

Chapter 2

Opposition Senators' Report

Introduction

2.1 The *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No. 2) 2007* was referred to the Senate Employment, Workplace Relations and Education Legislation Committee for inquiry and report by 7 August 2007.

2.2 This bill amends the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Act 2005* to provide funding for three additional Australian Technical Colleges.

Background

2.3 This bill gives effect to measures announced in the 2007-08 Budget providing for three new Australian Technical Colleges, to be located in Perth, Brisbane and Sydney.

2.4 In a previous Senate committee report on the Australian Technical Colleges tabled in June 2005, Labor Senators noted that:

The concept of Commonwealth funded year 11-12 technical schools appears to have been developed without any consideration of current initiatives or without consultation. The initiative has little connectedness with the activity that is already occurring in the designated regions where colleges are to be established ... The educational and training rationale represented in this policy has less to do with skills 'outcomes' and more to do with injecting confusion and uncertainty.

2.5 Labor senators note that this is the third amendment bill on the Australian Technical Colleges that has been referred to committee. The first occurred when the Government was forced to bring funding for the Colleges forward as costs mounted up earlier than expected and subsequently to increase funding from the initial \$343.6 million to \$456.2 million after further cost blowouts. The additional appropriation announced in the 2007-08 Budget will push the total cost of these Colleges over half a billion dollars, to \$548 million.

Provisions of the Bill

2.6 This bill provides an additional \$74.7 million for three new Australian Technical Colleges announced in the 2007-08 Budget, to be located in Perth, Brisbane and Western Sydney. This appropriation takes the total cost of establishing 28 Colleges to \$548 million by 2012.

Issues

2.7 Labor senators draw attention to the recent Australian National Audit Office report on the Australian Technical Colleges, tabled in Parliament on 19 July, 2007.

2.8 The audit found that insufficient attention was paid to state and territory governments, initial tender applications were weak and inadequate, and there was little choice amongst ATC applicants. ANAO found that there was no strategy to address the interests of state and territory governments, and states that:

In one region, the programme had to address significant issues because of the coexistence of a new college with existing State government secondary schools.

2.9 The report also finds that funding agreements could not be finalised as additional work was required to bring the ATC proposals up to scratch. Additionally, ANAO finds that in nearly half of the first 24 colleges, tenders were awarded based on only one or two applications. Given this limited choice, ANAO states that:

...an option...may have been to return to the market to develop more industry and community interest.

2.10 Labor senators note that this report is confirmation that the Howard Government's ATCs are a cynical political response to a critical policy challenge. The criticisms of the establishment of the ATCs by the ANAO report also raises issues about the future of the ATCs. Labor notes that to date, the ATCs have:

- not produced one graduate;
- only 1800 enrolments;
- only 21 out of 25 colleges open;
- just two out of these 21 colleges meeting their 2007 enrolment targets;
- an average cost of nearly \$175 000 per student;
- only one-third of colleges legally registered to provide training; and
- outsourced the bulk of their training to TAFEs or Registered Training Organisations.

Conclusion

2.11 Labor senators also note the criticisms expressed by the Australian National Audit Office regarding a lack of consultation or cooperation with state and territory governments, confirming the establishment of the Australian Technical Colleges has been a political, cynical and duplicative and inadequate policy response to the national skills crisis.

2.12 While not opposing the implementation by the government of its 2004 election commitment, Labor senators do however express grave reservations about the public policy, public administration and financial effectiveness of the Government's Australian Technical Colleges.

Recommendation

Opposition senators support the provisions of the bill, but note the difficulties associated with the establishment of the Australian Technical Colleges as noted in the Australian National Audit Office report dated 19 July 2007, and the limited scope of these ATCs to meet the needs of young people outside regions with an ATC.

**Senator Gavin Marshall
Deputy Chair**

