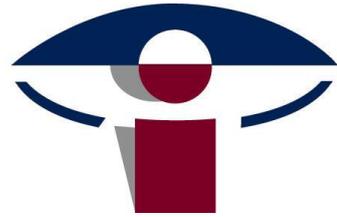


Victorian TAFE
Association



**VCEC Draft Report November
2011 *Securing Victoria's
Prosperity: A Reform Agenda***

Submission from Victorian TAFE Association

December 2011

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Key Messages

Draft Recommendation 1:

That the Victorian Government build the capacity and flexibility of the Victorian workforce by developing and implementing a workforce skills strategy that:

- sets clear and measurable objectives, with timeframes, performance monitoring and evaluation.
- targets funding to areas of greatest potential benefit, recognising impact and need.
- builds on proven, existing cost-effective State and Commonwealth programs.

Draft Recommendation 1 belies the important discussion in the text of the Report immediately preceding it and is not well crafted in the context of core skills of the Victorian workforce. If read in isolation of the preceding text the reader would have no sense of the importance of the issues to which it relates.

The recommendation needs to be strengthened. The current description of a **workforce skills strategy** is too vague. We strongly advise the Commission to redraft this recommendation to clearly articulate the policy framework to develop and implement a **core skills** strategy that is within the remit of early childhood, primary, secondary and tertiary education.

Draft Recommendation 2:

That the Victorian Government strengthen competition in vocational training markets by:

- implementing a corporatised structure for TAFEs and removing constraints on public and private providers' ability to compete locally and internationally.
- ensuring the ongoing delivery of important community services provided through TAFEs by articulating these responsibilities clearly, and providing contestable funding for them as community service obligations.
- publishing timely performance information on outcomes and quality for all registered training organisations receiving training guarantee funding.

Any proposal, as in the Report, to in effect corporatise or privatise TAFE must be a consideration conducted with full disclosure to the Victorian public (the owners) and noted beneficiaries. Prior to any determination on the future shape or funding of TAFE Institutions, it is essential that a full cost assessment be made as to:

- The equity value of Victorian TAFE prior to Skills Reform
- The current equity value of Victorian TAFE
- The future equity value of Victorian TAFE to be provided with an option of
 - transitioning to a GBE and
 - privatisation of TAFE.

There needs to be a comparative assessment of the return on investment of public money, once invested in public sector (not-for-profit) TAFE, which is now, and proposed to be more-so in the future, spent on private sector (for-profit) training. Specifically an assessment needs to be made in regards to:

- The quantum of public funds now taken as profit by private sector providers
- The quantum of public funds to be taken as profit by private providers with competitive bidding for community service obligation training
- The quantum of public funds which will be actualised as profits outside of Victoria, and specifically realised overseas
- The impact of non-reinvestment of funds (taken as profit) in the sector.

TAFE institutes want and need governance arrangements that enable them to compete on a fair and equitable footing with private RTOs. VTA contends that before leaping to a conclusion that TAFE institutes need to become GBEs, or privatised, there needs to be a clearly articulated vision for TAFE and the future of VET at least to 2020.

VTA cannot identify any examples of Victorian GBEs where:

- the enterprise is not operating as a monopoly.
- the enterprise is not operating in a geographically constrained market.
- the market includes a mixture of GBEs and privately owned entities.
- the primary source of revenue is from the government.

A governance model of a company limited by guarantee is worthy of consideration.

VTA rejects entirely the construct of privatising of TAFEs.

VTA requests the opportunity to engage in any discussions to describe the Community Service Obligations of TAFEs, to develop the metrics to measure these and to determine the adequate levels of funding to fulfill these obligations. The additional layers of bureaucratic processes on government and on the TAFEs that will inevitably occur should this recommendation be implemented must be fully borne by the government.

The Report has given no consideration to the legislative and governance accountabilities and oversight costs of managing and operating public entities to meet government requirements. The distinct costs associated with these accountabilities are borne by public entities in the VET sector but not by private RTOs. TAFEs are also distinguished from private RTOs in relation to:

- Specified Board structures and Board remuneration.
- Government processes for recruitment of Board members
- Custodianship of public assets including heritage listed buildings
- Government policy re: capital works projects
- Implementing government environmental policies
- Treasury Financial Management Guidelines
- Government procurement guidelines
- Lack of choice of suppliers: eg Compliance with guidelines on marketing
- Reporting to Parliament and VAGO.
- Differential wages for teachers under the Multi Business Agreement (MBA) for TAFE teachers compared to the Modern Award.
- Differential productivity under the MBA compared to Modern Award.

- Industrial relations processes and intervention of government viz wages policy.

VTA supports in-principle the Commission's recommendation that all training organisations are required to publish timely performance information on outcomes and quality.

Draft Recommendation 3:

That the Victorian Government reform the State's institutional arrangements governing Victoria's training market by:

- clarifying the core roles and responsibilities of the regulatory, policy and service delivery organisations
- removing overlap and duplication in registration, accreditation and reporting.

VTA endorses Draft Recommendation 3 of the Report where efficient and effective regulation under which the principle of 'report once, use often' is used for reporting requirements. Dual sector universities continue to be severely disadvantaged due to having to report to both the State and the Australian Governments.

VTA has publicly advocated for greater clarity to the core roles and responsibilities of the regulatory, policy and service delivery organisations.

VTA looks forward to timely implementation of this recommendation.

Draft Recommendation 4:

That the Victorian Government further encourage competency-based training and participation in apprenticeships and traineeships by:

- removing barriers such as excessive prescription in training packages, mutual consent requirements in apprenticeship contracts, and State regulatory and licensing barriers to competency-based entry to professions
- deeming registered training organisations eligible to take on apprentices and trainees as group training organisations
- advocating for the removal of Commonwealth regulatory and licensing barriers to competency-based entry to professions.

VTA does not necessarily agree that Training Packages linked to apprenticeship contracts are excessively prescriptive and strongly advise the Commission focuses on methods of training delivery and industry collaboration as means to achieve greater flexibility for individual students and employers.

In relation to the second part of draft recommendation 4, VTA does not support arrangements whereby all registered training organisations, TAFEs and private RTOs should be eligible to operate as group training organisations. Not all registered training organisations understand the responsibilities of being a group training organisation. There must be clear separation about the role and functions of a group training arm of an organisation and the training functions. This separation is important to get the best outcomes for the apprentice and to avoid outcomes based on the self-interest of the organisation that is both a trainer and recruiter of apprentices. There does not appear to be a great deal of interest among VTA members at present to have the status of a group training organisation.

Pre-amble

This submission is made by the Victorian TAFE Association (VTA), on behalf of its members.

The VTA is the peak employer body for Victoria's TAFE sector. VTA members include four dual sector Universities, fourteen stand-alone public TAFE providers. AMES and the Centre for Adult Education (CAE) are Associate members. Victorian TAFE providers are actively engaged in vocational education and training (VET) at the state level as well as nationally and internationally. Services provided by VTA to members include governance advice, workforce relations advice, industrial relations advice and representation, education projects, research, government liaison and representation and professional development.

