

**Proposal for a National VET Equity Advisory Council
(NVEAC)**

Business Case

Excerpts of "Equity in the Education Revolution" speech¹

Hon Julia Gillard

April 2008

"It's no coincidence that, in addition to being Minister for Education and Minister for Employment and Workplace Relations, I am also Minister for Social Inclusion.

It's because each of these areas is linked to the question of how we become a more prosperous nation without jettisoning the values of fairness and equal opportunity that made us what we are.

...Equity is important to our education and training systems in so many ways. It is an important moral issue for our country....Educational equity is also an important economic issue.

The new Government is determined to turn around the trends towards educational disadvantage".

¹ 4 April Media release from Hon Julia Gillard "Equity in the Education Revolution" speech 6th Annual Higher Education Summit, Sydney

Proposal for National VET Equity Advisory Council Business Case

Background

In November 2006 MCVTE endorsed recommendations of the national VET Client and Student Voice Action Group (CaSVAG) for a VET client advisory structure of three Taskforces (Indigenous, Disability and Equity) and an Advisory Alliance. The Taskforces' objectives² were to see the following improvements for their respective client groups:

- sustainable employment outcomes
- higher level qualification attainments
- effective transitions from school or community
- participation rates, and
- the capacity of the VET system to contribute to addressing whole of life³ barriers to training and employment.

The current advisory structure has been funded with \$500,000 per annum from the Strategic National Initiatives funding process.

As the current arrangements finish at the end of 2008, the Advisory Alliance recommends a new National VET Equity Advisory Council effective from 2009.

Final reports from the 3 Taskforces form a separate briefing for NSOC's October 2008 meeting.

This paper reviews the outcomes of current VET equity strategies and highlights the work that needs to be undertaken to deliver VET equity reform nationally.

Outline of the Proposal

The Advisory Alliance proposes a new National VET Equity Advisory Council (NVEAC), (see Appendix 1 and 2) to provide high level advice to MCVTE (or the proposed new Ministerial Council for Tertiary Education and Employment) and to support State and Territory training systems to deliver VET equity reform for all equity clients nationwide, particularly Indigenous Australians and people with a disability. NVEAC would operate in line with the commencement of the new Commonwealth, State and Territory VET funding agreement in 2009.

This paper reviews the outcomes of current VET equity strategies and outlines the directions of work that needs to be undertaken to deliver VET equity reform nationally.

The Advisory Alliance makes four recommendations aimed at improving outcomes for equity groups in the VET system. The recommendations support COAG's targets and the Government's productivity and social inclusion agendas, and include: further funding of VET places, setting ambitious targets for equity groups, setting performance measures for the VET system and funding the proposed new National VET Equity Advisory Council.

Why is this proposal needed?

KEY MESSAGE: The Advisory Alliance has serious concerns that current strategies, targets, structures and processes are not delivering measurable improvements in VET outcomes quickly enough for equity groups.

The Advisory Alliance believes the primary reasons for the lack of progress for equity groups include:

- VET equity reform remains a 'bolted on' arrangement rather than being built into all aspects of the VET system

² Client and Student Voice Action Group - Final Recommendations to NSOC, 11th August 2006

³ The "Whole of Life" model for disability reform was described by The Ability Australia Foundation in 1996. The "Whole of Life" model centres reform on the integration and interconnecting of systems and the removal of barriers to support an individual's smooth transition in their daily life, whatever the life circumstance, to ensure that those who have been socially excluded have access to the same services, opportunities, choices and rights as others to enable them to fully participate in society

- There needs to be greater recognition that processes and strategies to improve VET outcomes may be vastly different for each of the equity groups as well as within some groups e.g. for rural and remote Indigenous communities, the strategies needed are very different from those required to support students who are deaf or blind or who have physical, intellectual or mental health disabilities
- There is a need to better coordinate and link research to inform workforce development, training planning and delivery as well as and student support for each of the equity groups and to avoid costly duplication
- Historically, funding models have not sufficiently recognised the need for sustained support nor the long-term nature and complexity in achieving improved outcomes for socially excluded groups
- There has also been a lack of recognition that to achieve improved outcomes for socially excluded groups financial investment is needed at the outset before outcomes can be delivered
- There are disincentives to improving outcomes for socially excluded groups including funding models that do not adequately reflect the higher costs to deliver improved outcomes for some of these groups

Review of Strategies for Equity Reform in VET

The key strategy to achieve VET equity reform for all groups has been *Shaping Our Future: Australia's National Strategy for VET 2004-2010*. It has required States and Territories to take positive steps to achieve equality of participation and achievement. State Training Authorities have also had a priority to encourage greater re-engagement in training by Australians who are not fully participating in the labour market and it is one of the key performance measures in the Australian National Report (ANR).

There are also two national VET strategies for the most disadvantaged groups, *Bridging Pathways* for people with disabilities and *Partners in a Learning Culture* for Indigenous people.

Under the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce,⁴ States and Territories have been required to increase the number of training places and to report on strategies to improve the take up of additional training places⁵ for equity groups. A mid term review of this Agreement⁶ indicates that State and Territory Governments are on track to exceed the national targets for these additional places. The Advisory Alliance believes that specific national funding of these additional places is a key factor in achieving the targets and that without these additional training places, VET outcomes for equity groups would be even worse than the current slow progress.

Review of Performance Outcomes for Equity groups in the VET system

The 2006 Annual National Report (ANR) of the Australian VET System records performance measures for four equity groups: female students, people with a disability, those with a language background other than English and Indigenous students.^{7,8}

While acknowledging the slight decline in the proportion of Australians aged 15 to 64 years who participated in VET from 2003-2006,⁹ ANR performance measures in 2006 indicate a lack of progress particularly for Indigenous students and students with disabilities in the VET system.

Compared to all VET students, there has been minimal improvement for these two groups in the proportion participating in VET; pass rates are well below other students; there are low numbers participating in higher level courses and much lower rates of employment and further study outcomes following training.

