

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into student income support

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Australian Government

Department of Education, Science and Training

Our Ref :
Your Ref :

The Secretary
Senate Employment, Workplace Relations
and Education References Committee
Suite SG.52
Parliament House
CANBERRA ACT 2600

Dear Mr Carter

INQUIRY INTO STUDENT INCOME SUPPORT

Please find enclosed a copy of the Submission from the Department of Education Science and Training to the Committee's *Inquiry into Student Income Support*. This submission was emailed to you today. This copy is provided for as confirmation.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Jessie Borthwick'.

Jessie Borthwick
Group Manager
Strategic Analysis and Evaluation Group

12 July 2004



Australian Government

Department of Education, Science and Training

INQUIRY INTO STUDENT INCOME SUPPORT

**SUBMISSION TO THE SENATE EMPLOYMENT,
WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE**

INTRODUCTION

The Department of Education, Science and Training (DEST) welcomes the opportunity to present a submission to the Senate Employment, Workplace Relations and Education References Committee Inquiry into Student Income Support.

The purpose of this submission is to describe current Australian Government policies and programmes within the DEST portfolio related to student income support and to provide information on programmes which support students, including those facing disadvantage. In adopting this approach, DEST's intention is to provide the Committee with factual background information relevant to the Terms of Reference for the Inquiry.

The submission provides information on:

- 1 Income support and supplementary assistance schemes
 - 1.1 The Aboriginal Study Assistance Scheme (ABSTUDY)
 - 1.2 Supplementary assistance schemes
 - 1.3 Scholarships, student contributions and loans for higher education students
 - 1.4 Social Security income test treatment of fee-waiver and fee-pay scholarships
- 2 Initiatives which support students' access to education and training
 - 2.1 Indigenous education initiatives
 - 2.2 Vocational education and training initiatives
- 3 Other initiatives which encourage Australians to engage in education and training
 - 3.1 Initiatives in school education
 - 3.2 Other initiatives in vocational education and training
 - 3.3 Other higher education funding initiatives

It is important to note, first, that with the exception of ABSTUDY, responsibility for income support programmes lies with the Department of Family and Community Services, and second, that responsibility for education and training is shared between the State, Territory and Australian governments and individual students and their families. The States and Territories have primary responsibility for the funding and delivery of school education and vocational education and training (VET). While the Australian Government provides the bulk of public funding for universities, the institutions themselves are responsible for ensuring that higher education is accessible to people from all equity groups and that these students receive quality education. To support the efforts of the States and Territories and educational institutions, the financial assistance provided by the Australian Government includes specific programmes to assist students facing disadvantage.

1 Income Support and Supplementary Assistance Schemes

1.1 The Aboriginal Study Assistance Scheme (ABSTUDY)

This section includes components that are additional to Youth Allowance and Austudy.

ABSTUDY provides assistance for Aboriginal and Torres Strait Islander people who want to stay at secondary school or go onto further studies. Assistance is also available for a very small group of primary school students who live at home but cannot access secondary schooling. To be eligible for assistance a primary school student must be at least 14 years of age on 1 January in the year of study.

ABSTUDY has the dual objectives of affording access and equity and providing financial support. It was introduced in 1969 to overcome the severe educational disadvantage experienced by Indigenous Australians. To this end the ABSTUDY scheme provides a means-tested Living Allowance and a range of supplementary benefits for eligible Aboriginal and Torres Strait Islander full-time secondary students and full and part-time tertiary students. Although secondary school students are eligible for some ABSTUDY assistance from the commencement of secondary schooling, the Living Allowance is only payable for students from age 16 years unless the student has to live away from home to attend school or is of school leaving age and deemed to be independent of their parents under one of the independence criteria. The families of students under 16 years of age who live at home are entitled to assistance with school fees and associated costs. These are paid through an annual allowance for fees, which is paid to the student's school, and an allowance for books, clothing or other educational costs, which is paid to the student's family.

ABSTUDY is delivered on behalf of DEST by Centrelink.

1.1.1 Current Measures for Student Income Support under ABSTUDY

The level of income support payable under ABSTUDY is determined by the age of the student, whether or not the student is approved to live away from home and the level of income the student, their parent or partner receives. The maximum rates for the ABSTUDY Living Allowance are aligned with those payable under the Youth Allowance for students aged up to 21 years. The maximum rates for students who have attained 21 years of age are aligned with those payable under Newstart.

Table 1: Maximum rates for ABSTUDY Living Allowance as at May 2004

Status	Allowance Per Fortnight
Students – standard (living at home):	
Under 16 years tertiary	\$24.00
Under 16 in State Care and Foster Care Allowance paid	\$174.30
16-17 years in State Care and Foster Care Allowance paid	\$174.30
18-20 years in State Care and Foster Care Allowance paid	\$209.70
Under 16 in State Care and no Foster Care Allowance paid	\$318.50
16-20 years in State Care and no Foster Care Allowance paid	\$318.50
16-17 years	\$174.30
18-20 years	\$209.70
21 years and over	\$389.20
Students - away from home:	
Under 16 years	\$174.30
16-20 years	\$318.50
Independent students - single, no children:	
Under 16 years	\$318.50

16-20 years	\$318.50
Under 16 at home	\$174.30
16-17 years at home	\$174.30
18-20 years at home	\$209.70
21 years and over	\$389.20
Single, aged 60 or over (includes Pharmaceutical Allowance)	\$426.80
Independent student - partnered, no children:	
Under 16 years	\$318.50
16-20 years	\$318.50
21 years and over	\$351.10
Independent Student - Single with dependent child:	
Under 16 years	\$417.40
16-20 years	\$417.40
21 years and over	\$421.00
Independent Student - Partnered with dependent child:	
Under 16 years	\$349.80
16-20 years	\$349.80
21 years and over	\$351.10
Masters and Doctorate students:	\$707.05

Students in receipt of the ABSTUDY Living Allowance are also eligible for some additional payments that are payable under Social Security Law. These are:

- Rent Assistance
- Remote Area Allowance
- Pharmaceuticals Allowance
- \$500 cash advance
- Sibling concessions
- Rural tax breaks/concessions
- Discount for farm/business assets
- Student Income Bank.

ABSTUDY also includes a Pensioner Education Scheme (PES). Eligibility for ABSTUDY PES is the same as for the equivalent scheme payable under Social Security law. That is, full-time students in receipt of a qualifying pension are entitled to an additional payment of \$62.40 per fortnight and part-time students to \$31.20 per fortnight.

Students undertaking less than a full-time study load are not eligible for the ABSTUDY Living Allowance but may qualify for part-time supplementary benefits payable under ABSTUDY.

ABSTUDY pays a number of supplementary benefits. These form part of the ABSTUDY scheme where the disadvantage addressed by a benefit is unique to, or disproportionately concentrated upon, Indigenous students.

