



Australian Government
**Department of Education,
Science and Training**

Skilling Australia



**New Directions for Vocational
Education and Training**

February 2005

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FOREWORD

Australia's decade-long sound economic management has resulted in sustained growth and ensured low interest rates, the reduction of national debt, and a fall in unemployment from 8.7% in 1995 to 5.1% today - the lowest since November 1976.*

Our vocational education and training system has made an enormous contribution to Australia's economic success. Australian businesses need highly skilled, productive workers to compete even more successfully in the global market.

Today, our strong economy demands more skilled employees. There are critical needs in occupations ranging from plumbing and electrical, to hairdressing and commercial cookery. The careers forged in these types of occupations and industries have traditionally been viewed as "second class" to careers obtained through university study. Progressively, however, people are realising that a vocational qualification can lead to a challenging, diverse, independent and indeed for many, a very lucrative career.

There has been enormous growth in the options within our vocational education and training system. Each year, the publicly funded training system educates more than 1.7 million Australians, an increase of half a million people since 1995. The system has grown in sophistication and prestige, and is now recognised as a world leader. It is not surprising, therefore, that vocational education and training is increasingly a first choice for many of the 70% of young Australians who do not go directly from school to university.

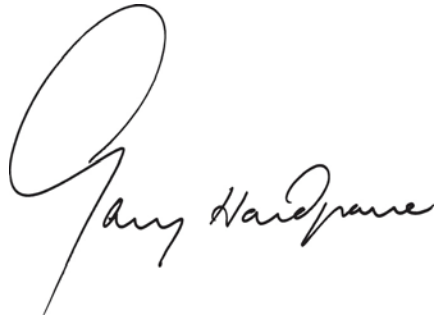
In its fourth term, the Howard Government has set a new and challenging agenda for vocational education and training. In 2004, the Government announced over \$1 billion of new initiatives to provide for skills needs in traditional trades. In resuming the functions of the Australian National Training Authority in mid-2005, the Australian Government will have a unique opportunity to build on its successes to date, and ensure the training system continues to improve – providing the skilled people required by industry and business to keep Australia's economic growth strong.

Our goal is to ensure that in the future Australia's training system will be even more responsive to the ever-changing needs of industry. The training system will continue to build its reputation with young Australians, broadening their options after school. It will attract mature aged Australians back to study, and provide them with specialised skills, and pathways to new careers.

This Directions Paper is a Departmental paper setting out possible models for a new national training system. It will be a world class, forward looking system that builds on the strengths of the current arrangements – including a cooperative and collaborative approach between the Australian Government, States, Territories, business and industry to deliver nationally recognised qualifications.

* Australian Bureau of Statistics Bulletin 6202.0 Labour Force, Australia and <http://www.treasurer.gov.au/tsr/content/pressreleases/2005/001.asp>

The Department of Education, Science and Training will be consulting with key stakeholders including business, industry, training providers and other government departments on the directions outlined in this paper. We welcome input and comment, to help establish a new national training system that meets the future skills needs of Australian businesses, industries, communities and individuals.

A handwritten signature in black ink, reading "Gary Hardgrave". The signature is written in a cursive style with a large, looping initial "G".

The Hon Gary Hardgrave MP
Minister for Vocational and Technical Education
Minister Assisting the Prime Minister

Guiding Principles for Proposed Changes

Under the Australian constitution, State and Territory Governments (the States) have primary responsibility for education and training. The Australian Government contributes approximately one third of the total government funding for training.

Since the establishment of the Australian National Training Authority (ANTA) in 1992, the training system has consistently improved through collaboration between governments and Australian business and industry. The proposed new arrangements will build on this success.

The guiding principles are clear:

1. Industry and business needs must drive training policies, priorities and delivery.
2. Better quality training and outcomes for clients, through more flexible and accelerated pathways, must be assured.
3. Processes should be simplified and streamlined.

Industry and business needs must drive training policies, priorities and delivery including:

- Industry and business directly influencing training policy and delivery - including through a direct line of advice to the new Ministerial Council overseeing the operation of the training system;
- Improving the capacity of industry and business to determine relevant skills needs and to define the competencies required in their workplace;
- Enabling industry and business to influence planning decisions - including through a clearly defined role for industry and business in developing the States' annual plans for training provision;
- Developing more flexible Training Package qualifications - explicitly incorporating 'employability skills' and developing shared skills sets across industries to break down the silos in different industries' approaches to skills development; and
- Eliminating unnecessary regulation for registered training providers - giving genuine effect to the national registration process.

Better quality training and outcomes for clients, through more flexible and accelerated pathways, must be assured by:

- Removing the final elements of a time-based approach in the national training system - moving instead to a genuine competency-based approach for all training qualifications supported by effective User Choice arrangements;
- Enhancing the national approach to managing quality - including establishing a national quality agency to promote quality, strengthen quality assurance mechanisms and improve the national consistency of State registration and auditing activity;
- Supporting more informed consumer choices - including through public reporting of training provider performance in areas like graduate completion and employment rates;
- Strengthening the voice of clients in the training system - to ensure it is inclusive of their needs and to drive continuous improvement in the delivery and outcomes of training;

- Improving the collection and reporting of data on the performance of the national training system - to inform future policy and planning directions; and
- Introducing a strong focus on the outcomes of training - including through developing an outcomes-based audit model and introducing State-level measurement of key outcomes in the Commonwealth-State Training Funding Agreement, such as employer satisfaction rates.

Processes should be simplified and streamlined by:

- Removing the bureaucracy and red tape associated with the current plethora of committees and working groups - replacing them with a small number of Action Groups to provide targeted specialist advice to the Ministerial Council;
- Streamlining public planning and reporting arrangements - replacing annual processes with a three-year cycle, to ensure greater certainty for planning and priority setting; and
- Establishing a single point of on-line access to training materials - to simplify the process for training providers identifying and acquiring materials and entering licences, and minimise duplication in the development of materials.

The new training system will be established through:

- new legislation to be introduced into Federal Parliament in 2005 which will set out national planning, funding and accountability responsibilities; and
- multilateral and bilateral funding agreements between the Australian Government and the States.

1 Skilling Australia

1.1 *New Arrangements for Vocational Education and Training*

Twelve years ago, before the establishment of ANTA, Australia had eight separate training systems operating quite independently of each other, with the content and delivery of training largely determined by training providers. Employers operating across more than one State could not be confident that the quality of their employees' qualifications was consistent, nor that they would have the competencies industry felt they needed to undertake their work.

Today, the foundations of a truly national industry led system are in place with, for instance, Training Packages covering most industries and more than 80% of the workforce. Nationally recognised qualifications are offered by more than 4,000 registered training organisations, both public and private, all of which are registered in accordance with a national set of standards.

The progress to date can be seen as a measure of the success of the ANTA arrangements. However, in meeting the challenges that now confront Australia's economy and its education and training system, more appropriate governance, accountability and operational arrangements are required. We need to keep training focussed on current and future skill needs and reinvigorate the leadership role of business and industry.