⁴ p9 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce

⁵ 10,000 additional training places over three years for people with a disability; 26,000 additional training places over three years for mature aged people and/or youth; Additional training places in regional and remote locations for Indigenous Australians; An overall increase in participation of Indigenous Australians at higher qualification levels, specifically at Certificate III level and above. There has been a Joint Indigenous Funding Pool of approximately \$23 million over the 2006-2008 period to maximise education and training outcomes for Indigenous students

⁶ Skilling Australia's Workforce 2005-08 Mid-Term Review The Boston Consulting Group October 2007 (MCVTE 17 April 2008 meeting)

⁷ The National Training Statistics Committee (NTSC) advises that for around one in five students the equity status is not known

⁸ NTSC has advised that for other student groups the sample size from national surveys is too small to provide statistically reliable performance measures and the cost of new measures would be prohibitive Correspondence from Michael Stevens, Chair National Training Statistics Committee to Advisory Alliance Chair, Mr Brian Cunningham.⁸

⁹ p27 2006 ANR of the Australian VET System

Table 1 in Appendix 3 provides the statistical data to correspond with the Advisory Alliance's overview of ANR performance measures from 2003-2006 as follows:

- *Proportion of students in VET:* Over this four year period, relative to all students, there has been little improvement in the proportion of students in the four equity groups participating in VET.
- *Load pass rates:* Over this four year period, there has only been a marginal increase in the load pass rate for Indigenous students, students with a disability and people who speak a language other than English at home. Women's load pass rates are at the same level as the overall VET student population.
- *Level of attainment:* In 2006, people with a disability were much less likely than any other student group to be studying at Certificate III and above course levels.¹⁰ Indigenous students are also underrepresented at these levels and overrepresented at Certificate I and II or non AQTF levels. This is concerning since Certificate I and II level and non AQTF level courses are less likely to lead to employment¹¹
- *Further study and employment rates:* While there has been a decline in further study and employment outcomes for all VET students over the four year period, the decline is much worse for the four equity groups. For Indigenous Australians and people with a disability who in 2006 were 14% and 22% respectively below other students in employment outcomes, the falling trend over 4 years is of major concern.

Outcomes of a review of the current advisory structure

- The VET equity advisory structure needs to more effectively support the mainstream VET system to take direct responsibility for equity related matters
- While committed to equity reform, each of the current taskforce co-chairs have had concerns that while holding other senior level positions they cannot devote the amount of time required to achieve equity reform. Time requirements for some taskforce members have proved problematic
- Part time taskforces can advise on equity reform, but cannot coordinate and deliver the scope of change required to build equity reform into the fundamental structures of the national training system, particularly in the changed environment, nor can it support delivery of equity reform at the local level
- The current structure has not been able to maintain an adequate connection with state and territories training systems, with the funds available,
- Strengths with the current structure that need to be maintained include:
 - high level (NSOC) reporting with the potential for significant influence to improve outcomes for socially excluded groups
 - the ability to focus on the specific needs of particularly disadvantaged equity groups

Why is a National VET Equity Advisory Council required?

KEY MESSAGE: The National VET Equity Advisory Council (NVEAC) will support and strengthen other national reforms, particularly social inclusion and the productivity and workforce participation agenda and provide a national perspective on improving outcomes from VET for students from disadvantaged backgrounds.

2003-2006 ANR performance measures provide clear evidence of the need to improve VET outcomes for equity groups. Significant national changes also demand an increase in the participation of socially excluded groups in all levels of education, training and workforce participation.

These national developments include:

¹⁰ p 35 2006 ANR of the Australian VET System

¹¹ p10 Cavallaro T, Foley P, Saunders J, Bowman K NCVET 2005 Report People with a Disability in Vocational Education And Training: A Statistical Compendium NCVET Report May 2005

1. The Australian Government's Social Inclusion agenda, the development of a National Mental Health and Disability Employment Strategy, improved year 12 completions and improved transitions to further education and training targets, and objectives to close the gap for Indigenous Australians and jobless families.
2. The Council of Australian Governments (COAG) Reform Agenda to boost productivity and workforce participation, includes agreement on policy aspirations, policy outcomes and targets in early childhood, schooling, skills and workforce development. These targets aim to improve outcomes for Australians, particularly Indigenous people and those who have been socially excluded to address acute skills shortages and support industry demand for workers.
3. The amalgamation of the national education, training and employment portfolios into the Department of Education, Employment and Workplace Relations (DEEWR) with the Deputy Prime Minister as the lead minister who is also the Minister for Social Inclusion, provides opportunities to improve linkages between sectors and to streamline reporting arrangements to deliver the Government's reform agenda.
4. The impact of the skills shortage has led the business sector to recognise that a significant group of people from socially excluded groups, who are currently under employed, could potentially be engaged in meaningful work.¹²
5. Draft National Agreement for Skills and Workforce Development
 - It is expected that the (Draft) National Agreement for Skills and Workforce Development to improve outcomes for all Australians, from 1 January 2009, will change the roles and responsibilities of the Australian Government and State and Territory governments in delivering training.
 - As the (Draft) National Agreement does not include explicit targets, funding or support for all equity groups¹³, there is a potential risk that socially excluded/equity groups could fall further behind as the greater costs in delivering training to students with higher support needs may create a disincentive to increase the number of these students in the VET system. Without financial incentives to assist in meeting the real costs of training these students, improved VET participation, completion and transition to sustained employment outcomes for these groups are unlikely to be achieved.
 - It is therefore critical that equity students are a specific part of the National Agreement and that designated targets and measures are in place within the Agreement to track outcomes for these groups

What would a National VET Equity Advisory Council deliver?

KEY MESSAGE: The National VET Equity Advisory Council (NVEAC) would engage with key stakeholders to drive and coordinate VET equity reform and report on progress at a high level of government

Of critical importance, the NVEAC will provide advice on the progress of VET equity reform at a high level of government. This high level reporting is essential to keep a national focus on equity and to support the scale of reform required. This national structure would enable synergies with national developments in social inclusion and productivity and workforce participation. Without a national structure, this high level focus on equity would not occur.

The NVEAC will engage with the States and Territories providing advice on implementing good practices of VET equity reform into the delivery of training and the processes of the VET system. NVEAC would provide the national structure to advice on VET equity reform and build collaboration between the States and Territories to avoid duplication of effort in implementation of such reform.

¹² Business Council of Australia *Engaging our Potential: The Economic and Social Necessity of Increasing Workforce Participation* October 2007

¹³ The draft National Agreement includes two outputs for Indigenous Australians – see Appendix 4

In addition NVEAC will work with jurisdictions to coordinate consultations with equity groups and stakeholders, to facilitate the exchange of ideas and ensure national policies are informed by issues at the local and state level and vice versa.

NVEAC will provide advice on necessary research to inform practical improvements in the VET system and for specific equity groups. For example research that would be required to develop an understanding of the cost associated with delivering high quality training to people from disadvantaged backgrounds including people with a disability and Indigenous Australians and which can inform and improve policy and teaching practices.

NVEAC will also commission projects that will deliver tools and supports to assist the States and Territories and providers. For example:

- identifying and promulgating good practice and pilot projects (including successful school to VET and VET to work transition) programs and support programs and
- Coordinating the development of national targeted marketing campaigns to attract specific equity groups into the VET system and to challenge entrenched cultural attitudes that create barriers and preclude some groups from full participation and social inclusion

The higher education sector is facing a similar challenge and has taken measures to improve national outcomes for equity groups.