The VTA responded to the Victorian Competition and Efficiency Commission (the Commission) Inquiry into a State-based Reform Agenda and welcomes the opportunity to respond to the draft report *Securing Victoria's Future Prosperity: A Reform Agenda* (the Report)

This response will focus on the key areas of policy reforms and recommendations contained in Part II of the Report, *Education and Innovation*, Section 3 *Further reform of the education system can improve productivity and participation* and, most specifically area 3.4 *Strengthening the VET system*. The response draws on information directly from VTA members and on the views of CEOs, TAFE Directors and designated Executive Managers attending a VTA consultation convened on November 28, 2011.

We are uniquely placed to respond to the Report as we represent all Victorian public providers of vocational education and training (VET). VTA members may respond individually to the issues paper to highlight areas of particular interest to their organisations.

Context of this response

VTA is pleased to respond to the Commission round of consultations to inform the State Based Reform Agenda. It does so within the guidance established by a resolution passed by its governing council on 30 November 2011:

“VTA Association Council calls for the State Government to provide public assurances that there will be no further cuts to public TAFE funding arrangements.

The VTA will oppose any further cuts and piecemeal implementation of changes such as has recently occurred with the pre-emptive adoption and implementation of some recommendations of the Essential Services Commission review of Fees and Charges (September 2011) prior to proper and open consultation.

As crucial public entities and “Best Choice” Providers, TAFE Institutes and University TAFE Divisions are required to compete in a marketised environment without the appropriate and necessary structures, resources and commercial flexibilities.

We call on the State Government, as a matter of priority, to work with TAFE Institutes and Dual Sector University providers to:

- 1. Articulate a clear vision on the future of public TAFE provision.***
- 2. Measure the cost and economic and social value of the public provider to the State of Victoria and publicly report the outcomes.***
- 3. Undertake rigorous analysis of bureaucratic and reporting requirements of government and streamline processes and reporting requirements.”***

To this end, we note that this consultation through the Victorian Competitive and Efficiency Commission is not being undertaken within a broader articulated vision for the future of public TAFE provision.

To this end, without providing a proper context within which to anchor deliberations outlined by the Commission, both the Report and its rounds of consultation, whilst important in a ‘tactical’ sense, are of limited value to the sector because of the overarching lack of a ‘strategy’ for public TAFE provision.

Our contributions will be made in good faith within that caveat.

Overview – The Report Section 3

The Commission correctly identifies the value and importance of the VET sector to the future well-being of Victorians. Investing in the skills base and capacity of the State is paramount to success. A point recognised by government for over 100 years. Since 1889, generations of Victorians have invested in a system of vocational education and training. The accretive value of investment has enriched the lives of Victorians in social, economic and community dimensions.

The Vocational Education and Training component of the VCEC Inquiry into a State Based Reform Agenda (The Inquiry) has been conducted in the context of the current marketised system of training and education delivery in Victoria. It is clear from comments by Senator Chris Evans, Minister for Tertiary Education, Skills, Science and Research; and by the NSW Education Minister Adrian Piccoli; that the Victorian VET marketised system would be assiduously avoided federally and in NSW. Currently, no other state or Territory in the Commonwealth appears likely to embrace or adopt the Victorian system. It in fact serves as a warning to other governments not to adopt the Victorian system.

The questions therefore are: Will there be a longer-term commitment to the system? Will the underlying principles of marketisation will remain in place.

The opening paragraphs of the Report, Section 3 clearly articulate an economic view that education (across all sectors) can drive participation in the workforce and productivity of the workforce. We are pleased that the Report acknowledges the critical importance of education to Victoria's economic growth. However, we note the Report, as a review into economic productivity does not examine the attributed value to Victorians across the social and community dimensions. We are very disappointed that the Report fails to consider, to any real extent, the importance of education and training for growth of Victoria's social capital. TAFE providers play important roles in community and regional development initiatives going beyond working with enterprises to more holistic approaches that incorporate other partners such as community groups and government agencies. Skills Australia¹ summarises in terms of social capital, 'the system enables local networks and partnerships across regions and communities through longstanding or new associations with small and large employers and community groups, and provision of services like libraries and student counselling and support.' The critical role of public providers of VET to support goals of social equity and economic efficiency and regional development is also emphasised in the report on the development of the Victorian Tertiary Education Plan (2009) and in the recent Skills Australia paper *Skills for Prosperity a roadmap for vocational education and training*. The Australian Industry Group submission to this paper states: 'The (Skills Australia) Discussion Paper correctly raises the issue of TAFE's broader social and community obligations. It is important not to lose sight of these when considering issues associated with contestable funding and entitlement models.'

¹ *Creating a future direction for VET: a discussion paper* (2010, page 85)

Education (primary, secondary and tertiary) is explicitly connected to both economic and social outcomes and these deserve to be equally considered in the context of a government Reform Agenda. As public providers of vocational education and training in the State of Victoria, TAFEs contribute considerable social benefits.

We are also concerned at the relative brevity of this section of the report (28 pages) given the breadth of the policy agenda that will cover early childhood, primary, secondary and tertiary education in Victoria.

The key elements of Section 3 of the Report note consultation around effectively corporatising or privatising TAFE. This is not a solution measured against the forward needs and demands of vocational education and training; it is a reaction to the inconsistencies of anchoring a public sector entity in a marketised commoditised environment.

VTA accepts the VCEC review is focussed on *reconciling* TAFE to the marketised environment, and is not a review into the *failures* of the marketised environment.

The following commentary relates specifically to draft recommendations 1, 2, 3 and 4 of Section 3 of the Report.

Response to draft recommendations

Draft Recommendation 1:

That the Victorian Government build the capacity and flexibility of the Victorian workforce by developing and implementing a workforce skills strategy that:

- sets clear and measurable objectives, with timeframes, performance monitoring and evaluation.
- targets funding to areas of greatest potential benefit, recognising impact and need.
- builds on proven, existing cost-effective State and Commonwealth programs.

Improving core skills in the workforce

VTA congratulates the Commission on bringing to the table the important issue of improving core literacy, language and numeracy skills (core skills) of the Victorian workforce and the link between core skills and economic prosperity. Building the core skills of the Victorian workforce to national and international benchmarks is not the remit of the VET sector alone. Early childhood, primary and secondary education is critical to the long term development of core skills of the workforce. The VET sector is well placed to contribute to redressing the immediate shortfalls. Universal improvements will require long timeframes.

The Victorian Government has not had a strong record of sufficient investment in the longer term to build core skills. Rather investment in this area has ebbed and flowed.

There has also been a propensity for funding decisions to include unrealistic timeframes for the implementation of initiatives. Without guaranteed adequate recurrent funding, public providers of VET (ACE and TAFE) have not been able to plan long term strategies in delivery of core skills. The recent policy shift by government to fund all Victorians enrolled in VET Foundation programs, irrespective of age and prior education, is welcome. We note that at the end of Q3 2011, government subsidised enrolments in foundation courses are up 67 per cent on the same time in 2010.² However, longitudinal studies are required to determine whether the current approaches are providing the outcomes intended.

