



Skilling Australia's Workforce (Repeal and Transitional Provisions) Bill 2005

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Skilling Australia's Workforce (Repeal and Transitional Provisions) Bill 2005

Date Introduced: 11 May 2005

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: Procedural provisions commence on Royal Assent and schedules 1 and 2 commence at the same time as the substantive provisions of the *Skilling Australia's Workforce Act 2005*.

Purpose

The Bill will repeal the *Australian National Training Authority Act 1992* and the *Vocational Education and Training Funding Act 1992* effecting the abolition of the Australian National Training Authority (ANTA) and the current funding arrangements for Commonwealth grants to the states and territories for vocational education and training (VET). It provides for transitional arrangements for the transfer of functions from ANTA to the Department of Education, Science and Training, including the transfer of assets, liabilities and records. The Bill is linked to the Skilling Australia's Workforce Bill 2005 which provides for the new national training arrangements.

Background

On the presentation of his new Ministry after winning the 2004 election the Prime Minister announced that 'from July 2005 the Australian National Training Authority will be abolished and its responsibilities taken into the department, bringing about significant administrative savings. A Ministerial Council on Vocational Education will be established to ensure continued harmonisation of a national system of standards, assessment and accreditation, with goals agreed in a Commonwealth-State Funding Agreement'.¹

The *Australian National Training Authority Act 1992* gave effect to an agreement (the ANTA Agreement, announced by the then Prime Minister on 21 July 1992) between the Commonwealth, States and Territories for the establishment of ANTA, an Australian Government statutory authority. ANTA's latest Annual Report describes this in the following way 'we were created from an agreement between Australian, state and territory governments to be an 'honest broker' and to provide a national focus for the VET system'.² The objectives of the original Agreement included the establishment of a unified national vocational education and training system with joint Commonwealth and state and territory responsibility for funding; closer interaction between industry and vocational education and training providers; the development of an effective training market; and improved cross-sectoral links.³

Warning:

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The key elements of the original ANTA Agreement related to the roles and responsibilities of ANTA, and of the Ministerial Council and the funding arrangements.⁴ The funding arrangements provided for under earlier legislation, the *State Grants (TAFE Assistance) Act 1989*, which had included operating and infrastructure grants, were replaced by funding arrangements under the *Vocational Education and Training Funding Act 1992*. Under these arrangements, a single pool of funds comprising the previously separate recurrent and capital expenditure grants were passed to the Australian National Training Authority (ANTA) for allocation among the States and Territories.

The functions of ANTA have included allocating and remitting funding to State and Territory training agencies on the basis of guidelines determined by the Ministerial Council, and administering any national programs, agreed by the Ministerial Council as requiring national delivery, within the guidelines approved by the Ministerial Council. Funding decisions have been made consistent with a national strategic plan for VET based on agreed national objectives and priorities. ANTA has been responsible for providing advice and administration for the national plan, as it has for the process of considering the annual training plans which states are required to produce. On the strength of these plans the ANTA Board, an industry-led Board responsible for overseeing ANTA's operations and advising the Ministerial Council, has made funding recommendations to the Ministerial Council which are published in the annual *Directions and Resource Allocations* report. Each year ANTA has coordinated the production of an annual national report for the VET sector including information on the operations and performance of the sector in accordance with the legislative requirements.

Other ANTA functions have included

- Developing a draft national strategy involving national consultations
- Development, management and promotion of the National Training Framework
- Developing advice to identify and plan for future growth requirements
- Ensuring comprehensive up-to-date national statistical data
- Developing advice on key performance measures, and
- Coordinating national initiatives and undertaking policy reviews, evaluation and research on national priorities.⁵

For more information and discussion about the proposed new arrangements, the *Bills Digest* to the companion Bill *Skilling Australia's Workforce Bill 2005*, should be consulted.

