

Outcome 3

A growth in skills, qualifications and productivity through funding to improve teaching quality, learning, and tertiary sector infrastructure, international promotion of Australia's education and training sectors, and partnerships with industry

Outcome 3 strategy

Outcome 3 incorporates higher education, vocational education and training (VET) and international components.

Higher Education

The Australian Government is the primary source of public funding for Australian universities and other self-accrediting institutions under the *Higher Education Support Act 2003* (HESA). In the 2009 Budget, the Government announced the introduction from 2012 of a demand driven funding system for domestic undergraduate Commonwealth supported places at public universities.

These providers will be funded for their undergraduate student enrolments from 2012 and the Government will not set an undergraduate student target. This will encourage providers to be more responsive to student demand and industry needs.

Performance funding targets will be included in the first mission-based compacts to be agreed with universities in 2011. Compacts will outline the relationship between the Australian Government and individual universities and provide a framework for jointly achieving the Government's reform agenda and institutions' individual missions. DEEWR shares responsibility for compacts with the Department of Innovation, Industry, Science and Research. Performance funding will be provided from 2012 to universities where specified targets are met or surpassed.

New indexation arrangements will increase funding to higher education providers. The increased rates for indexation will be applicable to all funding programs under HESA from 2012.

In response to the recommendations of the Review of Australian Higher Education (the Bradley Review), the Government announced several ambitions for student participation and attainment, including that:

- by 2025, 40 per cent of all 25–34-year-olds will have a qualification at bachelor level or higher
- by 2020, 20 per cent of higher education enrolments at undergraduate level will be people from low socioeconomic status (SES) backgrounds.

Milestone 2.3A: Estimated proportion of Australians aged between 25-34 years that will have attained a bachelor degree or higher

	2007–08* Benchmark	2010–11 Budget year	2014–15 5 year milestone	2019–20 10 year milestone	2024–25 15 year milestone
Bachelor degree or higher attainment rate	32%	35%	37%	39.5%	40%

Milestone 2.3B: Estimated proportion of low SES undergraduate enrolments

	2007–08* Benchmark	2010–11 Budget year	2014–15 5 year milestone	2019–20 10 year milestone
Percentage of low SES enrolments	16%	16.5%	18.5%	20%

* The 2007-08 DEEWR Budget outcome data provide a benchmark level for future performance. DEEWR has set milestones to be achieved for the budget year, and at five year intervals.

Structural adjustment funding is provided to those institutions that need assistance to make significant structural changes necessary to improve their long-term sustainability and the quality of their teaching and learning in the new funding and quality environment.

Significant levels of support will be provided to assist universities in attracting and retaining students from low SES backgrounds. Funding will be provided to eligible providers for equity loading and partnership programs so that more people from low SES backgrounds can aspire to and participate in higher education.

This funding system will be complemented by a new national regulatory and quality assurance agency, the Tertiary Education Quality and Standards Agency, which will ensure the quality of our higher education system.

Outcomes for Aboriginal and Torres Strait Islander peoples in higher education are not on a par with other Australian students. The Government will undertake a review of higher education access and outcomes for Aboriginal and Torres Strait Islander peoples, in consultation with the Indigenous Higher Education Advisory Council (IHEAC).

Vocational Education and Training

The priority in VET is to ensure the supply of skilled labour is well aligned with the changing needs of the economy. This means a focus on delivering the skills needed by growing sectors in the short term, but also ensuring that our training and apprenticeship systems respond quickly and effectively to changing labour market demands into the future.

Building on initiatives announced in the 2010–11 Budget, the Government is implementing a range of measures as part of its 'Skills for Life' package to support the sectors, regions and occupations that are expected to experience significant growth in labour demand in the short to medium term. The new National Workforce Development Fund will see the Government partnering with industry to co-invest in training for job seekers and existing workers to deliver the skills our economy needs most. A new National Workforce and Productivity Agency will provide national focus for skills development and ensure strong engagement between industry and government on key objectives including workforce development, apprenticeships and VET reform.

To better meet industry skill needs the Government is placing a high priority on streamlining and modernising our apprenticeship system, taking account of key recommendations of the Apprenticeships for the 21st Century Expert Panel. The Government will invest in helping potential apprentices to choose the right apprenticeship pathway. It will also assist employers who are considering taking on an apprentice for the first time. Apprentices and their employers will receive greater support, particularly in the first year of the apprentice's training. Greater emphasis will be placed on competency-based progression to ensure apprentices can complete their training as soon as they can demonstrate the required skills.

The Government will continue to press for major reform in state and territory training systems. If Australia is to have the skilled workforce it needs in the future, the VET sector will need to:

- deliver better quality, higher level training which meets the needs of employers and students, supports competitive industries, and is better matched to future jobs growth;
- have greater transparency, so it is clear Government funds are being properly targeted to skills needs, and employers and students can choose the training organisations which perform well and best meet their needs;
- be more efficient by ensuring investments in skills deliver the right skills to the economy at the right time; and
- support equity through increased participation by groups not currently fully engaged in work and upskill existing workers so they can stay engaged in employment as skills requirements change.

Support for disadvantaged groups will be a priority, with the Government aiming to better meet the demand for language, literacy and numeracy skills and vocational skills for unemployed Australians. This includes providing more opportunities for job seekers who want to pursue an apprenticeship through the Australian Apprenticeships Access Program.

International education and training

International education and training builds linkages between Australian and international students, institutions and governments, and plays a role in preparing productive global citizens. The availability of world-class Australian education and training contributes to the social inclusion and participation elements of the Government's Education Revolution.

In recognition of the importance of international education engagement, the Australian Government has developed the Australia Awards, an extensive program of international awards and scholarships targeted at the best and brightest. The major component of these awards and scholarships is the Australian Government's internationally competitive, two-way, merit-based Endeavour Awards. They bring together leading students, researchers and executives from Australia, the Asia Pacific (in particular China, India, Indonesia, Vietnam) and the Middle East.