There needs to be high levels of synergy between State and Commonwealth programs for a complex cohort of people to maximise public investment in core skills development. Public commitments are required by government and associated funding, to ensure there is a highly skilled workforce in VET for this purpose. The Certificate IV in Training and Assessment, released in 2010 includes an elective unit in LLN and the Diploma of Training and Assessment includes a core unit in LLN. The Training Package TAE10 also includes Vocational Graduate qualifications specifically in LLN. These are newly endorsed qualifications and the flow on effect to improved workforce capabilities of the current VET workforce will not be realised for some time. The government has a responsibility to fund the continuing professional development of the VET workforce in these areas as a community services obligation.

More could be done to build on existing programs. Surety of funding from the Australian Government, through programs such as LLNP³ and WELL⁴, and by the State Government need to go beyond election cycles. We also refer the Commission to the Course in Applied Vocational Study Skills (CAVSS) offering a unique model of team teaching focussing on the specific LLN needs of students in vocational programs. This program has been adopted successfully in Victoria, particularly in apprentices' training.⁵

In relation to the specific recommendation, it belies the important discussion in the text of the Report immediately preceding it and is not well crafted in the context of core skills of the Victorian workforce. If read in isolation of the preceding text the reader would have no sense of the importance of the issues to which it relates.

The recommendation needs to be strengthened. The current description of a **workforce skills strategy** is too vague. We strongly advise the Commission to redraft this recommendation to clearly articulate the policy framework to develop and implement a **core skills** strategy that is within the remit of early childhood, primary, secondary and tertiary education.

² Skills Victoria, Victorian Training Market Quarterly Report, Q3 2011, page 5

³ <http://www.deewr.gov.au/Skills/Programs/LitandNum/LLNP/Pages/default.aspx>

⁴

<http://www.deewr.gov.au/Skills/Programs/LitandNum/WorkplaceEnglishLanguageandLiteracy/Pages/default.aspx>

⁵ <http://vetinonet.det.wa.edu.au/adultliteracy/CAVSS.aspx>

Draft Recommendation 2: (in part)

That the Victorian Government strengthen competition in vocational training markets by:

- implementing a corporatised structure for TAFEs and removing constraints on public and private providers' ability to compete locally and internationally.

Public Obligation

The Victorian Government has a material obligation to disclose to the Victorian public the full impact existing policies have had on the VET sector, but specifically on the TAFE institutes. It should not need to be reminded that the government of the day is the temporary custodian of the TAFE sector, which has been paid for, is owned by and operates for the exclusive benefit of Victorians.

Any proposal, as in the Report, to in effect corporatise or privatise TAFE must be a consideration conducted with full disclosure to the Victorian public (the owners) and noted beneficiaries.

It is essential, prior to any determination on the future shape or funding of TAFE Institutions, that a full cost assessment be made as to:

- The equity value of Victorian TAFE prior to Skills Reform
- The current equity value of Victorian TAFE
- The future equity value of Victorian TAFE to be provided with an option of
 - transitioning to a GBE and
 - privatisation of TAFE.

Lifelong learning is the key to Victoria remaining competitive and maintaining and enhancing community prosperity. VET is at the heart of lifelong learning through skills growth (building workforce skills for economic prosperity) and social learning (emphasising the importance of social capital and the role of institutions promoting growth on an equitable basis).⁶ The Allen Consulting Group report to TAFE NSW *The Complete Package – The Value of TAFE NSW* describes a two staged approach to quantifying the value of TAFE NSW. Firstly, TAFE NSW's direct benefit was determined by estimating the benefits attributable to TAFE NSW's operations over 20 years and then subtracting the direct costs. Secondly, using the direct impact benefits as inputs, a macroeconomic model of the NSW economy was used to identify TAFE NSW's value by identifying the loss to the NSW economy if TAFE NSW funding were withdrawn. The assumptions in the modelling included redirection of private investment to private RTOs and increases in student fees. The findings distinguish between the impact in regional NSW and metropolitan Sydney. The report concludes, at that time:

- metropolitan TAFE NSW institutes had a benefit-cost ratio of 6:1, and
- non-metropolitan TAFE NSW institutes had a benefit-cost ratio of 6.8:1
- net present value of costs and benefits of TAFE NSW was at least +\$176.9 b.

⁶ Allen Consulting Group *The Complete Package – The Value of TAFE NSW, 2006 page iv.*

NCVER repeatedly reports that in cost per hour, Victorian TAFE is the most efficient in Australia. The value of Victorian TAFE to the Victorian people can and must be quantified to inform future decision-making and inform the TAFE owners (Victorian public) of the impact of government decision-making to date.

It is inconceivable, that further determinations regarding corporatisation or potentially privatisation could be conducted without this essential element of economic determination. The VTA looks forward to this critical missing piece of information to assist in the forward determination of the sector.

Further, there needs to be a comparative assessment of the return on investment of public money, once invested in public sector (not-for-profit) TAFE, which is now, and proposed to be more-so in the future, spent on private sector (for-profit) training. Specifically an assessment needs to be made in regards to:

- The quantum of public funds now taken as profit by private sector providers
- The quantum of public funds to be taken as profit by private providers with competitive bidding for community service obligation training
- The quantum of public funds which will be actualised as profits outside of Victoria, and specifically realised overseas
- The impact of non-reinvestment of funds (taken as profit) in the sector.

Appropriate governance structures for TAFE institutes

The scene was set in the 1990s when legislation enabled the creation of TAFE colleges as separate legal entities governed by Councils. Much has changed in that time and TAFEs have evolved into large complex organisations. Commercialisation (allowing or requiring government agencies to charge for the goods and services they produce) and corporatisation (the adoption of private sector management models and legal structures) have become firmly established policies at State level of government.

The Education and Training Reform Act (2006), consolidating many legislative instruments relating to education, provided an opportunity to reflect on the governance arrangements pertaining to TAFE institutes in the contemporary VET environment. VTA was actively engaged in the refinement of the legislation relating to VET and specifically TAFE governance. Our advice, in part, has continued to be acted upon in these matters in the past three years since the staged implementation of a student driven funding model for VET with government funding contestable between TAFE providers and private training organisations.

As this new competitive VET system has progressively been implemented since 2009, it has become apparent that further reviews have been required of legislative arrangements, governance, fee and funding arrangements, communications, information systems, regulatory regimes and the operating framework between the government (Skills Victoria) and TAFEs.