- The Australian Government has supported the establishment of a National Centre for Student Equity in Higher Education at the University of South Australia: \$630,000 for the establishment and \$500,000 annually from 2009 towards running costs with additional in-kind support from the University. The key objective of this Centre is to “inform and lead the higher education sector in demonstrating and researching best practice to attract, retain and progress students from the targeted equity groups. It will also act as a national repository of funding initiatives, programs and exemplars of student equity policy best practice.”¹⁴
- The Commonwealth Equity Programme has three specific areas of funding that can be sourced to assist students in the higher education sector, including an Equity Support Programme (\$11.25 million in 2007) a Disability Support Programme (\$6.7 million in 2007) and a Commonwealth Scholarships programme (the Government will double the number of Commonwealth Scholarships in Universities (*Scholarships for a Competitive Future*) from 44,000 to 88,000 – a proposed budget of \$4,080 per scholarship in 2008)

As part of its overall final recommendations from the taskforces, (refer Advisory Alliance: Taskforce final reports to the NSOC October 2008 meeting) the Advisory Alliance has recommended that a VET Equity Scholarships program should be implemented. Other differences between the schooling, VET and higher education sectors in the extent and transferability of support and resources for equity groups will also need to be addressed to smooth transitions between sectors for these students.

KEY MESSAGE: The following work requires a commitment in time and effort by States and Territories to support implementation of VET equity reform nationally that identifies and shares good practice suited to their own local conditions

Currently each State and Territory has its own policies, plans and structures to support equity groups at the Departmental and local TAFE level. Across the country, highly committed individuals undertake VET equity work and each jurisdiction continues to make commitments to improve outcomes and support students with special needs.

While aspects of good practice are shared between individuals, amongst RTOs and across jurisdictions (largely through research reports and the national professional development program – Reframing the Future) there is a need for a national approach to encourage stronger partnerships between the States and Territories and

¹⁴ the National Centre for Student Equity in Higher Education at the University of South Australia as announced by Hon Julia Gillard 4 April 2008 'Equity in Higher Education' media release

other players in the VET system to deliver effective reform to equity nationally and to encourage equity to become everyone's business in the same way that Occupational Health and Safety has been and is built into all aspects of organisational operations.

This will require commitment, effort, time, resources and expertise from across the national VET sector if the goal of true equity reform is to be achieved.

NVEAC could provide advice on implementing a business process design that maps the process, identifies inequities, barriers and solutions and strengthens supports through adopting a whole of life approach to move socially excluded individuals and groups along the pathway into VET, successfully through VET and into sustained employment.

How is the proposal consistent with current national policy objectives?

KEY MESSAGE: Improving VET outcomes for socially excluded groups is essential to achieving national Social Inclusion, Productivity and Workforce Participation outcomes

Alignment with social inclusion objectives and the National Agreement for Skills and Workforce Development.

The VET system is a key mechanism for delivering the nation's productivity, workforce participation and social inclusion objectives as proposed by COAG. The Advisory Alliance contends that equity groups need to be specifically included in the National Agreement for Skills and Workforce Development to build equity into the mainstream of national reform rather than the current 'bolt on' arrangement that is failing to deliver the scale of reforms needed for equity groups in the VET system.

Improving education, training and skills and workforce development outcomes and VET outcomes on all ANR measures for socially excluded groups – particularly Indigenous Australians and people with a disability who currently have the worst VET and employment outcomes - will add significantly to the achievement of the objectives and outcomes of the draft National Agreement as detailed in Appendix 4.

Since higher certification levels are more likely to lead to employment, it is important that the ANR attainment level data disaggregated for the equity groups feeds into the monitoring process, particularly for the COAG targets pertaining to higher level qualifications.

The Australian Government's Social Inclusion policy states that all Australians need to be able to play a full role in Australian life. Achieving outcomes for equity groups in the National Agreement will also add to the achievement of the broader social inclusion agenda. Once the social inclusion measures and targets are determined, and given the crucial role of training in creating pathways to inclusion, it will be imperative that the VET equity reform process develops specific training targets for socially excluded groups that align with the broader social inclusion goals.

What are the National Social and Economic Benefits of the Proposal?

KEY MESSAGE: Improving VET outcomes for socially excluded groups can make profound changes to the lives of individuals and their families. There are also substantial social and economic benefits.

Moving people from social exclusion to social inclusion, warrants significant national investment on a range of levels, for example specific funded and targeted training places, targets, incentives and programs. Many of these individuals will require extensive support to develop the social skills and confidence to move from the welfare system into training and subsequently to employment. A key component to improving VET outcomes for equity groups is up front investment in training and adequate funding of VET places before returns can be delivered.

The upfront investment in training will deliver substantial social and economic benefits.

Essential to success is the scope and provision of quality support that individuals require. Myths and attitudinal barriers that obstruct some socially excluded groups from successfully participating in VET and in the successful transition from VET into employment need to be removed. Systemic barriers between sectors and funding bodies can inhibit progress. Collaborative work is essential to address these obstacles.

Programs that provide support in transitions are critical. Students with disabilities and Indigenous students often leave school before Year 10, so linkages with the schooling and other sectors is essential in equity work.

When supported and when given the chance, there is clear evidence that individuals from socially excluded groups can achieve the same (in some aspects of Table 2, better) outcomes as other Australians. Table 2 and 3 in Appendix 4 illustrate the positive training and employment outcomes that can be obtained for people with a disability and Indigenous Australians.

When socially excluded groups receive training and become employed, individual lives not only change but welfare costs are reduced, they and their families become more self supporting, earn wages, pay tax, have a greater capacity to make purchases and contribute meaningfully to society. Within families, confident, skilled and employed adults are also role models for children, so training is a key component in breaking intergenerational cycles of disadvantage and poverty.

Given the national skills shortage and the State/National agreements to improve educational standards and productivity to match industry demand for skilled workers, there is an imperative to improve VET participation rates for equity groups to meet these demands.

Minister Gillard's 'Equity in the Education Revolution' speech on 4 April 2008 recognised the economic benefit in increasing participation in education. The Minister referred to the Productivity Commission's research regarding boosting participation by 0.7% and productivity by up to 1.2% by 2030 that would translate to an increase in GDP of around 2.2% or around \$26 billion dollars and to a DEEWR estimate that indicated that increasing the number of working age people with post school qualifications by 1% would contribute around \$8 billion dollars every year to GDP.

