

# Offer FEE-HELP to VET students, says TDA

**T**AFE Directors Australia will call on the Federal Government to consider extending FEE-HELP to vocational education and training students as part of its 2006 budget submission. The TDA board decided on the move after conducting an extensive review into the proposal.

It means that, on this issue, the TDA is walking alongside the Australian Council of Private Education and Training (ACPET), which has flagged FEE-HELP for VET students as a key priority for some time, as well as the architect of the higher education contribution scheme, Professor Bruce Chapman. Last year, Chapman told *Campus Review* extending FEE-HELP to VET students would help alleviate skills shortages because it would potentially expand the education system and would offer a much more generous and equitable system for all tertiary students.

TDA executive director Martin Riordan says the report followed the Council of Australian Governments'

(COAG) call for ways the VET sector can promote higher productivity in Australia's economy.

Riordan says the proposal was made on four grounds: research showing industry was poorly motivated to invest in long-term skills acquisition; research showing younger and older Australians need to "skill-up" and meet new and changing job demands and opportunities; the success of the Canadian funding model; and equity with higher education.

Asked whether FEE-HELP would open the door to higher fees for TAFE, he says he believes there is enough market regulation to avoid that.

"The big issue is changing perceptions and discrepancies between what people in the community see as a viable and nice job from a university course and one from a vocational and training career," Riordan says.

"At the moment, it's discriminatory and there's no equity. We think there's a very important component to change public perceptions about what is a good job.

There's a structural imbalance and a real prejudice against people who want to do training.

"If you go to university you can get all sort of assistance. If you don't go to university, you don't get that assistance. And we think that in the spirit of COAG, that this is the time we can put aside our differences and work to solutions."

Riordan says the TDA had been considering the issue for some time, but that the time was "now right" and there was now enough evidence to support the proposal.

"We're hoping that it will form part of the Government's agenda. We've been very pleased by the interest from government in how TAFE, along with groups like ACPET and the Australian Chamber of Commerce and Industry, can come together with ideas on solutions to the skilling issues and we're really looking forward to a positive and instructive engagement on this issue."

**Alethea Mouhtouris**

# Trade skills institute crawls forward

Is there potential of conflict of interest within the new Institute for Trade Skills Excellence, asks **Alethea Mouhtouris**.

**T**he draft constitution and operation model for the \$22.9 million Institute for Trade Skills Excellence is close to completion, with a final report expected to be handed the Department of Education, Science and Training within weeks.

The institute, to be established as a public company, will be led by the Australian Chamber of Commerce and Industry (ACCI), the Australian Industry Group (Ai Group) and the National Farmers' Federation (NFF).

ACCI director of employment and training Steve Balzary says he believes there is "general agreement" on the constitution and that organisations who had expressed interest in a place on the industry reference groups are finalising their nominees for inclusion in the report.

An election promise, the institute was expected to be underway by the latter half of 2005. The delay, Balzary says, is due in part to it being a "new beast" and partly because it depends on platforms such as Skilling Australia and the Commonwealth-State training funding agreement being in place – but it is now time to "get the ball rolling".

As well as developing strategies to improve the profile and status of trades, the institute will allocate preferred provider status to certain registered training organisations.

It is this aspect which has raised some concern in government and VET circles.

A recent Senate Estimates committee asked the Department of Education, Science and Training (DEST) about potential conflict of interest, given some mem-

bers of the three shareholders – ACCI, Ai Group and NFF – also run registered training organisations.

At the hearing, South Australian Senator Penny Wong asked DEST representatives if work had been carried out to include provisions in the contract to avoid potential conflict of interest which might result from "some additional commercial advantage from being a preferred provider and the fact that a number of the future shareholders also have training provider organisations within the same group".

Group manager of the Industry Skills Development Group, Rebecca Cross, answered that DEST required the person it was contracting to demonstrate how they intended to deal with those potential conflicts.

Cross agreed that there is potential for conflict of interest, depending on the model of determining private provider status. For example, engaging an independent to undertake this activity would mean that none of the shareholders would have any involvement in the decision-making process, she said.

Balzary says ACCI had been "very mindful" of the concerns and had always promoted the importance of making sure processes and criteria were transparent and developed in consultation with providers and others.

"We have said that we'd like to work very swiftly about developing the process about how the preferred provider – or the star rating system, which is what we've called it – will come into effect, and do that in a way in which everyone has confidence. Because we've been critical of our gov-

ernments not having transparent processes, and the last thing we would do from an ACCI point of view is establish something that isn't transparent and isn't valid and couldn't stand up to outside scrutiny."

Minister for Vocational and Technical Education Gary Hardgrave said there were "well-established procedures for boards of companies to manage potential conflicts of interest should they arise and those procedures will be applied by the Institute".

He said any contract would be dependent on the shareholders demonstrating this satisfactorily.

However, the Australian Council of Private Education and Training's (ACPET) national executive officer, Tim Smith, warned there was "disquiet in the sector".

"The proposed Institute of Trades Skills Excellence is a curious animal," Smith says.

"Providers know little about it because providers have no defined role. It appears to be an idea emanating from some industry bodies which would appear to want it to be very much of their own territory.



"Apart from noting that its evolution appears to be tediously slow, we are concerned that, though taxpayer funds are involved, this body may seem to be operated by only part of the training system. Providers have been left out and that's a disappointment.

"ACPET notes the disquiet in the wider training industry about perceptions of conflicts of interest applying to the institute.

"Those perceptions go wider when one notes that this is a strong ministerial imperative for an industry-driven training system when industry itself wants to receive taxpayer dollars to operate their own training. Inevitably, perceptions of conflict of interest must arise. The Institute of Trade Skills Excellence will be no exception. Those responsible for management of the new body will need to tread carefully."

DEST has drafted a contract, to be provided to the company once it is established, outlining some of its functions and requirements. These include preferred supplier status, how they are going to promote VET and how they will work with DEST on career expos.