



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

# Skilling Australia



**2005-2008 Commonwealth-State  
Agreement for Skilling  
Australia's Workforce**



**Australian Government**

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**Department of Education, Science and Training**

# **2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce**

**June 2006**

ISBN 0 642 77623 7  
ISBN (web) 0 642 77624 5

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## FOREWORD

As the Australian Government Minister for Vocational and Technical Education, I present the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce* (the Agreement). This represents shared priorities between the Australian and State and Territory Governments in partnership with business and industry for vocational and technical education in Australia. The Agreement is being tabled in accordance with requirements of the *Skilling Australia's Workforce Act 2005*.

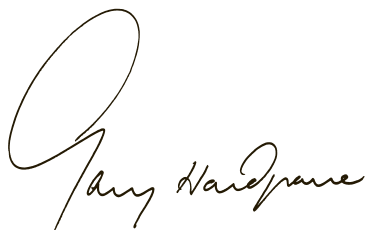
Through this Agreement States and Territories will receive record funding from the Australian Government of close to \$5 billion over the 2005-2008 quadrennium, including \$215 million of additional funding, and represents an annual average real increase of 4.1% compared to 2004. If the additional funding is matched by the States and Territories and used for training delivery, up to 128,000 additional training places will be created over the life of the Agreement.

Included with the Agreement is the Framework for the New National Training System. The Framework has been agreed between governments and was developed following consultation with business and industry as well as other stakeholders and sets out arrangements for the operation of a national approach to training.

The Australian public, business and industry is looking to the Australian Government to ensure the States deliver a truly national training system which addresses the nation's skills needs. Through the Agreement, the new framework for the national training system and a suite of Australian Government initiatives and programmes, the Australian Government is making record investment in skills development. The Australian Government's commitment to vocational and technical education is evident in the record take-up of apprenticeships and the drop in unmet demand over the last 10 years. In this time, the Australian economy has moved from a situation where unemployment was close to 9% in March 1996 to a position where in March 2006, the unemployment rate has declined to 5.1%<sup>1</sup>.

By signing up to the Agreement the States and Territories are backing the Australian Government's push for a truly national, business and industry-led vocational and technical education system. The National Training System includes a National Governance and Accountability Framework and a National Skills Framework to further ensure business and industry are actively engaged at all levels of the training system. It is vital the States and Territories now deliver on the commitments made in the Agreement which include maximising user choice for employers and apprentices, implementing more flexible employment arrangements for State-owned and operated TAFE's, achieving full implementation of competency-based training and increasing the utilisation of publicly funded training infrastructure.

Preparation of Australian workers for entry into and advancement in the workplace requires a new national training system where employers, business and industry play a central and critical role in developing training policies, priorities and training qualifications that deliver the skills employers need for the workforce of the future. I am confident the Agreement and our continued programme of reforms will ensure that Australia's vocational and technical education system remains a 'first class' option for Australians of all ages while providing the bedrock of our nation's continued economic prosperity and social well-being.



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

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<sup>1</sup> Australian Bureau of Statistics Bulletin 6260.0 Labour Force, Australia



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# 1. 2005-08 COMMONWEALTH-STATE AGREEMENT FOR SKILLING AUSTRALIA'S WORKFORCE

## PREAMBLE

This Agreement between the Australian, State and Territory Ministers responsible for vocational education and training sets out the terms and conditions of the Australian Government funding appropriated under its new vocational education and training legislation *Skilling Australia's Workforce* in respect of the period 1 July 2005 to 31 December 2008.

The Agreement recognises that a shared commitment of the Australian, State and Territory governments is essential to maintain an effective national training system that will deliver high quality, nationally consistent training outcomes for industry, communities and individuals.

The Agreement reinforces the commitment of the Australian, State and Territory governments to support the implementation of new national training arrangements from 1 July 2005. This Agreement also demonstrates the commitment of the Australian, State and Territory governments to work collaboratively in areas of national priority that support the long-term objectives for the training system as set out in *Shaping Our Future*, Australia's National Strategy for Vocational Education and Training 2004-2010.

Through this Agreement, the Australian, State and Territory governments will work cooperatively to ensure that the national training system is well placed to face the challenges confronting the nation, industry, community and clients. These challenges include:

- being responsive to industry skill needs, including in areas of current and emerging skill shortages – particularly in traditional trades;
- an ageing workforce – the training system must be able to re-engage mature age workers and provide training that suits their learning needs;
- changing technology and emerging industries – the training system must be able to equip the workforce with more flexible and adaptable skills;
- changing employment and work patterns – the training system must be able to respond flexibly to how and when clients want training;
- improving training outcomes for priority clients – improved service delivery is needed to help these clients realise their full potential and acquire skills for jobs relevant to the labour market;
- a greater focus on training quality and national consistency – so that clients can continue to have confidence in the training and qualification received; and
- raising the profile of vocational education and training – as a valid choice of further education and rewarding career path for young people and those wishing to re-enter the workforce.

This Agreement will build on the considerable achievements of the last decade, which include the success of the Australian National Training Authority and the training sector in establishing the foundations of an industry-led national training system.



## PURPOSE OF THE AGREEMENT

1. The Agreement creates the basis for a partnership between the Australian, State and Territory governments to work together to support new national training arrangements on a consensus approach. The Australian, State and Territory governments will work with industry to provide Australia with a highly skilled, productive and competitive workforce, and to equip individuals with the knowledge and skills they require to actively participate in work and society.
2. The Agreement reinforces a shared commitment between governments and industry to support national goals and objectives for vocational education and training (VET) identified in *Shaping Our Future*, Australia's National Strategy for Vocational Education and Training 2004-2010.
3. The Agreement identifies the National Priorities that the Australian, State and Territory governments will work cooperatively to address over the period of the Agreement.
4. The Agreement sets out agreed funding levels and the requirements that Australian, State and Territory governments will meet over the life of the Agreement.
5. Recognising the local diversity of States and Territories, the Agreement will provide a framework for bilateral agreements between the Australian Government and each jurisdiction that will identify National Priorities and performance levels relevant to each jurisdiction. These agreements will take effect from 1 January 2006 to 31 December 2008. A bilateral agreement template is at [Attachment A](#).

## NATIONAL GOALS AND OBJECTIVES

6. For the period of this Agreement the national objectives are:
  - (i) Industry will have a highly skilled workforce to support strong performance in the global economy.
  - (ii) Employers and individuals will be at the centre of VET.
  - (iii) Communities and regions will be strengthened economically and socially through learning and employment.
  - (iv) Indigenous Australians will have skills for viable jobs and their learning culture will be shared.

## NATIONAL PRIORITIES

7. The National Priorities for this Agreement are:
  - (i) Improving the system's responsiveness to rapid changes in demand for skills development and addressing skills shortages, especially in traditional trades and in emerging industries.
  - (ii) Delivering improved outcomes for employers, individuals and communities.
  - (iii) Improving quality.
  - (iv) Increasing participation and up-skilling mature age workers.
  - (v) Encouraging greater re-engagement in training by Australians who are not fully participating in the labour market.

## THE NEW NATIONAL TRAINING SYSTEM

8. Through this Agreement, the Australian, State and Territory Ministers are committing to build the national training system on five guiding principles:
  - (i) Industry and business needs, both now and for the future, drive training policies, priorities and delivery, including:
    - (a) industry and business directly influencing strategic directions of the training system, including training policy, delivery and planning decisions;

- (b) strengthening the role of industry and business in defining the competencies required in their workplace; and
  - (c) involving small and medium enterprises in decision making so that training meets the needs of all levels of industry and business.
- (ii) Better quality training and outcomes for clients, through more flexible and accelerated pathways, are assured by:
- (a) supporting greater flexibility in Training Package qualifications and New Apprenticeship arrangements;
  - (b) moving to a genuine competency-based approach for all training qualifications;
  - (c) supporting effective User Choice arrangements;
  - (d) enhancing the national approach to managing quality;
  - (e) supporting more informed consumer choices;
  - (f) strengthening the voice of clients, both students and employees, in the training system;
  - (g) ensuring that VET meets the needs of all students regardless of background so that disadvantaged clients are increasingly engaged in the training system;
  - (h) meeting the needs of employers and students in regional Australia;
  - (i) improving the collection and reporting of data on the performance of the national training system; and
  - (j) introducing a strong focus on the outcomes of training.
- (iii) Processes should be simplified and streamlined to enhance national consistency by:
- (a) eliminating unnecessary regulation for registered training providers;
  - (b) establishing a single point of on-line access to training materials;
  - (c) simplifying access to information on training for clients, including on the performance of registered training providers;
  - (d) replacing the current committee and working group structures with a small number of national action groups to provide specialist advice to the Ministerial Council for Vocational and Technical Education; and
  - (e) streamlining public planning and reporting arrangements.
- (iv) Young people have opportunities to gain a wide range of lasting skills that provide a strong foundation for their working lives by:
- (a) ensuring that the training system offers flexible learning pathways leading to nationally recognised qualifications; and
  - (b) making VET an attractive option and improving pathways so it can be considered an 'equal choice'.
- (v) Training opportunities are expanded in areas of current and expected skills shortage, including through:
- (a) improving the capacity of industry and business to determine relevant skills needs; and
  - (b) making VET more demand driven to ensure it is meeting the strategic needs of the Australian economy.
9. The national training system includes a National Governance and Accountability Framework and a National Skills Framework. Business and industry are actively engaged at all levels of the training system.
10. The National Governance and Accountability Framework and the National Skills Framework, agreed by the Ministerial Council for Vocational and Technical Education to apply from 1 July 2005, will apply for the full

period of the Agreement and can only be changed through consensus decision of the Ministerial Council for Vocational and Technical Education.

### ***National Governance and Accountability Framework***

11. The Australian, State and Territory Ministers will work collaboratively to support the National Governance and Accountability Framework, which 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.
12. The key bodies supporting the National Governance and Accountability Framework are:
  - (i) the Ministerial Council for Vocational and Technical Education;
  - (ii) the National Industry Skills Committee;
  - (iii) the National Senior Officials Committee; and
  - (iv) specific purpose national action groups.

### ***National Skills Framework***

13. The Australian, State and Territory Ministers will work collaboratively to support the National Skills Framework, which sets out the system's requirements for quality and national consistency in terms of qualifications and the delivery of training. The Framework also covers national arrangements for quality assurance – including the registration and auditing of training providers – and for the development and review of training qualifications.
14. The National Quality Council monitors quality assurance procedures in the vocational education and training sector, and ensures national consistency in the application of the standards for auditing and registering VET providers under the Australian Quality Training Framework.
15. The National Quality Council workplan will be approved by the Ministerial Council for Vocational and Technical Education and funded on a three year basis from the Strategic National Initiatives fund.

## **ROLES AND RESPONSIBILITIES OF PARTIES TO THE AGREEMENT**

16. Noting that this Agreement should be read with reference to relevant Australian Government and State/Territory legislation and the need to implement arrangements to avoid duplication and overlap, the following roles and responsibilities are agreed.

### ***Ministerial Council for Vocational and Technical Education***

17. The Ministerial Council for Vocational and Technical Education comprises the Australian, State and Territory Ministers responsible for vocational education and training.
  - (i) The Australian Government is represented by both the Minister for Education, Science and Training and the Minister for Vocational and Technical Education. The Australian Government chairs the Ministerial Council for Vocational and Technical Education.
  - (ii) The Australian Government has two votes, each State/Territory has one vote and the Chair has a casting vote. All matters are decided by a simple majority.
  - (iii) The Ministerial Council for Vocational and Technical Education meets at least once a year and is supported by an independent secretariat, hosted in an organisation agreed by the Ministerial Council for Vocational and Technical Education. The Secretariat to the Ministerial Council for Vocational and Technical Education will report to the Chair of the Council.
  - (iv) The Ministerial Council for Vocational and Technical Education has overall responsibility for strategic policy, priority setting, planning and performance for the national training system, including:

- (a) approving the national strategy for VET including national objectives, priorities and performance measures;
- (b) maintaining strong industry leadership and engagement in the national training system;
- (c) establishing arrangements for the delivery of nationally consistent, high quality VET;
- (d) responding to business, industry and stakeholder advice on issues impacting on the national training system, particularly ways to improve training outcomes;
- (e) ensuring the national strategy and supporting arrangements take account of the strategic needs of the Australian economy, particularly in the areas of workforce planning and skills shortages;
- (f) approving national research priorities;
- (g) monitoring the effectiveness of policies and strategies for the national training system;
- (h) addressing strategic areas of overlap between the training, higher education and employment sectors, such as skills forecasting, workforce planning (including skills shortages) and articulation between the tertiary sectors;
- (i) agreeing the principles to be applied for the allocation of funding and approving the allocation of that funding on an annual basis;
- (j) approving allocations under the Strategic National Initiatives fund; and
- (k) being accountable for the expenditure of Government funds, including through the Annual National Report, to all Parliaments in Australia.