VTA advocacy on these matters has increased in the past two years with the full implementation, in 2011, of a demand-driven funding system for VET in Victoria and the government decision for government VET funding to be fully contestable between private registered training organisations (private RTOs) and public (TAFE) providers. In

response to recent inquiries,⁷ VTA has consistently advocated for a strengthening of governance arrangements for TAFE institutes as community owned assets governed by Boards with powers and responsibilities articulated in legislation.⁸ Minister Peter Hall, in September 2010, as then Opposition Spokesperson for Education, during debate to amend the composition of TAFE Boards under the Education and Training Reform Act (2006), stated that it 'is overkill' for the government to appoint every person on the Board. He successfully argued that 'One of the great features of TAFE institute boards has been the commitment, skills and knowledge of local people that make them (TAFE Boards) work' and '(t)hey (TAFE Boards) have a regional or geographical focus on the areas they serve.'⁹ We fully concur with the Minister's view and any future governance arrangements must include locally appointed TAFE Board members. Currently the Education and Training Reform Act (2006 as amended) requires the Board to report to the Minister and to have a direct line of accountability. If the Minister is dissatisfied with the performance of the Board, the Minister has the power to dismiss the Board. How would a GBE model strengthen the provisions between the TAFE Boards and the Minister? Minister Hall during this speech went on to say the proposed change 'is a slap in the faces of local people on TAFE boards and suggests that they do not do well enough now. They do do well – they do magnificently well – and they coopt people responsibly. They coopt people's experience, skills and knowledge of what is required locally'. Minister Hall rejected any Board structure that would cede total control to the government. Damien Drum MLC echoed these views during the same debate rejecting government's controlling of Boards 'whether they are the boards of health organisations or the boards of TAFE institutes'.

In relation to a proposed amendment to the Education and Training Reform Act in 2010 Minister Hall strongly opposed the amendments because 'TAFE boards now engage in significant commercial activity and raise significant funds...They do it responsibly and they do it well.' VTA endorses these sentiments and expects the views of Minister Hall and Damien Drum MLC would stand today. We can see no justification for changing to a GBE model where all members of the Board are Ministerial appointments. This would be counter intuitive in the current VET environment where localised market intelligence is linked to competitive advantage.

The Commission is justified in querying (page 30 of the Report) whether the current governance structure for TAFE institutes creates the commercial incentives and freedoms TAFEs need to respond to the demands of Victoria's contemporary training market. We have long argued that TAFE institutes are hamstrung by government bureaucratic processes that, at times, seem at odds with legislative powers of Boards to conduct business. The lack of understanding by the government bureaucracy of TAFE governance needs in the current era was noted by Victorian Auditor-Generals Report *TAFE Governance*, October 2011¹⁰. It has also been obvious to VTA in the protracted communications and lack of progress of the government initiated VTA and Skills Victoria Governance Reference Group in 2011, and further highlighted in discussions between VTA and Skills Victoria on the details of the proposed

⁹ Parliament of Victoria, Hansard 16 September 2010 Council Pages 4867, 4879, 4902.

¹⁰ See http://www.audit.vic.gov.au/reports_and_publications/latest_reports/2011-12/20111026-tafe-governance.aspx

Partnership Agreement between the Victorian Skills Commission and each TAFE institute in 2012. TAFEs need to operate in a policy environment that allows them to compete effectively and we are open to new governance or bureaucratic oversight arrangements to achieve this.

TAFE institutes want governance structures aligned to the government's vision for VET in Victoria. We are not getting a sense of any vision for the future of VET. In its 2008 policy paper introducing reform of the VET system in Victoria, the Victorian Government stated, 'The Victorian TAFE system is the most devolved and autonomous in Australia and our TAFE institutions are leading performers against a number of national measures. Victoria's system is highly efficient, fosters entrepreneurship and is capable of extensive innovation and specialisation.' What has happened since 2008 that the current governance frameworks are so wrong that a paradigm shift is needed?

TAFE institutes want and need governance arrangements that enable them to compete on a fair and equitable footing with private RTOs. In the past we have described TAFE governing Boards as having to compete with private RTOs with one hand tied behind their backs. The outcomes of recent reviews and legislative amendments give TAFEs Boards no confidence that this will improve under the proposed corporatised structure of a Government Business Enterprise (GBE).

Our research about GBEs, particularly in Victoria, does not lead us to believe that a GBE operating under the Victorian Treasury Management Guidelines, is the appropriate model that will enable TAFEs to compete more effectively or to their full potential.

Desktop research of the defining features of GBEs in Victoria is scant. Stephen Bottomley, in a research paper *Government Business Enterprises and Public Accountability through Parliament* commissioned by the Department of the Parliamentary Library in 2000¹¹, stated 'the term 'government business enterprise' (or GBE) is used widely, but there is no single, generally accepted definition that attaches to the term.' Bottomley suggests that the following three characteristics are considered to be essential in classifying an organisation as a GBE:

- its principal function is to engage in commercial activities in the private sector
- it is controlled by government, and
- it has an independent legal existence from government and the executive.

Victorian TAFE institutes do have an independent legal existence from government but it is arguable whether they are controlled by government and most definitely the principal function is not to engage in commercial activities in the private sector. The principal activity is to implement government policy including education and training, community support, social development and as an avenue for public policy implementation. We cannot identify any examples of Victorian GBEs where:

- the enterprise is not operating as a monopoly.
- the enterprise is not operating in a geographically constrained market.
- the market includes a mixture of GBEs and privately owned entities.
- the primary source of revenue is from the government.

¹¹ See <http://www.aph.gov.au/Library/pubs/rp/1999-2000/2000rp18.htm#what>

All too often the 'fix' includes a massaging of existing systems, processes and models into new shapes. The Commission has already reported on the over regulation and inefficient bureaucracy imposed on TAFEs. How can a GBE with reporting requirements to two government Ministers simplify/streamline regulatory and reporting requirements compared to the current requirements?

What of the four dual sector universities operating in Victoria with already complex governance arrangements under Commonwealth legislations. Successive governance reviews¹² have not provided for the different circumstances of the four dual sector universities. The proposed shift to a GBE will not apply to these universities. This is divisive driving a wedge between public entities operating in the Victorian VET space and between TAFE institutes and private RTOs.

We contend that before leaping to a conclusion that TAFE institutes need to become GBEs, or privatised, there needs to be a clearly articulated vision for TAFE and the future of VET at least to 2020. We reject entirely the construct of privatising of TAFEs.

In the interim, problems facing TAFEs to operate in a contestable market could be largely due to bureaucratic processes that hinder TAFE competitiveness. A granular review of bureaucratic processes by an independent party who can then advise the Minister for Skills must be the first priority. Once this is completed, a visionary and innovative new governance model for TAFE may need to be explored. A company limited by guarantee, the structure for the TDC and DECA in Victoria is worthy of consideration.

After extensive consultations with our members we are not aware of any VTA member supporting a GBE model and dual reporting to the relevant Minister and Treasurer.

Draft Recommendation 2: (in part)

That the Victorian Government strengthen competition in vocational training markets by:

- ensuring the ongoing delivery of important community services provided through TAFEs by articulating these responsibilities clearly, and providing contestable funding for them as community service obligations.

Community service obligations

VTA is very disappointed that the complex issue of identifying and measuring public educational providers' community services roles has not been discussed in any detail in the Report. The recommendation including the provision of contestable funding for community service obligations appears to be supported by one paragraph of text on page 32.

