

Senate Select Committee on Superannuation and Financial Services

Main Inquiry Reference (b)

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Minister for Education, Training and Youth Affairs

Senator John Watson
Committee Chair
Select Committee on Superannuation
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Parliament House
CANBERRA ACT 2600

19 OCT 2000

25 OCT 2000

Dear Senator Watson

Thank you for your letter of 8 August 2000 concerning the opportunities and constraints for Australia to become a centre for the provision of global financial services.

This issue was addressed in the context of an inquiry by the Senate Select Committee on Superannuation and Financial Services.

Your letter sought my views on issues raised by Professors Milner and Drysdale of the Australian National University and Mr Nicholas Thornton of the Australian Principals Centre who gave evidence at the inquiry.

Professors Milner and Drysdale highlighted the importance of Asian Studies as a resource to assist Australia to become a global financial services centre. Mr Thornton emphasised the importance of superannuation and financial management studies for students. He also noted emerging opportunities for Australia in training teachers and personnel in the field of information technology.

As you would be aware, responsibility for education and training within Australia is shared between the Commonwealth Government and State and Territory Governments. State and Territory Governments have principle responsibility for the delivery of education and training. The Commonwealth plays a pivotal role in policy, administration and funding matters.

Within the higher education sector, the Commonwealth provides block operating grants to Australian universities to carry out their teaching and research activities. However, universities are autonomous institutions established under State or Territory legislation and my portfolio is unable to intervene in the institutions' internal practices, including decisions about the types of courses offered and about curriculum matters which would include Asian Studies and teacher training.

My portfolio also provides some funding to assist Australian universities to establish linkages with their counterparts in the Asia-Pacific region. Since 1993, my Department has provided more than \$A1 million a year in grants to Australian universities towards their participation in University Mobility in Asia and the Pacific (UMAP). UMAP facilitates a programme of two-way student exchanges, primarily for undergraduate students, to undertake one or two semesters towards their degree in a university in the Asia-Pacific region. The programme aims to enhance understanding of countries in the region through the increased mobility of university students.

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Within the schools sector, Asian Studies at the primary and secondary levels are being facilitated by the National Asian Languages and Studies in Australian Schools (NALSAS) Strategy which has been operating since 1995. It is a cooperative strategy between the Commonwealth and States and Territories which promotes the study of Asia and four Asian languages in schools. In early 1999 a report on its first quadrennium indicated that the Strategy had made significant progress in introducing studies of Asia into school curriculum and practice.

In the 1999 Budget the Commonwealth made a commitment to support the Strategy for its next quadrennium to 2002 with an annual contribution of \$30 million. The Ministerial Council on Education, Employment, Training and Youth Affairs in March 2000 agreed to a strategic plan for NALSAS through to 2002. This will boost further the study of Asia in Australian schools.

In the Information Technology and Training (IT&T) skills area, where there is a worldwide shortage, a number of initiatives have been taken by the Commonwealth to supplement the strong response to date from the university and vocational education and training (VET) sectors. These initiatives have been directed at increasing the skill supply from domestic and overseas sources, and updating and upgrading the skills of the existing workers. I am pleased that the number of graduates completing IT&T courses grew by 116% between 1989 and 1998 (Australian students only), or by 182%, if you include the overseas students as well. The latter are relevant because our immigration arrangements now enable overseas students to apply for visas to work in Australia after graduation.

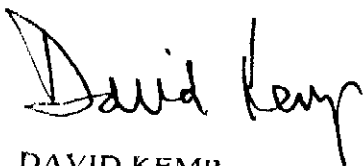
A new measure is the proposed IT&T Skills Exchange, due to be established soon with seed funding of \$5 million from the Commonwealth. The Exchange will be self-funding after the initial period and be industry-driven. Its principle function will be to improve information about skills in demand, arrange for the development of appropriate courses, and encourage and promote their take up with employers, students, jobseekers and workers currently outside and in the IT industry.

The VET sector is supporting efforts to address IT&T skill shortages by developing nationally recognised qualifications in information technology. Qualifications are available at the foundation skills level through to diplomas. The VET sector has also developed a training package which provides for nationally recognised qualifications in Financial Services, covering the full range of financial training.

As noted by Professor Drysdale in his evidence, Australia's active participation in regional institutional arrangements, such as Asia-Pacific Economic Cooperation (APEC), will support our interests in developing financial markets in the region.

My Department conducts and participates in activities within the APEC Human Resources Development Working Group. These activities promote, among other things: the use of information technologies; improvement of teaching systems and enhancement of cooperation and exchange of people and expertise. DETYA is currently conducting a project within APEC to identify barriers to trade and investment in education services in the Asia-Pacific region. The information obtained from the project will greatly assist Australia's preparations for the World Trade Organisation (WTO) market access negotiations on education services.

Yours sincerely



DAVID KEMP