### ***State Training Agencies***

18. The principal role of State/Territory training agencies is to address, within the national framework, the training needs and priorities of the respective State/Territory government and its industry and community.
19. In addition to their State/Territory based roles and responsibilities, State/Territory training agencies are committed to, and actively involved in, the national VET system through:
- (i) Providing advice to the respective Minister on all aspects of the national VET system;
  - (ii) Participating in the processes for the formulation of national strategic policy, national planning and national objectives and priorities;
  - (iii) Consulting with, and supporting, industry and client networks at the State/Territory level;
  - (iv) Providing advice to the respective Minister on resource allocation at the State/Territory level, including State/Territory VET Plans and decisions on User Choice funding; and
  - (v) Ensuring the effective operation of the training market within the State/Territory.

### ***Australian Government Department Responsible for VET***

20. The Australian Government Department responsible for VET has the following role in the national VET system:
- (i) Providing advice to Australian Government Ministers on all aspects of the national VET system, including:
    - (a) its responsiveness to emerging national economic and social priorities;
    - (b) improved pathways between educational sectors through linkages between schools, VET and higher education; and
    - (c) determining the global level of Australian Government resources for the VET sector;
  - (ii) Participating in the processes for the formulation of national strategic policy, national planning, and national objectives and priorities;

- (iii) Managing Australia's bilateral relationships with other Australian Government agencies, and Australia's participation in relevant international organisations;
- (iv) Administering arrangements for accountability to the Federal Parliament on the national training system, including:
  - (a) Australian Government VET expenditures; and
  - (b) the performance of the national training system;
- (v) Facilitating, with the States/Territories, co-operation between education and training providers in international marketing;
- (vi) Managing payment of Australian Government funds to the States and Territories; and
- (vii) Determining Industry Skills Councils.

## NATIONAL PLANNING

- 21. A national strategy provides the long term planning and strategic direction for vocational education and training.
- 22. The current long term planning and strategic directions are set out in *Shaping Our Future, Australia's National Strategy for Vocational Education and Training 2004-2010*. This will be reviewed by the Ministerial Council for Vocational and Technical Education in light of the new arrangements for the national training system.

### *State/Territory VET Plans*

- 23. Each State and Territory is required to provide a VET Plan to the Ministerial Council for Vocational and Technical Education. The content of State/Territory VET plans is a matter for each individual State/Territory to determine, however, it needs to meet the requirements of clauses 24-26.
- 24. Each VET Plan will comprise:
  - (i) The State/Territory's plans to meet the statutory requirements set out in the Commonwealth vocational education and training legislation *Skilling Australia's Workforce*, such as maximising choice for employers and new apprentices, workplace reforms in TAFEs, competency-based training and increased utilisation of publicly funded training infrastructure. The plan must also include details of the client advisory arrangements the State/Territory will maintain to ensure that the views of all students, particularly disadvantaged students, are considered in training planning and delivery;
  - (ii) The State/Territory's plans to meet the requirements set out in this Agreement, including responding to the National Priorities set out in clause 7, achieving national targets and delivering against national key performance measures;
  - (iii) The State/Territory's plans to meet the requirements of its bilateral agreement, including State-specific targets and performance measures;
  - (iv) Notification of the distribution of total VET activity planned to be achieved annually by industry, that has been agreed with their State Training Authority;
  - (v) The estimated number of New Apprenticeships commencements and New Apprentices in training;
  - (vi) The State/Territory Infrastructure Plan;
  - (vii) Strategies to improve the participation of parents and older workers in training that would assist them to find employment; and
  - (viii) Plans for expenditure of VET in Schools funding and how it relates to the six principles agreed by the Ministerial Council for Vocational and Technical Education.

25. The State/Territory VET Plan must include an agreed use of Australian Vocational Education and Training Management Information and Statistical Standards (AVETMISS).
26. The State/Territory VET Plans may be developed on an annual basis or as a three year plan that is updated annually.
27. States and Territories are accountable for submitting a State/Territory VET Plan that meets the requirements of clauses 24-26 and delivering the outcomes in that Plan.
28. Annual State/Territory VET Plans will be forwarded by States and Territories for consideration and recommendation by the Ministerial Council for Vocational and Technical Education before approval by the Australian Government Minister.

### ***Annual National Training Outlook***

29. The Australian Government will develop and publish the Annual National Training Outlook which will establish a national picture of planned activity, including Australian, State and Territory government training initiatives outside of this Agreement.
30. The Annual National Training Outlook will include an analysis of any gaps in planned training activity and will be published on the national training website managed by the Australian Government.

## **NATIONAL REPORTING REQUIREMENTS**

### ***Annual National Report***

31. The Annual National Report will provide the basis for reporting against the National Strategy and the National Priorities, including against the agreed key performance measures. It will also include a report from each State and Territory on:
  - (i) Relative efficiency (using the approach adopted for the Annual National Report for 2003 based on adjusted unit costs);
  - (ii) The effectiveness of the operation of the Australian Quality Training Framework using an approach agreed by the Ministerial Council for Vocational and Technical Education; and
  - (iii) The implementation of training packages and the extent to which Registered Training Organisations (RTOs) are using training packages to respond to clients' needs at the local level.
32. The Report will be the mechanism for reporting to the Federal Parliament on the operation of the national VET system. To ensure its effectiveness as a national accountability mechanism, the Australian Government will have capacity to arrange for independent verification of any information or data provided by the States and Territories for inclusion in the Report.
33. A short-term Steering Committee involving the Australian, State and Territory governments will be established annually to oversee the preparation of the Annual National Report. The Annual National Report will be approved by the Ministerial Council for Vocational and Technical Education. It will be tabled in both Houses of the Federal Parliament and available to be tabled in any State and Territory parliament, and published on the national training website.

### **State Reporting Requirements**

34. States and Territories will build into their State/Territory VET Plans a report on an annual basis on progress of all matters in their VET Plans that will not be reported in the Annual National Report, including compliance with statutory conditions set out in the Skilling Australia's Workforce legislation.

## FUNDING REQUIREMENTS

35. States and Territories are required to comply with the requirements in the Skilling Australia's Workforce legislation.
36. States and Territories are required to comply with the bilateral agreement between the Australian Government and their State/Territory, which specifies the application of National Priorities and establishes performance levels that are relevant to their jurisdiction.

### *National Initiatives*

37. The Australian, State and Territory governments commit to funding as Strategic National Initiatives over the life of this Agreement various initiatives to support National Priorities and to ensure the national training system is well positioned to meet the evolving needs of business, industry, individuals and the community, including:
- (i) A new Commonwealth-State Skills Shortage Initiative that will build on the National Skills Shortages Strategy, with details to be specified in the bilateral agreements;
  - (ii) A joint national campaign to improve public perceptions of vocational education and training, particularly the traditional trades;
  - (iii) A national Recognition of Prior Learning (RPL) Initiative to fund infrastructure and resources to increase the uptake of RPL;
  - (iv) A joint funding pool to improve outcomes for Indigenous Australians, particularly in regional and remote locations, with details to be specified in the bilateral agreements; and
  - (v) The establishment of a National Quality Council as a Committee of the Ministerial Council for Vocational and Technical Education, to oversee quality assurance of the training system.
38. The Australian, State and Territory governments also commit to participating in the following Strategic National Initiatives over the life of this Agreement:
- (i) A review of infrastructure funding arrangements that examines major capital and Industry Skill Centres funding, giving particular consideration to:
    - (a) industry specialisation;
    - (b) innovation;
    - (c) the establishment of industry centres of excellence; and
    - (d) value for money.
  - (ii) A review of resourcing arrangements for vocational education and training, giving particular consideration to:
    - (a) identifying and modelling the impact of various policy drivers on demand for VET;
    - (b) the balance of public and private investment in VET; and
    - (c) fees policies to ensure more equitable access to VET and to minimise the impact of any fees changes.
39. In addition, States and Territories agree to implement the national policies set out in the Australian Quality Training Framework standards to:
- (i) Improve the consistency, quality and responsiveness of providers of vocational education and training;
  - (ii) Improve the standards for auditing and monitoring providers of vocational education and training; and
  - (iii) Improve the standards for recognition of qualifications provided by providers of vocational education and training.
40. In relation to clause 39, States and Territories agree to:



- (i) Fulfil the auditing and monitoring responsibilities required under the Australian Quality Training Framework to a high standard;
- (ii) Achieve a significant improvement in the national consistency of registration and audit activities by 30 June 2006;
- (iii) Support the development of an outcomes-based audit model, to be implemented in 2006;
- (iv) Implement model clauses in order to achieve nationally consistent legislation underpinning vocational education and training quality assurance and regulation;
- (v) Agree to nationally consistent nominal hours for units of competency for the purposes of reporting activity under this Agreement;
- (vi) Implement arrangements to enable public reporting of the outcomes of RTO audits; and
- (vii) Support the implementation of the outcomes of the High Level Review of training packages to strengthen the quality and delivery of training packages.

### ***National Targets***

41. States and Territories are required to increase the number of training places nationally in the following areas over the life of the Agreement, the details of which will be clarified in the bilateral agreements:
- (i) 10,000 additional places for New Apprentice commencements in skills shortages in traditional trade areas (AQF III and IV), with details of specific trade areas in the bilateral agreements;
  - (ii) 10,000 additional training places in other skill shortage areas, eg. child care and aged care, with details of specific skills shortage areas in the bilateral agreements;
  - (iii) 26,000 additional training places over three years for mature age people and/or youth, with proportions to be agreed in the bilateral agreements;
  - (iv) 10,000 additional training places over three years for people with a disability;
  - (v) Additional training places in regional and remote locations for Indigenous Australians; and
  - (vi) An overall increase in participation of Indigenous Australians at higher qualification levels, specifically at Certificate level III and above.
42. It is agreed that the targets will be reviewed if there are significant shifts in Australian Government policy or other factors beyond the control of the States and Territories that impact on their capacity to meet targets.
43. States and Territories will have the flexibility to manage New Apprenticeships activity to enable these targets to be met. The targets may be achieved without an overall increase in New Apprenticeship numbers.

### ***Improved Outcomes***

44. *Shaping Our Future*, Australia's National Strategy for Vocational Education and Training 2004-2010 sets out the agreed key performance measures for the national training system. State and Territory performance will be reported against each of these performance measures.
45. The States and Territories also agree to establish and report on State-level key performance measures specific to this Agreement to:
- (i) Achieve continuous improvement in employer and student satisfaction, with benchmarks to be established in the bilateral agreements; and
  - (ii) Implement strategies to improve completion rates and outcomes for mature age workers, Indigenous Australians and people with a disability, with details to be included in the bilateral agreements.



## **Infrastructure**

46. Each State and Territory will have the flexibility to use its share of the allocation for major capital purposes (National Training Infrastructure Programme) for recurrent purposes to achieve additional VET activity. The additional VET activity funded from this flexibility, commensurate with funds reallocated to recurrent purposes, will be over and above the base level of VET activity agreed in clause 62. Details will be included in the bilateral agreements.
47. To receive their share of Infrastructure funding States and Territories will adhere to the Infrastructure Guidelines (see Attachment B). The Australian Government has discretion to withhold or delay future Infrastructure payment(s) if the Infrastructure Guidelines are not adhered to.

## **FUNDING**

### ***Australian Government Funding***

48. The Australian Government will maintain in real terms for the duration of the Agreement, funding in line with the 2005-06 Budget forward estimates.
49. This is the funding appropriated under the Skilling Australia's Workforce legislation and amounts to \$4.4 billion for 2005-08. This is in addition to \$577.1 million that has already been paid to the States and Territories for the period 1 January to 30 June 2005 under the ANTA Agreement for 1 January 2001 to 30 June 2005.
50. The distribution of these funds and indexation between States and Territories will be agreed by the Ministerial Council for Vocational and Technical Education.

### **Base funding**

51. The Australian Government recurrent base for the new Agreement rolls the previous Additional Growth funds and Australians Working Together funds into the recurrent base. The Australian Government base funding for the 2005-08 Agreement is the allocation for 2004 plus indexation.