Research undertaken on the Economic and Social Analysis of Increasing Opportunities for People with a Disability in VET for ANTA 2001,¹⁵ indicates that increasing participation rates is a sound economic investment. This report provides a range of estimates of the gain from improving VET participation rates for people with a disability across all age groups to the level of the general population. The report estimates that there would be a \$2.8 billion benefit to the Australian economy after allowing for training costs and other discounts¹⁶. The National Disability Advisory Taskforce is currently seeking an update on the data in this report.

Even without research estimates or data modelling for other equity groups, this report indicates a return on investment for the Commonwealth and State Governments that warrants significant investment to support the case for improving VET outcomes for people with a disability and potentially for other socially excluded groups. A proportion of these savings could be transferred back into the VET sector to encourage the State and Territories to support new training places for these groups.

What are the consequences of not implementing this proposal?

The Advisory Alliance believes that without a national structure to advise on and monitor the implementation of VET equity reform at a national level, the current poor VET outcomes for equity groups will continue.

Despite Australia's strong economy, the VET system will have failed to support the most socially excluded and failed to play its part in supporting the Australian Government's Social Inclusion agenda and COAG productivity and workforce participation agendas. The VET system could become the weak link in the Australian Government's early childhood, schooling, training, higher education and employment chain of reforms that are being instigated through COAG.

¹⁵ Dockery, Birch, Kenyon The Economic and Social Analysis of Increasing Opportunities for People with a Disability in VET The Institute for Research into International Competitiveness (IRIC) Curtin Business School, Curtin University of Technology Australian National Training Authority February 2001

¹⁶ p33 Dockery, Birch, Kenyon The Economic and Social Analysis of Increasing Opportunities for People with a Disability in VET The Institute for Research into International Competitiveness (IRIC) Curtin Business School, Curtin University of Technology Australian National Training Authority February 2001

Advisory Alliance recommendations to improve national VET equity outcomes

Recommendation 1

That MCVTE endorse:

The establishment from 2009, of a single-layer advisory body - the National VET Equity Advisory Council, (NVEAC) (replacing the current advisory structure) to provide (via NSOC) high level advice to MCVTE (or any successor Council) on all matters relevant to improving both the performance of VET equity students and the national VET system in support of such students.

Funding for the new arrangements is \$1.5million per annum (see Appendix 1 and 2). This provides:

- a) The appointment of:
 - i. A high calibre part time Chair NVEAC
 - ii. A high level full time Director to oversee the activities of NVEAC
- b) Resources to support and action the above and to commission various projects as outlined in the NVEAC annual work plan to be prepared for endorsement by MCVTE.

The office of the NVEAC will be located in TVET, who will host the Council's operations and act as the administrative employer.

The Director will report to the Chair of NVEAC and thus be accountable in turn to MCVTE.

NVEAC will be established to commence in line with the new Commonwealth, State and Territory VET funding agreement.

Recommendation 2:

That MCVTE

- a) Note the excerpt from the (draft) National Agreement for Skills and Workforce Development (Appendix 4) on proposed objectives, outcomes, outputs, progress measures, targets and annual performance measures.
- b) Endorse that all equity students (people with a disability, Indigenous Australians and other socially excluded groups) are an integral part of the national training system and whose performance is measured by the National Agreement and as a consequence, recognise that equity students have need of greater support than non equity students, in order for them to achieve the required training, skills and qualifications that would lead to improved employment outcomes.

Recommendation 3:

That MCVTE

- a) Note the work of the national COAG data framework reporting to PAWG (Appendix 6) and
- b) Agree that all targets and measures relevant to VET equity students be considered under this framework

Recommendation 4:

That MCVTE endorse commissioning NCVET to undertake from 2009:

- a) The production of an annual VET Equity Report (either as a separate Report or as a distinct section within the ANR report) based on ANR data and NCVET reports on the VET system to monitor in detail the progress made by equity students in VET including participation and pass rates, attainment levels, further study and employment outcomes and other relevant progress measures for equity groups (as may be developed under the COAG data framework)
- b) Research (undertaken in collaboration with the new National VET Equity Advisory Council and States and Territories), to clearly establish the current level of investment and support for VET

equity students at the state, territory and national levels in delivering training and qualifications. This data would then be available to inform funding models and any future National Agreements for Skills and Workforce Development to better support students with higher needs.

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Proposal for a National VET Equity Advisory Council

Role

The National VET Equity Advisory Council (NVEAC) would provide high level advice to MCVTE (or the proposed new Ministerial Council for Tertiary Education and Employment) and support State and Territory training systems to deliver VET equity reform for all equity clients nationwide, particularly Indigenous Australians and people with a disability.

NVEAC would operate on the principle that all players in the training system have a role to play in improving equity policies, practices and outcomes.

Terms of reference

1. Provide advice to MCVTE on integration of equity into all aspects of VET and report on the progress of achieving VET equity reform.
2. Increase awareness and influence key stakeholders in the VET sector about imbedding equity reform into the delivery of training and VET system processes.
3. To provide independent advice, reviews and reports to appropriate bodies including Skills Australia and the Social Inclusion Board
4. To engage with other advisory bodies including the Social Inclusion Board, the National Quality Council (NQC)¹⁷, the National Skills Industry Council (NISC)¹⁸ and the Skills Australia to help them address equity issues in their areas of responsibility
5. Collaborate with jurisdictions to coordinate consultations with equity groups and stakeholders to facilitate the exchange of ideas and ensure national policies are informed by issues at the local and state level and vice versa.
6. Advise States and Territories on good practices in VET equity reform including
 - i. the implementation of business process design in their training systems, that map the process, identifies inequities, barriers and solutions and strengthens support for socially excluded individuals and groups to move along the pathway into VET, successfully through VET and into sustained employment
 - ii. the process of integrating VET equity reform into all aspects of the VET system so that equity becomes everyone's business in the same way that Occupational Health and Safety has been built into all aspects of organisational operations (eg financial and information management, planning and review processes, marketing, research, quality assurance, workforce development and teaching practice)
 - iii. good practice in equity policy development, research, workforce improvement, outcomes of pilot (including successful school to VET and VET to work transition) programs and support programs
7. Engage with the states and territories to identify positions and structures that advise on, promote or implement VET equity strategies at the institutional and/or jurisdictional levels and work with them to avoid duplication of effort in implementation of such reforms and work towards implementing a national approach to equity issues...