DEEWR's international network of Australian and locally engaged staff plays a pivotal role in supporting Australia's international education links with key overseas partners.

Students

The Government's reforms to student income support (announced in the 2009-10 Budget) are being implemented progressively from 1 April 2010. The reforms support the Government's targets for student participation and achievement and better direct income support to students from low SES backgrounds, including students from rural and remote regions and Aboriginal and Torres Strait Islander students.

On 1 January 2012, the staged reduction in the age at which independence status is achieved for Youth Allowance and ABSTUDY will be complete, with independence at age 22 years. Extension of student payments to Masters by Coursework students is also planned for implementation on 1 January 2012.

The Government has appointed Professor Kwong Lee Dow to review the impact of the new student income support arrangements on equity, with a particular focus on the impact on rural and regional students and their capacity to access higher education. The review will report to the Government by 1 July 2011, making any necessary recommendations for changes to achieve the reform objectives within current budget constraints. Following the review, the Government intends to implement any new eligibility arrangements eliminating regional eligibility distinctions for student payments by 1 January 2012.

Table 2.3A Budgeted expenses and resources for Outcome 3

	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Outcome 3: A growth in skills, qualifications and productivity through funding to improve teaching quality, learning, and tertiary sector infrastructure, international promotion of Australia's education and training sectors, and partnerships with industry.		
Program 3.1: Higher Education Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	14,373	18,457
Special appropriations	5,887,671	6,372,948
Special Accounts	383,303	459,395
Total for Program 3.1	6,285,347	6,850,800
Program 3.2: HELP		
Administered expenses		
Special appropriations	1,351,678	1,523,857
Total for Program 3.2	1,351,678	1,523,857
Program 3.3: Tertiary Student Assistance		
Administered expenses		
Special appropriations	3,114,135	2,930,808
Total for Program 3.3	3,114,135	2,930,808
Program 3.5: VET National Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,782,816	1,973,497
Special Accounts	21,698	24,877
Total for Program 3.5	1,804,514	1,998,374
Program 3.6: International Support		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	73,452	69,667
Total for Program 3.6	73,452	69,667
Outcome 3 Totals by appropriation type		
Administered Expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,870,641	2,061,621
Special appropriations	10,353,484	10,827,613
Special Accounts	405,001	484,272
Departmental expenses		
Departmental appropriation ¹	182,817	142,034
Special appropriations	-	-
Special Accounts	-	-
Expenses not requiring appropriation in the Budget year ²	30,456	29,378
Total expenses for Outcome 3	12,842,399	13,544,918
Average Staffing Level (number)	1,031	982

¹ Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s31)'.

² Expenses not requiring appropriation in the Budget year includes Depreciation Expense, Amortisation Expense and Audit Fees.

Program 3.1 Higher education support

Program objective

To provide support for Australia’s higher education sector through a range of initiatives. These initiatives support higher education institutions, students and staff to achieve national growth in skills, qualifications, productivity and social inclusion.

The Government is implementing a significant suite of reforms to improve access, equity and quality in higher education. They include substantial increases in funding for undergraduate places, programs to ensure greater participation by previously under-represented groups and initiatives to ensure a quality higher education system is maintained.

A demand driven funding system for undergraduate places commences 1 January 2012. Transitional arrangements during 2010 and 2011 have allowed universities to be funded for over-enrolments up to 10 per cent above their target allocation of student places. In 2011, in excess of 480 000 undergraduate places are being funded and this will rise to more than half a million places next year – an increase of 20 per cent since 2008. The Government is providing a further \$1.2 billion for this reform, bringing the total funding for this initiative from 2010 to the end of 2015 to \$3.97 billion.

New initiatives announced in this Budget aim to increase participation of regional Australians in higher education, including by securing opportunities for students to study at regional universities and campuses. These build on already announced initiatives to improve participation in higher education by students from low SES backgrounds and to improve access and participation by Aboriginal and Torres Strait Islander students and students with a disability.

A new dedicated Education Infrastructure Fund (EIF) Regional Priorities Round will support education participation and attainment, build sustainable regional institutions and support regional skills needs. This EIF Round will provide \$500 million over 2011-12 to 2015-16, building on the \$4.15 billion already committed from EIF for infrastructure to support higher education, research and vocational education and training.

The Government is also supporting and rewarding excellence across universities, with performance funding to be provided from 2012, whereby universities will be rewarded for meeting particular targets.

The effectiveness of initiatives under this program is measured using several indicators. The number of domestic enrolments (full-time equivalents), the number of domestic postgraduate enrolments (full-time equivalents), the number of undergraduate completions and the number of postgraduate coursework completions all measure the capacity of the program to fund and support places for students. The labour market's demand for graduates as measured by the percentage of higher education graduates in full-time employment within four months of completion of a degree (of those available for work) and the trend in graduate starting salaries as a proportion of male average weekly earnings provide an indication of the impact the program has on productivity in the workplace. The program supports access and participation to higher education for Aboriginal and Torres Strait Islander students, measured by the trend in the number of all Aboriginal and Torres Strait Islander students by selected higher education course level categories.

Administered items

- Tertiary Education Quality and Standards Agency—the new national regulatory and quality agency for higher education will have the powers to regulate university and non-university higher education providers, monitor quality and set standards. It will register providers, evaluate standards and performance, protect and quality assure international education and streamline current regulatory arrangements through a nationally consistent process.
- Commonwealth Grant Scheme—in order to increase the number of students undertaking higher education, a demand driven funding system for undergraduate Commonwealth supported places will be implemented from 2012. This system will ensure that the higher education sector can grow to support increased participation and attainment and be more responsive to student needs.
- Regional loading – to overcome the higher costs of regional campuses. This loading is being improved to better target funding to the campuses that most need support. It is to be provided through a transparent allocation mechanism that responds to student demand.
- Higher Education Participation and Partnerships Program—a participation and partnership program established in 2010. It provides an enrolment loading to eligible higher education providers for students from low SES backgrounds. It also supports eligible providers to deliver outreach and other activities through partnerships that have the objective of increasing the total number of people from low SES backgrounds accessing and participating in higher education. Partners can include, but are not limited to, schools, state and territory governments, VET providers and community groups.
- Disability Support Program—provides funding for eligible providers to undertake activities that assist in removing barriers to access for students with disability. Program allocations include funds to reimburse costs of providing assistance for students with disability and payments encouraging strategies to attract and support students with disability. The program also provides funding support to the University of Tasmania to maintain the Australian Disability Clearinghouse on Education and Training website.