¹² dandolopartners *TAFE Governance Review Stage 2 Consultation Findings (2009)*; dandolopartners *Review of legislative governance and oversight arrangements between Skills Victoria and TAFEs A Report for Skills Victoria (2011)*; VAGO *TAFE Governance (2011)*

Draft recommendation 2, second dot point is unclear. We do not understand whether the Commission recommends that funding for community services obligations should be contestable only between TAFEs or whether it means it should be contestable in the wider VET market.

It is our understanding that CSOs are intended to promote increased competition between public and private providers by establishing competitive neutrality between public and private by removing any implicit or explicit subsidies to public providers. Such CSO payments can be made to either public or private providers to *compensate* them for delivering broader government objectives.¹³

Toner¹⁴, notes the difficulty the Australian Productivity Commission has in defining the scale and scope of CSOs in VET establishing a clear theoretical and empirical distinction between commercial and non-commercial activities.

Some sense of the CSOs of Victorian TAFE providers may be garnered from legislation and government communications.

The Education and Training Reform Act (2006) (Division 2, 3.1.13) prescribes the functions of TAFE institute boards include, among others:

- to provide the population of the area served by the institute with efficient and effective technical and further education programs and services responsive to the needs of industry, students and the general community.
- to provide the population of the area served by the institute with efficient and effective adult, community and further education programs and services which are responsive to the needs of the community and to consult with the relevant Regional Councils about the provision of these programs and services.
- to make adequate arrangements for persons and groups which have not had or do not have adequate access to technical and further education programs and services;

Correspondence from Minister Hall in mid-2011 to each TAFE Board Chair, Chancellor of dual sector universities where he outlines public policy priorities and expectations of TAFE institutes including:

- Support through their education and training activities, the economic and social development of regions and local communities.
- Commitment to the government's tertiary education agenda to increase access to tertiary education for all students and particularly those in regional areas,
- Implement Victorian Government policies announced from time to time in the education, higher education and skills portfolio and in other portfolios where appropriate.
- Ensure access to all Victorians regardless of their backgrounds, needs and life circumstances.

¹³ Toner, P. *A response to Vocational Education and Training Workforce Productivity Commission. Draft Research Report November 2010. p11.*

¹⁴ *Ibid* p11.

- Collaborate with other VET providers, higher education institutions and government schools to provide joined up services.
- Actively engage with industry and enterprises.
- Develop a strong, stable and well qualified workforce that displays excellence and leadership in teaching.
- Provide high quality, value added services to support students and enhance their education and training experience and ensure modern technology is provided and utilized.
- As custodian of State owned assets, ensure facilities are maintained.

The draft 2012 Agreement between each TAFE provider and the Victorian Skills Commission mirrors the obligations contained in the Ministerial communication.

We concur with Toner¹⁵ that a number of the VET activities identified by the Productivity Commission as requiring support, although not specifically identified as requiring a CSO, appear to be examples of activities that could receive such funding:

- VET sector to demonstrate cultural sensitivity and culturally supportive (eg indigenous students, student from non-English speaking backgrounds).
- Students from non-English speaking backgrounds might need, as well as expect, extra support in English language.
- Students with disability might need, as well as expect that the VET sector will provide a supportive learning environment, free of direct or indirect discrimination, allowing them to be as independent as possible. They might also expect providers to be aware of and offer technologies that allow them to become more independent.
- Support for student unions or student associations.
- Delivery of LLN skills may require VET trainers and assessors to possess greater knowledge of teaching theory and practices (see VTA response to Draft Recommendation 1).
- Employment in VET to be representative of the diverse student profile.
- Disadvantaged students on course completion require job-seeking assistance.
- Building community aspirations towards education and specifically VET.

‘Unless the scale and scope of CSOs can be unambiguously defined on a theoretical and practical basis there is a danger that their application will be arbitrary. Such impression can result in either over- or under-investment by public or private providers. Imprecision in the distinction between CSO and non CSO activities results in a situation where there is no clear criteria for deciding whether investments by a private RTO should receive scarce public funds to establish competitive neutrality or whether they should be funded directly by private RTOs to improve their competitiveness.’¹⁶ We agree with Toner this is not a good basis for public policy. VTA requests the opportunity to engage in any discussions to describe the CSOs of TAFEs,

¹⁵ Ibid p11

¹⁶ Ibid p12.

to develop the metrics to measure these and to determine the adequate levels of funding to fulfill these obligations. The additional layers of bureaucratic processes on government and on the TAFEs that will inevitably occur should this recommendation be implemented must be fully borne by the government.

Oversight costs borne exclusively by TAFEs

The Report has given no consideration to the oversight costs of managing and operating public entities to meet government requirements. These costs must be identified and linked into the state reform agenda.

The report of the Essential Services Commission (ESC) *Review of VET Fee and Funding Volume 1: Blueprint for Change* (September 2011) rightly identifies the government's responsibility to contribute funding to VET because of the public benefits to be derived from the investment. The ESC argues the government acquits this responsibility by paying subsidies to providers. We propose this payment only acquits part of the government's responsibilities.

The existence of public providers of TAFE in Victoria is enshrined in the Education and Training Reform Act 2006 (as amended). Chapter 3, Part 3.1 of the Act details the establishment of governing Boards for TAFEs, the accountabilities of TAFE Boards (Division 2, S3.1.15). Under this section:

- the board of a TAFE institute is accountable to the Minister for the effective and efficient governance of the institute including the discharge of its statutory functions and for the educational and financial performance of the institute.
- A board must establish and keep full and complete books and accounts of all money received and paid by the board and must arrange for a continuous audit of the income and expenditure to be made at any intervals not exceeding one month that the Minister directs.
- The books and must be kept in the form and manner approved by the Auditor-General.

The draft 2012 Agreement between TAFE Boards and The Victorian Skills Commission describes more detailed accountabilities:

- The Board agrees to annually review and update the institute's Asset Management Plan, including the institute's Service, Asset and Multi-Year strategies,
- The Board will develop strategic and operational business plans to ensure that the institute is managed in an efficient and effective manner.
- The Board must ensure that the institute, as a government entity, complies with the general framework of public governance laws which apply to Victorian Government agencies.
- The Board will ensure the institute maintains a satisfactory working capital ratio.
- The Board must not have an operating deficit before depreciation and excluding capital, at the end of that calendar year.

- The Board must ensure that the institute, as a government entity, complies with the general framework of public governance laws which apply to Victorian Government agencies.

The draft 2012 Agreement between TAFE Boards and The Victorian Skills Commission also describes obligations of the Board owed to the Victorian Skills Commission, regarding asset management, support services, reporting obligations and supplementation to meet Victorian Government policies with regard to wages and conditions.

The distinct costs associated with these accountabilities are borne by public entities in the VET sector but not by private RTOs. There are other distinctions between the requirements placed on TAFEs and not on private RTOs:

- Specified Board structures.
- Board remuneration.
- Government processes for recruitment of Board members
- Custodianship of public assets including heritage listed buildings
- Government policy re: capital works projects
- Implementing government environmental policies
- Treasury Financial Management Guidelines
- Government procurement guidelines
- Lack of choice of suppliers: eg Compliance with guidelines on marketing
- Reporting to Parliament and VAGO. Differential wages for teachers under the MBA compared to the Modern Award.
- Differential productivity under the MBA compared to modern award.
- Industrial relations processes and intervention of government viz wages policy.