Main Provisions

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Schedule 1 covers the transitional provisions including the vesting of assets and liabilities (**items 2 and 3**), substituting the Commonwealth for ANTA as party to any proceedings (**item 4**) or instruments (**item 6**), transferring custody of records (**item 5**), and cessation of office holders (**item 7**). It also provides for financial transactions such as repayment of payments to the Commonwealth in cases of failure to fulfil a term or condition (**item 8**), annual audit reports by the States in respect of payments for 2004 and 2005 (**Item 9**), final financial reports (**item 10**) and final annual national reports (**item 11**). **Schedule 2** repeals the two acts, the *Australian National Training Authority Act 1992* and the *Vocational Education and Training Funding Act 1992*.

Instruments Declared Not to be Legislative Instruments

There are a couple of instruments in the Bill declared not to be legislative instruments and will therefore not be registered on the Federal Register of Legislative Instruments. As a result they will not be tabled or subject to Parliamentary scrutiny. They are **items 8(3)** and **12(5)**.

Concluding Comments

ANTA, the Commonwealth statutory authority responsible for distributing Commonwealth grants and steering national direction in VET, the 'honest broker', was the product of an agreement between the Commonwealth and the states and territories. It was an agreement about an acceptable collaborative framework for planning, accountability and funding arrangements for a publicly funded VET system. A system where the states and territories are responsible for the administration and provision of VET and for 70% of the funding, and the Commonwealth is responsible for the remaining 30% of funding.⁶

Though there were signs that the collaborative framework was under stress, particularly with the breakdown in negotiations for a new ANTA Agreement in 2003-04 and the Commonwealth's subsequent decision to use some of its funds to fund providers directly, the post election announcement that ANTA would be abolished was unexpected and apparently not a decision made by agreement with the states. As a reason for this change the Commonwealth has suggested that ANTA's role was about 'establishing a truly national vocational education and training system'. Now that this role has been fulfilled insofar as 'today, this national system, with industry leadership, is in place', the Commonwealth is interested in making ongoing annual administrative savings.⁷ It has estimated savings of \$3.096 million which can be made with ANTA's abolition, primarily through the elimination of duplication in management and corporate services.

The extent to which a co-operative national training system can be established without an ANTA equivalent 'honest broker', and the extent to which savings will be made at the expense of some of ANTA's functions, and/or the costs distributed to other agencies in the proposed new training structure remains to be seen. The measures the government is

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putting in place to sustain this 'truly' national system, the subject of the Skilling Australia's Workforce Bill 2005, are yet to be tested.

Endnotes

- 1 Media Release, The Hon. John Howard, Fourth Howard Ministry, 22 October 2004, <http://parlinfoweb.aph.gov.au/piweb/repository1/media/pressrel/br7e60.pdf>, accessed on 24 November 2004.
- 2 Australian National Training Authority, *Annual Report on operations 2003-04*, ANTA, 2004, p.6.
- 3 For a succinct overview of the economic and policy environment which led to the ANTA Agreement see Tom Dumbrell, *Resourcing Vocational Education and Training in Australia*, NCVET, 2004, pp.7-11 <http://www.ncver.edu.au/research/proj/nr1006.pdf>
- 4 Since the first ANTA Agreement, 1993-95, there have been two others, 1998-2000 and 2001-03. Arrangements have been extended during the intervening years. For an overview of the Agreements and the often troubled negotiations see 'Vocational Education and Training Funding Amendment Bill 2004', *Bills Digest* no. 055, 2004-05, Department of the Parliamentary Library, 2004.
- 5 *What is ANTA?* ANTA web site <http://www.anta.gov.au/abtWhat.asp> accessed on 17 May 2005.
- 6 In 2003 revenue from State/Territory Government was \$2,681.1 million and from the Australian Government \$1,237.8 million. Australian National Training Authority, *Annual Report of the Australian National Vocational education and Training System 2003*.
- 7 The Hon. G Hardgrave, MP, Minister for Vocational and Technical Education, Second Reading Speech, Vocational Education and Training Funding Amendment Bill 2004. See also EM, p.1.

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