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- Indigenous Support Program—assists eligible providers to meet the needs of Aboriginal and Torres Strait Islander students and further the goals of the National Aboriginal and Torres Strait Islander Education Policy. It supports activities aimed at improving the access, participation, success and retention of Aboriginal and Torres Strait Islander students in higher education. This program is being reviewed in order to assess its efficiency in providing the best outcomes for Aboriginal and Torres Strait Islander higher education students.
- Structural Adjustment Fund—assists universities, particularly in regional and outer metropolitan areas, to prepare for the new operational requirements of a demand driven funding system for undergraduate students with new quality measures in place.
- Superannuation program—provides assistance to certain higher education institutions listed at Table A of the HESA to meet expenses associated with unfunded superannuation schemes.
- Quality initiatives—provides operational funding and specific project funding to a range of organisations with responsibility for elements of quality assurance or improvement in higher education (eg the Australian Graduate Survey (including graduate destination survey) and the Australian Universities Quality Agency).
- National institutes—funding to the Australian National University, the University of Melbourne (for the Victorian College of the Arts), the University of Tasmania (for the Australian Maritime College Institute) and Bachelor Institute of Indigenous Tertiary Education in recognition of their national role in particular areas of higher education.
- Commonwealth Scholarships (CS)—The Commonwealth Scholarship Program aims to improve access to, and participation in, higher education for Aboriginal and Torres Strait Islander students from low socio-economic status backgrounds and regional and remote areas. From 2010 new student income support arrangements, arising from recommendations made by the Bradley Review, resulted in changes to CS. Students receiving Commonwealth Scholarships from previous years continue to receive their scholarship under transition arrangements until their entitlement has been consumed. Eligible universities continue to be allocated funding to improve access and attainment by Aboriginal and Torres Strait Islander students through offering Commonwealth Education Cost Scholarships (CECS), Commonwealth Accommodation Scholarships (CAS) and Indigenous Access Scholarships to eligible undergraduate and enabling students. CECS provide assistance with those upfront costs with education such as text books. CAS provides assistance to those students who have to move to study.
- Capital Development Pool provides financial assistance to universities to support their capital infrastructure needs. This program will cease from 1 January 2012.

- Education Investment Fund—provides funding for major infrastructure in the tertiary education and research sectors. It is one of the three nation-building funds and is a major component of the Government’s Education Revolution. The fund aims to build a modern, productive, internationally competitive Australian economy by supporting world-leading, strategic infrastructure, which will transform Australian tertiary education and research. The Government announced on 7 September 2010 a Regional Priorities Round with funding of up to \$500 million. The Department for Innovation, Industry, Science and Research administers research infrastructure projects funded through the program.

Table 2.3.1 Administered expenses and key performance indicators for Program 3.1

	2010-11 Revised budget (\$'000)	2011-12 Budget (\$'000)	2012-13 Forw ard year 1 (\$'000)	2013-14 Forw ard year 2 (\$'000)	2014-15 Forw ard year 3 (\$'000)
Annual administered expenses:					
Ordinary Annual Services (Appropriation Bill No. 1)					
Tertiary Education Quality and Standards Agency	11,991	17,233	20,584	20,975	20,996
Indigenous Education Advisory Council	301	318	322	327	335
Higher Education Special Projects	2,000	820	-	-	-
Superannuation Payments for Former Commissioners	81	86	87	89	91
Special Appropriations:					
<i>Higher Education Support Act 2003</i>					
Commonw ealth Grants Scheme	5,065,208	5,460,386	5,968,400	6,258,781	6,555,316
Higher Education Participation and Partnerships Program	84,849	145,459	181,082	187,587	194,241
Disability Support Program	6,137	6,286	6,533	6,950	7,215
Indigenous Support Program	35,789	36,757	38,155	39,605	41,110
Diversity and Structural Adjustment	32,185	126,408	81,205	-	-
Superannuation Program*	274,897	283,889	293,201	302,847	312,840
Quality Initiatives	29,493	21,441	43,654	136,387	149,547
Open Learning Initiatives	280	284	294	306	316
National Institutes	181,370	188,477	197,944	205,486	213,273
Commonw ealth Scholarships	102,293	71,464	29,146	19,249	10,702
Higher Education Special Projects (Capital Development Pool)	75,170	24,947	-	-	-
Promotion of Excellence in Learning and Teaching in Higher Education	-	7,150	14,300	14,300	14,300
Special Account Expenses:					
Education Investment Fund	383,303	459,395	283,405	202,000	125,000
Total program expenses	6,285,347	6,850,800	7,158,312	7,394,889	7,645,282

Table 2.3.1 Administered expenses and key performance indicators for Program 3.1 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Quantity for key deliverables</i>					
Commonwealth Grant Scheme¹					
Number of Commonwealth supported domestic undergraduate places	469 428	488 000	507 000	513 000	517 000
Number of Commonwealth supported domestic postgraduate coursework places	30 276	33 000	35 000	36 000	36 000
Number of CGS medical places for which medical student loading is provided	11 165	12 168	12 757	12 905	12 977
Number of regional campuses under the CGS for which regional loading is applied	85	85	85	85	85
Number of CGS places for which enabling loading is provided	7211	7501	7721	7817	7890
Number of CGS places for which Transitional Loading is provided	46 369	67 231	81 091	83 503	86 015
Higher Education Equity Programs					
Number of Indigenous students supported (Indigenous Support Program)	10 465	11 000	11 500	12 000	12 500
Capital Development Pool and Special Projects					
Number of Capital Development Pool projects funded	39	1	Program ceases 1 January 2012		
Commonwealth Scholarships					
Number of scholarships allocated to higher education providers	25 114	14 134	5227	5550	5550
Structural Adjustment Fund					
Number of projects supported by the Structural Adjustment Fund	2	–	–	NA	NA

¹ These figures are for calendar year.