These ABSTUDY Supplementary benefits for full and part-time students include:

- School Term Allowance paid to families of students under 16 years of age who live at home of \$540.80 for a full school year with pro rata amounts for lesser periods

- School Fees Allowances (paid to the school for students under 16 years of age who live at home) of \$156 for a full school year or \$78 for students turning 16 years of age before 1 July in the year of study
- School Fees Allowance for students who have to go away for secondary schooling:
 - Maximum rate (subject to income-test) – \$5,489.00 per year
 - Income test-free – \$4,446.00 per year
- Fares for secondary school students who have to move away from home to study at the beginning and end of each school term (actual costs of most cost-effective travel)
- Fares for tertiary or mature-aged secondary students who have to move away from home at the beginning and end of each study period and for a family reunion during the study period for students undertaking year-long courses (actual costs)
- Fares for dependants to accompany students to the place of study (actual costs)
- Fares for students who have to live away from home to study to return to their community for compassionate reasons during the study period (actual costs)
- Fares for parents or community members to assist with the orientation of secondary students into a boarding environment or to supervise their travel to and from the community (actual costs)
- Under 16 Boarding Supplement for secondary boarding schools with significant numbers of Indigenous students enrolled (\$1,884.90 per student, per semester)
- Residential Costs whereby tertiary students can forgo part of their living allowance and ABSTUDY will meet the full board and accommodation costs of a residential facility
- Incidentals Allowance for tertiary and mature-age secondary students of \$433.60 per annum or a pro rata amount for courses of less than a year)
- Additional Incidentals Allowance (up to a maximum of \$2,080 per year – conditions apply)
- Assistance with essential education costs for students in lawful custody (actual costs paid to the institution, education provider or book supplier)
- Assistance with fares, meals and accommodation costs to attend a selection test or interview for students who cannot gain access to tertiary studies through the normal channels (actual costs within prescribed limits)
- Assistance with travel costs to attend a tertiary graduation ceremony (actual costs-conditions apply)
- Assistance with fares, meals and accommodation costs for students who have to undertake part of their course away from their normal place of study, such as a field trip, residential school or clinical placement (reasonable costs within upper limits)
- Additional Assistance may be paid for students whose financial circumstances, through no fault of their own, are such that the student is in danger of dropping out of study (assessed on a case-by-case basis).

Students undertaking higher degrees at the Masters and Doctorate levels are also eligible for assistance under the Masters and Doctorate Award. This award is similar to the Australian Government's Australian Postgraduate Award. It comprises:

- a means-tested living allowance up to \$18,484 pa
- relocation costs up to \$1,455 pa
- a thesis allowance (\$420 for Masters and \$840 for PhD students)
- assistance with research (up to \$2,080 pa)

- payment of compulsory course fees or HECS.

1.1.2 Criteria for the Age of Independence

Students are deemed to be dependent on their parents until they have attained the age of 25 years. However, there are circumstances when younger students can be deemed to be independent of their parents. There are two types of independent status – permanent status and reviewable status.

The criteria for permanent independent status (other than age 25 years) are that the student:

- is married or has been married; or
- has or has had a dependent child; or
- has been a full-time member of the workforce for periods totalling at least 156 weeks during the previous 208 weeks or who have received income support for that period while looking for work; or
- has been in lawful custody for a cumulative period of six months or more; or
- be an orphan; or
- be 15 years of age or older and has undergone and completed a traditional initiation ceremony and be living in the traditional community independent of family.

The criteria for reviewable independent status are that the student:

- is 16 years of age or older and living in a de facto relationship which is at of least six months in duration and there is a dependent child/student; or
- currently have the care or custody of another person's dependent child or student; or
- be 15 years of age or over and have a parent (or parents) who cannot exercise parental responsibilities; or
- be of minimum school leaving age and be a student for whom living at home would be unreasonable.

Table 2 provides data on the course levels undertaken by ABSTUDY beneficiaries in 2003.

Table 2: ABSTUDY Course Levels undertaken in 2003

Secondary Year 7-10	23,723
Secondary Year 11-12	8,259
Secondary - Other	56
Actual Number of School Students	29,677
Tertiary - Non degree and Secondary Courses	21,165
Tertiary - Degree Courses	4,318
Masters	230
Doctorate	56
Actual Number of Tertiary Students	22,749
Ungraded and non-specified courses (2)	788
Total Students 2003	52,426

Notes: (1) The addition of course numbers could be more than the number of students because some students may have changed their course within the calendar year. Actual numbers are the total number of individual students on ABSTUDY recorded for 2003.

(2) Ungraded or non-specified courses may be at either Secondary or Tertiary level.

Source: Numbers extracted from Centrelink data using BRIO/Hyperion Intelligence on 7 June 2004

1.2 Supplementary assistance schemes

1.2.1 Assistance for Isolated Children (AIC) Scheme

The Assistance for Isolated Children (AIC) Scheme helps the families of primary, secondary and under 16 year old tertiary students who are unable to attend an appropriate government school on a daily basis because of geographic isolation. An appropriate government school is one that offers the student's level of study or, if the student has special health-related or educational needs, one that provides access to the facilities, programmes, and/or environment required for those needs.

The AIC Scheme is not an income support scheme; rather it provides supplementary assistance to geographically isolated families to assist with the costs of accessing education and is exempt from income tax under Section 24ABZF of the Incomes Tax Assessment Act 1936.

A student may be regarded as geographically isolated from appropriate schooling if one of the following criteria is met:

- The distance between the principal family home and the nearest appropriate government school is at least 56 kilometres via the shortest practicable route; or
- The distance between the principal family home and the nearest appropriate government school (via the shortest practicable route) is at least 16 kilometres AND the distance between the principal family home and the nearest available transport service to the nearest appropriate government school is at least 4.5 kilometres via the shortest practicable route; or
- The student does not have reasonable access to an appropriate government school for at least 20 days of the school year because of adverse travel conditions (eg impassable roads) or other circumstances beyond the family's control.
- In addition, a student may be deemed to be isolated under certain conditions such as when the occupation of a parent involves frequent moves or the student no longer meets geographic isolation conditions but continues to receive AIC to ensure continuity of schooling to the end of the year.

The underlying principle of the AIC Scheme is that all Australian children should have reasonable daily access to an appropriate government school without regard to parents' income. Families living in areas without access to such a school incur additional costs in educating their children. The purpose of the AIC Scheme is to provide financial assistance in recognition of the additional expenditure incurred by mainly geographically isolated families for the education of their children.

The AIC Scheme allowances are not intended to cover the full cost of accessing education, but to contribute towards the additional costs that geographically isolated families encounter in providing appropriate education for their children.

