

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.2 – Assistance for New Apprenticeships

DEST Question No. E363_04

Senator Marshall asked 5 November 2003.

Question:

Can the Department detail the accountability mechanisms that are in place where a New Apprenticeships Centre is also a Group Training Company and/or a Registered Training Organisation to ensure that issues such as conflicts of interest are dealt with?

Answer:

Conflict of interest for New Apprenticeships Centres

The 2003 -2006 New Apprenticeships Support Services Contract (NASS Contract) clearly delineates requirements to limit the potential for conflict of interest among those contracted New Apprenticeships Centres operated by businesses/organisations which also operate as Group Training and/or Registered Training Organisations.

- Item A.3.2, dot point 7 of Schedule 1 of the NASS Contract states that New Apprenticeships Centres must advise employers of their right to choose the Registered Training Organisation that best suits their needs;
- Item A.10.6 of the NASS Contract states “You must not enter into any arrangement that would result in any preference being given to any particular Registered Training Organisation”; and
- Clause 34 of the NASS Contract requires New Apprenticeships Centres to comply with the New Apprenticeships Centres’ Code of Conduct (the Code). Schedule 3 of the NASS Contract contains the Code. It is one of the responsibilities of New Apprenticeships Centres under Item 3, dot point 5 of the Code to provide information about the operation of User Choice and the services available from Registered Training Organisations in the region.

The NASS Contract requires all New Apprenticeships Centres to have a comprehensive Conflict of Interest Management Plan. This is detailed in Clause 18 and Schedule 4 of the NASS Contract. Conflict of Interest Management Plans were assessed as part of the NASS Tender evaluation process. Some organisations were required to strengthen these plans prior to execution of their New Apprenticeships Support Services Contract/s.

Conflict of Interest Management Plans at a minimum must:

- identify reporting lines;
- provide clear separation of New Apprenticeships Centre business from any related business undertaken by that organisation;
- identify segregation of finances and operational responsibilities;
- outline complaints handling processes;
- outline marketing material and badging of New Apprenticeships Centres;
- describe how conflicts of interest will be handled and reported to the Department; and
- describe how New Apprenticeships Centres which also operate a Registered Training Organisation arm will provide impartial advice to employers and New Apprentices on User Choice and Training Packages.

Adherence to Conflict of Interest Management Plans will be monitored as part of the Department's Contract Management process. Under the terms of the NASS Contract, the Department has the capacity to terminate a contract if a New Apprenticeships Centre fails to notify the Department of a conflict of interest or is unwilling to resolve or deal with the conflict as required.