### **Additional funding**

52. The Australian Government will provide additional funding of \$215.0 million, including indexation, over the life of the Agreement to support national initiatives, increase the number of training places, assist parents and older workers to undertake training to help them re-enter the workforce and improve outcomes for priority groups.
53. The amount of additional funding to be used for recurrent purposes and strategic national initiatives to support activities under clauses 37-38 will be agreed by the Ministerial Council for Vocational and Technical Education.

### **Distribution**

54. The Australian Government base recurrent funding will be allocated among the States and Territories as agreed by the Ministerial Council for Vocational and Technical Education.
55. Indexation and additional recurrent funding under the Agreement will be distributed on the basis of a jurisdiction's share of the working age population in line with the estimates for July 2004. Detailed information is available in the National Funding Framework (Attachment C).
56. During the course of the Agreement, States and Territories agree to explore options for a revised, more sophisticated funding model which takes account of the changing circumstances in States and Territories,

including differing industry needs, innovation in industry, contributions to gross domestic product, differing equity needs and demographic factors.

## **Release of funds**

57. The release of Australian Government funding to the States and Territories will be tied to the conditions set out in this Agreement, including performance against their State/Territory VET Plan, performance against the targets and key performance measures, and compliance with the planning and reporting requirements established in this Agreement.

## **Discretionary Powers**

58. Where States and Territories fail to meet some or all of the requirements specified in this Agreement, the Australian Government Minister has the discretion to:

- (i) Determine what proportion of the Australian Government funding is payable to any State or Territory that satisfactorily meets some but not all of the requirements;
- (ii) Withhold or delay a proportion of the Australian Government funding where the requirements of the National Funding Framework are not met; and
- (iii) Determine how any funding that is withheld from a State or Territory will be allocated and will only reallocate it to other States or Territories where those Governments have agreed to provide an equal amount of funding.

59. In exercising this discretion the Australian Government Minister will take into account:

- (i) The extent to which the State/Territory has complied with the above requirements;
- (ii) The extent to which the State/Territory has put in place strategies in an attempt to meet all of the above requirements;
- (iii) Any mitigating circumstances put forward by the State/Territory, such as matters beyond the control of the State/Territory; and
- (iv) Any of the above requirements where the State/Territory's performance has exceeded what was required.

## ***State/Territory Government Funding***

### **Base funding and activity**

60. The States and Territories' recurrent base for the new Agreement rolls the previous matched Additional Growth funds into the recurrent base. The States and Territories' base funding for the Agreement is the planned amount for 2004 plus indexation.

61. The States and Territories agree to maintain base recurrent funding in real terms for the duration of the Agreement.

62. The States and Territories agree to maintain their base activity level, over the life of this Agreement. The new activity base is the required activity from both Base Recurrent and Additional Growth in 2004 with any adjustments agreed through the ANTA Directions and Resource Allocations for 2005 or as part of the bilateral negotiations.

### **Additional funding and activity**

63. Each year the States and Territories will provide additional funding equal in real terms to their share of the Australian Government additional funds of \$176.0 million (including indexation) over the life of the Agreement. Detailed matching requirements are in the National Funding Framework.

64. States and Territories are asked to provide additional funding equal in real terms to their share of the additional \$39.0 million provided by the Australian Government under the Welfare to Work budget measure.
65. If a State or Territory gives a commitment to provide only part of its share of additional funding, it will receive Australian Government funding equal to that part.
66. The amount of additional State/Territory funding to be used for recurrent purposes and Strategic National Initiatives to support activities under clauses 37-38 will be agreed by the Ministerial Council for Vocational and Technical Education.
67. The hours of additional activity to be achieved by each State or Territory will be costed at the latest available funding per hour for the particular State or Territory or at the national average funding per hour, whichever is the greater. A State or Territory may negotiate its future additional activity required each year if it can demonstrate it is shifting into higher cost areas consistent with agreed National Priorities.

### **Distribution of surplus funding**

68. If a State or Territory declines to provide some or all of the additional State-sourced funding, or should the Australian Government Minister decide to withhold a portion of a State/Territory's share, the Australian Government Minister may reallocate the surplus amount that would have been that State or Territory's share (or part thereof) of the additional Australian Government funding to other States or Territories, subject to those States or Territories agreeing to provide an equal amount of State-sourced funding and increase VET activity levels commensurately.
69. The additional VET activity funded from the surplus additional funds and matched State funds will be over and above current outputs or outcomes for standard additional funds (as set out in clause 67). The amount of surplus and matched funding and level of additional activity to be achieved will be detailed in the bilateral agreements.

## **TRANSITIONAL ARRANGEMENTS**

### **2005 funding**

70. As this Agreement only takes effect from 1 July 2005, in respect of any items that relate to the period 1 January to 2005 to 30 June 2005, the States and Territories are required to comply with the funding conditions set out in the 2001-05 ANTA Agreement including the requirement to match additional Commonwealth growth funds and provide additional activity as set out in the *Addendum Directions and Resources Allocation Report for 2005*.
71. The States and Territories are also required to comply with any new requirements which are applicable to 2005 under this Agreement.

## DRAFT TEMPLATE

### Bilateral Agreement between The Australian Government and [State/Territory]

### under the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce

#### Purpose

1. This bilateral agreement underpins the collaborative intent of the new national training arrangements. It creates the basis for a partnership between [State/Territory] and the Australian Government to advance national and State priorities for vocational and technical education, and ensure that the training sector performs at the highest possible level and meets the needs of industry, individuals and communities within [State/Territory].
2. In this bilateral agreement, [State/Territory] and the Australian Government are establishing those areas where they will work together, and the manner in which they will engage in a collaborative effort to improve training outcomes for clients of the national training system.
3. This bilateral agreement also details the State-specific elements of the *Commonwealth-State Agreement for Skilling Australia's Workforce* that will apply in [State/Territory].
4. This bilateral agreement applies in respect of the period 1 January 2006 to 31 December 2008. In recognition of the dynamic nature of industry and the training sector, it will be reviewed annually to take account of changing local priorities.

#### [State/Territory] Priorities

This section provides the opportunity for the State/Territory to indicate its priorities for vocational and technical education, taking account of:

- State economic development priorities;
- Industry development strategies;
- Regional initiatives; and
- Other State policies/priorities/strategies/initiatives.

While many of these priorities will fall within the framework of the *Commonwealth-State Agreement for Skilling Australia's Workforce* and the associated National Strategy and National Priorities for 2005-08, they may also go beyond this.

This section of the bilateral agreement will provide the context for the [State/Territory] Annual VET Plan.

#### Engagement and Cooperation

The section provides the opportunity for the State/Territory and the Australian Government to set out how they will work together.

It may set out, for example, the State's/Territory's governance structures and its mechanisms for engaging with industry, clients, providers and qualifications authorities, and how the Australian Government will deal with these bodies, for example directly or through the State/Territory Training Department.

This section would also identify areas where the State/Territory and Australian Government will work collaboratively or in partnership, for example through existing MOUs for the shared delivery of New Apprenticeship services.

## State-specific Elements of the Commonwealth-State Agreement for Skilling Australia's Workforce

### *Strategic National Initiatives*

5. State/Territory will work with local industry and community to support the following Strategic National Initiatives:

[The bilateral agreement will outline:

- (i) The State/Territory's participation in the Commonwealth-State Skills Shortage Initiative, including project details, the industries/occupations that will be targeted and funding amounts; and
- (ii) The State/Territory's funding contribution to the Joint Indigenous funding pool to improve outcomes for Indigenous Australians and its participation in the management of the fund.]

### *National Targets*

6. State/Territory will meet its share of the national targets set out in the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*. In meeting its share, the State/Territory will specify the base year (either 2003 or 2004) from which all its targets will be achieved. The targets for State/Territory are as follows:

- (i) Additional New Apprentice commencements in skills shortages in traditional trades

[The bilateral agreement will specify:

- (a) the State/Territory share of the national target based on the State/Territory share of working age population; and
- (b) which trade occupations the State/Territory target will be achieved in, drawn from the latest DEWR National and State Skills Shortage List and other emerging occupations/skills shortage areas.]

- (ii) Additional places in other areas of skills shortage:

[The bilateral agreement will specify:

- (a) the State/Territory share of the national target based on the State/Territory share of working age population; and
- (b) which occupations and qualifications the State/Territory target will be achieved in, drawn from the latest DEWR National and State Skills Shortage List and other emerging occupations/skills shortage areas.]

- (iii) Additional places for mature age people and/or youth:

[The bilateral agreement will specify:

- (a) the State/Territory share of the national target based on the State/Territory share of working age population; and
- (b) the proportion of target for mature age people and youth (if any).]

- (iv) Additional places for people with a disability:

[The bilateral agreement will specify:

- (a) the State/Territory share of the national target based on the State/Territory share of working age population.]

- (v) Additional places in regional and remote locations for Indigenous Australians (if applicable to the State/Territory):

[The bilateral agreement will specify:

- (a) the level of target the State/Territory aims to achieve;
- (b) the regional/remote locations where the targets will be achieved; and
- (c) how the State/Territory proposes to achieve this target.]

(vi) Increased participation by Indigenous Australians at higher qualification levels:

[The bilateral agreement will specify:

- (a) the level of increase in Certificate level III and above the State/Territory will achieve; and
- (b) how the State/Territory proposes to achieve this target.]

## PERFORMANCE MEASURES

7. State/Territory will demonstrate continuous improvement in employer and student satisfaction over the life of this bilateral agreement through the following:

[The bilateral agreement will specify:

- (i) The agreed benchmark for employer satisfaction and strategies to maintain or improve this over the life of the Agreement;
- (ii) The agreed benchmark for student satisfaction and strategies to maintain or improve this over the life of the Agreement;
- (iii) Strategies to improve completion rates and outcomes for mature age workers;
- (iv) Strategies to improve outcomes for people with a disability and performance measures for each strategy; and
- (v) Strategies to improve outcomes for Indigenous Australians and performance measures for each strategy.

[Note: An action group will be established to develop the suite of strategies and performance measures that States and Territories will select from to address the priorities in the Revised Blueprints].

## INFRASTRUCTURE

8. [The bilateral agreement will specify the amount, if any, of infrastructure funding (major capital) a State/Territory will use for recurrent purposes and the additional activity to be delivered commensurate with the level of converted funding.]

## ACTIVITY

9. [The bilateral agreement will specify any agreements negotiated between the State/Territory and the Australian Government to adjust the State/Territory's overall activity requirement due to shifts of training activity into higher cost areas, including shifts to higher cost locations, clients and qualifications.]

## ADDITIONAL FUNDING

10. [Where a State/Territory receives additional Australian Government funding because another jurisdiction has failed to provide some or all of the additional State-sourced funding, the bilateral agreement will specify the amount of additional funding that will be reallocated to the State/Territory, the matching requirement and the level of additional activity to be achieved.]

## OTHER

11. [This clause may be used for any other areas the State/Territory wishes to negotiate, such as strategies to support innovation in training.]

# Attachment B – Part 1

## 2005-08 COMMONWEALTH-STATE AGREEMENT FOR SKILLING AUSTRALIA'S WORKFORCE NATIONAL TRAINING INFRASTRUCTURE GUIDELINES

The purpose of the Infrastructure Guidelines is to outline State and Territory accountability and planning requirements with respect to the National Training Infrastructure Programme funding under the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*. This document updates arrangements that existed under the (2001-2003) New Accountability Framework (NAF) and includes the *2005-08 Protocols for Recognition of Australian Government Assistance for Training Infrastructure Projects*.

The NAF described planning and accountability arrangements for training infrastructure until the end of 2003. These Guidelines have been developed to provide a full document that updates the NAF and includes the infrastructure accountability and planning requirements expected of States and Territories under the 2005-08 Agreement. New arrangements will come into effect on 1 January 2006 (following the strategic review of infrastructure).

These Guidelines incorporate some elements of the NAF and new arrangements designed to improve accountability and consistency with respect to Australian Government national training infrastructure funding including:

- Detailed reporting of infrastructure projects:
  - Anticipated start and completion dates;
  - Funding details, including sources, levels and allocation/approval dates;
  - Description and purpose of infrastructure;
  - Federal electorate details; and
  - Contact details of State/Territory programme managers and funding proponents.
- Application of major capital funding to a balanced range of projects exceeding \$250,000.
- Revised protocols for recognition of Australian Government funding, including sanctioning arrangements for non-compliance with the protocols.