Allowances under the AIC Scheme include:

- Basic Boarding Allowance (\$4,446 pa in 2004) for eligible students who board away from home at a school, hostel or private home.
- An Additional Boarding Allowance (up to \$1,043 pa in 2004) is also available in addition to the Basic Boarding Allowance subject to parental income and actual boarding fees paid;
- Second Home Allowance (\$4,446 pa in 2004) for families who set up a second home to allow their children to attend school daily;

- Distance Education Allowance (\$1,241 pa for primary level and \$1,860 pa for secondary level in 2004) for students who study at home by distance education methods; and
- Pensioner Education Supplement of \$1,627 for eligible students under 21 who receive certain pensions. Under the AIC Scheme, this Supplement is available only where the student is studying below secondary level.

Apart from the Additional Boarding Allowance, all allowances under AIC are free of income and assets tests but applicants must meet the eligibility criteria. All allowances, with the exception of the Pensioner Education Supplement, are indexed annually.

Families in Exceptional Circumstances (EC) areas who are in receipt of Exceptional Circumstances Relief Payment (ECRP) are not subject to the Parental Income Test when applying for Additional Boarding Allowance. This waiver also extends to families in receipt of certain other Australian Government income tested allowances.

In 2003, AIC assisted 12,098 rural and isolated school students at a cost of over \$39m. The Scheme is expected to help a similar number of students in 2004.

1.2.2 New Apprenticeships Incentives Programme

DEST has responsibility for the New Apprenticeships Incentives Programme and the New Apprenticeships Support Services Contracts under which New Apprenticeships Centres operate.

The objective of the New Apprenticeships Incentives Programme is to develop a more skilled Australian workforce that delivers long-term benefits for our nation and our international competitiveness. This is achieved by encouraging employers to open up genuine opportunities for skills-based training for their employees, through provision of financial incentives to employers who take on and train a New Apprentice.

The New Apprenticeships Incentives Programme includes standard incentives which encourage employers to commence, recommence and complete New Apprentices as well as a number of additional targeted incentives which encourage employment and training in priority areas. For Certificate II New Apprenticeships the standard incentive available is \$1,375 and for Certificate III or IV New Apprenticeships standard incentives include \$1,650 at commencement and \$2,750 on successful completion. These incentive rates are effective for New Apprenticeship commencements and recommencements from 1 July 2003.

Targeted incentives include:

- rural and regional skills shortage incentive [to assist employers in rural and regional areas commence a New Apprentice in an occupation identified to be in skill shortage either nationally or in that State or Territory];
- school-based commencement and retention incentive [to encourage employers to take on a school-based New Apprentice and continue to train or offer on-going employment to a school-based New Apprentice after they complete Year 12];
- innovation incentive [to encourage employers to provide training opportunities in emerging industries and new areas of existing industries, thus providing skill development in areas of significant importance to Australia's economic growth];
- women in non-traditional New Apprenticeships incentive [to encourage employers to offer New Apprenticeships in occupations not traditionally taken up by women];

- Group Training Organisation trainee incentive [to assist Group Training Organisations, who through a collaborative arrangement with host employers, are able to offer New Apprenticeships opportunities which may not otherwise exist];
- disabled support [to assist employers of New Apprentices with a disability through wage support and those New Apprentices with tutorial, mentor, interpreter and workplace modification assistance – this assistance was increased to include support for trainees from 1 July 2003];
- mature aged workers incentive [to encourage employers to commence and complete New Apprentices who are aged 45 and over and disadvantaged in the labour market; for example, individuals on particular Centrelink Benefits, those returning to the workforce after a long absence and those out of the workforce due to redundancy];
- sporting operations incentive [to encourage employers of sportspersons to provide a training base, both in the context of the skills of their sport and in laying the foundations for worthwhile future careers]; and
- declared drought area incentive [to encourage rural employers to continue to offer training opportunities in times of exceptional circumstances drought].

The programme also includes a **Living Away from Home Allowance** for New Apprentices who need to leave home to commence or remain in a New Apprenticeship. The allowance is available for the first two years of a New Apprenticeship.

Incentives under the New Apprenticeships Incentives Programme are aimed at encouraging employers to make a commitment to training – especially to newly acquired workers. Incentives are also available in respect to existing workers but are confined to encouraging long-term and high-level training in areas of special need.

The definition of ‘existing worker’ for New Apprenticeships incentives purposes is an employee who has been in an employment arrangement with an employer for more than three months full-time or twelve months part-time or casual. Workers employed for less than three months are treated as though they are new entrants for the purposes of New Apprenticeships incentives.

An existing worker may only attract incentives under the programme if they convert to a higher level Certificate III or IV New Apprenticeship where:

- the full-time nominal training period declared on the Apprenticeship/Traineeship Training Contract is 2 years or more; or
- the New Apprenticeship is eligible to attract the Rural and Regional Skills Shortage incentive.

These requirements mean that existing workers only attract New Apprenticeships incentives if they are converting to traditional apprenticeships, high level traineeships or New Apprenticeships where the occupation is in an identified skill shortage area and located in rural or regional Australia.

Eligibility for payment of New Apprenticeships Incentives is governed by robust quality controls. These include not only establishing that the New Apprenticeship is bona-fide and that the employer has established a sustainable employment and training relationship with the New Apprentice but that incentives are targeted in such a way as to best meet value for money principles.

In addition, incentives are not paid or reduced in some cases if a New Apprentice already holds a qualification or has previously commenced or completed a New Apprenticeship

within the previous seven years. In this way, the Australian Government is assured that funding is being directed to those cases where there is a genuine training need.

1.3 Scholarships, student contributions and loans for higher education students

1.3.1 Reforms under 'Our Universities: Backing Australia's Future

As part of the *Our Universities: Backing Australia's Future* reforms to higher education, the Australian Government has increased the number and range of scholarships available to students at Australian higher education institutions by:

- introducing Commonwealth Learning Scholarships for undergraduate students experiencing financial hardship, particularly those from low socio-economic backgrounds, Indigenous students and students from rural and regional areas who have had to relocate in order to participate in higher education;
- enabling higher education providers to offer scholarships which exempt students from fees and student contribution amounts;
 - subsequent to the Budget, a further enhancement was announced that all scholarships that pay all or part of a student's tuition fees or contribution amounts on a student's behalf will no longer be included as income under the Social Security or Veterans' Affairs income tests;
- introducing new scholarships for international students; and
- increasing the number of Australian Postgraduate Awards (APA) for postgraduate students.

1.3.2 Australian Postgraduate Awards

The main objectives of the Australian Postgraduate Awards (APA) programme are to:

- support postgraduate research training in the higher education sector; and
- provide financial support to postgraduate students of exceptional research promise who undertake their higher degree by research at an eligible Australian higher education provider.

The programme offers a stipend and allowances for relocation expenses and for thesis production. Awards are available for a period of two years for a Masters by research degree or three years, with a possible extension of six months, for a Doctorate by research degree. In 2004 the full-time stipend is \$18,484 per annum and the part-time stipend is \$9,906 per annum.