A case in point is the differentials between terms and conditions of employment in the VET sector under the TAFE industrial agreements and the Education Services (Post Secondary) Modern Award (Modern Award).

All of the 18 TAFE institutes are bound by the Teachers Multi-Business Agreement (Teachers MBA) which regulates teacher employment conditions. The table (Attachment 1) provides a comparison between the Modern Award, the Teachers MBA and the Professional, Administrative, Clerical, Computing and Technical (PACCT Award), which covers general staff in the 14 stand-alone institutes only. General staff in the 4 dual sector institutes are covered by the Higher Education Award.

In formal submissions to Fair Work Australia (FWA), considering the making of the Modern Award, ACPET representing private RTO's advocated for no Award coverage on the basis that most private RTO's employment conditions were based on common law contracts. They also advocated that if FWA did not accept this argument they should have a separate Modern Award only applying to private RTO's.

FWA determined one Modern Award applying to both private RTO's and public TAFE providers across Australia.

If it is fair to assume that many private RTO's would simply comply with the Modern Award, as they are required to do and the National Employment Standards, and would not have in place certified Agreements with the best off overall test (BOOT) measured against the Modern Award.

Apart from the significant differences in wages between MBA/PACCT employees and those covered under the Modern Award, there are a number of other differences relating to:

- hours of work, (MBA 21 hours teaching duty. Modern Award 25-30 hours)
- span of hours (general staff), (PACCT 10 hour spread. Modern Award 12 hour spread)
- minimum engagement periods for teachers and general employees.

In a marketised VET environment, TAFE already faces significant competitive disadvantage because of the industrial relations arrangements where the Victorian Government actively intervenes in the negotiations. VTA is aware of examples in the private sector where teachers teach 1500 hours per annum – a 90% productivity improvement on the TAFE teacher's maximum ordinary teaching hour delivery of 800 teaching hours per annum.

All costs borne by TAFE providers as public entities must be quantified and funded.

Draft Recommendation 2: (in part)

That the Victorian Government strengthen competition in vocational training markets by:

- publishing timely performance information on outcomes and quality for all registered training organisations receiving training guarantee funding.

Timely performance information

We support in-principle the Commission's recommendation that **all** (our emphasis) training organisations are required to publish timely performance information on outcomes and quality.

VTA has been highly critical of policy implementation of the Victorian Training Guarantee in the absence of a centralised information hub for the public to access information to assist them with their choices of courses and providers. To date information has been difficult to source, often buried in providers' websites or non-existent. We have been disappointed in the past at the poor metrics chosen to measure and report VET performance and quality outcomes. Quality provision of VET is not solely related to successfully achieving re-registration. Rigorous key performance indicators of quality outcomes of VET delivery are yet to be agreed.

Performance and quality indicators must be agreed with stakeholders and methodologies for collecting data transparent and uniformly applied without exception. The data, quantitative and qualitative, must be capable of analysis that yields comparable information, unambiguously over time.

Any agreed indicators of performance and quality must assist students to make the best choices for their future. VTA requests the opportunity to be engaged from the outset in designing the metrics to be used and information to be published.

We believe that the publication of performance and quality information is in the public interest and as such the government must not skimp on the investment in the information. The development of the MyUniversity and the MySkills websites will be useful points of reference but should not be taken as proxies to inform the public and meet Victoria's needs as measuring progress towards educational and economic goals.

Draft Recommendation 3: (in part)

That the Victorian Government reform the State's institutional arrangements governing Victoria's training market by:

- clarifying the core roles and responsibilities of the regulatory, policy and service delivery organisations

Clarifying core roles and responsibilities

The paradigm shift from a purchaser/provider model of funding TAFE to a student driven, market model has required changes to the mindsets of providers, regulators and policy organisations. Historical practices needed wholesale review and systems transformed. The lack of preparation for this transformation surprised us somewhat.

The separation of the role of purchaser and provider has not been achieved by the bureaucracy. The current discussions between TAFE institutes and Skills Victoria, to negotiate agreements for specific funding in 2012, is a case in point. Each TAFE institute has been offered a *Partnership Agreement*. A misnomer in the minds of our members when the document has not been jointly negotiated and is one-sided in the description of the compliance requirements of the TAFE institute to receive State government funds for specific purposes and includes a series of directives. The draft *Partnership Agreement 2012* clause 2.3(f)(i) goes so far as to say 'Neither the Commission nor the Board is in any way an agent, *partner* or joint venturer of the other party for any purpose, or has any right to hold itself out as such'. Our members have also reported to us that the Statement of Strategic Intent required from TAFE institutes does not align to the Partnership Agreement.

VTA and individual members constantly raise the need to clarify the core roles and responsibilities of the stakeholders including the government. We raised these matters in each review of the Skills Reforms, the DIIRD better regulation project (2007), VCEC Regulatory Framework Inquiry (2010) and reviews of governance matters. We are disillusioned that progress on these matters has been so slow.

The report of the Victorian Auditor-General into TAFE Governance (October 2011) reinforced the extent of the lack of clarity of the roles and responsibilities of all entities in the TAFE sector. The recommendations contained in this report complement those in the review of legislative, governance and oversight arrangements between Skills Victoria and TAFEs (dandolopartners 15 September, 2011). This review focused on the oversight and governance of TAFEs by Skills

Victoria. The review found that the reforms to the VET sector to a student driven market based model have changed the primary role of the Victorian Skills Commission and at that 'the current legislative framework does not effectively support and enable Skills Victoria to undertake its role as system manager of the Victoria VET system. The report for Skills Victoria¹⁷ makes 9 recommendations including inviting consideration to amendments to the Education and Training Reform Act to establish a well defined risk-based oversight framework and specific strengthening of Skills Victoria's business processes, systems and communications. The VTA provided advice to dandolopartners as part of the consultation processes to inform the review.

VTA endorses VAGO recommendations 1 and 4, dandolopartners recommendations 5, 6 and 7 of these reviews, to provide greater clarity to the core roles and responsibilities of the regulatory, policy and service delivery organisations. We look forward to timely implementation of these recommendations although our members are somewhat sceptical that the inevitable outcomes of these and future reviews will involve even greater intensive, intrusive and unnecessary bureaucracy.

Draft Recommendation 3: (in part)

That the Victorian Government reform the State's institutional arrangements governing Victoria's training market by:

- removing overlap and duplication in registration, accreditation and reporting.