States and Territories wishing to access Australian Government infrastructure funding will be required to comply with the National Code of Practice for the Construction Industry and the Australian Government Implementation Guidelines where:

- The value of the Australian Government grant for the particular project is at least \$5 million and represents at least 50 per cent of the total project value; or
- The Australian Government grant for the particular project is \$10 million or more.

### ANNUAL INFRASTRUCTURE PLAN

States and Territories will provide detailed project information to the Australian Government on major and minor capital projects in Annual Infrastructure Plans (AIPs).

As a minimum, States and Territories will provide the following information on a project basis:

- Anticipated start and completion dates;
- Funding details including all sources, levels and allocation/approval date;
- Description and purpose of infrastructure;
- Federal electorate details; and



- Contact details of State/Territory programme managers and funding proponents.

AIPs will be provided in January to the Department of Education, Science and Training (DEST). States and Territories will be expected to update information every six months, with quarterly updates and advice on an exception basis.

Following receipt of the AIP, the Australian Government Minister will approve the Plans and may announce project funding. Approval of the AIPs will trigger release of infrastructure funds by DEST to States and Territories, except in instances where breaches of the protocols prompt a delayed payment. This is explained under the 'Discretion to Sanction' section of this document.

States and Territories should provide AIPs in hard copy to DEST until a more convenient and robust reporting tool is developed (as part of the Strategic Review of infrastructure scheduled in the second half of 2005). AIP templates are available from DEST.

## STRATEGIC INFRASTRUCTURE PLAN

The Strategic Infrastructure Plan (SIP) is a three-year planning document, introduced under the NAF and a continuing accountability requirement under the 2005-08 Agreement.

By developing a SIP, States and Territories are being encouraged to continue to manage infrastructure funds in a forward looking manner. The SIP complements the AIPs by ensuring States and Territories' infrastructure planning is responsive to future trends in the training sector.

The existing cycle of submitting and updating SIPs in August each year continues to apply. The following structure has been developed for SIPs. Templates are available from DEST.

- *Executive Summary*  
This section should summarise the broad direction of the SIP and highlight significant achievements, key issues or major strategies. It will also emphasise the significance, purpose and future use of the Plan.
- *Strategic Directions*  
This section should highlight the strategic drivers of the National Training Infrastructure Programme, through references to existing State/Territory and national training strategies and directions, and identify and explain the implications of these for strategic asset planning.
- *Current Environment*  
This section should give an assessment of the current situation in relation to training infrastructure including: an analysis of whole-of-government policies that impact on asset management; aggregated information on the scope, age, condition and performance of existing assets; and a broad outline of non-publicly owned training facilities in the State/Territory.
- *Future Infrastructure Plans*  
This section is the main focus of the document. Subsections within the section should outline the infrastructure planning process and describe the agency's strategies for managing infrastructure. It is anticipated that information on strategies for physical infrastructure, IT infrastructure, maintenance management, acquisition and disposal, leasing and equipment will be drawn from existing plans or strategies within the State/Territory. A subsection on collaborative partnerships and innovation should include information on any private sector investment in training infrastructure and partnership arrangements. A final sub-section on non-public providers should outline any strategies that may be in place for infrastructure investment in non-public providers, including industry or community providers, and consider the role of the Skill Centre sub-components of the National Training Infrastructure Programme within infrastructure planning.
  - o All planned or commenced projects involving Australian Government funding, for the period of the SIP, should be included in this section.



- *Budget implications*

This section should be used to consider whether funds are likely to be available over the three-year period to allow achievement of the strategies outlined in the Plan. It should be used to explore adjustments or options that could be adopted depending on the level of funding available.

- Plan and report against:
  - o Maintenance Backlog;
  - o Expenditure; and
  - o Utilization.

Further information on the SIP, including sample Plans, can be obtained from DEST.

## **APPLICATION OF MAJOR CAPITAL FUNDING**

States and Territories will be expected to apply Australian Government major capital funding to a balanced range of projects that exceed \$250,000 and which have public recognition potential. This includes:

- Construction;
- Refurbishment;
- Fixed equipment upgrades; and/or
- Major maintenance.

## **THIRD PARTY ACCESS**

States and Territories must ensure that institutions in receipt of Australian Government major capital funding make their premises available on a commercial basis to third party training providers for purposes that do not conflict with the provider's training purposes. Planning and reporting on this legislative requirement should be done as part of the Annual VET Plans.

## **DISCRETION TO SANCTION**

The Australian Government Minister will have the discretion to withhold up to 20 per cent of infrastructure funding for approved projects or delay future payments to States and Territories in instances where:

- States and Territories have breached the *2005-08 Protocols for Recognition of Australian Government Assistance for Training Infrastructure Projects*;
- State and Territory funding proponents have breached the *2005-08 Protocols for Recognition of Australian Government Assistance for Training Infrastructure Projects*; and
- States and Territories have failed to meet the project planning and reporting requirements described above.

The Australian Government Minister will have the discretion to redistribute any withheld funds to other States and Territories who have complied with the protocols. These funds may be used by States and Territories for capital or recurrent purposes.

Breaches of the protocols will be identified by DEST who will negotiate sanctions on behalf of the Australian Government Minister with States and Territories on a case by case basis. In determining the level of sanction, the Australian Government will take account of issues including the party's degree of compliance with the protocols, the number of projects funded or due for completion in the same year, the complexity of the project relating to the breach, the nature of the breach itself and other relevant issues.

## 2005 STRATEGIC REVIEW

The Australian Government, in partnership with States and Territories, will conduct a strategic review of major capital and industry skill centre programmes in the second half of 2005. The review will focus on industry specialisation, innovation and the establishment of industry centres of excellence. Following the review, new infrastructure funding arrangements, approval processes and guidelines will come into effect from 1 January 2006.

# Attachment B – Part 2

## ***2005-08 Protocols for Recognition of Australian Government Assistance for Training Infrastructure Projects***

### **INTRODUCTION**

The National Training Infrastructure Programme comprises three main components:

- 1) General infrastructure;
- 2) Skill centres (industry and for schools); and
- 3) Infrastructure for Indigenous people.

Individual projects under the general infrastructure sub-component of the Programme are determined by the States and Territories. Projects under the skill centres, and Infrastructure for Indigenous People sub-components are developed through the States and Territories and approved by the Department of Education, Science and Training (DEST).

This paper sets out the protocols for recognition of Australian Government funding assistance for infrastructure projects, including projects previously funded by the Australian National Training Authority.

Please provide information and direct any questions relating to the protocols to:

Director  
Legislation & Infrastructure Section  
National Training Directions Group  
Department of Education, Science & Training  
GPO Box 9880  
CANBERRA ACT 2601

Tel: (02) 6240 5245  
Fax: (02) 6123 5605  
E-mail: [TrainingInfrastructure@dest.gov.au](mailto:TrainingInfrastructure@dest.gov.au)

Please direct enquiries relating to invitations to the Departmental Liaison Officer in the office of the Australian Government Minister for Vocational and Technical Education, the Hon Gary Hardgrave MP:

Suite MF44  
Parliament House  
CANBERRA ACT 2600

Tel (02) 6277 7380  
Fax (02) 6273 7330

### **PUBLICITY AND PROMOTION RELATING TO PROJECTS**

State, Territory and Australian governments may issue media releases covering an announcement or an official opening of an infrastructure project. As a general principle, where Australian Government funding is provided, the text of any publicity material or media release should reflect the fact that vocational and technical education is a shared responsibility between the Australian Government and State and Territory Governments and include details of Australian Government funding.

For announcements of funding, project commencements and project openings, all draft media releases or other promotional material by States, Territories or other organisations involving major and minor capital infrastructure projects receiving Australian Government funding should be forwarded by fax or email to DEST at least two weeks before release to allow sufficient time for the Australian Government Minister, or his representative, to issue a release at the same time. The material must include information on funding provided by the Australian Government and state that it was provided under the National Training Infrastructure Programme.

## **NOTIFICATION OF FUNDING APPROVAL FOR SKILL CENTRES**

DEST will inform the Australian Government Minister of project approvals at the same time that it provides advice to the States and Territories. The Australian Government Minister may decide to make an announcement of funding at that time.

If the project contains State or Territory funds, the Australian Government will notify the relevant State or Territory of the intention to make an announcement and clearly acknowledge State or Territory sourced funding in any media release.

The Australian Government may advise Federal parliamentarians of projects approved for funding.

## **CONSTRUCTION PHASE**

Signs acknowledging Australian Government funding of projects must be erected on construction sites and indicate that the building has been constructed entirely, principally or partly, as appropriate, by the Australian Government. Only fully State-funded projects, where there is a specific State budget allocation, are exempt from this requirement. All references to the Australian Government on construction signs should be consistent with the font size and style used to acknowledge State or Territory project funding and include the Australian Government logo, (examples provided at Attachment B – Part 2.1).

## **OFFICIAL OPENINGS AND EVENTS**

There must be an official opening for all infrastructure projects receiving Australian Government funding within seven months of completion of the project, unless an exemption is granted by the Australian Government Minister. This applies to projects receiving specific Australian Government infrastructure funding under the skill centres and infrastructure for Indigenous people sub-components, and all projects in the State or Territory's general Infrastructure Programme (which is assisted by the Australian Government). Only fully State or Territory-funded projects are excluded. An exemption may be granted where the project is a first stage of a larger, multi-stage development or it is thought that the nature of a project is such that it would be inappropriate to open it officially. The relevant State or Territory should contact DEST to request an exemption, as appropriate.

The Australian Government Minister must be invited to attend, or to send a representative, to all official opening ceremonies and other public events. The Australian Government Minister must be provided with at least two months notice of any openings and public events relating to the projects. This includes events for the announcement of funding and 'sod-turning' events.

The date of events must be at times convenient to all parties, including the Australian Government and must not fall on Federal parliamentary sitting days.

There must be provision in the official proceedings for the Australian Government Minister or his nominated representative to speak if they desire. They should also be asked to participate in any other commemorative activities including unveiling of a plaque. Where the Australian Government has met more than 50 per cent of the project cost, the Australian Government Minister, or a nominated representative, will have the option of officially opening the facilities and speaking first in the order of proceedings. Where the State or Territory

Government has met more than 50 per cent of the project cost, the State or Territory Government Minister or nominated representative will have the option of officially opening the facilities and speaking first in the order of proceedings.

Once it is determined that the Australian Government Minister or representative will officially open the facility, this arrangement cannot be changed without the prior agreement of the Australian Government.

The Australian Government representative will present a certificate, recognising the Australian Government's role in the project, to the recipient organisation at the event.

States and Territories should ensure that proponents are aware of the Australian Government's briefing requirements for the Australian Government Minister or his representative for official openings by providing to them a copy of the information request at Attachment B – Part 2.2.

## **PLAQUES ON COMPLETED PROJECTS**

Plaques acknowledging that the completed project was funded by the Australian Government must be affixed to new or refurbished buildings. See Attachment B – Part 2.3 for a guide to appropriate wording. Wording for all plaques for projects involving Australian Government funding should be approved by DEST prior to the plaque being produced.

## **DATABASE OF ANNOUNCEMENTS/COMPLETIONS/OPENINGS**

DEST will co-ordinate with the States and Territories a National Training Infrastructure Programme database of announcements, completions and openings to inform on the status of projects and support recognition of Australian Government funding for these projects. The current protocols database will be maintained by DEST until a more robust reporting system is developed. States and Territories should ensure that all infrastructure projects receiving Australian Government assistance are accurately recorded on the database and that this information is updated six-monthly, with quarterly updates and advice provided on an exception basis.

## **OTHER RESPONSIBILITIES OF STATES AND TERRITORIES**

States and Territories will:

- Provide a complete copy of this document to funding proponents and include compliance with the protocol arrangements as part of their funding agreements; and
- Monitor third party compliance with the protocols and incur breaches on behalf of third party organisations.

# Attachment B – Part 2.1

## AUSTRALIAN GOVERNMENT LOGO DESIGNS

The following Australian Government logo designs should be used on construction signs, plaques and other publicity where recognition of Australian Government assistance is required. Logos are available in electronic format from DEST.



**Australian Government**  

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**Department of Education,  
Science and Training**



**Australian Government**  

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**Department of Education,  
Science and Training**



**Australian Government**  

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**Department of Education, Science and Training**



**Australian Government**  

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**Department of Education, Science and Training**

## Attachment B – Part 2.2

### AUSTRALIAN GOVERNMENT BRIEFING REQUIREMENTS FOR OFFICIAL OPENINGS

#### Arrival information:

- Address of opening ceremony;
- Directions to opening event; and
- Name, position and mobile contact phone number of person meeting Australian Government representative.