In 2003, the Australian Government supported approximately 4,500 postgraduate students through the provision of APAs with a notional number of 1,550 new awards, amounting to \$87.1 million in funds in 2003. From 2006, the number of new scholarships awarded will increase by approximately 2 per cent each year. By 2008, 61 additional scholarships will have been funded. The total funding over the five years to 2008 will be approximately \$463.6 million.

1.3.3 Commonwealth Learning Scholarships

The Commonwealth Learning Scholarships (CLS) Programme was introduced in 2004 to assist students experiencing financial hardship, particularly students from low socio-economic backgrounds Indigenous students and students from rural and regional areas, with the costs associated with higher education. Scholarships are available to full-time undergraduate students who are Australian citizens or holders of permanent humanitarian visas. There are two scholarships: Commonwealth Education Costs Scholarships (CECS)

and Commonwealth Accommodation Scholarships (CAS), valued at \$327 million over 5 years. Both are merit based and non-repayable.

Higher Education Providers are responsible for managing the Commonwealth Learning Scholarships. The Department of Education, Science and Training provides guidelines for the allocation of these scholarships, but individual providers determine their own selection and offer processes.

1.3.3.1 Commonwealth Education Costs Scholarships (CECS)

Commonwealth Education Costs Scholarships provide students with \$2,000 per year for up to four years to assist with their education costs. In 2004, 2,500 new CECS have been provided. By 2008, 5,105 new scholarships will be awarded and 20,240 students will be in receipt of a CECS. The CECS will be funded at a cost of approximately \$128 million over five years.

1.3.3.2 Commonwealth Accommodation Scholarships (CAS)

Commonwealth Accommodation Scholarships will provide low SES students from rural and regional areas with \$4,000 per year for up to four years to assist them with accommodation costs when they move to undertake higher education. In 2004, 3,000 CAS have been provided. By 2008, 3,574 new scholarships will be awarded each year and 17,169 students will have received a CAS. The Australian Government will provide approximately \$199 million over the next five years to the CAS programme.

1.3.4 Fee or Student-contribution Exemption Scholarships

The Higher Education Support Act (2003) generally requires students to be charged a student contribution amount or tuition fee. From 2005, higher education providers will be able to award students eligible for a Commonwealth supported place or a domestic fee-paying place an Exemption Scholarship for a course of study. These scholarships will make students exempt from payment of all student contribution amounts and tuition fees for any units of study undertaken as part of that course of study. Higher education providers will offer Exemption Scholarships at their own expense.

Exemption Scholarships from 2005 will not be treated as income for Social Security and Veterans Affairs pensions and allowances or for ABSTUDY.

Under transitional arrangements for 2004, scholarships which waive the total fee of a full-fee paying student will be exempt from the income test for Social Security pensions and allowances. The scholarships covered by this transitional arrangement may be converted to 'Exemption Scholarships' in 2005.

1.3.5 Commonwealth loans to defer the cost of tuition fees and student contribution amounts in higher education

Under loans provided by the Government, most domestic students in a higher education award course are able to defer the direct cost of their higher education courses. These loans are repaid through the tax system when the student's income reaches a minimum threshold. The following loan programmes ensure that eligible students are not prevented from studying because they are unable to pay their fees or student contribution amounts up-front.

The amount of immediate benefit to students under these programmes is not included as income for social security purposes. This means that students can defer the cost of their tuition fees without affecting their Centrelink entitlements.

The assistance under these schemes is available to both full and part-time students. Entitlements under the schemes are not income tested, and are not affected by the amount of part-time work undertaken by a student.

1.3.6 Higher Education Contribution Scheme (HECS)

HECS is a fair and equitable way of ensuring that students contribute to the cost of their higher education. It is considered reasonable that students who directly benefit from higher education should pay part of the cost of their studies, while the Commonwealth pays the major part of the costs involved. For eligible students HECS provides a loan to cover their student contribution and/or a discount if they choose to pay their student contribution up front. The programme will be replaced by HECS-HELP on 1 January 2005.

The objectives of the scheme are to: increase access to higher education through the provision of a deferment payment facility; and ensure that students who directly benefit from higher education contribute to the cost of their education. The option for students to defer their HECS contribution and repay it later through the taxation system ensures they are not prevented from participating in higher education if they are unable to pay their contribution up front.

HECS is funded by a special appropriation which is not specific in amount or duration. In 2003 the Equivalent Full Time Student Units (EFTSU) was 417,414. The EFTSU estimate for 2004 is 418,674.

Evaluations of HECS are listed in the table below.

Evaluation	When	Conclusion
<i>The Effect of HECS on Interest in Undertaking Higher Education</i> Les Andrews.	1997	<ul style="list-style-type: none"> There was little evidence that the introduction of differential HECS resulted in any impact on subject choice. The study found no consistent pattern in changes in applications by HECS Band.
<i>'Does HECS Deter? Factors affecting university participation by low SES groups'</i> Les Andrews	1999	<ul style="list-style-type: none"> The primary reasons influencing choices as to the participation of people from socioeconomic backgrounds in higher education related more to values and attitudes toward higher education than to financial considerations.
HECS and Opportunities in Higher Education: A paper investigating the impact of the Higher Education Contributions Scheme (HECS) on the higher education system Phil Aungles, Ian Buchanan, Tom Karmel, Maureen MacLachlan	2003	<ul style="list-style-type: none"> Opportunities for higher education among persons from a low SES background have increased in line with the overall expansion of the higher education system financed through deferrable HECS charges. The introduction of HECS in 1989 and its variants since that time have not discouraged overall participation in higher education among persons from a lower SES background. That said, the share of males from a low SES background in HECS Band 3 courses (the most expensive) declined by 38% (between 1996 and 1997), following the introduction of differential HECS charges in 1997. This directly affected a very small number, around 100 persons, in comparison with the size of the overall domestic student population (around 560,000 HECS-liable students in 1997).¹

¹ In the study, the Department expressed reservations about this finding stemming from its concerns in relation to the inherent methodological difficulties presented by the issues being examined and the inconclusiveness or relatively small impact of some of the findings. The department considers that the material should be used with caution.

1.3.7 HECS-HELP

HECS-HELP will commence from 1 January 2005. HECS-HELP is for eligible students enrolled in Commonwealth supported places. HECS-HELP may provide eligible students with a loan to cover their student contribution and/or a discount if they choose to pay their student contribution up front.

The objectives of the scheme are to: increase access to higher education through the provision of a deferment payment facility; and ensure that students who directly benefit from higher education contribute to the cost of their education. The option for students to defer their contribution and repay it later through the taxation system ensures they are not prevented or deterred from participating in higher education if they are unable to pay their contribution up front.

