the significant role of TAFEs in this.

3. Clause 12 of the Skilling Australia's Workforce Bill 2005 does not require States and Territories to amend their legislation in order to comply with the requirement for workplace

reforms in TAFE. If constitutional or other legislative barriers exist in a particular State or Territory, which prevent it from offering AWAs to TAFE staff, that jurisdiction should offer individual agreements to TAFE staff.

4. The Australian Government is committed to a national training system and is seeking the cooperation of States and Territories to better position the vocational education and training sector, including TAFE institutions, to respond to Australian industry skill needs in a context of ongoing high levels of employment, demographic change and changing industry workforce needs.