From 1 July 2005 the responsibilities and functions of ANTA will be transferred to the Department of Education, Science and Training (DEST) and a new Ministerial Council on Vocational Education will be formed to lead the national training system.

This Directions Paper sets out a range of views on the future operation of the national training system. The Australian Government will undertake targeted consultations with key business and sector stakeholders involved in training around Australia. The paper sets the parameters for discussion and details of the consultation process. Meetings will take place during February and March 2005 to inform the establishment of new arrangements from July 2005, when ANTA responsibilities transfer to DEST.

Following the consultation process, a model for the new national training system will be finalised, and the Australian Government will begin a separate process with the States to finalise a new Commonwealth-State Training Funding Agreement. This Directions Paper does not encompass matters that will be the subject of the Training Funding Agreement.

1.2 *The Training System We Need for Further Economic Growth*

When ANTA was established in 1992, Australia faced unemployment of 10%. Today, with unemployment at 5.1%, we face a quite different predicament. Australian businesses estimate that the most significant challenge to ongoing economic growth is the need for more skilled

workers to meet demand. We face serious needs for skilled workers in traditional trades, such as building, electro-technology, commercial cookery, hairdressing, automotive, and manufacturing.

At the same time, we must strive to continually enhance Australia's skills base to meet the changing needs of industry – great leaps in technology, innovation and investment are driving our need for different and more sophisticated skills for both new and existing employees.

Traditional forms of employment are similarly undergoing change - part-time, casual and contract employment characterise the working life of around half of the Australian workforce.¹ The national training system must be flexible to meet the needs of these workers.

In addition, Australia's ageing population holds particular challenges for the training system. As older workers are encouraged to stay longer in the workforce, to make up for an absence of younger workers entering employment, our training system must find ways to provide training to mature aged workers in a style and format which suits their learning needs. In addition, we must find ways to re-engage workers who have left the workforce, or those who have delayed entry into the workforce.

Skills shortages and ageing populations are global phenomena for mature economies. Increasingly, international companies are making decisions about the location of their operations based on the availability of skilled workers. In an internationally competitive market, it is in Australia's interest to build on the high skill level of our workforce and the responsiveness of our vocational education and training sector to meet the needs of industry.

The growing expectations of learners, especially among young Australians, and the need for life-long learning, present new challenges to educators. Providers and institutions must continue to innovate and adopt new technologies and practices to reach out to existing and new learners. With individuals increasingly taking responsibility for their own skill development and the growing demand for workplace learning, there is pressure on the system to deliver new forms of training.

Growth in non-standard employment, frequent and multiple career changes and different forms of work organisation, mean that skills can no longer be defined solely in terms of traditional occupations and career structures.

Training in the 21st century must address all these issues to deliver the skilled workforce for the future, and to meet social expectations.

¹ The Australian Bureau of Statistics reports that while "the dominant type of employment is still as an employee with paid leave entitlements working full-time, this has declined from 56% in 1992 to 50% in 2003" (Australian Labour Market Statistics cat no. 6105, October 2004).

2 The Foundations of Vocational Education and Training

2.1 National Collaboration and Industry Engagement

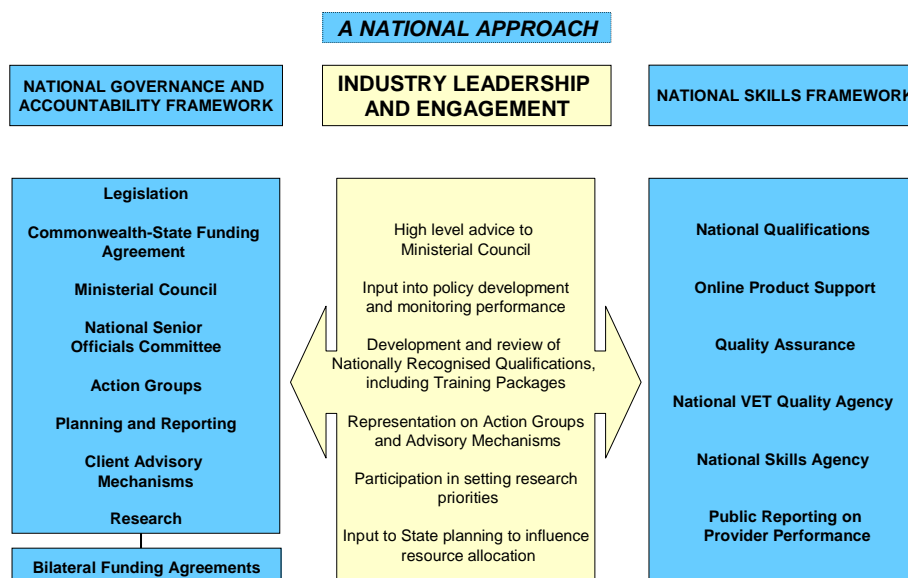
Two elements have led to the success of Australia's training system: national collaboration and industry engagement. These elements provide the foundation of the three proposed components of the new training system:

- business and industry leadership and engagement at all levels of training;
- a national governance and accountability framework; and
- a national skills framework.

The *National Governance and Accountability Framework* establishes the decision making processes and bodies responsible for training, as well as planning and performance monitoring arrangements to guide the operation and growth of the training system.

The *National Skills Framework* sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training.

Industry leadership and engagement will be injected into all aspects of the new training system. This will range from high level advice to the Ministerial Council on business and industry priorities and skills needs, to input at the operational level, such as in the development and review of Training Packages.



3 Governance and Accountability Framework

The *Governance and Accountability Framework* includes the legislation, funding arrangements and key decision making processes relating to the leadership, policy, planning, and monitoring of training in Australia. The framework will ensure that the training sector performs to the highest possible level and responds to the needs of government, industry, individuals and communities.

A focus on performance and governance and accountability is vital. Good governance is a key to a high quality and responsive national training system. Well governed organisations, focussed on their core functions, have a good understanding of the success they are aiming for and clearly defined roles, responsibilities and powers.

3.1 Legislation and Funding

The Australian Government's investment in training is at record levels. The Government is committing \$2.1 billion this year to vocational education and training with a further \$1.06 billion in new funding proposed for vocational education and training programmes over four years.

The Australian Government contributes \$1.13 billion per annum to State Governments. New Commonwealth legislation and funding agreements between the Australian Government and the State Governments will set out the arrangements for this money to be directed to national priorities.

3.1.1 New Commonwealth Legislation

New Commonwealth legislation will reflect the Australian Government's commitment to vocational education and training and establish the key elements of the new training system. It will provide clear national objectives and goals for vocational education and training and set out planning, funding and accountability responsibilities.

A number of provisions in the existing legislation will continue, such as the requirement for separately established Training Authorities within each State with appropriate industry representation, and a defined role for business and industry in developing State Vocational Education and Training Plans which set out the State's intended training activity for the upcoming year.

It is proposed that the legislation also defines the powers, structures, roles and secretariat support of the Ministerial Council and other bodies, including their ability to establish committees and to delegate powers. Consideration will be given to reflecting business and industry engagement in legislation.