¹⁷ to ensure the quality of the training system supports the needs of students from socially excluded groups

¹⁸ to identify opportunities to improve pathways from training to employment and workforce participation for equity groups

8. To build the evidence base to support reform for equity groups and to advise on research priorities necessary to inform practical improvements in the VET system and for specific equity groups which can inform and improve policy and teaching practices.
9. To work with ANR, NCVER, NTSC and others to create a VET equity report that informs the Australian Government, States and Territories, COAG, the Social Inclusion Board and other interested parties on progress against agreed performance measures and benchmarks
10. Link with and identify opportunities for collaboration with other bodies including NCVER, the National Centre for Student Equity in Higher Education, NQC, Skills Australia, the Social Inclusion Board and NISC
11. Subject to approval from MCVTE and available funding, commission projects to promote VET equity reform. For example:
 - practical tools and supports to assist training providers
 - marketing strategies to attract disadvantaged people into the VET system
 - community education to challenge entrenched cultural attitudes that create barriers and preclude some groups from full participation and social inclusion
12. Develop an annual work plan for the activities of NVEAC with performance measures including measures to demonstrate the extent of influence exerted on the sector.

Membership

NVEAC members would require expertise in equity issues, the provision of education and/or training economics, industry or academia.

1. Chair NVEAC
2. Director NVEAC
3. Indigenous advocate
4. Disability advocate
5. Broader equity advocate
6. Public provider nominee
7. Private provider nominee
8. Community provider nominee
9. Union nominee
10. Employer/business nominee
11. NSOC – Member (rotating

Stakeholder Engagement

The revised structure will require:

1. A capacity to work closely with the State and Territory training systems to assist them in implementing good practice in VET equity reform.
2. A mechanism to gather the voice of students from equity groups including through stronger links with state and territory mechanisms
3. A capacity for the Indigenous advocate, Disability advocate and other members to consult with their stakeholders through workshops and forums, preferably coordinated by State Training Authorities with the option to feed into national forums.

Chair, (part time position)

An independent high profile appointment to provide strategic leadership and high level advice on VET equity reform matters, without an administrative function.

Responsibilities:

1. Report to the Chair of MCVTE (or the chair of the proposed Ministerial Council for Tertiary Education and Training)

2. Attend National Senior Official Committee meetings in an ex officio capacity
3. Link with, and is ideally a member of the Social Inclusion Board or other key Government committees eg Skills Australia
4. Chair meetings of the National VET Equity Advisory Council

Director, (full time position)

The appointee would be a person of influence with an understanding of each of the equity areas, and understanding of the processes of complex systems integration, the operation of the VET system and other processes to implement a Whole of Life Approach to participation in VET.

Responsibilities under the general guidance of the Chair:

1. Provide support and strategic advice to the Chair on equity related matters
2. Report as required to NSOC/MCVTE
3. Direct and manage the implementation of the key responsibilities and related practical activities of the NVEAC to achieve national VET equity reform

Office/Secretariat

The office would include individuals with specific expertise in Indigenous, disability and other equity issues in VET, along with administrative assistance.

Responsibilities: To support the work of the Chair, Director and members of the NVEAC.

Note: The balance of resource for staffing vs projects will be optimised by NVEAC

Placement of the structure

In considering the best location for the Office, the Advisory Alliance sought to balance the following criteria:

- Scope for independence with accountability
- Capacity to influence within and beyond the VET system
- Connections within and outside of the VET system

The Advisory Alliance considered six options for the placement of the Office.

1. The Social Inclusion Unit in the Department of Prime Minister and Cabinet.
2. National Centre for Student Equity in Higher Education at the University of South Australia.
3. Technical and Vocational Education and Training (TVET) Australia Limited.
4. A state VET agency eg TAFE Institute
5. NCVER
6. VET Equity Policy Unit in Department of Education, Employment and Workplace Relations

From investigations of the options, the Advisory Alliance recommends TVET as the host and administrative employer of staff in the Office of the National VET Equity Advisory Council with the Director, reporting through the Chair, to NSOC/MCVTE (or the proposed new Ministerial Council for Tertiary Education and Employment) rather than to TVET

Terms of operation

It is proposed that the NVEAC would be in place for 5 years and tied into the VET Specific Purpose Payments review period at 4-5 years.

Comparative roles, responsibilities and funding arrangements for similar bodies

National Quality Council (NQC)

Total costs approximately \$3 - \$3.2 million pa

- Ensures nationally consistent quality in VET and reports to MCVTE. Has 14 members.
- The Secretariat is hosted by TVET. Costs are shared by Commonwealth and state/territories (50-50). Annual secretariat/accommodation/on costs approx \$755,000 to provide 1 x senior secretariat leader and 2 x support staff (does not include support for working groups and project administration)
- 4-6 meetings annually - \$300,000 allocated to cover associated costs (eg travel, fees, venue, printing)
- Funding for projects: \$2.5 million
- Working groups costed separately
- *Remuneration:*
 - Chair - daily fee (\$597.00) in line with highest category (3) Remuneration Tribunal Determination Table 2A
 - Members – daily fee (\$366.00) in line with Category 2 Remuneration Tribunal Determination Table 2A

Indigenous Advisory Committee (IAC)

Unable to determine total costs as a high proportion is absorbed by the government department

- Established to provide advice to the Minister on Indigenous issues and has 12 members.
- The Secretariat is hosted by a Commonwealth department. \$240,000pa allocated for secretariat (1 x fulltime employee) and meeting costs. (This does not cover the true costs and the Department provides two additional support staff.)
- 2-3 meetings pa with additional regular teleconferences
- *Remuneration*
 - Chair - daily fee (\$495.00) in line with Category 2 Remuneration Tribunal Determination Table 2A
 - Members – daily fee (\$366.00) in line with Category 2 Remuneration Tribunal Determination Table 2A

National Disability Ministerial Advisory Council

Total costs unable to determine as above

- Is being established to provide advice on matters affecting or likely to affect people with disabilities, their families and carers. It has 27 Members appointed by Parliamentary Secretary.
- The Secretariat is hosted by a Commonwealth department. In first year will provide 2 x EL2 and 3 support staff (in subsequent years 1x EL2 and 2 support staff). \$400-500,000 pa. (other costs covered by Commonwealth Department)
- 4-5 meetings pa \$30,000 per meeting
- *Remuneration*
 - Chair - daily fee (\$495.00) in line with Category 2 Remuneration Tribunal Determination Table 2A
 - Members – daily fee (\$366.00) in line with Category 2 Remuneration Tribunal Determination Table 2A
 - Consultations – allowing \$50,000 per consultation.