More efficient and effective reporting

VTA fully endorses efficient and effective regulation under which the principle of 'report once, use often' is used for reporting requirements. Our members report that the introduction of the Victorian Training Guarantee has been characterised by indecision with constant updating of systems and processes to accommodate the market model. This has caused a great deal of internal energy (by government and providers) that is not value adding. Contrary to the views of some members of the bureaucracy, our members do not accept the Victorian Training Guarantee has resulted in a reduction in reporting. They maintain that since 2009 there are greater volumes of reporting and more frequent reporting. The current Service Agreement between the government and each TAFE institute is in excess of 100 pages. TAFEs also need clear guidelines about the evidence required to measure against key performance indicators contained in agreements between the government and each TAFE. In the interests of transparent communications, TAFEs request that the government reports back to the TAFEs on achievements against key performance indicators.

¹⁷ www.skills.vic.gov.au/__data/.../368678/Review-of...Between-Skills-Victoria-and-TAFEs.doc

Dual sector universities continue to be severely disadvantaged due to having to report to both the State and the Australian Governments. This is a point we have repeatedly raised in written submissions and in public consultations but our views fall on deaf ears. This is a matter that needs immediate redress. Four of Australia's five dual sector institutions (i.e. universities with a TAFE division) are located in Victoria – the Royal Melbourne Institute of Technology, Swinburne University of Technology, the University of Ballarat and Victoria University. The tertiary education sector has undergone a sustained period of regulatory reform over the last decade. However one area that has not been specifically addressed through these reforms is the regulation of dual sector institutions.

As a consequence of spanning both the TAFE and Higher Education dual sector Institutions are subject to the governance and regulation requirements of different jurisdictions (state and commonwealth, TAFE and HE respectively). This leads to different reporting requirements, different systems, different timing and different terminology and these rarely overlap or can be used concurrently for both levels of government.¹⁸ Historically the development of funding and reporting requirements have been in isolation of each other but have still resulted in many similar obligations and requirements being developed but treated differently in a regulatory sense. This regulatory framework places obligations on dual sector institutions, including in the areas of reporting, employment and accreditation, which are not placed on non-dual sector institutions. Dual Sector Institutions are subject to dual audits from AUQA (HE) and AQTF/ASQA/VRQA (VET) with different levels of public scrutiny.

Much of the information required appeared to be duplicated across the agencies but separate reporting was required for each; and often the same information had to be reported in a format specific to an agency requirement e.g. in a financial reporting framework format and then again in a whole of government format.

These matters need immediate redress and strong advocacy from the Victorian Government to the Australian Government.

We endorse recommendation 3 of the Report.

Draft Recommendation 4:

That the Victorian Government further encourage competency-based training and participation in apprenticeships and traineeships by:

- removing barriers such as excessive prescription in training packages, mutual consent requirements in apprenticeship contracts, and State regulatory and licensing barriers to competency-based entry to professions
- deeming registered training organisations eligible to take on apprentices and trainees as group training organisations
- advocating for the removal of Commonwealth regulatory and licensing barriers to competency-based entry to professions.

¹⁸ Dual Sector University cohesion – a discussion paper June, 2010. p.22

Apprenticeships and traineeships

Our members do not necessarily agree that Training Packages linked to apprenticeship contracts are excessively prescriptive. The text of the Report does not discuss this matter in any depth. We refer the Commission to the recent report of the Essential Services Commission Review of Fee and Funding, Volume 1, Blueprint for Change (page 21):

During review consultations, it became apparent that flexibility in the design of training packages was viewed favourably across the sector. This is largely reflected in current arrangements whereby students (and providers) are given greater choice and diversity in the design of their VET qualifications. The level of flexibility tends to be lower in areas involving licensed trades.

The Commission supports flexibility in training packages as an appropriate response to the varying needs of students and employers. Flexibility also supports competition by enabling providers to differentiate their offerings within the VET market. However, the Commission also notes without prejudice that, in the qualifications-based VET system, as supported by the Victorian and national regulatory arrangements, flexibility has implications for the design and administration of public policy.

If funding arrangements are to retain their focus on training outcomes, as they should, unchecked flexibility risks creating uncertainty about the outcomes delivered by the VET system. Therefore, the Commission encourages policy-makers to review whether there is a 'maximum' or 'optimal' level of flexibility that should be allowed in the design of training packages.

We strongly advise the Commission focuses on methods of training delivery and industry collaboration as means to achieve greater flexibility for individual students and employers.

In relation to the second part of draft recommendation 4, VTA does not support arrangements whereby all registered training organisations, TAFEs and private RTOs should be eligible to operate as group training organisations. Not all registered training organisations understand the responsibilities of being a group training organisation. There must be clear separation about the role and functions of a group training arm of an organisation and the training functions. This separation is important to get the best outcomes for the apprentice and to avoid outcomes based on the self-interest of the organisation that is both a trainer and recruiter of apprentices. There does not appear to be a great deal of interest among VTA members at present to have the status of a group training organisation.

Acceptance of this recommendation could turn apprenticeships and traineeships into incentive based employment arrangements rather than skills based employment arrangements.

In parallel with the consultations of the Commission to inform this Report, The Australian Government has been engaging in an extensive review of apprenticeships with an expert panel established to advise the Australian Government on reforms to the apprenticeships system. The Victorian Government through Skills Victoria is also exploring a reform agenda.

We believe it would be prudent to consider the outcomes of this work before formulating any further State based reform of the apprenticeship system in Victoria.

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Attachment 1

Comparison between the Modern Award and the Teachers' MBA and the PACCT Award

Modern Award

Teachers MBA

PACCT

Clause	Academic	Teachers	General
Classification Levels and associated wages	Level A (8 increments) \$42,299-\$52,682 Level B (6 increments) \$54,802-\$62,751 Level C (6 increments) \$64,341-\$72,270 <i>Note: Salary rates as of 1/7/11</i>	12 Levels (on increments within each level) \$40,250 - \$52,683 <i>Note: Salary rates as of 1/7/11</i>	Level 1 (3 increments) \$32,687-\$35,384 Level 2 (2 increments) \$35, 817 - \$36,464 Level 3 (2 increments) \$37,810-\$39,688 Level 4 (2 increments) \$40,778-\$42,395 Level 5 (2 increments) \$45,254- \$47,414 Level 6 (2 increments) \$ 48,598 - \$51,457 Level 7 (2 increments) \$52,646 - \$55,776 Level 8 (no increments) \$59,282 Level 9 (no increments) \$62,678 <i>Note: Salary rates as of 1/7/11</i>

