

# Submission

to

Senate Employment, Workplace Relations and Education  
Legislation Committee

## **Inquiry into the provisions of the Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No.2) 2006**

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**Australian Government**

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**Department of Education,  
Science and Training**

**Submission to:**

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2006**

**January 2007**

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**Department of Education, Science and Training submission to the Senate  
Employment, Workplace Relations and Education Legislation Committee's  
Inquiry into the *Australian Technical Colleges (Flexibility in Achieving  
Australia's Skills Needs) Amendment Bill (No.2) 2006***

## **1. INTRODUCTION**

The Department of Education, Science and Training welcomes the opportunity to provide this submission to the Senate Employment, Workplace Relations and Education Legislation Committee Inquiry into the provisions of the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No.2) 2006*.

The Australian Technical Colleges (ATC) initiative was announced in October 2004 as part of the Australian Government's broader strategy to address skills needs in the trades in regional and metropolitan areas. The initiative provides for the establishment of colleges in 24 identified regions of Australia. Each College will be a registered school for Year 11 and 12 students offering a fully integrated academic and trade training programme that will enable students to complete their senior secondary certificate while at the same time enabling progress part way towards an apprenticeship in a traditional trade at the Certificate III level.

The enactment of the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Act 2005* (the Act) in October 2005 allowed the ATC initiative to proceed forward and since that time significant progress has been made towards the establishment of an ATC in the majority of the regions that were identified. In 2007, 21 Colleges will be operating in 20 of the identified regions with Colleges in the remaining 4 regions expected to commence in 2008. The Colleges have been embraced by the communities in which they have been established with local industry leading the governance of each College to ensure the ATCs are able to deliver an education and trade training programme that will assist the region in meeting its longer term skills needs.

The purpose of the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No.2) 2006* is to build on the success of the programme to date by providing additional funding that will better support the full costs of establishing the Colleges. In particular, it will enable a number of Colleges, mainly those in regional areas, to offer broader coverage of the regions in which they have been established. The Bill provides for an additional \$112.6 million for the programme over the period 2006 to 2009. The total funding appropriated under the Act increases to \$456.2 million over the period 2005 to 2009.

## 2. PRINCIPAL ISSUES FOR THE COMMITTEE'S CONSIDERATION

The *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No.2) 2006* seeks an amendment to subsection 18(4) of the Act by increasing the appropriation amounts for the 2006 to 2009 calendar years as follows:

	<b>2005 \$m</b>	<b>2006 \$m</b>	<b>2007 \$m</b>	<b>2008 \$m</b>	<b>2009 \$m</b>	<b>Total \$m</b>
Current Appropriations	15.810	110.000	110.000	55.000	52.783	343.593
Proposed Appropriations	15.810	118.357	148.982	101.275	71.802	456.225

The effect of the amendment is to increase funding for the ATC programme to \$456.225 million over the period 2005 to 2009. The Department has determined that this level of funding is necessary to support the full implementation of the programme. This quantum of funding has been based on actual establishment and operational costs incurred by ATCs to date.

The ATC initiative is a new and innovative programme offering an industry-led, fully integrated academic and trade training programme that has previously not been available to young Australians. The Department called on its expertise in both the schools and vocational education sectors to determine the original costings for the programme. The costings were based on a range of assumptions related to the expected educational models that would be implemented and the number of new or existing schools and the number of government and non-government schools that would be established as ATCs. These assumptions were made prior to the ATC selection process and negotiation of funding agreements.

While a number of these assumptions have held true, there have been a number of implementation factors that have impacted on the original assumptions. In particular:

- i) strong industry and community support for the ATC programme has meant more colleges than originally anticipated operating in 2007 which has resulted in increased costs over the five year period; and
- ii) the original costings were based on an expectation that at least half of the Colleges would be established by existing schools. Only four Colleges have been established on this basis and therefore only a small number of Colleges have benefited from being able to draw upon existing infrastructure. This has had a significant impact on the cost of the programme through increasing costs.
- iii) a number of Colleges, particularly those in regional areas, have determined that broader coverage of their region is essential to ensure that an appropriate number of young people from the region are able to access the College's programmes. This is being achieved through additional campuses, access centres, flexible delivery arrangements and providing transport where necessary, all of which have led to increased costs.

In addition to the factors above, the flexibility of the programme, which allows each College to operate in a manner that best meets the needs of industry and students in the region in which it is established, has resulted in significant cost variations between Colleges, while overall the

operational costs necessary to establish and administer the colleges have been higher than expected. Some of the significant factors that have impacted upon the operational costs of the ATCs include:

- Curriculum redevelopment. It has been necessary for ATCs to develop their own curriculum to incorporate industry requirements and offer academic subjects that are taught in a way that is relevant to the trades;
- Trade training costs. Some costs have been higher than anticipated, particularly in areas of workshop construction and fitout; and
- Interim operational arrangements. A number of factors including school registration requirements, development timeframes and a need to implement a model that meets local needs have made it necessary for a number of Colleges to operate under interim models in their early years.

Despite the increased costs, the implementation of the ATC initiative has been very successful with 21 Colleges to be operational during 2007 providing specialised education and training to around 2000 students. This achievement, which is ahead of schedule, can be attributed to community support of the Colleges and the preparedness of local industry, business, education and community representatives to be involved in the establishment of the Colleges in their region. This level of support clearly demonstrates the regions' confidence in the Colleges producing outcomes that will assist in meeting longer terms skills needs in the area.