The new legislation needs to be introduced to Parliament for passage by July 2005. Current legislation, the *Australian National Training Authority Act 1992* and the *Vocational Education and Training Funding Act 1992* will be repealed.

3.1.2 Sustaining a National Training System: Multilateral Funding Agreement between the Australian Government and the States

A new Commonwealth-State Training Funding Agreement will replace the current ANTA Agreement. It will continue to set out overall objectives and aims for the national training system and provide the mechanism for the release of funding to State Governments. As with the existing ANTA Agreement, new funding arrangements will recognise and reflect that the training system is jointly funded by the Australian and State Governments.

Specifically, the Agreement will establish:

- a shared commitment to support national goals and objectives for vocational education and training;
- national policies to support the effective operation of the training system, including improving consistency and quality; removing barriers between jurisdictions; introducing greater innovation in the training system; raising standards of auditing and monitoring; and improving the system's responsiveness to rapid changes in demand for skills development and to addressing skills shortages;
- national planning arrangements to support improved training outcomes;
- national priorities that are to be achieved in the medium term;
- national outcomes-focussed performance measures, such as module and qualification completion rates, and employer satisfaction levels;
- national initiatives and project activities that would advance the training system, such as promotion and marketing, and research priorities;
- national targets that will reflect Australian and State Government policy objectives; and
- agreed sanctions for non-achievement of performance measures or other requirements in the Training Funding Agreement.

3.1.3 Meeting Localised Needs: Bilateral Funding Agreements between the Australian Government and the States

In addition to a multilateral agreement, bilateral agreements with each State will provide flexibility to implement national priorities and establish performance levels that are relevant to each jurisdiction. For example, should addressing skills shortages be an agreed national priority, a bilateral agreement could specify which industries and regions would be priorities for addressing skills needs and the strategies that are likely to be most effective to address these needs in a particular State and region.

Bilateral agreements will include:

- State planning requirements and funding priorities;
- payment and acquittal processes;
- performance reporting; and
- State-specific initiatives, particularly those which are supported by Australian Government funding.

3.1.4 The Australian Government Funding Offer

The Australian Government will negotiate its funding offer to the States at the conclusion of the consultations on the new training arrangements.

The current formulae for allocating funds to each State will continue under the new Commonwealth-State Training Funding Agreement. However, during the life of the Agreement, the Australian Government will seek State agreement to explore options for a revised, more sophisticated funding model which takes account of the changing circumstances in States, including demographic factors. This would form part of a broader examination of the funding of vocational education and training in Australia.

3.2 *Setting Policy Directions for the National Training System: The Ministerial Council on Vocational Education*

On 22 October 2004 the Prime Minister announced that a Ministerial Council on Vocational Education (the Ministerial Council) will be established from July 2005 as part of new arrangements for training in Australia, and as a replacement for the ANTA Ministerial Council, which has all Australian and State Government Ministers for Training as members.

The core membership of the Ministerial Council will remain the Australian and State Government Training Ministers. The Australian Government will be represented by both the Minister for Education, Science and Training, and the Minister for Vocational and Technical Education.

The new Ministerial Council will have responsibility for the operation of the national training system. This includes agreeing national priorities and strategies, planning for the operation of the national system and ongoing monitoring and accountability.

With the establishment of a new Ministerial Council, protocols for its chairing and voting arrangements need to be considered. It is proposed that an Australian Government Minister chair the Ministerial Council, as is the case with the current ANTA Ministerial Council. It is also proposed that the current voting arrangements would continue with the Australian Government having two votes and the Chair having a casting vote.

Mechanisms are required to support the Ministerial Council to fulfil its strategic responsibilities. It is proposed that the Ministerial Council meet annually, however, in the early stages of implementing the new national training arrangements it might be necessary to meet twice a year.

DEST plans to operate the Secretariat for the Ministerial Council, although other approaches could be considered. Operating the Secretariat out of DEST offers considerable benefits, especially if the Secretariat services other committees. The Secretariat would also act as a central coordination point.

Other options for supporting the new Ministerial Council include:

- establishing a stand-alone independent Secretariat; or
- outsourcing responsibility to the Ministerial Council of Education, Employment, Training and Youth Affairs (MCEETYA) Secretariat.

Either of these alternative arrangements would need to be funded through the Commonwealth-State Training Funding Agreement.

3.2.1 Alignment with the Ministerial Council of Education, Employment, Training and Youth Affairs

The Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) consists of State, Australian and New Zealand Government Ministers responsible for employment, education (early childhood, schools and higher education), training and youth affairs. At present, most Ministers who attend MCEETYA also hold training responsibilities and are members of the ANTA Ministerial Council, and would become members of the new Ministerial Council.

It is important that the responsibilities of MCEETYA and the new Ministerial Council are aligned and complementary. Currently many issues cut across both the ANTA Ministerial Council and MCEETYA. The new Ministerial Council arrangements should support high level consideration of important cross-sectoral issues, but minimise overlap and duplication. Some streamlining of business could be achieved through coordinated meetings and integrated secretariats. However, in an integrated model there is a risk that some issues in different sectors would not receive the appropriate level of attention.

Many major emerging issues, such as workforce planning, skills shortages and articulation between the tertiary sectors, could be more readily addressed through better coordination and linkages between vocational education and training, higher education and employment. The Australian Government is therefore open to considering the benefits of expanding the responsibilities of the Ministerial Council for Vocational Education to include higher education and employment. MCEETYA could continue its responsibilities for early childhood, schools, and youth affairs (including school transitions), as well as issues that cut across all education sectors, such as the Australian Qualifications Framework. MCEETYA will be asked to consider this proposal.

Ministerial Council on Vocational Education

Proposed Terms of Reference

The functions of the new Ministerial Council on Vocational Education will include decision making on national policy and planning issues including:

- a national strategy for vocational education and training including national objectives, priorities and performance targets;
- maintaining strong industry leadership and engagement in the national system;
- arrangements for the delivery of vocational education and training nationally;
- responding to business, industry and stakeholder advice on issues impacting on the national training system, such as skills forecasting;
- the principles to be applied for the allocation of funding; and
- accountability to Federal Parliament for the expenditure of Australian Government funds including through the Annual National Report.

These Terms of Reference could be expanded to include higher education and employment matters should the Ministerial Council's responsibilities be broadened.

3.3 Business and Industry Advice to Ministers

The role of business and industry will remain a central tenet of the new national training system.

The Australian Government is open to views, particularly those of business and industry, on the models presented in this paper, which are designed to secure industry advice at the national level. The options are discussed below.

3.3.1 Direct Industry Input to the Ministerial Council through an Industry Advisory Group

At present, the Board of ANTA provides direct advice to all Training Ministers through the ANTA Ministerial Council.

The ANTA Board will cease operations on 30 June 2005. In place of the Board, a business and industry advisory group could be formed to provide strategic industry advice at Ministerial Council meetings. Ministers would receive face-to-face input on business and industry needs, including priorities and future directions, and views could be exchanged on the response required from vocational education and training.