Proposed Budget for the National VET Equity Advisory Council

2009 Total proposed budget \$1.5m

RECURRENT COSTS NATIONAL VET EQUITY ADVISORY COUNCIL

NVEAC MEETING COSTS:

Based on 11 members (including 3 government employees) 6 meetings pa

Travel	Number of Travellers	Average cost	Sub-total per meeting	Number of Meetings	Annual Total
Members	7	300	2,100	6	12,600
Chair	1	300	300	6	1,800
					\$14,400
Sitting Fees					
Members	7	350	2,450	6	14,700
Chair*	1	572	572	6	3,432
					\$18,132
Catering					
			500	6	\$3,000
Room Hire					
			400	6	2,400
Cost of each meeting			6,322		
Total annual meeting costs					\$37,932

Chair in line with Remuneration Tribunal Determination 2007/10: Remuneration and Allowances for Holders of Part-Time Public Office - Table 2A - Category 3 (highest rate)*

STAKEHOLDER FORUMS	per forum	Total
National forums: 1 x stakeholder (up to 30 participants including equity stakeholders and students and allowing support for people with disabilities) and 1 x state and territory jurisdictions	Venue/catering	2,500 5,000
	Travel/accommodation members/stakeholders	20,000 \$40,000
	Interpreters/facilitators	3,000 \$6,000
		25,500 \$51,000
4-5 stakeholder consultations (where possible local National VET Equity Advisory Council member area) up to 6 meetings	Venue/travel/catering/facilitators etc	8,000 \$32,000
Engagement with other bodies eg Social Inclusion Board, Skills Australia etc (up to 6 additional meetings)	per day	
	Chair Sitting fees	572 \$4,576
	Chair travel	\$350 \$2,800
		\$7,376
Total Stakeholder forums		\$90,376

STAFFING

(Based on DEEWR departmental staffing including on-costs)

			Rate	Total
Director	SES 1	x 1	199,332	199,332
Office Manager	EL1 - EL2	x 1	Up to 160,359	160,359
Project/Research Officer	APS 5-6	x 3	Up to 111,036	333,108
Administration	APS3	x 1	84,940	84,940

Total annual salary costs

\$777,739

OFFICE/RUNNING COSTS

Office Costs	Furnished Accommodation - office for 5	48,000
	Equip Hire (Computers)	12,500
	Phone/Fax/Broadband & Utilities	15,000
	Stationery/Consumables	1,000
		\$76,500
Other Costs	Publications and printing (eg Annual Equity report)	\$40,000
	Staff travel	\$27,453
	TOTAL	\$146,500

TOTAL RUNNING COSTS

\$1,050,000

FUNDS FOR PROJECTS

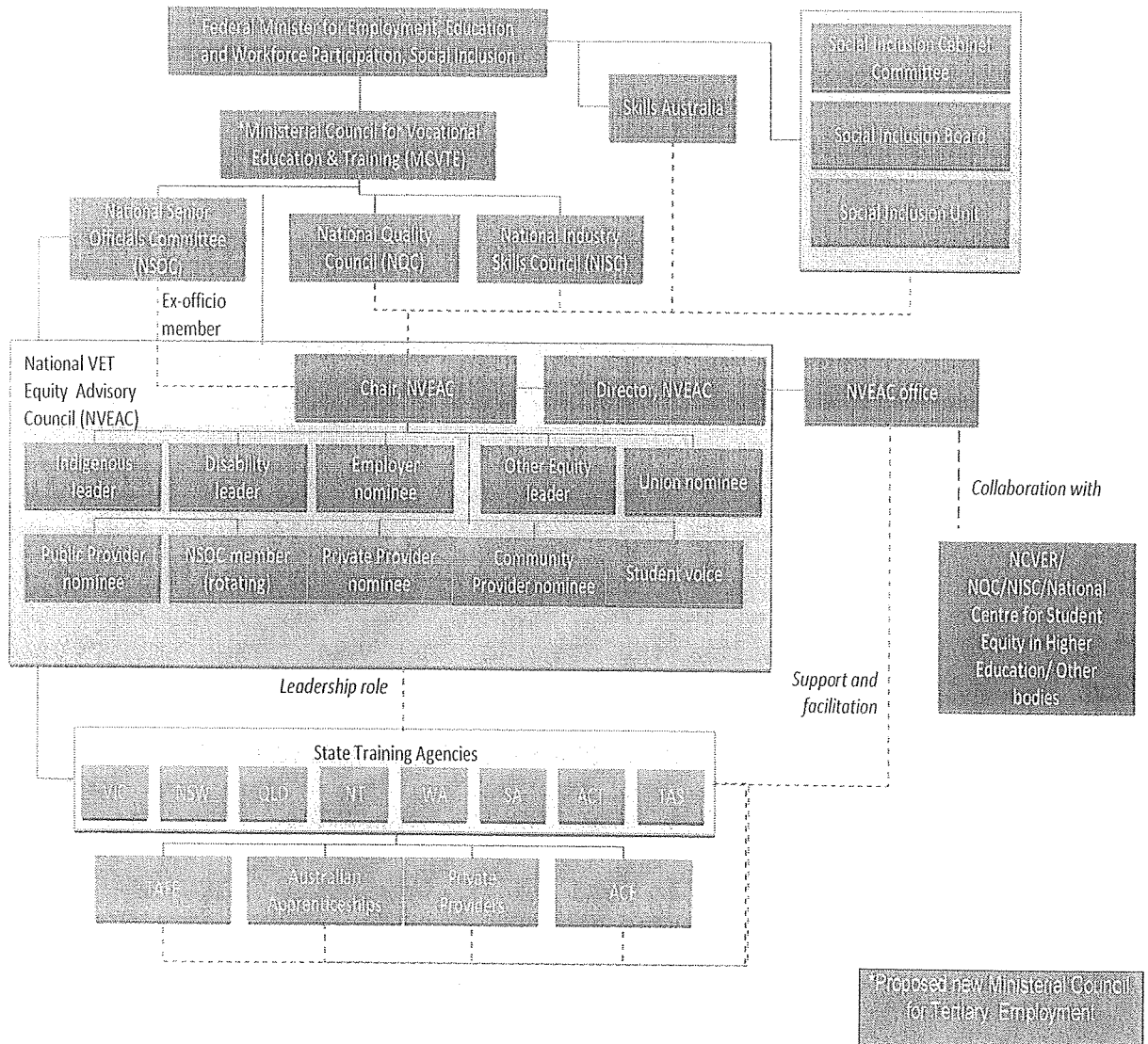
annually determined in 2009 approximately

\$450,000

TOTAL

\$1,500,000

Proposed National VET Equity Advisory Council



Overview of ANR performance measures 2003-2006

ABS census data records the percentage of the four equity groups in the Australian population, as follows:

- People with disabilities - 20%¹⁹
- Indigenous population – 2.3%²⁰
- Women – 50.6%²¹
- Speaks a language other than English at home groups – 15.8%²²

The most relevant ANR performance measures to monitor VET outcomes for equity groups are:

- participation rates and /or proportion of students in VET
- load pass rates
- level of attainment
- employment/further study rates

Table 1: VET Performance by Equity Groups, Australia, 2003 and 2006 (%)