Clause	Academic	Teachers	General
		<p>T1 – T2 \$49,616 - \$61,416 T3 – T5 \$62,698 - \$79,500 SE1 – SE3 \$82,000 - \$87,000 <i>Note: Salary rates as of 1/10/11</i></p>	<p>Level 1 (6 increments) \$32,940-\$38,427 Level 2 (4 increments) \$39,766 - \$43,943 Level 3 (3 increments) \$45,317-\$48,933 Level 4 (3 increments) \$50,196-\$54,502 Level 5 (3 increments) \$56,063- \$60,312 Level 6 (3 increments) \$62,418 - \$67,002 Level 7 (4 increments) \$69,289 - \$76,318 Level 8 (4 increments) \$78,670 - \$85,699 <i>Note: Salary rates as of 1/3/101</i></p>
Hours of Work	<ul style="list-style-type: none"> • 38 hours per week which can be annualised over a 12 month period, or the period of a contact if less than a calendar year • Each lecture hour = 3 hours' work (which includes associated preparation, assessment & student consultation) • Each tutorial hour = 3 hours' work (which includes associated preparation, assessment & student consultation) • A repeat lecture or tutorial hour, carried out within 28 days of first delivery = 2 hours' work <p><i>Note:~ 12-19 hours per week</i></p> <ul style="list-style-type: none"> • 38 hours divided by 3 (lecture & 	<ul style="list-style-type: none"> • 38 hours per week which can be annualised over a 12 month period, or the period of a contact if less than a calendar year • Teacher – each contact hour = 1.5 hours of work • Tutor/Instructor – each contact hour = 1.25 hours of work <p><i>Note:~ 25-30 hours per week</i></p> <ul style="list-style-type: none"> • 38 hours divided by 1.5 (teacher) = 25 hours per week • 38 hours divided by 1.25 (tutor) = 30 hours per week • Also 46 weeks attendance (52 weeks less 4 weeks annual leave and 10 days public holidays) 	<ul style="list-style-type: none"> • 38 hours (7 consecutive days) • 76 hours (14 consecutive days) • 152 hours (28 consecutive days) • Ordinary Hours 7am -7pm Monday – Friday, and 7am - 12.30pm Saturday <p><i>Note: the span of hours is a 12 hour spread compared to the PACCT award which is only a 10 hour spread. Work undertaken outside the span of hours attracts penalty rates.</i></p>

Clause	Academic	Teachers	General
	<p><i>tutorial) = 12 hours per week</i></p> <ul style="list-style-type: none"> • <i>38 hours divided by 2 (lecture & tutorial) = 19 hours per week</i> • <i>Also 46 weeks attendance (52 weeks less 4 weeks annual leave and 10 days PH)</i> 		
Hour of Work cont		<ul style="list-style-type: none"> • 38 hours per week however the actual hours of attendance is 30 hours per week for up to 42 weeks per year • 21 hours teaching duty per week • 26 hours scheduled duties per week • Maximum 800 teaching duties hours per year <p>Time Allowance up to 80 hours per year</p> <ul style="list-style-type: none"> • Maximum scheduled duties 960 hours per year • Maximum non-scheduled duties 788 hours per year. 	<ul style="list-style-type: none"> • 38 hours (7 consecutive days) • 76 hours (14 consecutive days) • 152 hours (28 consecutive days) <p>Ordinary Hours 8am - 6pm Monday – Friday,</p>
Types of Employment - casual	No minimum engagement requirement	Minimum engagement of 2 hours	Minimum engagement of 3 hours
		Limits re no more than 8 hours per week or by mutual consent up to 21 hours per week but no more than 720 hours per year.	Minimum engagement of 4 hours

Clause	Academic	Teachers	General
Casual Rates of Pay (all different)	Varies depending on tasks (lecturing, tutoring, marking, technical demonstration etc.) See below	Daily rate: annual salary divided by 261 plus 24% Hourly rate: daily casual rate divided by 5	Standard rate for full time plus 25%
		<ul style="list-style-type: none"> Non-teaching duty hour \$41.03 or \$42.64 Teaching duty hour \$60.37 or \$62.74 	Standard rate for full time plus 25%
Sessional Employment	<ul style="list-style-type: none"> Minimum engagement of 4 weeks Maximum of 40 weeks in a calendar year 	<ul style="list-style-type: none"> Minimum engagement of 4 weeks Maximum of 40 weeks in a calendar year 	
		Ability to employ fixed term or casually	
Higher Duties	Paid at higher rate if more than 4 weeks	Paid at higher rate if more than 4 weeks	<ul style="list-style-type: none"> Level 7 & below paid at higher rate if more than 2 weeks Level 8 or 9 paid at higher rate if more than 4 weeks
		<ul style="list-style-type: none"> Higher rate if required to undertake for more than 1 week 	<ul style="list-style-type: none"> Based upon the proportion (%) of higher duties undertaken if more than 5 consecutive days
Annual Shut Down	May specify 2 close-down periods (no timeframe specified)	May specify 2 close-down periods (no timeframe specified)	May specify 2 close-down periods (no timeframe specified)
		Required to use annual leave	Maybe required to use 5 days A/L
Shift Penalty Rates			<ul style="list-style-type: none"> Afternoon Shift finishing after 7pm and at or before midnight (25% loading)

Clause	Academic	Teachers	General
			<ul style="list-style-type: none"> Night Shift finishing after midnight and at or before 7am (25% loading) Day Shift starting on or after 6pm and finishing at or before 6pm (no loading) Afternoon Shift starting on or after 10am and finishing at or before 8pm (25% loading) Night Shift starting on or after 8pm and finishing at or before 6am (25% loading)
Overtime	<p>If working on an annualised arrangement, provisions of overtime do not apply</p> <p>If no annualised arrangements apply – time off on an hour for hour basis</p>	<p>If working on an annualised arrangement, provisions of overtime do not apply</p> <p>If no annualised arrangements apply – time off on an hour for hour basis</p>	<p>Differences apply depending on your classification, and whether or not you are a shift worker) (e.g. Level 7 & below (non shift worker, Level 7 & below shift worker, and Level 8 or 9.</p> <p>These differences relate to whether or not you earn double time after 2 hours or 3 hours and whether or not you have a minimum engagement of 3 hours or 4 hours on Saturday, Sunday & Public Holidays</p> <ul style="list-style-type: none"> Mon-Sat 150% for first 3 hours then 200% after that; Sunday 200% Public Holiday 250%
		<p>Excess Teaching Duty Hours</p> <ul style="list-style-type: none"> Payable outside span Payable if above 800 teaching hours per year Payable if above limit in roster 	

Extract from the Modern Award

Note: Salary rates as of 1/7/11

The following will apply to casual academic teachers:

	Per hour (including the casual loading)
	\$
Lecturing	
Lecture (one hour of delivery and two hours of associated working time)	106.68
Repeat lecture (one hour of delivery and one hour associated working time)	71.12
Tutoring	
Tutorial (one hour of delivery and two hours associated working time)	83.23
Repeat tutorial (one hour of delivery and one hour associated working time)	55.48
Tutorial (one hour of delivery and two hours associated working time) (where academic holds a Doctorate)	94.46
Repeat tutorial (one hour of delivery and one hour associated working time) (where academic holds a Doctorate)	62.97
Marking	
Standard marking	27.74
Marking as a supervising examiner, or marking requiring a significant exercise of judgment	35.56
Standard marking (where staff holds a Doctorate)	31.49
Marking as a supervising examiner, or marking requiring a significant exercise of judgment (where staff holds a Doctorate)	35.56
Technical demonstration	
Technical demonstration (one hour of delivery and one hour of associated working time)	55.48
Other required staff activity	
Where staff does not hold doctorate qualifications or perform full subject co-ordination duties	27.74
Where staff hold doctorate qualifications or perform full subject co-ordination duties	31.49