Members would be drawn from high profile leaders in business and industry peak bodies. As with the current ANTA Board practice, the Chair and Deputy Chair would need to be Chief Executive Officers (CEOs) of major companies or successful small to medium enterprises which rely heavily

on training for their workforce in both traditional and non-traditional trade areas, and be appointed by the Chair of the Ministerial Council. It is anticipated that membership of the Group would be small.

The Ministerial Council would nominate the members of the Group for a two to five year term. Nominations could be brought forward by Ministers based on recommendations from peak industry bodies and major businesses within their jurisdiction. The Chair of the Ministerial Council would have the right to make the final decision on the membership of the Group and to determine the term of each member's appointment.

The group would require secretariat support and access to resources to commission research on matters influencing their advice to the Ministerial Council, such as future skills demand.

National Industry Advisory Group

Proposed Terms of Reference

The role of the National Industry Advisory Group is to support the functions of the Ministerial Council by providing high-level advice on behalf of business and industry on national policy and planning issues. Functions of the Advisory Group would include:

- ensuring future business and industry priorities are reflected in national planning arrangements;
- driving an industry focus in national research priorities such as market and skills forecasting and making recommendations to Ministers on research findings relevant to business and industry;
- providing high level advice to Ministers on the training and workforce planning needed to support the future directions of the Australian economy;
- providing advice on training delivery and quality assurance issues;
- providing a business and industry perspective on papers presented at Ministerial Council meetings; and
- providing advice as required by the Ministerial Council.

3.3.2 Engagement through Business and Industry Peaks

Alternatively, the Ministerial Council would consult with industry through business and industry peaks. This model would need to be supported with commissioned work from the peaks or other major industry groups and relies, in part, upon the ongoing engagement of industry through other levels of the training system. The Ministerial Council would consult business and the peak bodies on future directions for the training system or on critical issues facing training. The peak bodies represent the highest level views of industry across Australia and are therefore well-placed to provide input to the Ministerial Council.

3.3.3 National Industry Roundtable

Either of the advisory mechanisms outlined above could be supplemented by an industry-government training roundtable, which would bring together a wider range of business and industry representatives to enter into dialogue with governments. Broad-based business and industry views would provide input on the future direction of training.

National Industry Roundtable

Proposed Terms of Reference

The National Industry Roundtable will represent the interests of a broad range of industry sectors and business enterprises and through this provide feedback to governments on vocational education and training matters including:

- current and emerging workforce planning needs;
- industry response to training research and priorities for future research effort;
- any responses required of the national training system;
- the quality of training; and
- usability of and access to the national system.

3.4 Supporting the Work of the Ministerial Council

While Training Ministers would meet either once or twice a year, it is important to establish vehicles to coordinate training effort on a more regular and ongoing basis and undertake the work requested by the Ministerial Council. To this end, it is proposed to establish a National Senior Officials Committee to act as the conduit between the Ministerial Council and the day-to-day operation of the training system, and a small number of Action Groups to undertake specialised tasks for the Ministerial Council.

3.4.1 National Senior Officials Committee

Based on the existing ANTA CEOs committee, core membership of the National Senior Officials Committee would consist of Chief Executive Officers of the Australian Government and State Training departments.

Effectively, the Committee would be the administrative arm of the Ministerial Council to implement priorities and tasks as identified and directed by the Ministerial Council. It would be charged with establishing a workplan for the business of the Ministerial Council. The Committee would also coordinate the preparation of proposals and ensure Ministerial Council decisions are executed. It would also direct research and evaluation activities, form Action Groups to advise on specific policy issues and generally drive collaboration between governments on training related matters.

The Committee would play a key role in monitoring the effectiveness of structures and processes supporting the operation of the national system.

It is envisaged that the National Senior Officials Committee would operate on a similar basis to the current ANTA CEOs committee and meet on a regular basis. As ANTA currently chairs this committee, new arrangements would need to be established. It is proposed that the Secretary of DEST would act as Chair of the new Committee. CEOs of other agencies with policy responsibilities impacting on training could be invited to join the Committee as required. Similarly, should the Ministerial Council membership role be expanded to include higher education and employment, the Committee's core membership could be expanded to reflect this.

The Committee would be expected to ensure implementation of key Ministerial Council decisions such as the State enactment of model clauses, the outcomes of the recent review of the Australian Quality Training Framework and the outcomes from the *High Level Review of Training Packages*.

Support for the Committee would be provided by the Ministerial Council Secretariat.

National Senior Officials Committee

Proposed Terms of Reference

The role of the National Senior Officials Committee is to act as the administrative arm of the Ministerial Council. In fulfilling this function the Committee will:

- develop a work plan for Ministerial Council business;
- coordinate work on the Ministerial Council's behalf and ensure Ministerial Council decisions are executed;
- provide policy advice to the Ministerial Council on matters referred by the Ministerial Council;
- direct national research and evaluation activities;
- form and direct national Action Groups to progress specific policy issues;
- provide a chair for national Action Groups;
- monitor the effectiveness of governance arrangements supporting the national system;
- consider implications of all proposals before they are presented to the Ministerial Council, including agenda items; and
- oversee national data collection and reporting arrangements.

3.4.2 Action Groups

To assist the National Senior Officials Committee in executing Ministerial Council decisions, the Australian Government proposes a national Action Group model to facilitate targeted projects on national priorities. Action Groups would replace the current large number of Standing Committees

and Working Groups, and would operate under streamlined business processes to remove much of the bureaucracy of the current arrangements.

National Action Groups would be established on a needs basis, for a fixed time period, with the aim of providing targeted, specialist advice requested by the Ministerial Council or the National Senior Officials Committee. Responsibility for managing and coordinating the work of a group would rest with a State or Australian Government training department. This provides an opportunity for a jurisdiction to address an issue which has particular relevance to it on behalf of the national system. The work of national Action Groups would complement the high level advice of business and industry to the Ministerial Council.

The National Senior Officials Committee would create Action Groups as necessary to advance the work of the Ministerial Council and be responsible for defining their scope (terms of reference and performance measures), membership and period of operation. The work of the Action Groups will be presented to Ministers via the National Senior Officials Committee.

To ensure the work of the Action Groups has maximum impact and endorsement, the Australian Government suggests each group be chaired by the CEO of the agency managing its work. As a principle, not all jurisdictions need to be on each Action Group, as work would be shared between all jurisdictions through the National Senior Officials Committee. High level representatives from business and industry, and other stakeholders, would be included in Action Groups as appropriate. This provides an additional conduit for business and industry to channel targeted advice on training matters to Ministers.

3.5 Planning and Reporting

The legislation and Training Funding Agreement will establish national planning, reporting and accountability mechanisms, which are all important elements of a responsible and responsive national training system. While the current planning and performance management processes are working well, there is room to streamline the process and improve planning, reporting and performance monitoring.

3.5.1 Planning Training Activity on a National Basis

Currently, strategic planning for the national system is defined by the National Strategy for Vocational Education and Training developed by ANTA following extensive consultation. The National Strategy provides the vision, long-term objectives and priorities for the national training system and identifies the Key Performance Measures (KPMs) to gauge the overall performance of the sector. It also identifies strategies to improve the sector's performance, and assists States to undertake long term planning for their training activity.