HECS-HELP is a demand driven programme and is funded by a special appropriation which is not specific in amount or duration. The estimated Equivalent Full Time Student Load (EFTSL) for HECS-HELP is as follows:

- 2005 - 432,224
- 2006 - 432,829
- 2007 - 436,145
- 2008 - 439,399

1.3.8 Loans for tuition fees for fee-paying students

Higher Education Providers offer postgraduate courses, and a limited number of places in undergraduate courses, to students on a fee-paying basis. They are also involved in the provision of bridging courses to help overseas trained professionals to meet the requirements for entry to their profession in Australia. They facilitate open learning by making units of study available to all Australians through Open Learning Australia (OLA).

The Australian Government is committed to assisting students to pay the tuition fees for these forms of study. Currently, domestic students may be able to access an income contingent loan for their tuition fees under the Postgraduate Education Loan Scheme, Open Learning Deferred Payment Scheme, or Bridging Courses for Overseas Trained Professionals Loan Scheme.

In 2005, a new loan programme, FEE-HELP will be introduced, to replace these schemes and make loans for tuition fees more broadly available to fee paying students. It is an initiative of the *Our Universities: Backing Australia's Future* reforms to higher education and will make loans to fee-paying undergraduate students available for the first time.

1.3.9 Postgraduate Education Loan Scheme

The Postgraduate Education Loan Scheme (PELS) provides loans for the payment of tuition fees to eligible students enrolled in fee-paying non-research postgraduate courses. Eligible students can borrow up to the limit of the tuition fee set by their university for each semester for the duration of their course.

PELS is designed to encourage and support people wishing to undertake postgraduate non-research courses as a means of upgrading or acquiring new skills. PELS assists in removing barriers to investment in education, training and skills development.

PELS debts are repaid through the taxation system. As with HECS, people begin repaying their loan when their income reaches the minimum threshold level for compulsory repayments. The minimum threshold for 2004/05 is \$35,000.

In 2003, 39,807 students received assistance under PELS. A total of \$190,911,872 was paid to institutions on behalf of PELS students in 2003.

The programme will be replaced by FEE-HELP from 1 January 2005.

1.3.10 Open Learning Deferred Payment Scheme

The Open Learning Deferred Payment Scheme (OLDPS) provides loans to Australian students undertaking full-time undergraduate level units of study through Open Learning Australia (OLA). These loans enable students to defer payment of part of the fee charged by OLA. OLDPS allows the deferred payment of the government set basic charge for a unit of study, which in 2004 is \$375 per unit. Since 1997, OLA has set its own tuition fees. Students are required to pay the balance per unit directly to OLA (\$70 in 2004).

The objective of the OLDPS Programme is to remove barriers to higher education participation for those Australians who, for reasons of location, educational background or personal circumstance, choose to study through OLA.

OLDPS debts are repaid through the taxation system. As with HECS, people begin repaying their loan when their income reaches the minimum threshold level for compulsory repayments. The minimum threshold for 2004/05 is \$35,000

In 2003, 2,785 students undertaking 9,402 OLA units of study, deferred part of their OLA payment using OLDPS. In 2003, 9,402 OLA units were deferred. A total of \$3,461,304 was paid to OLA on behalf of OLDPS students.

The programme will be replaced by FEE-HELP from 1 January 2005.

1.3.11 Bridging Courses for Overseas Trained Professionals (BOTPLS)

The Bridging for Overseas-Trained Professionals Loan Scheme (BOTPLS) provides loans to eligible overseas-trained professionals seeking to meet the requirements for entry into professional occupations in Australia. The loans are provided to pay fees for bridging courses.

The objective of BOTPLS is to assist overseas trained professionals to meet entry requirements for their profession in Australia.

BOTPLS debts are repaid through the taxation system. As with HECS, people begin repaying their loan when their income reaches the minimum threshold for compulsory repayments. The minimum threshold for 2004/05 is \$35,000.

In 2003, 293 students elected to take out a loan for their tuition fees. A total of \$1,583,255 was paid to institutions on behalf of BOTPLS students in 2003.

The programme will be replaced by FEE-HELP from 1 January 2005.

1.3.12 FEE-HELP

Under the *Our Universities: Backing Australia's Future* reforms to higher education, the Government will introduce a new programme, FEE-HELP, to assist students who are undertaking forms of study that require them to pay fees. It will ensure that most students

who wish to accept a full fee-paying place in a course of their choice are not be prevented from doing so by being unable to pay their fees up front.

FEE-HELP will enable Australian citizens and holders of a permanent humanitarian visa who are not in a Commonwealth Supported (HECS) place to obtain loans to pay all or part of their tuition fees. The total value of a student's fees that may be paid using FEE-HELP is \$50,000 over the student's lifetime.

The introduction of FEE-HELP means that for the first time, undergraduate students who are not in a Commonwealth supported place will be able to obtain a loan for their tuition fees. To offset the cost of this new initiative, a 20% loan fee will apply to FEE-HELP loans for undergraduate students.

FEE-HELP will be available to students who are undertaking higher education courses with a broader range of providers. Australian organisations which have a principle purpose of providing education or research, are accredited to provide one or more higher education course in Australia and meet quality and accountability requirements may be approved as higher education providers by the Commonwealth Minister for Education, Science and Training. Students undertaking accredited higher education courses with these providers will then be able to access FEE-HELP.

FEE-HELP will improve access to loans for students studying with OLA. FEE-HELP will be available to students enrolled in postgraduate units of study with OLA. Students studying part-time with OLA may be eligible for FEE-HELP. OLA students will be able to obtain a loan for the full amount of the fee charged by OLA, not just the Government set "basic charge". Students will no longer have to defer payment for all the units of study they choose to undertake in a study period, nor will they have to defer the full amount of their fee, to be eligible for a loan. There are no maximum number of OLA units for which a student can defer payment and the former OLDPS requirement for a 50 per cent pass rate for all units will only apply after students have completed 8 units through OLA.

FEE-HELP is an income contingent loan. The deferred repayment arrangements are the same as those available under the Higher Education Contribution Scheme (HECS). Students are only required to begin repaying their loan when their income reaches the minimum repayment threshold, which for the 2004-05 income year is \$35,000. FEE-HELP debts will be indexed annually in line with the Consumer Price Index, as occurs with HECS.

FEE-HELP will replace the current PELS, OLDPS and BOTPLS programmes. PELS students who commenced their course of study prior to 1 January 2005 will be able to access FEE-HELP for that course of study under the current PELS eligibility criteria until the end of 2008.

1.4 Social Security income test treatment of fee-waiver and fee-pay scholarships

As an initiative of the 2004-05 Budget, all scholarships that pay tuition fees on a student's behalf, or waive all or part of a student's tuition fee, will no longer be included as income under the Social Security or Veterans' Affairs income tests. This initiative will ensure that Australian education providers, businesses and community organisations are able to invest in students through tuition scholarships in the knowledge that these students will receive the full benefit of that support.