Table 2.3.1 Administered expenses and key performance indicators for Program 3.1 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
Education Investment Fund					
Number of projects supported by the Education Investment Fund	39	–	–	–	–
<i>Program effectiveness</i>					
Trend in number of domestic enrolment (full-time equivalents)	613 000	641 000	669 000	679 000	687 000
Trend in number of domestic postgraduate enrolments (full-time equivalents)	106 000	113 000	121 000	124 000	128 000
<i>Quantity for key deliverables</i>					
Trend in number of undergraduate completions	181 000	191 000	202 000	204 000	206 000
Trend in number of postgraduate coursework completions	109 000	117 000	125 000	129 000	132 000
Trend in number of domestic undergraduate low SES enrolments ²	101 000	106 000	112 000	116 000	121 000
Trend in interim composite measure of the number of domestic undergraduates in low SES ³	83 000	87 000	93 000	97 000	100 000
Percentage of higher education graduates in full-time employment within four months of completion of degree, of those available for work	76.2%	77.3%	77.8%	76.7%	76.7%
Trend in graduate starting salaries as a proportion of Male Average Weekly Earnings	79.8%	79.8%	79.8%	79.8%	79.8%
Trend in number of Indigenous students by selected higher education course level categories	11 000	11 500	12 000	12 500	13 000

2 Based on the number of students attending all providers in low SES postcodes.

3 This is a new effectiveness indicator. Number of students attending Table A universities based on the interim composite low SES measure.

Program 3.2 HELP

Program objective

To support access to higher education and vocational education and training for domestic students through the provision of income-contingent loans for student contributions and tuition fees. Support is also provided for the costs associated with overseas study that contributes to an Australian higher education undergraduate award.

HELP is an income-contingent loan program. The repayment arrangements under HELP ensure that only those people whose income level is above the minimum repayment threshold are required to make compulsory repayments. HELP debts are indexed annually. The Government bears the cost of deferred repayment of the loans and amounts that are never repaid due to low income or other reason.

Performance against this objective is measured by the proportion of domestic higher education students receiving support under each of the various HELP loan types.

Administered items

- HECS-HELP – assists eligible Commonwealth supported higher education students to pay their student contributions through loans and discounts for upfront payment.
 - HECS-HELP Benefit – the benefit reduces HELP repayments and debts for a range of graduates including eligible mathematics and science graduates who go on to work in eligible occupations; early childhood education teachers who work in particular areas of need; and nursing and teaching graduates who go on to work in related occupations.
- FEE-HELP – provides loans for fee-paying higher education students to pay all or part of their tuition fees up to a lifetime limit of \$86 422, or \$108 029 (2011, indexed annually) for medicine, dentistry and veterinary science courses. From 1 January 2011, the loan fee payable on FEE-HELP was increased to 25 per cent for undergraduate study.
- OS-HELP – provides loans to eligible undergraduate Commonwealth supported higher education students who wish to undertake some of their Australian course of study overseas. OS-HELP is intended to encourage more Australian students to undertake part of their study overseas and to increase the accessibility of overseas study to students who may not otherwise have sufficient financial means to take up such opportunities. Eligible students can receive two OS-HELP loans over their lifetime. The 20 per cent loan fee no longer applies to these loans.
- SA-HELP – subject to the passage of legislation, SA-HELP will assist eligible higher education students to pay for a student services and amenities fee charged by their higher education provider, up to a maximum of \$254 per year (2011, indexed annually).

- VET FEE-HELP—provides loans for eligible full fee-paying students to pay all or part of their tuition fees for VET accredited diploma, advanced diploma, graduate certificate and graduate diploma courses. Since 1 July 2009, state government subsidised students in a ‘reform’ state (currently only Victoria) have been able to receive VET FEE HELP for diploma and advanced diploma courses. The same FEE-HELP lifetime borrowing limit applies. A 20 per cent loan fee is payable by full fee-paying students on VET FEE-HELP loans with the exception of students in Victoria.

Table 2.3.2 Administered expenses and key performance indicators for Program 3.2

	2010-11 Revised budget (\$'000)	2011-12 Budget (\$'000)	2012-13 Forward year 1 (\$'000)	2013-14 Forward year 2 (\$'000)	2014-15 Forward year 3 (\$'000)
Special Appropriations: <i>Higher Education Support Act 2003</i> HECS HELP*	1,351,678	1,523,857	1,671,148	1,781,165	1,894,357
Total program expenses	1,351,678	1,523,857	1,671,148	1,781,165	1,894,357

*Includes fair value expenses and actuarial variances

	2010-11 Revised budget	2011-12 Budget	2012-13	2013-14	2014-15
<i>Quantity for key deliverables</i>					
HECS-HELP					
Domestic higher education students (Equivalent Full-time Student Load) enrolled in award courses in receipt of HECS-HELP loans	384 000	404 000	421 000	426 000	430 000
FEE-HELP					
Domestic higher education students (Equivalent Full-time Student Load) enrolled in award courses in receipt of FEE-HELP	60 000	63 000	66 000	69 000	73 000
OS-HELP					
Number of OS-HELP loans to assist students to undertake some of their course overseas	4352	3902	4292	4721	5193
SA-HELP					
Number of SA-HELP loans to assist students to pay their services and amenities fee (subject to passage of legislation)	786 000	796 000	806 000	817 000	827 000

Table 2.3.2 Administered expenses and key performance indicators for Program 3.2 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
VET FEE-HELP					
Equivalent full-time students assisted to study diploma and above qualifications under the VET FEE-HELP Scheme	22 476	40 976	61 269	64 333	67 550
<i>Program effectiveness indicators</i>					
Percentage of the relevant full-time higher education student (Table A providers only) ⁴ population receiving support under:					
▪ HECS-HELP	88.5%	88.7%	88.9%	89.1%	89.9%
▪ FEE-HELP	4.1%	4.2%	4.2%	4.2%	4.2%

Program 3.3 Tertiary student assistance

Program objective

The Government is committed to increasing the proportion of Australians with qualifications and through COAG has set targets for 2020 and 2024. Securing Australia’s long-term economic prosperity through measures to encourage and assist young people to remain in education and training is an important part of the Government’s strategy to achieve its targets. Student income support is provided through programs such as Youth Allowance, Austudy and ABSTUDY. The changes to student income support under the Bradley reforms will increase the number of low and middle income students eligible for assistance.