The KPMs included in Shaping our Future – Australia’s National Strategy for Vocational Education and Training 2004-2010 are:

- The level of student participation and achievement in vocational education and training;
- The level of student employment outcomes and benefits after training and their satisfaction with their training programme;
- The level of employer adoption of, and satisfaction with, vocational education and training in meeting the skill needs of their workforce;
- The extent to which Indigenous Australians engage with and achieve positive outcomes from vocational education and training;
- The level of community engagement and satisfaction with vocational education and training to assist with economic and social development; and
- The efficiency of Australia’s vocational education and training system.

At present, the ANTA Ministerial Council approves both a National Strategy for Vocational Education and Training which outlines the long-term objectives for the training system, and Annual National Priorities which guide the development of State Vocational Education and Training Plans². Each year the ANTA Board provides the ANTA Ministerial Council with a Directions and Resource Allocations report which provides an analysis of State Vocational Education and Training Plans for the coming year and reports on achievement against the previous year’s Plans.

The Australian Government proposes new approaches to strengthen these planning and reporting mechanisms.

The National Strategy would be maintained to set directions for the sector. However, it may need to be updated once new arrangements for training are in place.

The amount of detail contained in the current State Vocational Education and Training Plans is extensive and simplifying these plans would assist in streamlining the planning arrangements. There is an opportunity to bring planning and national priority setting into line with the Commonwealth-State Training Funding Agreements. Under this approach, National Priorities would apply for the period of the Training Funding Agreement and would be explicitly linked to the longer-term National Strategy. This would enable jurisdictions to plan their training activity and funding priorities with greater certainty over a longer period. A revised Directions and Resource Allocations process would still be required as a compendium to the Training Funding Agreement, with a simple annual process of updating. The report would indicate to the Ministerial Council the effort and outcomes planned for each year, as well as the results of the audit of State effort for the previous year.

² Prepared annually by States and Territories in response to the requirements of the Commonwealth-State funding agreement, national priorities and reports progress against the National Strategy.

As part of the current process, ANTA has developed an Action Plan to ensure that the priorities set out in the National Strategy are achieved. While it is recognised that the Action Plan was introduced to focus national effort on addressing gaps in the training system, the Action Plan process duplicates (in part) the function of National Priorities and State Vocational Education and Training Plans. To further streamline the system, we propose discontinuing the Action Plan at the end of 2004-05.

These revised arrangements would create greater consistency between the National Strategy and the Training Funding Agreement and State and Territory VET Plans, and establish more efficient planning and priority setting processes. Coupled with improved reporting, these arrangements would give a better account of progress against achieving long term goals.

3.5.2 Measuring Performance of Training Activity

All governments make a significant investment in the national training system, and it is important to ensure this funding is used efficiently and effectively, and results in high quality training outcomes for business, industry and students. To improve governments' capacity to monitor the quality of the national training system, it is proposed that an integrated set of performance measures be established that is clearly linked to the National Strategy and National Priorities, and better measures the outcomes of the training being delivered.

No longer can the focus on 'inputs', such as hours of tuition and funding per tuition hour in the Training Funding Agreement be the strongest emphasis. It is important to also focus on 'outcomes and outputs', such as client satisfaction levels, and competencies and qualifications achieved. Targets and performance measures will be established at the national and State level, and there will be public reporting of the performance of the national system and each jurisdiction against these targets and measures.

Details of performance measures will be negotiated as part of the Commonwealth-State Training Funding Agreements – both multilateral and bilateral. Australian Government funding to each jurisdiction will be tied to satisfactory performance against the targets and measures.

3.5.3 Accurate and Reliable Data on Training Activity

Access to accurate and reliable data, prepared in a consistent fashion across States, is fundamental to successful governance, accountability and policy development.

At present, the National Centre for Vocational Education Research (NCVER), jointly owned by Australian and State Government Ministers, provides advice on standards for data, collates data from State Training Authorities, undertakes survey and research work and advises governments on priorities to enhance the information base to support policy and performance monitoring. Funding to support the operation of NCVER is provided under the ANTA Agreement arrangements.

The work of NCVER is held in high regard in the training sector, and internationally. To guarantee the continuity and quality of data, it is proposed that NCVER be allocated operating funding for

these functions for the full duration of the Training Funding Agreement, rather than being dependent on the present annual funding cycle. This would assist NCVET in its planning and resource allocations.

It is proposed that the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) continue to be the national data management standard. The standard is well developed and operates effectively. However, a number of improvements need to be made to the data currently collected. These include:

- moving to end-date reporting so that an enrolment is counted only on completion to avoid possible double-counting and inflated figures. This builds on the work already undertaken with the States;
- capturing total (public and private) vocational education and training effort. This has already been endorsed in principle by all jurisdictions, however, issues regarding implementation and costs still need to be clarified;
- improving the single system of measuring and auditing State and Territory data;
- improving the identification of different sources of government funding, to better differentiate between funding provided under the Commonwealth-State Training Funding Agreement and other government funded training delivery; and
- reviewing the formula for counting Recognition of Prior Learning to more accurately reflect the training activity involved.

3.5.4 National Public Reporting on the Performance of the Training System

The Annual National Report prepared by ANTA is the Australian Government's key mechanism for reporting to Federal Parliament on the performance of the national training system.

It includes data from a range of sources including State performance against the National Strategy's priorities and agreed Key Performance Measures, the Annual National Priorities, and targets outlined in the annual State Vocational Education and Training Plans.

DEST will take over the task of producing the annual report on behalf of the national system, based on the preparatory data analysis undertaken by NCVET.

3.5.5 Management of the Planning and Reporting Framework

Currently, the National Training Statistics Committee (NTSC), made up of Australian and State government officials and NCVET, advises NCVET on national data collection and reporting for the training system. The Committee identifies areas for improvement and oversees the preparation of the Annual National Report.

DEST considers that the importance of continuous improvement to the information collected, as well as continuity of data, requires such a Committee to continue operating after the cessation of ANTA. Equally, it is vital that NCVET continue to be involved in the operation of the Committee.

A representative of industry could also be invited onto the Committee to ensure collections meet their planning and information needs.

3.6 *Hearing the Views of Students and other Clients in the Training System*

The accessibility of the training system is one of its greatest assets. Since 1995, the number of students in the publicly funded training system has grown from 1,268,900 to 1,717,800. Within this, the growth for Indigenous students has been from 26,138 to 58,100; for women from 587,909 to 834,400; for mature aged students from 171,767 to 360,000; and for students with a disability from 37,601 to 91,400.

Over the last decade, all levels of government have given priority to getting larger numbers of disadvantaged Australians into training and to improving the outcomes they achieve. This effort must be further enhanced in the new national training system.

In 2000, the Australian and State Governments developed two strategies, *Partners in a Learning Culture* and *Bridging Pathways*, to support better training outcomes for Indigenous clients and people with disabilities. Two national advisory bodies, the Australian Disability Training Advisory Council and the Australian Indigenous Training Advisory Council, support the operation of the strategies.

