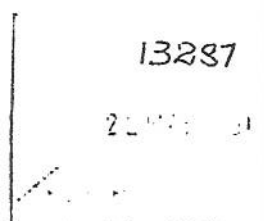




**GOVERNMENT RESPONSE TO THE
REPORT OF THE SENATE
EMPLOYMENT, WORKPLACE
RELATIONS, SMALL BUSINESS AND
EDUCATION REFERENCES
COMMITTEE**

***'ASPIRING TO EXCELLENCE: REPORT
INTO THE QUALITY OF VOCATIONAL
EDUCATION AND TRAINING IN
AUSTRALIA'***



MAY 2001

INTRODUCTION

The Government welcomes the opportunity to respond to the report of the Senate Employment, Workplace Relations, Small Business and Education References Committee, *Aspiring to Excellence: Report into the Quality of Vocational Education and Training in Australia*.

The primary issues raised by the Inquiry deal with quality assurance and the issue of national consistency. Throughout 1999 and 2000 there has been significant progress achieved in these areas and further work is under way. In its report to the ANTA Ministerial Council meeting of 17 November 2000, the ANTA Board commented that "the achievements and agreements made since June 30 this year will transform the system so that it is more consistent and user friendly."

In June 2000, the Australian National Training Authority (ANTA) Ministerial Council agreed to the proposal of the Commonwealth Minister for the establishment of a National Training Quality Council (NTQC) which has responsibility for monitoring and reporting on national quality assurance arrangements. The NTQC will also advise the ANTA Board on State/Territory registration and audit processes.

Work is progressing on addressing national consistency issues with improvements to the Australian Recognition Framework (ARF) in train and agreement to the Commonwealth Minister's proposal for work on nationally consistent legislation, with a report due to be presented to the next meeting of the ANTA Ministerial Council. In November 2000, the ANTA Ministerial Council also agreed to the progressive introduction of a national New Apprenticeships training contract and Commonwealth Minister's proposal for a national New Apprenticeships Code of Practice from early 2001 as well as the availability of a national information service.



The Hon. Dr David Kemp MP
Minister for Education, Training and Youth Affairs

Senator the Hon Margaret Reid
President of the Senate
Parliament House
CANBERRA ACT 2600

Dear Madam President

Pursuant to Senate standing order 166, relating to the presentation of documents when the Senate is not sitting, I present to you the Government response to the Senate Employment, Workplace Relations, Small Business and Education References Committee, *Aspiring to the Excellence: Report into the Quality of Vocational Education and Training in Australia*.

Yours sincerely

DAVID KEMP

Received by me pursuant to standing order 166
authorising the presentation of documents to
the President when the Senate is not sitting.
Publication of this document is authorised.

Temporary Chair of Committees
(Senator Hogg)

15.45

16 May 2001

THE GOVERNMENT'S RESPONSE

Recommendation 1 (paragraph 6.63)

The Committee recommends that national VET objectives be renegotiated to include the objective of ensuring that there is equitable access for all Australians to vocational education and training that enhances their capacity to participate in society and take advantage of emerging opportunities in employment and in further education and training.

The Government supports equitable access to vocational education and training (VET) that enhances people's capacity to participate fully in society. The national VET objectives already encompass that concept. *A Bridge to the Future: Australia's National Strategy for Vocational Education and Training 1998 – 2003* and its supporting paper *Achieving Equitable Outcomes* address the issue of equitable access to VET. The Strategy develops a conceptual framework to social justice and managing diversity and takes a strategic approach including the implementation of targeted responses to equity issues and addressing the issues of resource allocation and incentives. In addition, in June 2000, the Australian National Training Authority (ANTA) Ministerial Council agreed to *Partners in a Learning Culture: Australia's National Aboriginal and Torres Strait Islander Strategy for Vocational Education and Training 2000-2005* and *Bridging Pathways: The National Strategy for Increasing Opportunities for People with a Disability in Vocational Education and Training* and Blueprints for their implementation. These documents provide additional strategies to provide equitable access for indigenous people and for people with disabilities. Both strategies recognise the broad role of VET in providing skills for both employment and participation in society. The Commonwealth has provided \$4 million to ANTA to support activities at the national level that are outlined in the Blueprints.