#### Opening ceremony:

- Start and finish time;
- Master of ceremonies - name and position;
- Order of speakers and events (including time allocated to each and what they will talk about/do);
- Entertainment, refreshments; and
- Invited guest list (unconfirmed or confirmed).

#### Information on proponent:

- Student/Client profile (eg. age, gender, equity details, communities of origin, course);
- Courses offered (generally and/or in new facility);
- Cluster arrangements with other institutions and communities; and
- Other highlights eg awards received.

#### Local Community:

- Name of traditional Indigenous owners (and pronunciation if possible);
- General population;
- Locality (urban/regional/remote);
- Local industries;
- Leaders or local heroes; and
- Recent notable achievements.

#### Project Description:

- Detail of what the Australian Government funded.

#### Course Details:

- Full name of courses and qualifications to be offered in facility;
- Number of current and expected course enrolments, training hours; and
- Role of Industry in development/provision of courses, training facilities or post-training opportunities.

#### Other:

- Any other relevant or interesting information.

## Attachment B – Part 2.3

### GUIDE TO APPROPRIATE WORDING FOR PLAQUES

The following is a guide only. Wording for all plaques for projects involving Australian Government funding should be cleared through DEST prior to printing. All references to the Australian Government on plaques must be in a font size and style consistent with those recognising State or Territory contributions. If the State or Territory logo is included on the plaque, the Australian Government logo must also be included.

If the Australian Government Minister is in attendance, and the project was fully funded by the Australian Government, the wording on the plaque should read:

This project was opened on (date)  
by the  
Australian Government Minister for (portfolio and name)  
Funding for the project was provided by  
the Australian Government.

If the Australian Government Minister and the State/Territory Minister are both in attendance, and the Australian Government provided more than 50 per cent of the project funding, the wording on the plaque should read:

This project was opened on (date)  
by the Australian Government Minister for (portfolio and name)  
in presence of the (State/Territory) Minister for (portfolio and name)  
Funding for the project was provided by  
the Australian Government and  
(State/Territory government name) and  
(Industry funding body; community funding etc if appropriate).

If the Australian Government Minister and the State/Territory Minister are both in attendance, and the State or Territory Government provided more than 50 per cent of the project funding the wording on the plaque should read:

This project was opened on (date)  
by the (State/Territory) Government Minister for (portfolio and name) in the  
presence  
of the Australian Government Minister for (portfolio and name).  
Funding for the project was provided by  
(State/Territory government name) and the Australian Government and  
(Industry funding body; community funding etc if appropriate).



If the Australian Government provided more than 50 per cent of the funding for the project, and the Australian Government Minister is represented at the opening of the facility, the wording on the plaque should read:

This project was opened on (date)  
by the Federal Member for (electorate name), (member's name)

Funding for the project was provided by the  
Australian Government and  
(State/Territory government name, if funding provided) and  
(Industry funding body, community funding body etc if appropriate)..

If the Australian Government provided less than 50 per cent of the funding for the project, and the Australian Government Minister is represented at the opening of the facility or not represented, the wording on the plaque should read:

This project was opened on (date)  
by (name/title of State representative)

Funding for the project was provided by the  
(State/Territory government name) and  
the Australian Government and  
(Industry funding body, community funding body etc if appropriate)..

## 2005-08 COMMONWEALTH-STATE AGREEMENT FOR *Skilling Australia's Workforce* NATIONAL FUNDING FRAMEWORK

The National Funding Framework provides additional information on the principles and processes under which the Agreement will be conducted.

The Framework is authorised by the Ministers for Training to take effect from 1 July 2005, with some work to take place in the second part of 2005 for implementation at the start of 2006.

The Framework may, with the agreement of Ministers be amended from time to time, to respond to the dynamic environment of vocational education and training (VET) in Australia.

### 1. *Planning and Reporting Cycle*

National priorities for the period 2005-08 are established in the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*. The States and Territories may choose to develop a three year VET Plan that responds to these priorities and update it annually or an annual VET Plan to be rolled forward each year. There will be an annual process of the Australian Government Minister approving the State/Territory VET Plan in order for funds to flow.

The Department of Education, Science and Training (DEST) will prepare an Annual National Training Outlook each year drawing together the States and Territories' reports on planned activity for the coming year. This will be provided to the Ministerial Council for Vocational and Technical Education and made public. It will replace the *Directions and Resource Allocations (DARA) Report*.

An Annual National Report on the previous year's activity and outcomes will be produced each year in October, approved by the Ministerial Council for Vocational and Technical Education and tabled in the Federal Parliament of Australia.

### 2. *Recurrent Funding and Activity Levels*

#### **Base for recurrent funding and activity**

The Australian Government base for recurrent funding levels for the Agreement is stipulated in clause 51 of the Agreement.

The State and Territory sourced recurrent expenditure base is the planned amount for 2004, plus indexation.

The recurrent expenditure base for 2004 is drawn from the ANTA 2004 DARA, and is shown in Appendix 1.

The base activity level for the 2005-08 Agreement is required activity from the 2004 base recurrent and additional growth with any adjustments agreed through the *ANTA Directions and Resource Allocations for 2005*. These are:

Total Adjusted AHC (million) 2004 Estimate	
New South Wales	94.237
Victoria	69.800
Queensland	42.996
South Australia	18.284
Western Australia	25.219
Tasmania	5.096
Northern Territory	3.279
Australian Capital Territory	4.960
<b>Total</b>	<b>263.871</b>

Note:

- (1) This represents an approved adjustment to AHC for NSW for 2004.
- (2) This represents an approved adjustment to AHC for SA for 2004.

### Matched Funding

Under the Australian Government's funding offer States and Territories are required to match their share of the additional \$176 million (including indexation) over the life of the Agreement. The States and Territories are required to match the additional Australian Government funding, dollar for dollar, over the life of the Agreement, and to maintain the matched funding in real terms over the life of the Agreement.

A proportion of the additional funds will be provided for recurrent purposes and a proportion will be assigned for Strategic National Initiatives. Each year the Ministerial Council for Vocational and Technical Education will consider the amount of funds required for Strategic National Initiatives.

States and Territories are asked to provide additional funding equal in real terms to their share of the additional \$39.0 million provided by the Australian Government under the *Welfare to Work* 2005 Budget measure.

Details of funding provided under this Agreement are shown at Appendix 1. The share of matched funding between States and Territories is based on the share of 15 to 64 year old persons in Australia as listed in Appendix 2, with the exception of the \$3.7m per annum (indexed) for the Joint Indigenous Funding Pool [titled: Indigenous (transferred from IESIP)] in Appendix 1 which is distributed on the basis of the share of 15 to 64 year old Indigenous Australians.

### Additional Activity

States and Territories are required to deliver additional activity over the life of the Agreement equivalent to the additional Australian Government funding provided for recurrent purposes, taking account of indexation. The hours of additional activity to be achieved with the additional funding will be calculated at the greater of:

- The latest available National Average funding per hour – (the 2003 National Average funding of \$13.76 per hour is the latest available at the start of the Agreement); or
- The latest State/Territory Average funding per hour.

## Negotiating changes to total activity requirements

A State or Territory may negotiate its activity requirements each year, in a transparent process as part of the VET planning cycle. A State or Territory will be required to demonstrate it is shifting activity into higher cost areas consistent with agreed National Priorities.

Higher cost areas include:

- Higher cost qualifications;
- Higher cost clients; and/or
- Higher cost locations.

## Establishing the higher cost qualifications

The National Centre for Vocational Education Research Ltd (NCVER) has been commissioned to develop three tiers – high, medium and low - of qualification costs, using existing data on the pricing of qualifications. This work will be progressed and agreed through a Commonwealth/State/Territory action group.

The developed qualification costs will be used to support a transparent negotiation and planning process on activity requirements. The three tiers of qualification costs will not affect a State or Territory's decisions on payments to registered training providers.

In developing the three tiers, NCVER will be informed by:

- The current course cost relativities used by ANTA in establishing the efficiency measure outcomes and in analysing State/Territory VET Plans to identify shifts in delivery profiles to higher cost areas; and
- State and Territory pricing and purchase arrangements.

The three qualification tiers will be finalised by 30 August 2005 to take effect from 1 January 2006 for the period of the Agreement. There will be capacity to review the tiers if significant anomalies arise over the period of the Agreement.

## Scope and boundaries for counting expenditure and activity under the Agreement

DEST will monitor and report on whether expenditure and activity is within the scope and boundaries of the Agreement, advised by the NCVER audits.

The scope and boundary of activity funded under the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce* includes the total level of all VET activity funded from both Australian Government and State and Territory recurrent sources, including New Apprenticeships.

This includes all VET activity, funded by government from recurrent sources, that has been delivered under the auspices of:

- TAFE institutes (including agricultural colleges in New South Wales and Queensland);
- The VET component of multi-sector institutions;
- Private registered training organisations; or
- Adult and community education providers.

VET in Schools activity that meets the following definition and is funded from within the VET budget, is specifically included within the scope and boundary:

### *VET in Schools*

*VET in Schools is defined as programmes that are undertaken by school students as part of the senior secondary school certificate and which provide credit towards a nationally recognised VET qualification*

*within the Australian Qualifications Framework. The training that students receive reflects specific industry competency standards and is delivered by Registered Training Organisations (RTOs) or by the school in partnership with an RTO.*

For VET in Schools activity through the new Australian Technical Colleges, only activity funded from within the VET budget can be included within the scope and boundary.

*Specific exclusions include:*

- Non-vocational education and training activity, including VET in Schools activity that does not meet the specified definition;
- Fee-for-service activity conducted on a full cost-recovery basis, including that activity purchased by other government departments on a fee-for-service basis; and
- VET in Schools, including Australian Technical Colleges, activity that has been funded from outside of the financial scope and boundary, including that training funded from the VET in Schools component of the Strategic National Initiatives fund, agreed by Ministers (\$21.35 million in 2005).

The level of both planned and actual activity associated with this scope and boundary is to account for:

- The level of invalid module/unit of competency enrolments, as anticipated by the State or Territory for planning purposes, and as determined through the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce* audit of activity for reporting purposes. The associated number of planned and reported course enrolments are also to be adjusted, using the Student Enrolment – Non Attendance rate (or an equivalent approach), to align the number of (valid) course enrolments with the level of adjusted activity.
- The use of nationally agreed nominal hours at the agreed formula rate (see section 4 – Data) for Recognition of Prior Learning (RPL) at the module or unit of competency level.
- The use of full nationally agreed nominal hours associated with fully in-the-workplace trainees on the proviso that:
  - the training and assessment undertaken in the workplace is auspiced by a RTO;
  - a RTO moderates the assessment;
  - a RTO issues the qualification; and
  - funds from the State or Territory training authority are contributed in support of these activities.

#### *State-sourced Recurrent Expenditure – Scope and Boundaries*

The scope and boundary of State-sourced recurrent expenditure includes expenditure from State-sourced funding for adult community and further education (where relevant) together with expenditure financed from revenue raised by TAFE colleges from student fees and charges, which is retained for expenditure on VET.

Recurrent expenditure or recurrent revenue may be directed to the following activities:

1. The direct delivery of vocational education and training programmes, including:
  - All courses offered by TAFE institutes (including agricultural colleges in New South Wales and Queensland);
  - The TAFE components of multi-sector institutions;
  - Adult and community education offered by providers other than TAFE; and
  - Recognised programmes offered by private providers.

2. System support for vocational education and training, including:
  - Management costs, including administrative overheads and other on-costs, where these are funded directly from the VET budget;
  - Programme support costs, including curriculum development, course information systems, student information systems and staff development;
  - Student support costs, including student services, library, student counselling and career guidance;
  - State or Territory contributions to Skill Centres and for the support of group training companies;
  - State or Territory contributions to joint venture projects (eg. development of curriculum, innovative training projects);
  - State or Territory payroll taxes; and
  - Any other VET system support costs incurred by any State or Territory government body, including maintenance and leasing costs.
3. The recognition of training and training providers, including:
  - Course accreditation;
  - RTO recognition;
  - Overseas qualifications recognition;
  - Regulatory activities relating to VET; and
  - The costs of advisory and consultative arrangements for VET, including:
    - State or Territory support for industry training advisory arrangements;
    - State or Territory support for government advisory bodies on VET; and
    - State or Territory contributions to NCVER.