Equity Group	Indigenous		People with a Disability		Women		Language Other Than English		All VET Students	
	2003	2006	2003	2006	2003	2006	2003	2006	2003	2006
Participation Rate	12.1	13.0	n/a	n/a	11.8	10.8	n/a	n/a	12.2	11.4
Proportion	3.4	4.0	6.4	7.2	50.6	49.7	12.5	13.5	100.0	100.0
Load Pass Rate	63.6	66.2	68.9	69.9	77.8	78.1	70.6	72.3	77.1	78.5
Level of Attainment										
Diploma or above	5.5	4.0	10.2	9.4	13.7	12.8	18.4	15.6	13.4	11.7
Certificate III or IV	33.6	32.7	30.4	33.0	38.7	41.1	37.3	38.1	41.5	45.1
Certificate I or II	42.7	43.2	32.0	31.7	22.7	26.0	24.8	26.5	22.9	25.9
Other	17.3	18.2	27.4	25.8	24.9	20.1	19.5	19.9	22.2	17.3
Further Study and Employment Outcomes										
Employed after training	60.2	63.6	49.6	55.8	70.7	78.3	60.8	64.4	73.9	77.4
In further study after training	49.5	33.2	n/a	n/a	n/a	n/a	n/a	n/a	43.3	32.8
Employed or in further study after training	89.2	77.1	83.8	69.6	90.6	85.1	88.5	80.3	92.3	86.7

Source:

(2008) DEEWR. Annual National Report of the Australian VET System 2006; and (2007) NCVET PowerPlay Data cubes; and ABS Cat. No. 3201.0 Population by Age and Sex, Australian States and Territories, June 2007, Time Series Spreadsheets - Table 9.

Definitions

- **Participation Rate** - The number of Australian VET students aged 15-64, expressed as a percentage of the Australian population aged 15-64. Note: the Indigenous participation rate is calculated using all ages.

¹⁹ 2003 Australian Bureau of Statistics (ABS) Survey of Disability, Ageing and Carers

²⁰ 2006 ABS Census of Population and Housing

²¹ 2006 ABS Census of Population and Housing

²² 2006 ABS Census of Population and Housing

- **Proportion** - The number of VET students, expressed as a percentage of all VET students.
- **Load Pass Rate** - Load Pass Rate is the ratio of hours attributed to students who gained competencies/passed assessment in an assessable module or unit of competency to all students who were assessed and either passed, failed or withdrew. Note that previously published figures have changed due to the implementation of nationally consistent nominal hour values. The calculation is based on the annual hours for each assessable module or unit of competency and includes competencies achieved/units passed through recognition of prior learning. Load Pass Rate is calculated using the following formula: $((\text{Competency achieved/pass} + \text{Recognition of prior learning}) \times 100) / (\text{Competency achieved/pass} + \text{Recognition of prior learning} + \text{Competency not achieved/fail} + \text{withdrawn})$.
- **Level of Attainment** - The number of VET students, expressed as a percentage of all students (in the equity group), studying at the highest qualification attempted in 2003 and 2006.
- **Further Study and Employment Outcomes** - Government Funded TAFE VET Graduates.

Note: This data does not measure the additional impact on some students of multiple disadvantage and nor does it reflect the issues for rural and remote students

2. Statement of Objectives and Outcomes

2.1 Objectives, outcomes and outputs

This Agreement is concerned with improving the outcomes of all Australians. Additionally, it has a particular focus on improving the outcomes of Indigenous Australians.

All the funding components of this Agreement that each jurisdiction signs up to, including the Funding Agreement, the Productivity Places National Partnership, the VET Market Design National Partnership, and Commonwealth Own Purpose Expenses, will contribute to achieving the following objectives and outcomes.

Objectives

1. All working aged Australians have the opportunity to develop the skills and qualifications needed, including through a responsive training system, to enable them to be effective participants in and contributors to the modern labour market.
2. Individuals are assisted to overcome barriers to education, training and employment, and are motivated to acquire and utilise new skills.
3. Australian industry and businesses develop, harness and utilise the skills and abilities of the workforce.

2.1.1 Outcomes

1. The working age population have gaps in foundation skills levels reduced to enable effective educational, labour market and social participation.
2. The working age population has the depth and breadth of skills and capabilities required for the 21st century labour market.
3. The supply of skills provided by the national training system responds to meet changing labour market demand.
4. Skills are used effectively to increase labour market efficiency, productivity, innovation, and ensure increased utilisation of human capital.

2.1.2 Outputs

The following outputs will act as a proxy to measure progress towards the above outcomes.

1. Commencements in post-school vocational education and training.
2. Number of enrolments in post-school vocational education and training.
3. Number of course completions in post-school vocational education and training.
4. Number of unit/module²³ completions in post-school vocational education and training.
5. Number of course completions by Indigenous Australians in post-school vocational education and training.
6. Number of enrolments by Indigenous Australians in higher level qualifications.

2.4.1 Progress measures

1. Proportion of the working age population at literacy level 1, 2 and 3.
2. Proportion of 20-64 year olds who do not have qualifications at or above a Certificate III.

²³ Advice will be sought from the NCVET on the most appropriate sub-qualification output.

3. Proportion of graduates employed after completing training, by previous employment status.
4. The percentage of graduates with improved employment status after training.
5. The number of hard to fill vacancies.
6. Proportion of people employed at or above the level of their qualification, by field of study.

The table below links each progress measure with an agreed outcome:

Outcomes	Progress measure
The working age population have gaps in foundation skills levels reduced to enable effective educational, labour market and social participation.	Proportion of the working age population at literacy level 1, 2, and 3.
The working age population has the depth and breadth of skills and capabilities required for the 21 st century labour market.	Proportion of 20-64 year olds who do not have qualifications at or above a Certificate III.
The supply of skills provided by the national training system responds to meet changing labour market demand.	Proportion of graduates employed after completing training, by previous employment status. The percentage of graduates with improved employment status after training.
Skills are used effectively to increase labour market efficiency, productivity, innovation, and ensure increased utilisation of human capital.	The number of hard to fill vacancies Proportion of people employed at or above the level of their qualification, by field of study.

2.4.2 Outputs

1. Commencements in post-school vocational education and training.
2. Number of enrolments in post-school vocational education and training.
3. Number of course completions in post-school vocational education and training.
4. Number of unit/module²⁴ completions in post-school vocational education and training.
5. Number of course completions by Indigenous Australians in post-school vocational education and training.
6. Number of enrolments by Indigenous Australians in higher level qualifications.

2.4.3 Targets

1. Halve the proportion of Australians ages 20-64 without qualifications at Certificate III level and above between 2009 and 2020.
2. Double the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.