Recommendation 2 (8.74)

The Committee recommends that:

(a) the Commonwealth Parliament and the Government recognise their responsibilities to develop a truly national vocational education system to meet the challenges of achieving high levels of international competitiveness that have emerged from economic restructuring and globalisation; and

(b) the Government acknowledge that for Australia to be competitive, it must ensure that skills acquisition is given high priority, and that further structural change is accompanied by national skills redevelopment programs for those disadvantaged in employment so that labour mobility and an even spread throughout Australian society of the benefits of economic change can be assured.

(a) The Government has and will continue to actively pursue improvements in the national VET system, including to enhance national consistency in co-operation with the States and Territories. The ANTA Ministerial Council agreed in June 2000 to work co-operatively to achieve a fully integrated National VET System. In November 2000, the ANTA Ministerial Council gave further consideration to the issues of achieving national consistency and adopted the recommendations proposed in the report on Achieving National Consistency in the VET System, including: revising the current Australian Recognition Framework arrangements; establishing a national information web site; enhancing arrangements for consistency of Training

Package recognition and implementation and revising arrangements for Training Agreements to reflect a consistent national approach. Ministers also agreed to the progressive introduction of a National Code of Good Practice for New Apprenticeships from early 2001 and agreed to the appointment of a trouble-shooter for national employers to work with States, Territories and the Commonwealth to facilitate access to New Apprenticeships. Ministers also considered a report on nationally consistent legislation following work that was initiated by the Commonwealth Minister and agreed by State and Territory Ministers. Ministers resolved that the "model clauses" option (whereby the States and Territories would amend their existing VET legislation to include substantially the same clauses developed through a collaborative process) be implemented in the short term with further consideration to be given to the ANTA Board's recommendation that the "codified legislation" option (involving adoption by all States and Territories of the same nationally agreed legislation) be adopted in the longer term.

(b) The Government recognises that skills acquisition is an integral part of Australia's ability to be competitive in the global economy. *A Bridge to the Future: Australia's National Strategy for Vocational Education and Training 1998 – 2003* gives skills acquisition high priority, particularly through its first and fourth objectives, *equipping Australians for the world of work and increasing investment in training*.

In 1999 the Minister for Education, Training and Youth Affairs moved to address the issue of skills shortages by initiating the National Industry Skills Initiative. This is a partnership with the Australian Chamber of Commerce and Industry (ACCI), the Australian Industry Group (AiG), the Business Council of Australia (BCA) and the National Farmers' Federation (NFF). Industry led working groups were established to enable consultations with the engineering, automotive and electro technology industries. As a result an Industry Skills Forum was held in April 2000 at which the Minister announced industry action plans aimed at tackling the factors underlying skill shortages in these industries. Task forces have now been formed for these industries and will be reporting to the Minister with further updates in June 2001.

Industry led working groups have also now been established for three further industries, the building and construction, food trades and rural industries. The rural industry working group reported to the Minister on 2 March 2001 while the working groups for the construction and food trades industries are due to report to the Minister in the near future.

Recommendation 3 (6.52)

The Committee recommends that ANTA make a clear policy statement emphasising the importance of including people with teaching or professional educational expertise and experience in all aspects and at all levels of VET decision making, planning and development processes.

The Government believes that teaching and education expertise have been recognised in the development of national policy and decision making processes. These processes include participation by State and Territory representatives and nominees. The States and Territories nominate people whom they consider have the appropriate background and skills to make an effective contribution. This applies to the NTQC and committees and working groups responsible for national consistency and other initiatives.

The Government will draw this recommendation to the attention of the ANTA Board in respect of ANTA's processes. State and Territory policy development, planning and decision making processes are matters for the States and Territories.