*Specific exclusions are:*

- Expenditure financed from Australian Government funds of any nature;
- VET in Schools expenditure financed by the State or Territory from outside of the recurrent State or Territory VET budget;
- One-off redundancy expenditure financed from outside the State or Territory VET budget;
- Expenditure associated with revenue arising from fee-for-service activities conducted on a full cost-recovery basis, including that purchased by other government departments on a fee-for-service basis;
- Expenditure on VET funded by the private sector; and
- Expenditure associated with State or Territory training related subsidies paid to individuals and/or employers.

### 3. *Infrastructure*

#### **Infrastructure funding and planning and reporting**

The Australian Government funding offer asks the States and Territories to commit to new infrastructure funding arrangements from 2006 to be developed through an Australian Government led review of the infrastructure programme in the second half of 2005, conducted in collaboration with States and Territories. The new arrangements are to apply from 1 January 2006. The review will report on a new national approach to the Australian Government's infrastructure funding (excluding the New Technology Project) to strengthen the national training system's capacity to deliver high quality training for future business needs, and to:

- Support innovation and emerging industries;
- Promote greater industry specialisation;

- Establish industry centres of excellence;
- Improve the utilisation of publicly funded infrastructure, including third party access; and
- Ensure greater recognition of the Australian Government's contribution to infrastructure projects.

The States and Territories wishing to access Australian Government infrastructure funding will be required to comply with the Australian Government's Infrastructure Guidelines including the requirements to adhere to the protocols for recognising Australian Government assistance and the Implementation Guidelines for the National Construction Code.

#### 4. *Data*

A number of changes will be instituted to data used for the purpose of planning and reporting against the Agreement.

##### **End-date reporting of hours**

End-date (close of study) reporting will apply from 1 January 2006. End-date reporting means moving to reporting the hours for an enrolment once an outcome is achieved (competency or module completed) to avoid possibly double-counting activity and thus inflating figures.

There are now three years of data on end-date reporting available from ANTA, and cleared with each State and Territory as part of their annual audit process, to rebase the activity levels with confidence. The final adjustment rates and new levels for the 2005 base, based on this previously agreed data, will be agreed with each jurisdiction, to allow an adjusted activity level to be in place for 2006.

##### **Counting RPL (Recognition of Prior Learning or Current Competencies)**

To encourage greater use of RPL from 1 January 2006 States and Territories will be able to claim up to 100 per cent of the nominal hours for all competencies awarded to students through RPL. The percentage for each State and Territory will be set at 80 per cent of nominal hours unless the State or Territory seeks to increase this percentage through the bilateral agreement on the basis that RTOs are being paid 100 per cent of the nominal hours where RPL is granted.

##### **Nominal Hours**

For the purpose of recording activity effort under the Agreement, a system of nationally consistent nominal hours for each unit of competency will be in place from 1 January 2006. The NCVER has been commissioned to establish nationally consistent nominal hours by calculating the median across all States and Territories for each unit of competency. This work will be progressed and agreed through a Commonwealth/State/Territory action group.

The nationally agreed nominal hours will be used to measure activity levels for 2006 to 2008 under the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*. They will not impact on States and Territories' resourcing arrangements with their RTOs.

The base activity for each State and Territory will be rebased to take into account the impact of using nationally agreed nominal hours for each unit of competency.

#### 5 *Strategic National Initiatives*

Strategic National Initiatives (SNI) funds are to be allocated to projects and ongoing work that support the operation of the national training system. Under the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*, parties are agreeing to drive changes in areas such as RPL and skills shortages. In addition, there is a need to support the operation of new arrangements for training in Australia.



## Operation of SNI

### 2006-2008

For the period 2006-2008 of the Agreement, parties to the Agreement will propose to the Ministerial Council for Vocational and Technical Education initiatives which require funding from the SNI. This will be based on:

- Review of current National Projects; and
- Priority areas agreed under the 2005-08 Agreement.

The current amount of funds allocated for National Projects will form part of the SNI. VET In Schools funding and Publication of Statistics will be included in SNI for reporting purposes.

### Approval

The approval process for SNI is detailed in *Skilling Australia's Workforce Act 2005* (Sections 27 and 28).

The Ministerial Council for Vocational and Technical Education will annually approve the total allocation of funding for Strategic National Initiatives and the budget for each initiative to be funded (on the basis of a workplan submitted by funding recipients). Where possible, ongoing initiatives would be approved for 3 years of funding, to provide stability and funding certainty for national training initiatives. Funding each year will be subject to the submission of a satisfactory workplan each year. All initiatives would be rigorously evaluated over the course of the Agreement.

The Australian Government Minister makes the determination for these funds consistent with the allocations made by the Ministerial Council for Vocational and Technical Education for that year.

Parties to the Agreement will nominate a representative to work through the review process and to prepare recommendations for consideration of Ministers at the November 2005 Ministerial Council for Vocational and Technical Education Meeting.

The review will operate in a similar way to the previous VET Planning Working Group.

### Additional Activity Requirements

Should the SNI require a level of funding beyond that currently allocated, the Ministerial Council for Vocational and Technical Education will determine where further funds will be allocated from. In the event that a portion of the additional matched funds was allocated to SNI, the Additional Activity requirements for the States and Territories will be reduced to reflect the amount of States and Territories' matched funding assigned to SNI funds.

In this circumstance, the indicative amount of State and Territory matched SNI funds will be known prior to the submission of annual State/Territory VET plans so that jurisdictions can plan for the required activity in each calendar year.

### 2005 Transition Year

Projects for 2005 have been agreed as part of the National Projects process. The funds committed to these projects will be paid by DEST from July 2005 when responsibility for National Projects transfer from ANTA.

If funds in addition to current approved National Projects are required for the second half of 2005, DEST will work with States and Territories to determine the projects and funding amounts and seek out-of-session approval from MINCO for the projects.



## AUSTRALIAN GOVERNMENT FUNDING

### 30 March 2005 indexation

	2004	2005	2006	2007	2008	2005-08 Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>RECURRENT</b>						
Previous Base (2004 & 2005 DARA)	751.499	771.997	793.750	816.276	839.325	
Indexation	20.238	21.753	22.526	23.050	22.495	
Sub Total	771.737	793.750	816.276	839.325	861.820	
<b>Roll in to create new base</b>						
previous AWT (2004 & 2005 DARA)	12.381	12.381	12.381	12.381	12.381	
Indexation	0.260	0.538	0.822	1.113	1.396	
previous Growth funds (2004 & 2005 DARA)	100.000	100.000	100.000	100.000	100.000	
Sub total	112.641	112.919	113.203	113.494	113.777	
<b>2005-08 Agreement Base</b>	<b>884.378</b>	<b>906.669</b>	<b>929.479</b>	<b>952.819</b>	<b>975.597</b>	<b>3764.564</b>
<b>ADDITIONAL FUNDING (Required to be Matched)</b>						
Additional AWT (2004 was part of VET PPP)	14.574	19.759	20.194	20.638	21.092	
RICP	0.000	0.000	10.299	10.526	10.758	
Indigenous (transferred from IESIP) <sup>4</sup>	0.000	0.000	3.717	3.799	3.882	
Indexation on growth funds	0.000	8.546	10.934	13.375	15.756	
Indexation	0.000	0.435	0.753	0.769	0.750	
<b>Sub-Total</b>	<b>14.574</b>	<b>28.740</b>	<b>45.897</b>	<b>49.107</b>	<b>52.238</b>	
<b>ADDITIONAL FUNDING (Asked to be Matched)</b>						
Welfare Reform			7.220	18.145	12.771	
Indexation			0.159	0.399	0.268	
Sub-Total			7.378	18.544	13.040	
<b>Total additional funding</b>	<b>14.574</b>	<b>28.740</b>	<b>53.276</b>	<b>67.652</b>	<b>65.278</b>	<b>214.946</b>
<b>NATIONAL STRATEGIC INITIATIVES</b>						
VET in Schools (2004 & 2005 DARA)	20.900	21.350	21.800	22.250	22.700	
VET in Schools indexation <sup>1</sup>	0.450	0.450	0.450	0.450	0.450	
National Projects (2004 & 2005 DARA)	24.750	25.100	25.450	25.800	26.150	
National Projects indexation <sup>2</sup>	0.350	0.350	0.350	0.350	0.350	
Publication of Statistics (2004 & 2005 DARA)	0.212	0.212	0.212	0.212	0.212	
<b>Total National Strategic Initiatives funding</b>	<b>46.662</b>	<b>47.462</b>	<b>48.262</b>	<b>49.062</b>	<b>49.862</b>	<b>194.648</b>
<b>INFRASTRUCTURE <sup>3</sup></b>						
Major Capital (2004 & 2005 DARA)	170.000	170.000	170.000	170.000	170.000	
Minor Capital	30.000	30.000	30.000	30.000	30.000	
New Technology Project (2004 & 2005 DARA)	15.000	15.000	15.000	15.000	15.000	
Industry Based Skill Centres (2004 & 2005 DARA)	7.000	7.000	7.000	7.000	7.000	
Skill Centres for School Students (2004 & 2005 DARA)	4.000	4.000	4.000	4.000	4.000	
VET Infrastructure for Indigenous Australians (2004 & 2005 DARA)	4.000	4.000	4.000	4.000	4.000	
<b>Total Infrastructure funding</b>	<b>200.000</b>	<b>200.000</b>	<b>200.000</b>	<b>200.000</b>	<b>200.000</b>	<b>800.000</b>
<b>TOTAL AUSTRALIAN GOVERNMENT FUNDING</b>	<b>1131.040</b>	<b>1182.871</b>	<b>1231.017</b>	<b>1269.533</b>	<b>1290.737</b>	<b>4974.158</b>

Notes:

<sup>1</sup> Assumes that indexation continues at \$0.450 million per year

<sup>2</sup> Assumes that indexation continues at \$0.350 million per year

<sup>3</sup> Indexation on Infrastructure is included in base recurrent indexation

<sup>4</sup> Matching for these funds may be based on the share of Indigenous Australians aged 15 to 64.

**All persons aged 15 to 64 years**

<b>State / Territory (a)</b>	<b>Persons</b>	<b>Population share</b>
New South Wales	4,497,582	33.26%
Victoria	3,349,642	24.77%
Queensland	2,618,906	19.37%
South Australia	1,017,651	7.52%
Western Australia	1,352,511	10.00%
Tasmania	316,240	2.34%
Northern Territory	140,548	1.04%
Australian Capital Territory (a)	230,604	1.71%
<b>Sum</b>	<b>13,523,684</b>	<b>100.00%</b>
<b>Total, Australia (b)</b>	<b>13,525,461</b>	

Notes:

(a) ACT excludes Jervis Bay Territory from June 1994

(b) Includes 'Other Territories' in Australia from June 1994.

\* The total funds listed in this column may not add to the actual amount of funds designated for distribution due to errors in rounding.

Population data is from ABS (2004) *Population by Age and Sex, Australian States and Territories* . June 2004. Catalogue Number 3201.0.

## 2. FRAMEWORK FOR THE NEW NATIONAL TRAINING SYSTEM

This paper presents the agreed position of the Australian, State and Territory ('State') governments for the new national training system, having regard to the feedback received from all jurisdictions and stakeholders during consultations on the Directions Paper *Skilling Australia – New Directions for Vocational Education and Training*. It provides detail of the arrangements that support the 2005-08 Commonwealth-State Funding Agreement for Skilling Australia's Workforce.

The national training system will be built around:

- a **National Governance and Accountability Framework**, which 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; and
- a **National Skills Framework**, which 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 national training system.

### GUIDING PRINCIPLES

The Guiding Principles for the national training system will be:

- industry and business needs, both now and for the future, drive training policies, priorities and delivery;
- better quality training and outcomes for clients, through more flexible and accelerated pathways, are assured;
- processes are simplified and streamlined and enhance national consistency;
- young people have opportunities to gain a wide range of lasting skills that provide a strong foundation for their working lives; and
- training opportunities are expanded in areas of current and expected skill shortage.

The detail underpinning the Guiding Principles is included in the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce.

### NATIONAL GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

#### *Legislation*

The Australian Government has established new Commonwealth legislation, *Skilling Australia's Workforce Act 2005*, to reflect its commitment to the new national training system.

The legislation sets out the national objectives and goals for vocational education and training (VET) and the governance, planning, funding and accountability arrangements.

## ***Multilateral and Bilateral Funding Agreements***

The multilateral Agreement recognises that cooperation and collaboration between the Australian and State Governments are essential to maintain an effective national training system.