2.4.4 Annual Performance Assessments

- The COAG Reform Council (CRC) will assess the performance of all jurisdictions when requested by COAG.
- These assessments will use the information collected under the Performance Reporting Framework to outline aggregate, jurisdiction-level performance. Where relevant, the CRC's analysis will take into account jurisdictional differences and exogenous factors.
- The assessments will be made public, following review and agreement by the Council of Australian Governments.

²⁴ Advice will be sought from the NCVET on the most appropriate sub-qualification output.

Table 2: Productivity in Employment of People with Disabilities Surveys

Source	Job Performance	Attendance	Safety	Insurance Costs
Bendix Corporation Report on 4500 workers with disabilities	Good	Good	Good to Excellent	No special insurance problems
Bureau of labour statistics survey compared 11,000 workers with disabilities with 18,000 non disabled workers	Significantly better performance for workers with disabilities	Fair - Days absent rate slightly higher for people with disabilities	Better - major injury rate significantly lower for workers with disabilities	Fears of higher costs largely unfounded
El Du Pont de Nemours & Co. A study of 1000 workers with disabilities	81% of workers with disabilities rated better than average	86% of workers with disabilities rated above average	98% of workers with disabilities rated average or better than average	No increase in compensation costs. No accidents reported
National Industrial Conference Board Survey of 242 firms	Good	Good	Good	No increase in compensation costs
A pilot study of employment practices - 111 large companies	93.5% of workers with disabilities rated above average	91.5% of workers with disabilities rated better than average	Accidents - 90.4% less for workers with disabilities. Lost Time - 86.2% rated average or better	None reported
US Chamber of Commerce study of 279 firms	Good	Better than non-disabled workers	Better work habits	90% of employers reported no effect on costs

Table 3: Programs Supporting Indigenous People into Employment

Program	Description	Key Factors	Participants	Outcome
Camoowal Indigenous Mining project - June 2008	This project is a 13 week on-the-job program to train unemployed Indigenous people to find work in mining and civil construction. Skilling Queenslanders for Work initiative has supported the Dugalunji Civil Construction and Mining Skills Prevocational Training Program.	Collaboration with key Commonwealth and State Governments, Aboriginal Communities, Industry and other stakeholders, with funding and support initiatives.	26	22 of these participants have job offers with more interviews and opportunities coming up for the remaining 4.
Aboriginal Corporation Waltja Tjutangku Palyapayi 2004	This program received UNICEF funding for 3 years to implement a nutrition program in three remote Aboriginal communities. Funds were used to employ and provide professional development for up to 8 Aboriginal nutrition workers in 3 communities.	The support and collaboration with Community Councils for ongoing employment when the funding ceased.	8	8 receive professional support and ongoing employment
Aboriginal Pathway to Mining – August 2008	This pilot program is an initiative of Source4 training and recruitment at Tauondi College in SA. It aims to produce job ready Indigenous participants with the skills and knowledge for mining. The program centers on Cert II in Metalliferous Mining Operations with additional training and mentoring.	The engagement and cooperation of various local stakeholders, State Government and Community Organizations, in the recruitment, training and ongoing support on Indigenous participants.	16	13 impressed during work placement at BHP Billiton Olympic Dam, and likely to be offered jobs by end of Sept 2008



Australian Government

Department of Education, Employment and Workplace Relations

Your Ref

Our Ref ESO7/11179

Mr Chris Eccles
Chair COAG Skills-Workforce Development Subgroup
Department of Premier and Cabinet
GPO Box 4912 VV
Melbourne Victoria 3002

Dear Mr Eccles

Re Advice and recommendations to COAG from the National Vocational Education and Training (VET) Advisory Alliance to National Senior Officers Committee (NSOC) on equity matters in the VET sector

This letter is to forward advice regarding targets for equity groups and the VET system and advice on future structures that will have resource implications that the COAG Skills Workforce Development subgroup will need to consider.

By way of background, the National VET Advisory Alliance is the coordinating body of three taskforces (Disability, Indigenous and a general Equity taskforce) established by the Ministerial Council for Vocational and Technical Education (MCVTE) in 2006 to advise NSOC and Ministers on equity issues within the VET sector. The client advisory structure was endorsed by MCVTE for a two year period which falls due at the end of this year.

Brian Cunningham has been chair of this Alliance, but due to his recent change of appointment within the South Australian Government has relinquished this role. Craig Fowler has replaced Brian as the chair of the Advisory Alliance for the remainder of this year.

At the 8 August NSOC meeting the Advisory Alliance provided two reports:

1. Advice and recommendations on future advisory arrangements to manage equity reform in VET and advice on targets, measures and objectives for the VET sector as detailed in Attachment 1.
2. Progress reports from the Equity, Indigenous and Disability Taskforces.

Regarding the first report (refer to Attachment 1)

- " NSOC's resolution was that the Advisory Alliance's advice relating to student targets and performance measures for equity groups and specific VET system objectives should be referred to COAG for adoption or further refinement through the Skills Workforce Development subgroup.
- " NSOC endorsed in principle, the Advisory Alliance's initial advice on future VET equity advisory structures from 2009. This advice will be further developed by the Alliance for consideration at the 10 October 2008 NSOC meeting and will include a funding proposal for the preferred structure.



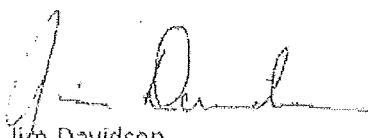
Regarding the second report on progress of the three taskforces:

- NSOC noted the July 2008 progress report from the Disability Advisory Taskforce (refer to Attachment 2) and agreed to refer recommendations 1, 2, and 3 for consideration in the COAG process through the Skills - Workforce Development subgroup.
- Recommendation 1 recognises the potential contribution of people with a disability to the workforce.
- Recommendation 2 supports the setting and monitoring of targets in the VET sector for people with a disability.
- Recommendation 3 supports a funding model that allows an additional allocation for the costs of providing greater support to higher needs students.
- The Disability Advisory Taskforce will provide a further report and recommendations to the October NSOC meeting.

You may wish to discuss these reports further with Craig Fowler in his capacity as chair of the Advisory Alliance and also co-chair of the Disability Advisory Taskforce.

I would appreciate your feedback on the outcomes of COAG's consideration of these matters so that NSOC can be kept informed of progress.

Yours sincerely



Jim Davidson
Chair NSOC

26 August 2008

Enc:

Attachment 1

Advisory Alliance recommendations to NSOC on Future Advisory Arrangements and a Proposed Structure to Manage Equity reform within the VET system

Attachment 2

National VET Disability Advisory Taskforce Progress Report and Recommendations to NSOC July 2008