Recommendation 4 (paragraph 6.23)

The Committee recommends that:

- (a) the membership of ANTA provide a balance between national and state and territory governments, employers, unions and VET provider interests; and**
- (b) at least one member is appointed who is a practising professional VET teacher or educator and who is able to provide the Board with advice based on extensive teaching and educational expertise and experience.**

- (a) The composition of the ANTA Board is a matter for the ANTA Ministerial Council, comprising the Commonwealth and all State and Territory Ministers responsible for vocational education and training, under the terms of the ANTA Agreement. Since the original ANTA Agreement of 1992, the Ministerial Council has nominated members to the Board who have been drawn from industry, including employer and employee organisations.**
- (b) The Government considers that the composition of the ANTA Board should continue to be a matter for collective decision by the ANTA Ministerial Council. The Committee's recommendation will be drawn to the attention of the Ministerial Council.**

Recommendation 5 (paragraph 8.84)

The Committee recommends that:

- (a) the Australian Recognition Framework be replaced with a National Code for Quality in VET. The National Code should be made legally enforceable through Commonwealth legislation. The National Code should contain a statement of the rights, responsibilities and obligations of all relevant parties, and standards, procedures and evidence requirements to regulate and ensure quality in all aspects of VET, including consistency of implementation. Specifically, the National Code should incorporate:**
 - principles, standards and procedures for the endorsement of National Training Packages and, where these do not exist, for the accreditation of courses, and for the consistent national implementation of Training Packages and courses (including standards to ensure consistency and parity of qualifications, and requirements relating to the inclusion of the Mayer Key Competencies);**
 - requirements with which all states and territories would be expected to comply in the performance of their quality assurance responsibilities. These requirements should include a statement of mutual recognition obligations and provisions to ensure proper protection of the rights of students and apprentices and trainees;**

- **legally enforceable national standards, procedures and evidence requirements for registration to provide VET services, and for performance monitoring and auditing of training providers to be applied by states and territories;**
- **consistent national standards for the audit process including qualifications and other requirements to be met by auditors;**
- **explicit and comprehensive standards, procedures and evidence requirements with which registered training providers must comply, in the provision of VET services. These should cover teaching and learning, recognition of prior learning, recognition of current competency and assessment of vocational education and training, whether on the job, in the workplace or in an institutional setting and the preparation, monitoring and implementation of Training Plans for apprentices and trainees. The standards and evidence should relate to both the capacity of a provider to provide quality VET services and to a provider's actual performance against the standard;**
- **sanctions, including fines and suspension or cancellation of registration to be applied to RTO's failing to comply with the Code;**
- **arrangements for a national register of VET providers, with the providers being entered on the register only where the state or territory authority has certified that the provider has been visited and that compliance with the National Code has been established.**

(b) ANTA commence work on establishing the National Code for Quality in VET pending the establishment of the National Qualifications and Quality Assurance Authority proposed in Recommendation 6.

The intent of this recommendation is being addressed through the ongoing work to revise the ARF which commenced with the work on risk management initiated by the ANTA CEOs committee in September 1999.

In accordance with the resolutions of the ANTA Ministerial Council of 17 November 2000, the ARF arrangements are currently being strengthened to include:

- Standards for Registered Training Organisations (RTOs); and
- Standards and agreed practices for undertaking audit and registration of training organisations and accreditation of courses.

The Ministerial Council agreed the following in relation to the ARF Standards for RTOs:

- quality assurance mechanisms be made more explicit;
- principles from the current ARF Arrangements in relation to registration, mutual recognition and assessment be incorporated as auditable standards;
- a requirement be included that personnel undertaking assessments on behalf of an RTO should hold the following assessment competencies for the Assessment and Workplace Training Training Package or equivalent (noting that the competencies need not necessarily be held by one person):
 - BSZ401A Plan Assessment

- BSZ402A Conduct Assessment
 - BSZ403A Review Assessment, and
 - the relevant vocational competencies at least to the level being assessed;
- delivery standards be incorporated into the ARF requiring personnel delivering training to be competent or under the direct supervision of competent personnel. (Competence for this purpose is defined as having all the competencies in the Certificate IV from the Training Package for Assessment and Workplace Training, or having demonstrated equivalent competencies, and vocational competencies at least to the level of those being delivered);
- a strengthened requirement be made in relation to the development of learning strategies for Training Packages or accredited courses including evidence of the integration of on and off the job training and assessment;
- greater rigour be introduced in the definition, approval, recording and monitoring of RTO partnership and contracting arrangements; and
- a requirement be included that RPL processes are readily accessible and structured to minimise the time and cost to clients, and that RPL occurs before training commences.