Reviews of both strategies have found that progress has been made but there is still some way to go to improve the outcomes for Indigenous Australians and people with a disability. The Government proposes to include provisions in the funding agreements with the States to ensure the needs of these clients are addressed through mainstream training activity. Priorities and supporting strategies have already been agreed as part of the reviews, but work is required to develop performance measures. An Action Group could be formed in the lead up to a new Commonwealth-State Training Funding Agreement with the purpose of shaping the priorities for these groups in the Agreement.

Obtaining and hearing the views of all students of the training system will remain critical to the health of the training system. We propose that each jurisdiction maintain client advisory arrangements to inform their planning and to target delivery strategies.

To supplement the above and give students a strong voice with Government for the first time, the Australian Government will consider bringing together student roundtables on particular issues. A representative from each roundtable could then be given an opportunity to address the Ministerial Council on the key issues that have been identified through the roundtable discussions.

3.7 *Research*

National research and analysis is critical to informing policy development, setting future directions and evaluating performance. Research and analysis play a key role in every facet of training. In

the new national training system, research priorities would be set by the Ministerial Council with input from industry.

The preferred approach is to continue current arrangements for establishing research priorities and managing an annual research programme. NCVER would have responsibility for both these functions, under the direction of the National Senior Officials Committee. The process for setting annual priorities would continue to take account of research needs across the system, including business and industry needs, and final approval would rest with the Ministerial Council. In managing the research programme, NCVER would be expected to commission research through competitive processes, and to open up research opportunities to the training research community.

An alternative would be for DEST to take on responsibility for priority setting through a process similar to that developed by NCVER, and manage the annual research programme. It could contract research from a range of organisations, including NCVER. This model would avoid any potential conflict of interest for NCVER in managing the research programme and, potentially, undertaking research projects itself.

Under either approach, it is proposed that an annual research budget be approved by the Ministerial Council for the period of the new Training Funding Agreement, to provide certainty and stability for the research programme and facilitate more strategic planning of research activities.

4 National Skills Framework

4.1 Quality: Our Highest Priority

It is vital that high quality training is available consistently throughout Australia.

High quality training has many beneficial outcomes. It ensures employer confidence that the skills of their workers meet current and emerging industry needs. It also provides students with skills which are highly valued and rewarded by employers, ensuring they can enter into and progress within the workforce.

Quality is also about catering for different learner needs. The learning styles of mature aged Australians, for instance, are different from those of young Australians entering training directly from school. Australia's training system incorporates the network of adult and community education (ACE) providers and relies on their ability to engage adult learners, including the mature aged, and those who are either not able or not adequately prepared to enter into formal training.

The new training system requires strong quality assurance mechanisms to ensure high quality training. This is not only to attain the benefits for Australian employers and students, but also to enhance our reputation overseas and increase Australia's international training market (both in off-shore and domestic delivery to international students).

The National Skills Framework will build on core elements of the National Training Framework - a national approach to qualifications through industry defined competencies, and a unified regulatory scheme. Continued focus on Training Packages is required to deliver the recommendations of the *High Level Review of Training Packages*.

The Australian Government is proposing a multi-faceted approach to quality. In addition to the National Skills Framework, it proposes to drive quality through consumer choice. An Institute for Trade Skill Excellence will be established in 2005. While not part of the formal regulatory framework for the national training system, it adds an important dimension to our approach to quality. It will provide an employer perspective on the quality of training in the traditional trades, acting as a consumer voice for clients of the system. As such, it will be an important driver of continuous improvement in training delivery, and a conduit for advice to governments and Industry Skills Councils on gaps or weaknesses in the trade training being offered. Further measures to drive quality through consumer choice are outlined in *Section 4.3.4 – Informed Choices in the Training Market*.

4.2 National Qualifications

4.2.1 Training Packages

Competency-based training will continue to be a priority of the training system. Training Packages define competency outcomes, assessment guidelines, and national qualifications which meet workplace skill requirements. Training providers can customise the delivery of Training Package competencies to suit the needs of different industries, individual enterprises and particular learners.

Nationally recognised qualifications are vital in ensuring that employers are confident that the standard of training and qualifications gained in one jurisdiction, or through one provider, will be consistent with that in another jurisdiction, or through another provider. Students also need assurance that their training and qualifications will be recognised by any employer in any jurisdiction in Australia.

Training Package Statistics

In December 2004 there were 81 Training Packages. A variety of industries, such as the caravan industry, transport and distribution, floristry, museums, outdoor recreation, rural operations, and beauty, have now developed structured national training as a result of the implementation of Training Packages. Many Training Packages contain skills sets and qualifications designed to support management needs in small and medium sized enterprises.

Despite the success and expansion of Training Packages across 80% of the workforce, more must be done to embed the competency approach in vocational education and training. For example, many New Apprenticeships still apply a time-based approach to training which bears little correlation to the actual time required to attain skills. The time-based approach is imposed by jurisdictions and industrial awards, and limits the flexibility of training to respond to demand for skills.

It will be a priority for the new national training system to move all qualifications to a genuine competency based approach. Similarly, the Australian Government will continue to work with State governments and other stakeholders to harmonise licensing arrangements with Training Package development and to achieve national consistency with the nominal hours for qualifications.

The *High Level Review of Training Packages* conducted in 2004 identified a number of initiatives to strengthen Training Packages. The implementation of these initiatives will be of the highest priority under the new training arrangements. These include:

- defining the responsibilities of key stakeholders for the development and review of Training Packages;
- overcoming organisational constraints affecting Training Package delivery;

- including employability skills in Training Packages;
- streamlining access to Training Packages;
- strengthening teaching, learning and assessment;
- increasing the take-up of Recognition of Prior Learning (RPL);
- designing Training Packages to align with regulatory and licensing requirements nationally; and
- reducing duplication and inconsistencies across Training Packages.

4.2.2 The Voice of Business and Industry in Defining Competencies

Industry Skills Councils (ISCs) were established during 2004. ISCs have a broad range of functions. They have primary responsibility for the development and maintenance of Training Packages and support products. They are also responsible for providing strategic advice on the current and future skills needs of their industries to the vocational education and training sector generally. This advice includes information on the drivers of demand for skills.

The Australian Government will maintain the ISCs. Following their recent establishment, the ISCs need time to bed-down their operations and demonstrate the benefits of considering skills development across a range of similar industries and minimising duplication across Training Packages.

DEST will take on the management of ISCs from 1 July 2005. Priorities for ISCs will include:

- rationalising Training Packages across industries and identifying cross-industry skills and units of competency to facilitate greater transferability of qualifications across industries and occupations;
- improving information and Training Package support materials for RPL, so that more options are available for existing workers seeking to have their skills recognised;
- maintaining an appropriate membership, including broad representation from employers and employees; and
- embedding employability skills and transparent assessment of these skills into Training Packages.

Once ISCs are operating effectively, they will be a key driver of increased flexibility and responsiveness in the training system, through the development of more flexible qualifications that can be customised to employer and individual skills needs without compromising quality or national consistency.