Administered items

- ABSTUDY—addresses the particular educational disadvantages faced by Aboriginal and Torres Strait Islander peoples by providing support to students and Australian Apprentices to access and participate in secondary and tertiary education and training.
- Austudy—provides support for students and Australian Apprentices who begin study or training when aged 25 years and over and who are in need of financial assistance to undertake full-time post-compulsory secondary or tertiary education or training, including approved masters by coursework programs.
- Youth Allowance—provides support for full-time students and Australian Apprentices aged 16–24 years who are in need of financial assistance, to undertake secondary or tertiary education or training, including approved masters by coursework programs.

4 Undergraduate and postgraduate students attending Table A higher education providers.

- Student Start-up Scholarship – is payable for help with the costs of study to eligible university students who receive student income support. The rate for 2011 is \$2194, paid in two half yearly instalments (indexed annually). The Student Start-up Scholarship is also available to eligible students assisted under veterans' schemes.
- Relocation Scholarship – is payable to eligible university students receiving Youth Allowance or ABSTUDY Living Allowance who as dependent recipients have to move away from home for study or as independent students are disadvantaged by their personal circumstances and are unable to live in the family home. In 2011, the scholarship is \$4124 for eligible students in their first year of living away from home to attend university and \$1031 for each subsequent year. The Relocation Scholarship is indexed annually and is also available to eligible children assisted under veterans' schemes.
- Rural Tertiary Hardship Fund – the \$20 million fund was established by the Government to help reduce the barriers for rural and regional students accessing higher education. The fund will operate between 1 January 2011 and 30 June 2013. Payments are made in the form of a one-off grant of \$3000 to eligible students whose grant application is successful in the open selection process.

Table 2.3.3 Administered expenses and key performance indicators for Program 3.3

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
(‘000)					
Special Appropriations:					
<i>Student Assistance Act 1973</i>					
Abstudy - Tertiary	66,183	72,412	73,788	75,229	76,856
<i>Social Security Act 1991</i>					
Austudy	389,999	400,276	397,459	394,796	396,685
Youth Allowance*	2,656,776	2,456,921	2,161,956	2,058,856	2,043,520
Fares Allowance	1,177	1,199	1,199	1,199	1,199
Total program expenses	3,114,135	2,930,808	2,634,402	2,530,080	2,518,260

*Youth Allowance is split approximately 19% Secondary and 81% Tertiary in 2011-12.

Table 2.3.3 Administered expenses and key performance indicators for Program 3.3 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Program effectiveness indicators⁵</i>					
ABSTUDY—Tertiary and VET					
Average number of higher education students in receipt of ABSTUDY during the year	3500	3700	3900	4100	4100
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of ABSTUDY during the year	5000	5300	5600	5900	5900
Average number of tertiary and VET students in receipt of ABSTUDY during the year (total)	8500	9000	9500	10000	10000
Austudy—Tertiary and VET					
Average number of higher education students in receipt of Austudy during the year	21 000	21 000	21 500	22 000	22 000
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of Austudy during the year	15 000	15 000	15 000	15 000	15 000
Average number of tertiary and VET students in receipt of Austudy during the year (total)	36 000	36 000	36 500	37 000	37 000
Youth Allowance—Tertiary and VET					
Average number of higher education students in receipt of Youth Allowance during the year	143 000	177 000	190 000	182 000	180 000
Average number of Australian Apprentices and students attending a TAFE college or private training institution in receipt of Youth Allowance during the year	40 000	44 000	44 000	42 000	42 000
Average number of tertiary and VET students in receipt of Youth Allowance during the year (total)	183 000	221 000	234 000	224 000	222 000

⁵ The proportion of students split across schools, VET and higher education for each program are notional and will continue to be informed by actual results.

Program 3.4 Vocational education and training

Program objective

Through the National Agreement for Skills and Workforce Development, the Government contributes around one-third of direct funding of the public VET system. State and territory governments contribute the remainder.

The agreement sets out the commitment between the Commonwealth and states and territories to work toward increasing the skill levels of all Australians, including Aboriginal and Torres Strait Islander peoples.

Under the agreement, the Government is providing an estimated \$6.7 billion over four years (since 1 January 2009) with specific targets for increasing qualifications of the working age population. The agreement provides states and territories with full responsibility for the maintenance of public training infrastructure and the development of the public VET workforce in their jurisdiction. It incorporates the following agreed COAG effectiveness indicators:

- proportion of the working age population at literacy level 1, 2 and 3
- proportion of 20–64-year-olds who do not have a qualification at or above Certificate III
- proportion of graduates employed after completing training, by previous employment status
- percentage of graduates with improved employment status after training
- number of hard-to-fill vacancies
- proportion of people employed at or above the level of their qualification, by field of study.

COAG has requested a review of the agreement to ensure it supports a VET system that is responsive to contemporary economic conditions, and meets the skills needs of the economy and industry and the preferences of students. The review will be completed by 31 July 2011.

Linked to: Treasury's Specific Purpose Payments (SPPs), which includes arrangements with states and territories.

