



1 March 2011

Senator Gavin Marshall
Chair
Senate Education, Employment and Workplace Relations Legislation Committee
P O Box 6100
CANBERRA ACT 2600

Dear Senator Marshall,

Re: Senate Inquiry into National Vocational Education and Training Regulator Bills

The Minerals Council of Australia (MCA) is pleased to have the opportunity to comment on the *National Vocational Education and Training Regulator Bill 2010*; the *National Education and Training Regulator (Transitional Provisions) Bill 2010*; and the *National Vocational Education and Training (Consequential Amendments) Bill 2011* (the National VET Regulator Bills).

The MCA represents Australia's exploration, mining and minerals processing industry, nationally and internationally, in its contribution to sustainable development and society. MCA member companies produce more than 85 per cent of Australia's annual mineral output.

Skills are a strategic asset for enterprises, industries and the nation. In the recent past the minerals sector has suffered from skilled labour capacity constraints due to insufficient skilled labour availability. The National Resource Sector Employment Taskforce has identified that in the period to 2015 the minerals sector will require an additional 77,000 people nationally, including skilled operators and 36,000 tradespeople.

A strong training culture is a hallmark of the minerals industry. While current comprehensive data is not available, the most recent figures show that the minerals industry invests considerably more in its training spend than other industry sectors. National Centre for Vocational Education Research 2009 statistics¹ show that 63 per cent of minerals industry employers engaged with the publicly funded VET sector, compared with 57 per cent for all industries. As of June 2010, the minerals industry, which employs approximately 1.5% of the Australian workforce, had 10,500 apprentices and trainee in training, or 2.4% of total number of apprentices and trainees in training.

However, the lack of consistency, quality², flexibility and responsiveness in a number of providers has caused the minerals industry to move away from publicly funded Vocational Education and Training (VET). MCA has consistently advocated for reform of the VET sector as we believe that to make an optimum contribution to the Australian economy, the VET sector must deliver high quality training outcomes that are responsive to the needs of industry.

The VET sector in Australia is highly complex and largely unfathomable to many of its clients. A simplification and national alignment of the system within a broad, collaborative national context and a reduction in bureaucracy would benefit the sector, its clients and the productivity of the nation.

The current regulatory framework for VET is neither efficient nor effective and there are many examples of poor quality and inconsistencies in delivery within the VET sector that have not been addressed by the current system. Whether this is due to the nature of the current framework or a lack of rigour in its application is unclear. However, many of the regulatory processes have become caught up in bureaucracy, rather than providing an effective strategic approach. In addition, there are inherent inefficiencies in maintaining a number of regulatory regimes at state and commonwealth level. Greater emphasis on the quality of training outcomes is required.

¹ NCVET(2009). *Survey of Employer Use and Views of the VET system*.

²A Diploma of Business delivered in a week; and a Certificate in Metalliferous Mining delivered without mine site experience are examples of this.

The National VET Regulator Bills provide a single, standard national regulatory framework for the VET sector, which is essential to promote consistency and remove barriers and confusion for individuals and enterprises who are or who wish to work across more than one jurisdiction.

The MCA makes the following specific comments on issues relating to establishment of a National VET Regulator (NVR) via the National VET Regulator Bills:

- A reduction in the complexity of the regulatory framework for the VET sector is welcome.
- It is essential that the new national standards to be overseen by the NVR promote rigorous assessment leading to high quality training outcomes rather than focus on administrative processes as has been evident in past.
- While the standards have not yet been drafted and there is as yet no process to develop them, it is essential that industry as a key stakeholder be involved in development the standards.
- The strengthening of the legal status of the national standards is welcome. However, we caution against direct adoption of the current AQTF standards without review because, as identified above, the current standards have failed to achieve the required quality and consistency in the VET sector.
- The NVR must be adequately resourced to maintain a rigorous audit regime and have the authority to sanction or deregister providers who do not meet the required standards. However we caution against development of an onerous and complex input process at the expense of focussing on achieving high quality training outcomes.
- MCA supports the development of a rigorous, risk based audit regime and an audit process that involves current industry expertise in the process. It should base its audit and enforcement regime on the well established Occupational Health and Safety regime currently being implemented by Safe Work Australia.
- Whilst MCA supports aligning the NVR with the higher education regulator (Tertiary Education Quality Standards Agency), it is essential that the unique qualities of the VET sector, including industry driven competency based training, are not lost in the process.
- We note the provision for delegation of functions by the NVR to state and territory authorities, occupational licensing bodies or other industry bodies. We strongly caution against delegation of functions, particularly until the new regime is established, as this may lead to a weakening of the regulatory regime, particularly if delegated to existing bodies with entrenched failed processes.
- Alternatively, if there is to be a transfer of staff from state jurisdictions to the VET regulator an adequate change management process is required to ensure that current attitudes and processes are not translated.

In conclusion, the MCA supports the establishment of the National VET Regulator and the passage of the National VET Regulator Bills, provided the issues raised above are addressed.

Please contact Chris Fraser on 03 8614 1851 or via email at chris.fraser@minerals.org.au if you have any queries about this submission.

Yours faithfully,

Chris Fraser
Director - Education and Training