The current agreement that there be no accredited courses where there are Training Package qualifications will continue. There will be increased scrutiny of accredited courses to ensure this principle is rigorously applied.

4.2.3 Access to High Quality Training Materials

Training Packages and associated training materials are available from a number of sources. While this contributes to the diversity of materials to accommodate different learning needs, the variety of resources the trainer has to pull together adds unnecessary workload and potentially runs the risk of out-dated materials continuing to be used.

The quality and efficiency of the training market could be improved if access to training materials were simplified. The development, maintenance and updating of existing training materials would benefit from a structured national approach which avoids duplication of effort and encourages greater collaboration between product developers and a greater understanding of copyright issues. In addition, improved coordination between jurisdictions will result in easier identification of any gaps in material development in certain industries, better targeting of resources, and will ensure greater currency and relevance of training materials.

It is proposed that the functions of the two current government-owned companies which respectively distribute training materials and support copyright arrangements, Australian Training Products Limited (ATP) and AShareNet Limited (AESL), be combined into one government-owned company. The new company would be charged with developing an online 'one stop shop' or single entry point for users to identify and acquire training materials, read copyright requirements and enter licenses for the use of that material. Quality assured support products would be readily identifiable through the single entry point, which could encourage other developers to have their materials quality assured, further enhancing and ensuring the development of quality training materials.

The recent redevelopment of the National Training Information System (NTIS) will mean that training providers can easily download Training Packages from the internet. It is therefore expected that some distribution functions of ATP could be rationalised in the new company. The Resource Generator, which is an internet-based resource for trainers to access and customise training material could also be absorbed by the new company.

Both ATP and AESL receive public funding to support their operations. A detailed funding plan would be developed for the new government-owned company, reflecting an ongoing public funding contribution in the establishment phase and for any 'public good' role, supplemented by a 'user pays' approach to its commercially oriented operations. The new company could potentially take on a broader role than those of ATP and AESL. Its role could encompass the provision of advice to the Ministerial Council on strategies to develop data and interoperability standards in the sector to improve on-line access to training materials held in separate repositories across Australia.

Consideration could also be given to expanding its responsibilities to managing the NTIS and the VET Portal. Both the NTIS (the national on-line register for Registered Training Organisations (RTOs), qualifications and Training Packages) and the VET Portal (providing extensive training information and links on training), are also important for the training community in discovering and accessing support materials, and identifying the status of national providers and qualifications.

4.3 Quality Assurance

4.3.1 A National Approach to Training Quality

Consistency and quality of training delivery is of vital importance to employers, employees and other students in the training system.

It has been a major achievement of the training sector to put in place national standards for RTOs which apply to all training providers delivering and assessing training and issuing national qualifications, and national standards for State Registering/Course Accrediting Bodies, which bring a nationally consistent approach to the registration and audit of providers.

Legislation to support the national approach has been implemented in most jurisdictions but further work is required before there is a consistent approach across Australia. Similarly, further work is required following the recent review of the Australian Quality Training Framework (AQTF) which identified a number of areas where clarification and refinement of the standards was required.

The NTIS also remains central to quality as the official national register of all accredited training courses, RTO details and nationally endorsed Training Packages. From 1 July, DEST will take over the management of the NTIS. As noted in the previous section, however, one option would be to pass this responsibility to the proposed new government-owned company that would replace ATP and AESL.

While strengthening existing arrangements is an important step in assuring the quality of training, there is also a need to look at new initiatives to enhance the standing of training, provide the flexibility to cope with a changing educational environment, and help promote our international reputation for excellence in vocational education and training.

4.3.2 A National VET Quality Agency

A new national agency needs to be established to strengthen the training system's focus on quality and ensure that quality is consistent whether training is delivered in Australia or offshore.

One approach could be to establish a National Vocational Education and Training (VET) Quality Agency, based on the Australian University Quality Agency (AUQA) model, which would promote quality, conduct targeted audits of training providers, and report on quality assurance in the training sector. Consistent with arrangements for AUQA, the National VET Quality Agency could be formally established by the Ministerial Council and operate independently of governments and the training sector under the direction of a Board of Directors. It would be owned by, and receive, core operational funding from the Australian Government and State Ministers for training through the new Commonwealth-State Training Funding Agreement.

The key responsibilities of a National VET Quality Agency might include:

- developing a national framework for outcomes-based auditing to inform the future development of the AQTF. Outcomes-based auditing may include, for example, independent assessment of a sample of student outcomes against Training Package or accredited course competencies and satisfaction levels of employers;
- conducting strategic nationally coordinated audits, in all States, of high risk training areas, as determined by the new Ministerial Council; and
- auditing offshore training delivery. As the offshore activities of Australian RTOs expand substantially in the coming years, it will be appropriate and timely to have a greater focus on quality in offshore delivery. This will help to promote the international recognition of Australia as a provider of high quality education and training services and to maintain our position as an international leader in this area. To avoid duplication of State activity, it is intended that they agree to delegate or transfer their responsibilities for offshore audit to the new agency.

In addition, the National VET Quality Agency could be given a role of resolving complexities for both private and public RTOs which operate across a number of jurisdictions. Existing complexities include:

- inconsistencies between States in relation to applying 'national effect' to the registration of RTOs. To this end, the National VET Quality Agency might develop national guidelines for State operations, and undertake workshops and moderation processes involving all jurisdictions;
- inconsistencies between States in relation to additional regulation applied to 'User Choice' training through contractual requirements. To this end, the National VET Quality Agency might work with States to develop a single national 'User Choice' contract to ensure a consistent approach to any requirements that RTOs must meet to access 'User Choice' funding; and
- differing registration and audit processes in each jurisdiction. To this end, the National VET Quality Agency may, in time, take on the role of registering and auditing RTOs operating across jurisdictions, where this was sought by an RTO. It is expected that many RTOs would choose to remain registered within their home State and for national effect to continue to apply to that registration. However, others may prefer to be registered and audited by the National VET Quality Agency. It is expected that audits by the Agency would use auditors from a cross-section of the jurisdictions where the RTO was operating. It is recognised that changes to State legislation may be required for the National VET Quality Agency to take on this function.

In undertaking its responsibilities, the Agency would not duplicate the audit and registration functions of the States or increase regulation for training providers. Rather, it would undertake

complementary activities and enhance the emphasis on quality in the system. All its auditing would be to AQTF standards, through powers delegated or transferred by the States.

It is envisaged that the Agency would require a small number of permanent staff and would conduct most of its activity through commissioned work. It may choose to establish its own team of auditors, or to draw on State auditors as appropriate. Options exist for the agency to expand its operating base by offering auditing services to States.

A second option would be to establish a single Tertiary Education Quality Agency, with a separate arm for the vocational and higher education sectors. This would support a more coordinated approach to quality across the two tertiary sectors, and recognises that a growing number of institutions now offer both vocational and higher education qualifications and are therefore operating within two quite separate quality assurance regimes, which potentially increases the compliance burden. The important differences between the sectors, however, mean that this option may only be able to be pursued in the longer term. DEST will ask the higher education sector and AUQA to consider this proposal.