Program 3.5 VET national support

Program objective

Vocational education and training (VET) is an important part of Australia's post-school education and training system. It provides training to enable Australians to enter the workforce for the first time, re-enter the workforce, retrain for a new job and obtain new work-related skills. It delivers the vocational skills needed by growing sectors of the economy and provides pathways for the development of higher level skills, contributing directly to productivity growth.

The VET systems role in delivering the skills needed by growing sectors of the economy, including the resources sector, will be crucial to managing capacity constraints and alleviating pressure on interest rates. Concurrently, deepening the availability of domestic skills through raising the existing skill-levels of the workforce is a priority in addressing Australia's longer term skills needs. Building on the strong investment in skills development, all partners to the skills agenda—government, training providers, industry, employers and individuals—must work together to ensure the existing skill base is put to best use, particularly where skills exist but are not being fully recognised and deployed.

Through the VET national support program, the Government provides funding for skills development, including funding to encourage employers to take on apprentices and funding to enhance the development of foundation skills, encourage greater participation in training and address persistent disadvantage. Encouraging greater labour force participation and strengthening the skill base will provide a solid platform for future development of higher skills.

A new National Workforce and Productivity Agency will be established from 1 July 2012. Its aim will be to improve long-term workforce planning and development to address skills and labour shortages, and contribute to improved industry and workplace productivity. It will build on the current role and strengths of Skills Australia, and work to deliver practical industry-led workforce strategies

Administered items

- National Workforce Development Fund—through this fund the Government and industry will provide funding to support training for job seekers and existing workers in areas of current and future skills need. It includes an element that will provide funding for enterprises in economically significant sectors with projected strong employment demand, and an element that enterprises in all sectors will be able to access to support training in occupations that are in demand. Under the fund, the training delivered will be driven by the workforce development and business needs of enterprises. From 2012-13 the fund will incorporate the Critical Skills Investment Fund.
- Critical Skills Investment Fund—provides Australian Government co-funding for industry partnerships to undertake projects that provide training and employment opportunities in the critical industry sectors of resources, construction, infrastructure and renewable energy. To achieve this, the fund will support projects that use nationally accredited training to train and place job seekers into available positions, and upskill existing workers to meet new demands.
- Productivity Education and Training Fund—will provide a total of \$20 million in grant funding over two years to peak employer and union organisations to inform and educate their membership about productivity and identify initiatives that promote productivity growth.
- Support for Competency Based Progression—provides Australian Government co-funding for industry partnerships to undertake projects that support innovative, attractive apprenticeship models to ensure people can complete their apprenticeship as soon they can demonstrate they have gained the required skills.

- *Australian Apprenticeships Mentoring*—provides funding for Apprenticeships Advisers to guide apprentice candidates in choosing the right trade for them, and for Apprentice Mentors to provide targeted mentoring and assistance that will help them successfully progress through their apprenticeship. Mentoring support will be targeted at apprentices in industries experiencing skills shortage and apprentices who may face additional barriers to participation.
- *Australian Apprenticeship Incentives Program*—provides financial incentives to employers to encourage them to take on apprentices and provides personal assistance payments to individual apprentices to help them to undertake their apprenticeship. Twenty-eight organisations are contracted to assist employers and apprentices, providing a range of services relating to Australian Apprenticeship arrangements, payments of employer incentives and facilitation of placements of potential apprentices with employers.
- *Australian Apprenticeships and Workforce Skills Development*—funds a range of activities to enhance skills development in the Australian workforce, including
 - strengthened role of Industry Skills Councils (ISCs) – funds ISCs to
 - provide integrated industry intelligence and advice to Skills Australia, government and enterprises on workforce development and skills needs
 - engage in workforce development activities
 - actively support the development, implementation and continuous improvement of high-quality training and workforce development products and services including training packages.
 - Skills for the Carbon Challenge—provides national leadership in building the capacity of the tertiary education sector to supply the skills needed for workers and businesses to prosper in a sustainable, low-carbon economy.
 - Green Skills Agreement—seeks to build the capacity of the VET sector to deliver the skills for sustainability required in the workplace and to enable individuals, businesses and communities to adjust to and prosper in a sustainable, low-carbon economy.
 - Workforce Innovation Program—an element of the broader Australian Government approach to workforce development and improving workforce productivity. The program provides grant funding for innovative, one-off projects that address workforce and skills development needs.
- *Australian Apprenticeships Access Program*—additional funding from 2012–13 will sustain assistance through this program at the current level so that it will continue to assist around 9500 vulnerable job seekers per year by providing nationally recognised pre-vocational training linked to an apprenticeship pathway, training in basic work and life skills, pastoral care, advocacy, intensive job search and post placement support. It is expected to achieve positive outcomes for at least 44 per cent of participants with them gaining a place in an apprenticeship, full or part-time employment or further education and training.

- Workplace English Language and Literacy Program—aims to assist approximately 18 000 workers, and 1500 pre-employment Indigenous Employment Program participants with low literacy levels improve their English language, literacy and numeracy skills each year so they can better participate in employment and training activities. This assistance supports workers to continue progress in their employment and participate effectively in further training. It also contributes to job mobility, workplace safety and productivity. The program also funds the development of training resources and strategic projects with a national focus to encourage industry involvement in addressing language, literacy and numeracy issues.
- The Language Literacy and Numeracy (LLN) Practitioner Scholarships program—seeks to address the skill shortages in the adult LLN field by increasing the number of qualified adult LLN practitioners across Australia and addressing long-term shortages of adult LLN practitioners, particularly in regional areas. The program provides a study scholarship of up to \$5250 to successful applicants to support them in undertaking approved study towards an adult LLN practitioner qualification.
- Language, Literacy and Numeracy Program (LLNP)—additional funding from 2011–12 will provide for around 30 000 extra commencements to support a targeted work experience component and respond to sectoral demands. Overall, LLNP seeks to improve eligible job seekers language, literacy, and/or numeracy with the expectation that such improvements will enable them to secure sustainable employment or to participate in further education and training. It is widely recognised that gains in language, literacy and numeracy skills will also improve the quality of clients’ daily lives.
- The Job Ready Program—provides international graduates who have an Australian trade qualification the opportunity to gain valuable work experience in their chosen occupation and demonstrate their job readiness before applying for permanent residency.
- National Programs—expenditure is funded through an annual administered appropriation and provides funding focused on four distinct elements to support the VET sector:
 - Support for Industry—covers a number of activities that provide support for industry and facilitate industry involvement in the development of training strategies and materials. The majority of funding is provided to ISCs.
 - Joint Group Training—provides funding to group training organisations to assist Australian Apprenticeship outcomes and is jointly funded by the Australian, state and territory governments.
 - Equity and Innovation—supports a range of projects to support the achievement of agreed objectives as they relate to equity groups, undertake research and devise innovative proposals.
 - National Training System Support—the Government’s contribution to support the development of the VET system.

