



Budget 2006-2007

FACT SHEET #F15: VOCATIONAL EDUCATION

What's in the Budget on Vocational Education?

The 2006-07 Budget provides for major reforms in the delivery of ACT Vocational Education and Training (VET).

The restructuring process will remove unnecessary and complex governance and decision-making structures in the Department of Education and Training (DET) and implement efficiencies within the Canberra Institute of Technology (CIT). There will be a streamlining of all the roles and responsibilities of VET including policy, service delivery, industry input, accreditation and registration to eliminate duplication.

CIT, as the major provider of VET in the ACT, will report directly to the Minister with the advisory council to be strengthened to include industry and other stakeholder representation. Industry will be involved in any changes, in recognition that they should have a greater involvement in planning, design and delivery of VET.

DET will be responsible for monitoring the VET sector as a whole and advising the Minister on VET policy as well as administering VET provided by non-CIT Registered Training Organisations.

A rationalisation of CIT campuses will also be examined.

There will also be a 10 per cent increase in fees to students over the next three years – the first increase in fees since 1997.

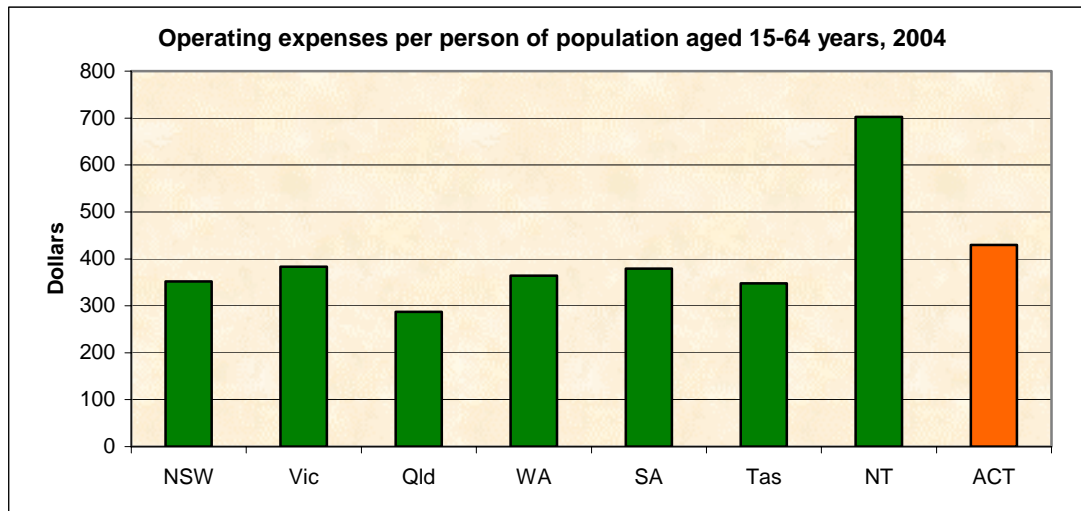
How does the ACT compare to other States and Territories?

While there has been a growth in the number of VET students in the ACT, this is considerably less than the growth recorded nationally. The ACT provides VET services for a below average number of students. However, those students receive an above average number of hours of training. The Commonwealth Grants Commission assesses the factors affecting the relative cost of providing services for all states and territories. In 2004-05, the ACT was assessed at around 9% above the national average. The Commission found ACT's expenditure on VET was \$279.32 per capita – compared to an assessed level of \$256.63 per capita.

The ACT had the second highest VET operating expenses in the country in 2004, at \$429 per person aged 15-64 years. This was 6% higher than the national average.



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Source: *Vocational Education and Training Statistics: Financial Information 2004*

Why is the ACT Government making this change?

The governance arrangements for VET services in the ACT are structurally similar to a 'large' state administration, thus unsuitable for the ACT.

The Government believes the changes will result in a better and more efficient vocational education and training sector, with better outcomes for students.

What effect will this have on the ACT's bottom line?

Efficiencies from the structural changes within the Department of Education and Training, through rationalisation of VET governance arrangements, will achieve savings of \$1.5m per year from 2006-07.

Similarly, streamlining and rationalisation across CIT's administrative and teaching services, targeted at more cost effective services to students and more efficient corporate and learning support will realise net savings of \$450,000 in 2006-07, increasing to \$500,000 per year from 2008-09 onwards.