This measure applies to scholarship recipients in any eligible secondary school, vocational education and training institution or higher education institution. It is estimated that 1,350 students will immediately benefit from this initiative. It is also estimated that, by 2008, the number of students who benefit will grow to 2,200.

The new arrangements will see an increase in income support for students whose payments were previously affected because they were also in receipt of a tuition scholarship. In addition, students whose income would have exceeded the maximum allowable income under the income tests due to such a scholarship may now be eligible for income support.

Schools and other educational institutions provide these scholarships to students who face significant financial disadvantages. Often these are exceptional students who would not have the opportunity to enter the school or the course of their choice without assistance.

The Government wants to encourage this support for students and this initiative will ensure that Australian education providers, businesses and community organisations are able to invest in students through tuition scholarships and be sure that these students will receive the full benefit of the support.

To be exempt from income tests, scholarships must be for tuition fees, either as a full or part waiver offered by an education institution, or as a full or part payment directly to the institution for those fees. The exemption will only apply to that part of the scholarship which is for tuition fees and will only cover the value of fees that would normally be charged for the course in which the student is enrolled.

This measure extends the Australian Government's increased support for students under the *Our Universities: Backing Australia's Future* reforms to higher education, which included the exemption from the income tests of scholarships which exempt students from payment of tuition fees for a course of study.

2 Initiatives which support students' access to education and training

2.1 Indigenous Education Initiatives

2.1.1 Indigenous Education Strategic Initiatives Programme (IESIP)

There are several elements of funding for Indigenous education and training providers available under IESIP. Funding of \$553.2 million is allocated to IESIP for 2001-2004 and \$641.6 million for 2005-2008. The major elements are:

Strategic Recurrent Assistance (SRA)

SRA is a per capita based, supplementary funding programme. Education and training providers - including state and territory education and training systems, non-government systems such as the Catholic education system, and other non-government providers including independent Indigenous controlled providers - may receive funding if they are delivering education or training to Indigenous students. SRA is supplementary to core funding, and is provided to accelerate the learning outcomes of Indigenous students beyond what they would be able to achieve with core funding alone. Providers in receipt of SRA negotiate performance targets with the Australian Government against key priority areas including literacy, numeracy, attendance, retention and completion.

National Indigenous English Literacy and Numeracy Strategy (NIELNS)

NIELNS is currently a four year, \$60 million strategy which is being conducted over 2001-2004. Some 265 projects are being conducted across all education and training sectors. Projects address key 'readiness for learning' priorities such as improving

attendance, addressing hearing and health concerns and using best teaching methods. An evaluation of the strategy, conducted during 2002 and 2003, found that 75% of NIELNS projects had either achieved their performance targets or made significant improvements over their baseline data. In 2005-2008 NIELNS will be reshaped by strengthening the application of 'what works', particularly around:

- the practices and skills of teachers and their support staff;
- preparing young Indigenous children for formal schooling;
- helping re-engage and retain more Indigenous students to Year 12, or its vocational education and training equivalent.

English as a Second Language - Indigenous Language Speaking Students (ESL - ILSS)

ESL-ILSS provides a one off payment to providers for Indigenous students from non-English speaking backgrounds undertaking their first year of instruction in English. It is intended to be used for intensive English language instruction to help support students participate fully in mainstream learning environments.

Away From Base for Mixed Mode Delivery (AFB)

AFB provides funding to Higher Education and VET providers who bring Indigenous students in to study under mixed mode delivery conditions. This programme particularly benefits Indigenous students from rural and remote Australia who would otherwise have difficulty accessing education and training services. AFB provides for the cost of travel, accommodation and meals expenses for students travelling to study. In addition to the funding for IESIP identified above, funding of \$110.2 million is allocated to AFB for 2001-2004 and \$110.1 for 2005-2008.

2.1.2 Indigenous Education Direct Assistance (IEDA) Programme

The IEDA programme supports to the goals of the *National Aboriginal and Torres Strait Islander Education Policy (AEP)*. In 2003-04, \$67.6 million was allocated to the following three programme elements:

- The Aboriginal Student Support and Parent Awareness (ASSPA) programme provided per capita funding to approximately 3,800 pre-school and school-based ASSPA committees to support the involvement of Indigenous communities in school decision making processes. The per capita funding formula is based on the number of Indigenous students in the pre-school or school. The per capita rates are \$215 per student in a remote primary and pre-school; \$315 per student in a remote secondary school; \$110 per student in a non-remote primary or pre-school; and \$160 per student in a non-remote secondary school. ASSPA Committees spend their ASSPA funding on a broad range of activities including breakfast programmes to encourage students' attendance and the quality of participation in school, cultural activities, transport to assist students to get to and from school, purchase of books, sporting equipment and educational programmes.

On 5 April 2004, the Australian Government announced a significant restructure of the ASSPA Programme, as a result of the phase two review of IEDA. From 2005, the Government will discontinue the formula funding of ASSPA Committees and replace it with a new Parent School Partnerships initiative, which will provide \$62.5 million for submission-based funding for creative approaches to improving the educational outcomes of Indigenous school students. Projects must demonstrate that they involve partnerships between the school and Indigenous communities.

- The Aboriginal Tutorial Assistance Scheme (ATAS) provides supplementary tuition for Indigenous students (primary, secondary and tertiary education). On 5 April 2004, the Australian Government announced changes to this scheme to commence from 2005.

The scheme will be renamed the Indigenous Tutorial Assistance Scheme (ITAS) and will be targeted to three main areas. The first is an intensive programme of in-class tuition for school students who did not meet the literacy and numeracy benchmarks in Years 3, 5 and 7. The second is tuition assistance for students in Years 10, 11 and 12 and the third is tuition for tertiary students under bulk-funding arrangements with institutions.

- The Vocational and Educational Guidance for Aboriginals Scheme (VEGAS) provides funding to education providers to help Indigenous students and their parents/caregivers to make informed decisions about their continuing education, training and employment. From 2005, this small programme will be discontinued and replaced with the Parent School Partnerships initiative, which has a strong focus on improving educational outcomes of Indigenous school students using a whole of school approach to breaking down local barriers to education success.

2.2 School Education Initiatives

2.2.1 Strategic Assistance for Improving Student Outcomes (SAISO)

Australian Government funding for schools is provided primarily through General Recurrent Grants. Additional targeted assistance for educationally disadvantaged students is provided under the Strategic Assistance for Improving Student Outcomes (SAISO) Programme.

The SAISO programme helps government and non-government education authorities and schools to improve the learning outcomes of educationally disadvantaged students, particularly in literacy and numeracy and the educational participation and outcomes of students with disabilities. This may be associated with a range of factors such as disability, a language background other than English, Aboriginal and Torres Strait Islander background, low socio-economic background and learning difficulties.