- National Training System Commonwealth Own-Purpose Expenditure—agreed under the National Agreement for Skills and Workforce Development, this program funds projects that contribute to the operation and effectiveness of the National Training System, including funding for development and management of the new National Register of Training Organisations information system – www.training.gov.au; research and statistics from the National Centre for Vocational Education Research; and for equity policy advice from the National VET Equity Advisory Council.

Table 2.3.5 Administered expenses and key performance indicators for Program 3.5

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
(‘000)					
Annual administered expenses:					
Ordinary Annual Services (Appropriation Bill No. 1)					
National Centre for Vocational Education Research	652	662	675	687	701
Australian Apprenticeship Centres	201,636	203,951	205,788	207,642	210,757
Support for Australian Apprenticeships	1,090,350	1,059,469	1,048,663	1,082,180	1,013,626
Australian Apprenticeship Workforce Skills Development	285,155	253,720	92,029	89,782	91,390
Australian Apprenticeship Access	87,817	94,539	91,345	85,430	93,175
Workplace English Language and Literacy	26,467	29,413	32,623	35,472	38,331
Language, Literacy and Numeracy	86,431	97,593	107,986	135,776	153,571
Critical Skills Investment Fund	200	73,775	73,775	49,250	-
National Foundation Skills Strategy	4,108	6,251	3,571	3,875	5,483
Regional Education Skills and Job Plans	-	442	442	442	-
Productivity Education and Training Fund	-	10,000	10,000	-	-
Trade Apprentice Mentoring Initiative	-	20,000	19,800	19,800	19,800
Support for Competency Based Progression	-	29,198	29,191	24,184	13,427
The Right Trade for You	-	11,520	9,360	-	-
More Help for Mature Age Workers	-	10,000	10,000	10,000	-
National Workforce Development Fund	-	72,964	75,907	76,111	124,999
Special Account Expenses:					
Education Investment Fund	21,698	24,877	3,769	-	-
Total program expenses	1,804,514	1,998,374	1,814,924	1,820,631	1,765,260

Table 2.3.5 Administered expenses and key performance indicators for Program 3.5 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Quantity for key deliverables</i>					
Australian Apprenticeship Centres					
Number of organisations contracted to provide services	–	28	Current contracts expire 2011–12		
Support for Australian Apprenticeships					
Total number of employers assisted nationally	112 440	103 313	106 540	112 136	114 400
Total number of Australian Apprentices assisted nationally through Personal Benefits	161 030	164 437	168 073	175 961	181 200
Australian Apprenticeship Workforce Skills Development					
<i>Productivity Places Program</i>					
Total number of job seekers assisted	69 527	70 373	–	–	–
Total number of Existing Workers assisted	120 862	109 628	–	–	–
<i>Group Training in the Trades Program</i>					
Number of pre-vocational places supported in trade areas	950	832	–	–	–
<i>Targeted Initiatives Program</i>					
Number of Group Training Organisations (GTOs) supported	7	–	–	–	–
Number of apprentices through GTOs:					
▪ commencements	25	–	–	–	–
▪ completions	150	–	–	–	–
Australian Apprenticeship Access Program					
Number of eligible job seekers assisted	9500	9500	9500	9500	9500
Workplace English Language and Literacy					
Number of individuals assisted	15 000	17 240	18 800	19 000	17 150
Language, Literacy and Numeracy					
Number of individuals assisted	18 500	21 000	23 500	27 000	30 000
Incentives for Higher Technical Skills (non Australian Apprenticeships)					
Number of employment-based vocational Diploma or above training places created	217	144	100	33	31
Number of Disability Coordination Officers funded (FTE)	42	31	31	31	31

Table 2.3.5 Administered expenses and key performance indicators for Program 3.5 (continued)

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
National programs					
<i>Joint Group Training Program</i>					
Number of Australian Apprentice commencements in state/territory group training sub-programs	20 000	22 500	22 500	22 500	22 500
<i>Program effectiveness indicators</i>					
The percentage of the Language, Literacy and Numeracy Program clients who complete at least one block of training	60%	60%	60%	60%	60%
The percentage of Access clients who achieve a payable outcome	44%	44%	44%	44%	44%

Program 3.6 International education support
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Program objective

- Promote the sustainable development of Australia’s international education and training engagement, and ensure that Australia’s education system is recognised as world class and globally connected. Build the capacity and reputation of Australian education and develop future human capital through a range of international awards and scholarships, attracting the best and brightest (1969 recipients in 2011–12).
- Support international labour market mobility for professionals through initiatives that facilitate the recognition of qualifications and skills through the Professional Services Development Program.
- Enable eligible overseas trained Australian residents to obtain recognition of their professional qualifications and skills for the purposes of employment in Australia through the Assessment Subsidy for Overseas Trained Professionals program (ASDOT).
- Develop and strengthen regional international education links.
- Position Australia as a regional and world leader in international education cooperation.