It will establish:

- a shared commitment to support national goals and objectives for vocational education and training;
- guiding principles for the national training system;
- the responsibilities of each party to the Agreement;
- national priorities that are to be achieved in the medium term;
- national policies to support the effective operation of the training system;
- national planning arrangements to support improved training outcomes;
- national targets that reflect Australian and State Government policy objectives;
- national outcomes-focused performance measures that are focused on reducing skill shortages and improving outcomes for key clients;
- national initiatives to advance the training system;
- mechanisms for the release of funds to the States; and
- agreed sanctions for non-achievement of performance measures or other requirements in the Agreement.

The bilateral agreements provide an avenue for addressing local diversity within the framework of national consistency. They provide flexibility to implement National Priorities and establish performance levels that are relevant to each jurisdiction.

Bilateral agreements include:

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

## **Ministerial Council for Vocational and Technical Education**

A new Ministerial Council for Vocational and Technical Education will be established, made up of the Australian and State Government Ministers responsible for training. The roles of the new Ministerial Council for Vocational and Technical Education and Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) will be clear and explicit.

The Ministerial Council for Vocational and Technical Education will meet at least once a year and have overall responsibility for the national training system, including strategic policy, priority setting, planning and performance, and key cross sectoral issues impacting on the training system, such as skills forecasting, workforce planning (including skills needs) and articulation between higher education and VET.

The Australian Government will chair the Ministerial Council for Vocational and Technical Education. The Australian Government will have two votes, each State will have one vote and the Chair will have a casting vote.

## **Terms of Reference**

### ***Ministerial Council for Vocational and Technical Education***

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

- approving the national strategy for vocational education and training including national objectives, priorities and performance measures;
- maintaining strong industry leadership of and engagement in the national system;
- establishing arrangements for the delivery of nationally consistent, high quality vocational education and training;
- responding to business, industry and stakeholder advice on issues impacting on the national training system, particularly ways to improve training outcomes;
- ensuring the national strategy and supporting arrangements take account of the strategic needs of the Australian economy, particularly in the areas of workforce planning and skills needs;
- approving national research priorities;
- monitoring the effectiveness of policies and strategies for the national training system;
- addressing strategic areas of overlap between the training, higher education and employment sectors, such a skills forecasting, workforce planning (including skills needs) and articulation between the tertiary sectors;
- agreeing the principles to be applied for the allocation of funding and approving the allocation of that funding on an annual basis;
- approving allocations under the Strategic National Initiatives fund; and
- being accountable to all Parliaments in Australia for the expenditure of government funds including through the Annual National Report via its individual members.

The Ministerial Council for Vocational and Technical Education and the National Senior Officials Committee will be supported by an independent Secretariat hosted within a State Department. The Secretariat will report to the Chair of the National Senior Officials Committee who will be the Secretary of the Department of Education, Science and Training. It will be managed by the host CEO for payroll and administrative support. Financial support for the Secretariat will be shared between jurisdictions with the Australian Government contributing 50 per cent and the States and Territories contributing the remainder based on the formula for the National Centre for Vocational Education Research (NCVER).

As the Australian National Training Authority ceased operations on 30 June 2005, before the *Skilling Australia's Workforce* Bills received Royal Assent, interim Secretariat arrangements have been put in place to allow for continued support for the Ministerial Council for Vocational and Technical Education and CEOs. The Secretariat support to the Ministerial Council for Vocational and Technical Education and CEOs have been temporarily hosted by the Queensland Department of Employment and Training.

### ***National Industry Skills Committee***

A National Industry Skills Committee (NISC) will be established to provide the Ministerial Council for Vocational and Technical Education with high-level, evidence-based advice on workforce planning, future training priorities and other critical issues facing the training sector.

The membership of the NISC will be:

- Chair – employer nominated by the Australian Government following consultation with the Ministerial Council for Vocational and Technical Education;
- employer – representing and nominated by the Australian Chamber of Commerce and Industry (ACCI) following Australian Government approval of the nomination;
- employer – representing and nominated by Australian Industry Group (AiG) following Australian Government approval of the nomination;
- employer – representing and nominated by Business Council of Australia (BCA) following Australian Government approval of the nomination;
- employer – representing and nominated by National Farmers' Federation (NFF) following Australian Government approval of the nomination;
- national or State Employee Association – representing the Australian Council of Trade Unions (ACTU), nominated by the ACTU, following Australian Government approval of the nomination; and
- three industry representatives (employers or employees) – nominated by the Australian Government following consultation with the Ministerial Council for Vocational and Technical Education.

All employer representatives must be current, active employers.

The Australian Government Minister will approve all appointments and determine their term. Terms would range from two to five years, to allow rolling membership renewal.

In determining the final membership, the Australian Government Minister will ensure there is a good cross-section of members from:

- a range of industries, including emerging industries;
- small, medium and large enterprises; and
- small and large States.

The NISC will meet four times a year. It will meet with the Ministerial Council for Vocational and Technical Education ahead of Council meetings, and will hold two of its meetings as joint meetings with the National Senior Officials Committee during each year. It will have the opportunity to comment on any papers presented to the Ministerial Council for Vocational and Technical Education, and will have the capacity to present its own papers direct to the Ministerial Council for Vocational and Technical Education.

The NISC will be required to bring broad-based advice to the Ministerial Council for Vocational and Technical Education, and to engage formally with all relevant stakeholders, including:

- small, medium and large enterprises, including emerging industries;
- Industry Skills Councils;
- State industry training advisory bodies;
- registered training providers (as partners in the training system);
- group training companies; and
- other bodies with an interest in industry training as deemed appropriate.

The Committee will determine whether broad-based views are obtained through a roundtable or other mechanism, such as standing committees or targeted forums.

The Committee will also play a key role with the National Senior Officials Committee in advising the Ministerial Council for Vocational and Technical Education on national research priorities to ensure that the system is well positioned to respond to emerging challenges.

## **Terms of Reference**

### ***National Industry Skills Committee***

The role of the National Industry Skills Committee is to support the functions of the Ministerial Council by:

- providing high-level, evidence-based advice on workforce planning and future training priorities to ensure the national VET system is meeting the strategic needs of the Australian economy;
- providing advice on industry's research priorities;
- providing advice on improving training delivery, and usability of and access to the national system;
- providing advice on improving training outcomes;
- engaging with the National Quality Council, to ensure industry's views inform the quality assurance arrangements for training packages, accredited courses and registered training providers;
- providing advice on ways that industry can work with Governments to improve outcomes for disadvantaged clients, particularly Indigenous Australians and people with a disability;
- nominating industry representatives to action groups;
- directly interacting with the National Senior Officials Committee on issues of relevance to industry;
- providing a business and industry perspective on papers presented at Ministerial Council meetings; and
- providing advice as required by the Ministerial Council.

The Committee's activities will be funded from the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*.

The NISC and the National Quality Council will be supported by an independent Secretariat to be managed within the new Ministerial company that will be formed to incorporate AShareNet and Australian Training Products Limited. Financial support for the Secretariat will be shared between jurisdictions with the Australian Government contributing 50 per cent and the States and Territories contributing the remainder based on the formula for the NCVER.

### ***National Senior Officials Committee***

A National Senior Officials Committee (NSOC) will be established as the administrative arm of the Ministerial Council for Vocational and Technical Education. It will be responsible for supporting the Ministerial Council for Vocational and Technical Education, implementing its decisions, driving national collaboration on training matters and monitoring the effectiveness of the national training system.

NSOC will consist of the Chief Executive Officers (CEOs) of the Australian and State government departments responsible for training. The Committee will be chaired by the CEO of the Australian Government Department responsible for vocational and technical education. CEOs from other portfolios may be invited to participate in NSOC meetings as required to provide a broader perspective on policy and client issues.

NSOC will meet regularly throughout the year, including two joint meetings with the NISC. These joint meetings will include consideration of:

- national research priorities;
- national action groups, including the outcomes of their work; and
- Ministerial Council for Vocational and Technical Education papers.

The business protocols for NSOC's operations, including the establishment of national action groups, will be approved by the Ministerial Council for Vocational and Technical Education.

The Committee will also play a key role with the NISC in advising the Ministerial Council for Vocational and Technical Education on national research priorities to ensure that the system is well positioned to respond to emerging challenges.

## **Terms of Reference** ***National Senior Officials Committee***

The National Senior Officials Committee (NSOC) will be the administrative arm of the Ministerial Council. In fulfilling this function, NSOC 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;
- ensure that national policies and their implementation support:
  - training being available through genuine competency-based, flexible and accelerated pathways and structured in a way that meets economic and industry needs rather than being driven by institutional needs;
  - New Apprenticeship pathways being available for all qualifications in training packages;
  - qualifications being available that include a mix of competencies across training packages; and
  - other priorities as agreed by the Ministerial Council;
- provide advice to the Ministerial Council on and direct national research activities;
- formally engage with the National Industry Skills Committee on industry-related issues;
- form and direct national action groups to progress specific policy issues as agreed by the Ministerial Council;
- monitor the effectiveness of governance arrangements supporting the national system;
- consider implications of all proposals before they are presented to the Ministerial Council; and
- oversee national data collection and reporting arrangements.

The Committee will be supported by the Ministerial Council for Vocational and Technical Education Secretariat. Interim Secretariat arrangements are as for the Ministerial Council for Vocational and Technical Education.

### ***National Action Groups***

NSOC will establish specific national action groups where agreed by the Ministerial Council for Vocational and Technical Education. They will be established on a needs basis, for a fixed time period, to advance the work of the Ministerial Council for Vocational and Technical Education and to complement high-level advice of the NISC.

Each action group will be chaired by a CEO of the Australian or State government departments responsible for training. The national action groups will report directly to NSOC.

A protocol will be developed by NSOC and approved by the Ministerial Council for Vocational and Technical Education to govern the process for establishing all National action groups and ensure an appropriate, balanced membership. This protocol will ensure that appropriate stakeholders, including the NISC, the Australian Council for Private Education and Training (ACPET), TAFE Directors Australia (TDA), Group Training Australia (GTA) and



other peak bodies, are notified of each action group and have an opportunity to nominate representatives. All members on National action groups will be from an organisation that can support them in carrying out their role on the action group. The protocols will not preclude the possibility of joint Chairs where this will enhance the effectiveness of the Group.

The Terms of Reference and membership of each action group will be made publicly available on the national training website to be established by DEST.

Where an action group requires a budget to undertake its task it will be funded from the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*.

## ***Planning and Reporting***

National planning and reporting processes will be streamlined and simplified. There will be a strong emphasis on outcomes and outputs of the system (such as client satisfaction levels and competencies and qualifications achieved), rather than simply inputs (such as hours of tuition).

The *Shaping Our Future*, Australia's National Strategy for Vocational Education and Training 2004-2010 will be retained as the key long-term planning document for the national training system. The key performance measures of the national vocational education and training system will relate to the objectives agreed in that strategy.

The 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce will establish the National Priorities and targets for the national training system, consistent with the *Shaping Our Future*, Australia's National Strategy for Vocational Education and Training 2004-2010.

States will develop State VET Plans (either on an annual basis, or as a three-year plan that is updated annually). The State VET Plans will establish:

- how a State or Territory is going to meet the objectives of the National Strategy and the National Priorities with all the resources at its disposal;
- how a State is planning to meet the requirements of the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce, including national targets and key performance measures;
- how a State is planning to meet the requirements of its bilateral agreement, including State-specific targets and performance measures; and
- planned training delivery for the upcoming year, as agreed with their State Training Authority.

State VET Plans will be approved annually by the Australian Government Minister, following consideration and recommendation by the Ministerial Council for Vocational and Technical Education. State accountability and the release of Australian Government funding to the States will be tied to both satisfactory development of State VET Plans and satisfactory performance against the Plans.

The key national accountability documents will be the Annual National Training Outlook (replacing the ANTA Directions and Resource Allocation Report) and the Annual National Report.

The Annual National Training Outlook will be prepared by DEST. It will draw together information from each State VET Plan and provide a national picture of planned Australian, State and Territory Government activity against the agreed National Priorities in the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce. It will include an analysis of any gaps in planned training activity. It will be published on the national training website.

The Annual National Report will report on the performance of the national training system against National Priorities and key performance measures at both the national and State level. It will draw on data reported through the National Centre for Vocational Education Research (NCVER). A short-term Steering Committee involving the Australian Government and States will be established annually to oversee the preparation of the Annual National Report. The Annual National Report will be approved by the Ministerial Council for Vocational and Technical Education. It will be tabled in both Houses of the Federal Parliament and available to be tabled in any State and Territory parliament, and published on the national training website.

## **Data**

Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) will continue to be the national data management standard.