State and Territory government and non-government education authorities are responsible for the detailed administration of the SAISO Programme in their systems and schools. They have the flexibility to determine which schools and students have the greatest need for additional assistance for educationally disadvantaged students and to determine appropriate funding amounts for those schools and students. Education authorities also have the flexibility to address the needs of students with multiple educational disadvantages such as those students that have a disability and are also indigenous or from a low socio-economic background.

The Government is providing \$1.4 billion to States and Territories under the SAISO programme over the 2001-2004 quadrennium, including approximately \$367 million to schools nationally in 2004.

The Australian Government will continue, through its targeted programmes, to make a significant contribution towards the costs of additional assistance for the most educationally disadvantaged students. A key change to targeted programmes for schools in the 2005-2008 quadrennium is the introduction of a new, overarching Targeted Programme called the Literacy, Numeracy and Special Learning Needs (LNSLN) Programme (currently known as the SAISO programme), which will be targeted at the most disadvantaged students. It is estimated that total funding under the LNSLN Programme over 2005-2008 will be \$2 billion. This includes additional funding of \$25.6 million for the most educationally disadvantaged students.

2.3 Vocational Education and Training Initiatives

2.3.1 Disability Coordination Officer (DCO) Programme

The Disability Coordination Officer (DCO) Programme was announced in the Australians Working Together (AWT) package in the 2001-02 Australian Government Budget. It aims to assist people with a disability, including young people with a disability, to move between school, vocational education and training (VET) and higher education, to succeed in their chosen studies and move to suitable employment.

The DCO programme, in conjunction with the Regional Disability Liaison Officers (RDLO) programme, forms a comprehensive national network to provide information, co-ordination and referral services for people with a disability interested in or enrolled in post-school education and training. DCO services are provided by registered training organisations, higher education institutions, and government and community-based organisations, including disability organisations. DCO and RDLO programme information is at www.adcet.edu.au/rdco

Annual reports from the first year show that DCOs made more than 650 visits to schools or related institutions, more than 780 people with a disability were directly assisted with advice or referrals, over 250 career expos, workshops or training sessions were attended or facilitated by DCOs, more than 20,000 brochures were distributed to people with a disability interested in post-school options, and more than 1,000 hits were made on DCO web sites.

2.3.2 New Apprenticeships Access Programme (NAAP)

The New Apprenticeships Access Programme (NAAP) provides job seekers who experience barriers to skilled employment with pre-vocational training, support and assistance to obtain and maintain a New Apprenticeship. The programme also provides support for a job seeker into employment, further education or training.

NAAP complements other Australian Government programmes such as the Jobs Pathway Programme (JPP), the Job Placement Employment and Training programme (JPET) and the Community Development Employment programme (CDEP). NAAP's focus is to improve access to education and training for disadvantaged individuals seeking employment. There are no costs to participants engaged in education and training under NAAP.

NAAP targets individuals whose personal circumstances include:

- Early school leavers under 25 years of age who meet at least one of the following criteria:
 - not completed Year 10, Year 11, or Year 12 of school; or
 - referred by Jobs Pathways Programme.
- An 'at risk' Year 12 school leaver; or
- A person who has completed a DEST funded Language, Literacy and Numeracy training programme.

NAAP uses approximately \$10 million per annum.

2.3.3 Vocational Education and Training (VET) Priority Places Programme

The Vocational Education and Training (VET) Priority Places Programme aims to increase VET opportunities and improve outcomes for individuals from priority target groups to obtain a qualification to assist them to get a job.

The programme assists people who are in receipt of low income who belong to one of the following priority target groups:

- people with a disability;
- older workers aged 45 years or over; and
- parents entering or re-entering the work force,

to obtain a nationally recognised qualification so that they can participate more effectively in the labour market.

Training places of up to 12 months duration which result in a nationally recognised Certificate II or higher qualification will be provided under the programme by a variety of Registered Training Organisations across Australia.

2.3.4 Basic IT Enabling Skills (BITES) for Older Workers Programme

The Basic IT Enabling Skills (BITES) for Older Workers programme was announced in the 2002-03 Budget under the title of the 'IT Skills for Older Workers' Programme, as part of the Government's commitment to life long learning.

BITES provides older workers with the opportunity to undergo nationally recognised training in information technology. It is designed to help low income, mature age job seekers gain nationally recognised skills in information and communication technology, in order for them to operate personal computers effectively at a basic level in the workforce.

The Programme is available to people who:

- are 45 years and over; and
- have a low income; and
- are in the labour force (i.e. currently in work or looking for work); and who
- have no post-school IT qualification.

In instances where individuals meet the intent of the programme but not all of the above criteria, eligibility will be considered on a case by case basis.

The training is based on three units from the Certificate Level I (ICA 10101) qualification under the Information Technology Training Package (ICA99). The units are:

- Operate a personal computer
- Operate a word processing application
- Send and retrieve information over the Internet using browsers and email.

Participants who complete these units are assessed by the training provider and, if successful, are issued with a nationally recognised Statement of Attainment to reflect their achievement. Further training and support in IT skills is also provided under the courses, which are fully funded by the Australian Government.

Since its commencement, BITES has enjoyed a great success rate with almost 18,000 participants and a success rate of 88%.

3 Other initiatives which encourage Australians to engage in education and training.

3.1 Initiatives in School Education

3.1.1 Country Areas Program

The purpose of funding under the Country Areas Programme (CAP) is to contribute to the enhancement of the learning outcomes for students in geographically isolated areas so that their learning outcomes match those of students in urban areas.

Through CAP, the Australian Government provides complementary funding to State and Northern Territory (not ACT) schools for a wide range of activities including those that support and enrich the curricula, assist with transition to further education, training and work and support teacher professional development.

Under the CAP, the Australian Government will provide approximately \$113 million over 2005-2008, an increase of \$21 million, or 23 per cent, over the last four year funding period, to government and non-government education authorities. In 2003, the Australian Government provided \$23,407 million to State and Northern Territory government and non-government education authorities through CAP. State and Territories have the flexibility to determine the schools and activities and initiatives to be funded.

3.2 Other Initiatives in Vocational Education and Training

3.2.1 National Skills Shortage Strategy (NSSS)

The National Skills Shortage Strategy (NSSS) was launched on 6 April 2004 and provides a co-operative and comprehensive approach to addressing skills shortages in critical industries, particularly the traditional trades, throughout Australia. A 'one-stop shop' website is provided for students, parents, careers advisors and industry on careers in skill shortage areas at www.getatrade.gov.au

The NSSS will explore a number of approaches to demonstrate and test effective alternative training and skills development pathways. Some of these include:

- The possibility of shortening the duration of apprenticeships, partly reflecting the trend of young people entering apprenticeships after completing Year 12;
- Delivering specialised qualifications below trade level, this reflects some of the rapid changes in skills now being sought by industry;
- Targeting alternative entrants to the skilled workforce, other than young people straight from school, including mature age workers re-entering the workforce, those seeking career change and migrants whose skills can be rapidly updated to meet industry needs; and
- Providing training to existing trades people so they can become skilled managers as well as skilled workers.