4.3.3 Organising for Quality

The National Training Quality Council (NTQC) has played an essential and valued role in advising the ANTA Ministerial Council on the National Training Framework policy and its implementation, overseeing training quality, and endorsing Training Packages.

In recognising the role of the NTQC and the value of its work, a key element of the proposed new National Skills Framework is that these functions would continue to be carried out either by a new body, to be known as the National Skills Agency, or as part of the functions of the National VET Quality Agency.

As a new body, the National Skills Agency would bring together representatives from business, industry, States, the Australian Government, the Australian Council of Trade Unions and an equity representative. Consistent with current arrangements for the NTQC, it is suggested that the governing body of the Agency would have a majority of industry members, and an industry chair. The Ministerial Council would approve an annual operating budget for the Agency, and its annual workplan.

National Skills Agency

Proposed Terms of Reference

The powers and authority of the proposed National Skills Agency could be assigned in legislation. Its roles may include:

- advising the Ministerial Council on the operation of the National Skills Framework, including Training Packages, AQTF standards and other quality assurance arrangements;
- endorsing Training Packages and stand alone competency standards;
- seeking ongoing improvement of Training Packages including by driving progress in implementing the recommendations of the *High Level Review of Training Packages*; and
- recommending approaches to improve national consistency within the operation of the National Skills Framework.

If established, it is proposed that the National Skills Agency would have a direct reporting line to the Ministerial Council. The agenda for each Ministerial Council meeting would include, as a standing item, a report from the National Skills Agency on its activities and its advice on the operation of the National Skills Framework. The National Skills Agency would also need to establish very close relationships with ISCs.

Alternatively, the functions of the proposed National Skills Agency could be assigned by the Ministerial Council to a new committee, with its responsibilities identified in the new legislation and Commonwealth-State Training Funding Agreement. Secretariat support could be provided by DEST, and an annual budget for its activities would need to be provided through the Training Funding Agreement.

In view of the need to streamline and simplify the national training system, another option may be to expand the role of the National VET Quality Agency to take on the proposed functions of the National Skills Agency. This would draw together all the national quality assurance functions into a single Agency, ensuring greater coordination across the sector. The composition of the Board or governing body of such an Agency would need to be configured to ensure no conflicts of interest arose as a result of the broader range of functions.

4.3.4 Informed Choices in the Training Market

Employers and students need information on the performance and quality of registered training organisations. It is proposed to expand the amount of publicly available data, so that employers, employees and other students can have continued confidence in the consistency and quality of training, and to continue to drive quality improvement in the services being delivered by RTOs.

Under the NTQC, work is already underway to establish improved performance data reporting. It is proposed that the National Senior Officials Committee establish an Action Group to finalise this work and identify any changes required to the AQTF or funding contracts with RTOs to enable

public reporting to occur. It is expected that industry would be actively involved in this work, either through representation on the Action Group or through the National Skills Agency. A priority will be to make the results of audits available in a nationally consistent way. States will be asked to implement strategies to enable the enhanced performance information to be publicly available progressively from 1 January 2006.

In addition to the outcomes of audits, the types of information that might be included in performance reporting include:

- details of an RTO's registration history (ie period of registration);
- data on its scope of provision, with breakdowns of student enrolments, module and qualification completion rates;
- employment rates for graduates;
- satisfaction rates of students and employers; and
- results of outcomes-based audits once developed and implemented.

Information would be made publicly available through the VET Portal, with responsibility for data entry determined by the nature of the data. For example, RTOs might enter details of their registration history (with sample checking undertaken by the State Training Authorities), details of an RTO's scope could be downloaded direct from the NTIS, and State Training Authorities could be responsible for entering information on audits, using nationally agreed categories and descriptors.

5 Summary

The Australian Government is continuing to build Australia's skills. The new arrangements outlined in this Directions Paper are intended to establish a streamlined, simpler, high quality training system. It will be led by business and industry and be more flexible and responsive to their needs and those of students. Successful elements of the existing arrangements are being maintained and strengthened, and their effectiveness will be enhanced through the range of new features being proposed.

Under the *National Governance and Accountability Framework*, the role of business and industry in the national training system will be clearly defined, committee structures will be minimised, and a simple framework for national planning, reporting and accountability will be established to apply over the period of each Commonwealth-State Training Funding Agreement, providing greater certainty and stability.

Through the *National Skills Framework*, a new approach to quality will be introduced, strongly focussed on the outcomes of training, and public reporting of those outcomes to inform employer and student choice. This will be achieved without increasing regulation in the sector. The priority for Training Package development and review will be more flexible training qualifications that can be customised to client needs, without compromising quality or national consistency. To support the activities of RTOs and other stakeholders, access to training material will be simplified through the establishment of a 'one stop shop' for identifying and acquiring training material.

Much of the change outlined in this Paper will require the cooperation of States and detailed work at officials' level throughout 2005 for implementation to occur from 1 January 2006. A high level of cooperation, and a shared commitment to a world class vocational education and training sector that is led by business and industry, have been hallmarks of the current national training system. New directions set out in this Paper will be built on similar cooperation and commitment.

6 Consultations

The Australian Government will undertake targeted consultations on the basis of this Directions Paper with key training stakeholders in February and March 2005.

The consultations will inform Government on preferred models for governance and accountability, regulating for quality, and maintaining industry leadership. The outcome of the consultations will also contribute to the final content of legislation and the Commonwealth-State Training Funding Agreement.

If you have enquiries about the Directions Paper or wish to obtain further information on the Consultation Process, please contact DEST at ANTATransition@dest.gov.au.

A copy of the Directions Paper is available at the following website: <http://www.dest.gov.au/>

A list of organisations that will be invited to participate in consultations is provided below.

<i>Australian, State and Territory Governments</i>
SA Department of Further Education, Employment, Science and Technology
NSW Department of Education and Training
VIC Department of Education and Training
QLD Department of Employment and Training
ACT Department of Education and Training
WA Department of Education and Training
NT Department of Employment, Education and Training
TAS Department of Education
State and Territory Training CEOs – joint forum
Secretaries of Australian Government Agencies – joint forum
<i>Industry Organisations</i>
Business Council of Australia (BCA)
Australian Industry Group (AiG)
Australian Chamber of Commerce and Industry (ACCI)
National Farmers Federation (NFF)
Australian Council of Trade Unions (ACTU)
Council of Small Business Organisations of Australia (COSBOA)
Industry Skills Councils – joint forum
Training and Technical Education Advisory Committee
<i>Client Advisory Groups</i>
Australian Disability Training Advisory Council (ADTAC)
Australian Indigenous Training Advisory Council (AITAC)
<i>Training Provider Organisations</i>
TAFE Directors Australia (TDA)
Australian Council for Private Education and Training (ACPET)
Group Training Australia (GTA)
Adult Learning Australia

<i>Other Stakeholders</i>
ANTA Senior Management Group
National Centre for Vocational Education Research (NCVER)
Australian Training Products (ATP)
AEShareNet
Australian University Quality Agency (AUQA)