NCVER will continue to be responsible for data collection and analysis that will inform planning and performance reporting. An annual budget for these functions will be approved from the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce for the period of the Agreement, to provide funding certainty and support more efficient planning and resource allocations.

Improvements in data quality will be driven by the National Training Statistics Committee (NTSC). NTSC will be a Committee of NSOC, with Secretariat services provided by NCVER. NTSC membership will be expanded to include an industry representative to be nominated by the NISC. All members will be sufficiently senior to enable NTSC to take a policy perspective on data quality, rather than being a technical committee. NCVER will consult annually with stakeholders on priorities for data and analysis.

Initial improvements in data on national training activity will be achieved through:

- moving to end-date reporting so that an enrolment is counted only on completion to avoid possible double-counting and inflated figures;
- improving the capture of total (public and private) vocational education and training effort;
- improving the single system of measuring and auditing State data;
- improving the identification of different sources of government funding; and
- reviewing the formula for counting Recognition of Prior Learning to more accurately reflect the training activity involved.

States will be required to comply with the most up to date version of the AVETMISS. States will not be required to provide any data other than that agreed in the AVETMISS unless directed by the Ministerial Council for Vocational and Technical Education.

The National Funding Framework for the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce will replace the ANTA Agreement Scope and Boundaries and Agreed Framework for Growth documents. Agreed State activity levels under the ANTA Agreement will be rebased to reflect changed data requirements such as end-date reporting. Transition arrangements will be negotiated as part of bilateral agreements. The National Funding Framework will be approved by the Ministerial Council for Vocational and Technical Education as an addendum to the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce.

## **Client and Student Voice**

Mechanisms for engaging with students will be built into the national training arrangements, including through each jurisdiction and the Australian Government supporting client advisory arrangements to ensure that views of all students, particularly disadvantaged students, are considered in training planning and delivery.

The multilateral and bilateral funding agreements will include specific elements to improve outcomes for Indigenous Australians and people with a disability. A national action group will be established to develop these elements, which will include:

- National Priorities for improving outcomes for these client groups, drawn from the revised Blueprints, *Partners in a Learning Culture and Bridging Pathways*;
- strategies to address each priority; and
- performance measures to monitor the success of each strategy.

The national action group will develop recommendations for the Ministerial Council for Vocational and Technical Education on the best mechanisms to support ongoing high level advice on the needs of all learners, particularly people with a disability and Indigenous Australians.

Given the priority to establish effective new client advisory mechanisms, this action group will be established immediately. It will consult with client groups in developing arrangements for Ministers' consideration, recognising that different arrangements may be required for different groups. The new client advisory mechanisms will be operational from 1 January 2006.

## **Research**

The National Centre for Vocational Education Research (NCVER) will be given responsibility for:

- consulting annually with all stakeholders to develop national research; and
- managing the national research programme.

NCVER will commission national research through competitive processes, and open up research opportunities to the training research community. It will report on its activities to create greater transparency about the separation of NCVER's roles in managing the research programme and undertaking research.

National research priorities will be approved by the Ministerial Council for Vocational and Technical Education on the basis of advice from NSOC and the NISC. An annual research budget will be approved from the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce for the period of the Agreement, to provide funding certainty and stability for the research programme and to facilitate strategic long-term planning of research activities.

## **NATIONAL SKILLS FRAMEWORK**

### ***Training Packages***

The national training system will continue to give priority to nationally consistent, industry developed, competency-based training qualifications through training packages. As is currently the case, State and Territories will only accredit courses that do not duplicate Training Package qualifications. A regular audit of a sample of accredited courses will be commissioned by the National Quality Council to ensure courses are not being accredited in areas where relevant Training Package qualifications exist.

Priority areas for enhancing the quality and national consistency of training packages will include:

- rationalising training packages across industries and identifying cross-industry skills;

- increasing their flexibility and responsiveness, including by moving from a time-based approach to training to a genuine competency-based approach;
- harmonising licensing arrangements within training packages;
- achieving national consistency for the nominal hours for qualifications; and
- implementing the *High Level Review of training packages* recommendations.

The Australian Government will reflect these priorities in its contracts with Industry Skills Councils and in the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce.

### ***Industry Skills Councils***

The Australian Government Minister will declare Industry Skills Councils (ISCs) and DEST will manage their operations. Clear, measurable performance indicators will be included in their contracts, and ISCs will be evaluated against these in 12 months time.

ISCs will maintain their current roles and responsibilities in the development and review of training packages. It is expected that over the next 12 months ISCs will be able to demonstrate:

- progress against the Training Package priority areas identified above, particularly the rationalisation of the number of training packages, incorporation of employability skills, and development of cross-industry competencies;
- strong engagement with small, medium and large enterprises;
- strong working relationships with State based industry advisory arrangements;
- formal consultative mechanisms with training providers and equity groups, including through ISC membership or other methods of engagement;
- effective support mechanisms for registered training organisations (RTOs) seeking to deliver and customise training packages;
- strong links with the National Quality Council; and
- a capacity to work with emerging and innovative industries to identify the future development of training needs in Australia.

DEST will take on responsibility for developing Industry Skills Reports, as it is well placed to draw together the underpinning data and analysis from DEST, DEWR, the industry portfolio, and NCVET. In finalising the Reports, DEST will engage with both ISCs and the NISC to draw in their qualitative analysis. This reflects the importance of the Industry Skills Reports both in informing the high-level, evidence-based advice the NISC will be giving on workforce planning and future training priorities, and in driving the activities of ISCs and the development and review of training packages.

The role of ISCs in distributing training packages and other support material will be considered during the establishment of the new Ministerial company that will have responsibility for acquisition and licensing arrangements for training materials.

### ***Training products and support materials***

A new Ministerial Company will be established to develop 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 will be readily identifiable through the single entry point. The new Company will also advise the Ministerial Council for Vocational and Technical Education on data and interoperability standards.

An action group will be established to develop the model for the new Ministerial Company's operations. This will include:

- a sustainable funding model for the new company, taking account of the financial performance of both Australian Training Products and AEsSharenet Limited and their continued reliance on government funding. The funding model should explicitly recognise those 'public good' functions that will be funded from the Commonwealth-State Agreement for Skilling Australia's Workforce on an ongoing basis, and separately identify those functions which are to be delivered on a cost-recovery or commercial basis; and
- options for rationalising the role of the new Ministerial Company and ISCs in distributing training packages and other support material, with a view to reducing competition.

The Board of the new Ministerial company will be drawn from the membership of the National Quality Council and will comprise two State nominees, two industry nominees, one Australian Government nominee who will be the Australian Government member, and the National Quality Council Chair. The Board will have the power to co-opt two further positions to the Board to provide relevant expertise, such as intellectual property and product development distribution.

The national action group will work through the details of the Company constitution with immediate effect to enable new arrangements to be in place by 1 January 2006.

### ***National Training Information System (NTIS) and training.com***

DEST will manage the National Training Information System (NTIS). DEST will consult closely with NCVET on those elements relating to the registration and scope of training providers to achieve improvements in data quality, and with ISCs to ensure the quality of NTIS information on training packages.

DEST will also manage training.com, the single national entry point to vocational education and training in Australia.

### ***National Quality Council***

A National Quality Council (NQC) will be established as a Committee of the Ministerial Council for Vocational and Technical Education to oversee quality assurance and ensure national consistency in the application of Australian Quality Training Framework standards for the audit and registration of training providers.

The membership of the NQC will be as per the existing National Training Quality Council until the end of 2006 supplemented by two provider representatives, one public and one private, nominated by ACPET and TDA and approved by the Australian Government Minister. After this time, the membership of the NQC will be:

- an independent Chair, appointed by the Australian Government following consultation with the Ministerial Council for Vocational and Technical Education;
- seven industry representatives and an ACTU representative, nominated by the NISC;
- a representative from each State and the Australian Government, appointed by their own Government;
- two provider representatives, one public and one private, nominated by ACPET and TDA and appointed by the Australian Government following consultation with the Ministerial Council for Vocational and Technical Education; and
- two equity representatives, one for Indigenous Australians and one for people with a disability, nominated by States, and drawn from the State advisory networks.

The Australian Government Minister will approve all non-government members and appoint a Deputy Chair from the industry representatives, following consultation with the Ministerial Council for Vocational and Technical Education. The NQC workplan will be approved by the Ministerial Council for Vocational and Technical Education and funded on a three year basis from the *Commonwealth-State Agreement for Skilling Australia's Workforce*. It is expected the NQC will meet 4-6 times a year.

The NQC will provide an annual report on its operations to the Ministerial Council for Vocational and Technical Education, as well as a report on the operation of the National Skills Framework.

In carrying out its functions, the NQC will be required to formally engage with the NISC and ISCs.

A priority of the NQC will be to improve the national consistency of registration and audit. In 2005 it will be required to:

- commission a single organisation to conduct an independent review of State performance against the AQTF standards, with an emphasis on identifying any areas where the standards are being applied inconsistently; and
- on the basis of that review, recommend appropriate options to the Ministerial Council for Vocational and Technical Education to achieve a significant improvement in the national consistency of registration and audit practices within 12 months of the new Commonwealth-State Agreement for Skilling Australia's Workforce being signed.

The outcome of this initial review will determine what further steps should be taken to improve the national consistency of registration and audit. The nature of the review findings will inform the response needed from the national system to improve current practice.

A second priority for the NQC will be to develop an outcomes-based audit model that will address concerns that the AQTF is too strongly focussed on inputs and processes.

### **Terms of Reference** ***National Quality Council***

The functions of the National Quality Council will include:

- reporting to the Ministerial Council on the operation of the National Skills Framework, including training packages, AQTF standards and other quality assurance arrangements;
- advising Ministers on the endorsement of training packages;
- recommending approaches to improve national consistency within the operation of the National Skills Framework; and
- fulfilling accountability requirements through providing an annual report on its operations to the Ministerial Council.

The NQC and the NISC will be supported by an independent Secretariat to be managed within the new Ministerial company that will be formed to incorporate AShareNet and Australian Training Products Limited. Financial support for the Secretariat will be shared between jurisdictions with the Australian Government contributing 50 per cent and the States and Territories contributing the remainder based on the formula for the NCVET.

As the Australian National Training Authority ceased operations on 30 June 2005, interim Secretariat arrangements have been put in place to allow for continued support for the National Training Quality Council. The Secretariat support to the National Training Quality Council will be temporarily housed in Australian Training



Products Limited's Melbourne Office, reporting to the Secretary of the Department of Education, Science and Training as the ANTA Board's delegate.

Priorities for the NQC workplan include:

- commissioning an independent review of State performance against the AQTF standards and recommending appropriate options to the Ministerial Council for Vocational and Technical Education to achieve a significant improvement in the national consistency of registration and audit practices within 12 months of the new Commonwealth-State Funding Agreement being signed;
- developing a national outcomes-based audit model;
- commissioning strategic nationally coordinated audits, in all States, of high risk training areas, as determined by the Ministerial Council for Vocational and Technical Education;
- developing a national model for offshore auditing and commissioning a pilot series of offshore audits;
- developing a single User Choice contract template for RTOs;
- seeking ongoing improvement of training packages including by:
  - o driving progress in implementing the recommendations of the High Level Review of training packages;
  - o ensuring all Training Package qualifications are available as New Apprenticeship pathways; and
  - o ensuring qualifications can be delivered in a modular way that reflects the skill needs of industry rather than institutional needs.
- conducting a regular audit of accredited courses to ensure they are not being accredited in areas where relevant Training Package qualifications exist.

### ***Public Reporting of Registered Training Organisations (RTO) and New Apprenticeships Centres (NAC) performance***

Public reporting of RTO and NAC performance will be progressively implemented from 1 July 2005.

NTSC will be asked to develop advice to NSOC on data that is verifiable and can be reported accurately at a provider level. Over time, the performance reporting will be broadened to include the outcomes of all recognised training, whether privately or publicly funded.

Public reporting of RTOs from 1 July 2005 will include:

- details of an RTO's registration history;
- data on its scope of provision, with breakdowns of student enrolments, module and qualification completion rates for publicly funded training; and
- the outcome of audits.

Public reporting of NAC performance from 1 July 2005, subject to availability of data and contractual requirements, could include:

- data on retention and completion rates;
- number of trade apprentices and trainees signed;
- indigenous and disability rates of participation; and
- quality assurance rating.

If the public reporting of NAC performance against the above measures is currently not possible, the Australian Government will commit to take action to enable such reporting to occur under the next NAC contracts.

All performance information will be publicly available through [training.com](http://training.com).