The NSSS will also look at ways to improve the quality and usefulness of labour market forecasting.

3.2.2 Group Training New Apprenticeships Targeted Initiatives Programme (TIP)

The Group Training New Apprenticeships Targeted Initiatives Programme (TIP) is aimed at generating quality New Apprenticeships opportunities in priority areas that would not

otherwise be available. TIP funds projects that contribute to the establishment of a sustainable New Apprenticeships market in critical areas of national, state and regional importance, in under-serviced areas where gaps in coverage by New Apprenticeships occur, and in challenging areas where achieving New Apprenticeships outcomes requires additional time, resources and development. Funding commenced in early 2001 and projects run for an average of three financial years.

Among TIP funding priorities are projects that target participation by school-based New Apprentices, mature aged people (particularly those over 45 years of age), as well as indigenous people and people with disabilities, particularly in arrangements that increase the completion rate and/or are at higher qualification levels.

3.2.3 Industry Training Strategies Programme (ITSP)

The Industry Training Strategies Programme (ITSP) is a component of the Workforce Skills Development Programme, and has four components:

3.2.3.1 Education and Training Advisors (ETAs)

ETAs are based within peak industry groups and work with employers to increase industry knowledge and understanding of VET issues focussing on reforms to the VET system embodied in the National Training Framework and New Apprenticeships. The aim is to identify and address implementation issues and ultimately increase the take up of New Apprenticeships.

3.2.3.2 Indigenous Stream

The Indigenous Stream aims to support the wider use of Training Packages and New Apprenticeships by indigenous people and to provide assistance to New Apprenticeships Centres (NAC) and Registered Training Organisations (RTO) to support initiatives to improve indigenous participation.

In 2003 a review of the Indigenous ITSP was undertaken. It was recommended that the programme be refocused to:

- identify the support needs of RTOs/NACs if they are to improve indigenous participation, as well as impediments;
- promote strategies and information to RTOs/NACs; and
- to identify regional projects which have the potential to improve indigenous participation.

A tender process is currently underway. The successful tenderer will be required to consult extensively with NACs, RTOs, State Training authorities, Australian Government agencies, the Job Network, CDEPs and Land councils.

3.2.3.3 Industry Pathfinder

The key function of an Industry Pathfinder is to assist industry to identify pathways to quality VET solutions to their recruitment and training needs. Industry Pathfinders provide a range of services, including advice, assistance and research and promotional activities to support NACs and RTOs with the implementation of New Apprenticeships and Training Packages focused on specific sectors of industry. The aim of Industry Pathfinders is to increase the take up of New Apprenticeships and the flexibilities of training packages and implementing various strategies to address impediments such as lack of information, resources or recruitment issues.

A review was undertaken in 2003 that recommended that the pathfinders programme be refocused to continue to support NACs and RTOs and will additionally direct funding to finite, project based work that supports the following:

- Engagement with Industry Skills Centres;
- A one stop shop for information for NACs;
- A broader coverage of industry areas than previously addressed under Industry experts;
- Key priorities, including using New Apprenticeships to address identified skills needs and towards areas identified as having high potential to increase take up of New Apprenticeships. This will include focusing on recommendations of NISI projects and relevant outcomes of Action agendas;
- Improving access for identified target groups, particularly mature aged people;
- Complement but not overlap between services commissioned under ITSP and ECEP.

3.2.3.4 Integrated Information Service

A further outcome of the review was the establishment of an Integrated Information Service.

The Service provides information support across all training packages to support NACs and RTOs to market New Apprenticeships to industry, with the ultimate goal of increasing the uptake of New Apprenticeships. It also aims to fully utilise the flexibilities available under New Apprenticeships by providing detailed marketing information on all Training packages to NACs and RTOs.

3.2.4 Note on VET Funding

VET is a shared responsibility between the Australian Government and the States and Territories.

As well as the programmes listed above the Australian Government provides significant funding to the vocational education and training sector through the States and Territories each year (\$1.13 billion in 2004). However, the States and Territories are responsible for all aspects of the delivery of VET within their jurisdiction. This includes the management of their TAFE Institutes.

For this reason there is not a common course fee regime across the VET sector nationally. The States and Territories are responsible for setting course fees for their TAFE Institutes, as well as setting the eligibility criteria for disadvantaged or low income students to receive a fee exemption. The Australian Government has no power to direct the States and Territories in these matters.

3.3 Other Higher Education funding initiatives

In addition to the above scholarship programmes, DEST also provides funding to universities to support students from disadvantaged backgrounds through the Higher Education Equity Programme (HEEP) and Additional Support for Students with Disabilities programme.

HEEP funding is provided to publicly funded higher education institutions to encourage universities to implement strategies aimed at increasing the participation in higher education of students from disadvantaged groups. In 1990 the Commonwealth nominated six groups, because of their history of disadvantage in relation to higher education, as the targets for equity planning:

- People from socio-economically disadvantaged backgrounds;
- People from rural and isolated areas;
- People with disabilities;
- People from non-English speaking backgrounds;
- Women (especially women in non-traditional areas of study); and
- Indigenous Australians.

Under the *Our Universities: Backing Australia's Future* (BAF) package of initiatives, enhancements to HEEP from 2005 include:

- Increased funding of \$4.5 million per year to a total exceeding \$10 million per year from 2005, with funding to be based solely on performance;
- A review of equity groups;
- Establishment of minimum eligibility criteria which institutions will have to satisfy in order to receive HEEP funding including:
 - implementation of an outreach program to attract equity group students to higher education;
 - provision of specialised support for equity group members to assist their progression through higher education;
 - provision of Commonwealth Learning Scholarships (CLS); and
 - provision of institutional equity scholarships to complement the CLS program.

In terms of student income support, the eligibility requirement for universities to provide institutional scholarships will assist students in financial need while allowing institutions some flexibility in determining how best to target these scholarships.

While not direct income support, the Additional Support for Students with Disabilities programme provides additional funds to universities to assist students with disabilities who have high cost support needs. It was established in recognition of the fact that increasing numbers of students with disabilities requiring high cost support services or equipment are participating in higher education and that the cost of supporting these students is not necessarily spread evenly across the sector. Total funding of \$8 million was allocated in 2001 for the first three years of the programme. As part of the BAF package of reforms, funding for the Students with Disabilities programme will double to a total of \$6 million per annum from 2005.