Administered items

International education and training

- International Awards and Scholarships program—develops on-going education, research and professional linkages between individuals, organisations and countries; provides opportunities for high achieving individuals to increase their skills and enhance their global awareness; contributes to Australia’s position as a high quality education and training provider, and leader in research and innovation; and, increases productivity through an international study, research or professional development experience. The program consists of the Endeavour Awards and International Student Exchange Programs.
- increasing the Profile of Australia's International Education Sector supports projects to develop Australia’s relationship with Europe to achieve the following objectives
- engage in policy dialogues and enhance cooperation in education
- increase student mobility between Australia and Europe
- encourage development of joint and double degree programs between Australia and European education providers.
- develop and strengthen relationships especially within the Asia-Pacific region for the benefit of the Australian international education and training sector. This is achieved through the Regional Links program, which funds education and training initiatives, and bilateral and multilateral activities to foster government-to-government, institution-to-institution, and people-to-people links.
- enable eligible overseas-trained professionals to obtain recognition of their professional qualifications and skills for the purposes of employment in Australia. In 2011–12 ASDOT will approve 480 funding applications to assist overseas trained professionals have their qualifications assessed
- facilitate international labour market mobility for professionals. The Professional Services Development Program provides grants to eligible Australian organisations to work towards the international recognition of Australian professional qualifications and the recognition in Australia of professional qualifications and skills obtained overseas.

Assessment Subsidy for Overseas Trained Professionals

ASDOT facilitates labour market mobility through integration into the workforce of unemployed or underemployed individuals with professional skills obtained overseas. ASDOT provides financial assistance for overseas-trained professionals to cover the cost of approved assessments and examinations, which must be successfully completed as part of their requirements to work in Australia. These are high cost and likely to pose a financial barrier to applicants, particularly where the assessment process is comprised of multiple stages.

Table 2.3.6 Administered expenses and key performance indicators for Program 3.6

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forw ard year 1 \$'000	2013-14 Forw ard year 2 \$'000	2014-15 Forw ard year 3 \$'000
(‘000)					
Annual administered expenses:					
Ordinary Annual Services (Appropriation Bill No. 1)					
International Education and Training	58,380	57182	62,967	55,464	56,515
	772	785	798	793	808
Assessment Subsidy for Overseas Trained Professionals					
Education Services for Overseas Students Assurance Fund	14,300	11700	1,000	1,000	1,000
Total program expenses	73,452	69,667	64,765	57,257	58,323

	2010–11 Revised budget	2011–12 Budget	2012–13	2013–14	2014–15
<i>Quantity for key deliverables</i>					
International Education and Training					
Number of funding recipients supported by the Professional Services Development Program	6	6	6	6	6
Number of projects and/or activities funded by Regional Links	13	12	12	12	12
Number of projects and/or activities funded by the ‘Increased profile of Australian International Education Sector’ program	15	10	10	10	10
Number of international scholarships, fellowships and exchange opportunities supported (Endeavour program)	3200	3200	3200	3200	3200
Assessment Subsidy for Overseas Trained Professionals Program					
Number of eligible clients supported	480	480	480	480	480

Outcome 3 Departmental outputs**Vocational education and training**

National Workforce and Productivity Agency –. The Agency will be established by expanding the role and functions of Skills Australia. A key feature of the agency is that it will be industry-led, and collaborate closely with unions and employers. The Agency will administer the new National Workforce Development Fund. It will be recognised as an authority on workforce development policy and advice, improving long-term workforce planning and development to address skills and labour needs, and boosting workplace productivity. Skills Australia will be transitioned into the new Agency through 2011-12, with the Agency beginning operation from 1 July 2012.

International

- The *Education Services for Overseas Students Act 2000* (ESOS Act) was amended as part of the Government's first response to the review of the ESOS Act conducted by the Hon Bruce Baird AM during 2009–10 (Baird Review). These amendments
 - strengthen education providers' registration requirements
 - expand the role of the Commonwealth Ombudsman for external complaints by international students relating to private providers.
- As part of the next phase of the Government's response to the Baird Review, a further public consultation paper was made available in late 2010 with submissions received from the sector in January 2011. These submissions will inform the next phase of the Government's response to the review.
- The Government has made provision for up to \$25 million in assistance for the ESOS Assurance Fund over two years. This assistance will allow the ESOS Assurance Fund to meet its legislative responsibilities in terms of placing and/or refunding international students in circumstances where an international education provider is no longer able to meet its responsibilities under the ESOS Act.
- In support of initiatives to enhance the recognition of Australia's education system and to improve qualifications recognition, DEEWR provides
 - information resources to support qualifications recognition decisions and mobility
 - educational assessments for individuals with overseas qualifications
 - funding for programs that support the recognition of Australian professional qualifications internationally and the recognition of overseas qualifications in Australia
 - representation for Australia in international fora on qualifications recognition. DEEWR is Chair of the Regional Bureau for the Regional Committee of the UNESCO Regional Convention on the Recognition of Studies, Diplomas and Degrees in Higher Education in Asia and the Pacific. DEEWR, through AEI-NOOSR (National Office of Overseas Skills Recognition), is Australia's National Information Centre under the Lisbon Recognition Convention, and is part of the ENIC NARIC network (National Academic Recognition Information Centres and the European Network of Information Centres).
- International government-to-government and multilateral engagement in international education and training development:
 - DEEWR's international network of Australian and locally engaged staff plays a pivotal role in providing an on-the-ground, integrated approach to policy, regulation and international engagement in key regions and economies of the world. DEEWR's international network strives to create a lasting foundation for dialogue and partnership. The network also supports the systematic identification, examination and appropriate adoption of international best practice, contributing to Australia's world-class education system.

Table 2.3B Performance information for Outcome 3 departmental outputs

Performance indicator	2011–12 estimate
<i>Program management</i>	
Services provided by Australian Government agencies (eg Centrelink) satisfy performance requirements	DEEWR requirements met
Higher Education Equity Programs: payments made are based on calculations which are accurate and in accordance with approved guidelines	Payments made to 38 Table A universities in 2011
<i>Client satisfaction</i>	
Trade Skills Assessment Application	95% of applications in the international and domestic streams finalised within 30 working days