In relation to the development of consistent audit practices and processes, the Ministerial Council agreed that there will be:

- a nationally consistent range of sanctions including reduction in the scope of registration, suspension of registration, cancellation of registration, the imposition of specific conditions in relation to the registration such as the suspension of operations at a site or sites;
- arrangements in relation to the assurance of quality where an RTO has multiple sites, including sanctions for non-compliance;
- a comprehensive and nationally consistent approach to the targeting and frequency of RTO audits based on a fully developed risk management approach and which will include:
 - a full initial audit assessment preceding registration and for newly established RTOs, a compliance audit occurring at least within 12 months of initial registration;
 - compliance audits for targeted RTOs, within the registration period, undertaken in response to identified risk factors, and/or a program of strategic industry audits; and
 - a full reassessment audit of the RTO when seeking re-registration; and
 - a five year period of registration of training organisations.

The Ministerial Council also agreed that the ARF Standards and outcomes of the audit processes related to those standards will form the basis of the legal enforcement of mutual recognition, including registration of training organisations, sanctions and the recognition of accredited courses and nationally recognised Australian Qualifications Framework (AQF) qualifications and Statements of Attainment.

It is expected that the revised ARF documents and transition arrangements will be considered by the Ministerial Council in June 2001.

The revised ARF will be more than a quality code, as it will set out a framework within which quality assurance is to operate. However, it would be consistent with recent reforms, including the establishment of the NTQC, for the name of the ARF to be adjusted to make clear its central role in the assurance of quality standards within the VET system. The Commonwealth will

therefore be recommending to the Ministerial Council, when that body considers the proposed enhancements to the ARF, that it be renamed the Australian Quality Training Framework.

The question of Commonwealth legislation is dealt with in the response to recommendation 6.

Recommendation 6 (paragraph 8.100)

The Committee recommends that:

(a) a National Qualifications and Quality Assurance Authority (NQQAA) be established as an independent statutory body by the Commonwealth under new legislation separate from but modelled on the ANTA legislation and the Education Services for Overseas Students Bill 2000, underpinned by an Agreement similar to the ANTA Agreement. The Commonwealth legislation should empower the NQQAA to :

- (i) establish the National Code for Quality in VET;**
- (ii) apply and administer the National Code and the standards and other requirements therein, including those relating to national consistency;**
- (iii) register VET providers in accordance with National Code standards and procedures;**
- (iv) exercise compliance and audit powers, including the application of sanctions;**
- (v) report and make recommendations to ANTA MINCO on the states and territories Annual Quality Assurance Plans (see Recommendation 8);**
- (vi) develop or assume responsibility for further developing and administering the system or arrangements for tracking, recording and reporting on reasons for and circumstances surrounding withdrawals, cancellations, recommencements or other events which involve an apprentice or trainee leaving an employer prior to completion (see also Recommendation 18);**
- (vii) develop or assume responsibility for further developing and administering national implementation plans for National Training Packages, with particular attention paid to achieving national consistency in regard to nominal hours, sample training programs, and identification of current and new resources to deliver training;**
- (viii) develop or assume responsibility for further developing and administering the national register of VET providers recommended in Recommendation 5;**
- (ix) take on the role of the national professional teaching standards and registration body recommended in Recommendation 27; and**
- (x) report annually to the Commonwealth Parliament on the operation of the National Code for Quality in VET and all aspects relating to it.**

(b) the Commonwealth legislation provide for legal enforceability of the National Code, and provisions for safeguarding the independence of the auditors (including from state training authorities);

(c) the Commonwealth legislation enable the National Qualifications and Quality Assurance Authority's registration, compliance, audit and sanction powers to be delegated to the states and territories. Under these arrangements the states and territories should continue to have first-line responsibility for quality assurance of VET delivery, including responsibility for provider registration and audit and for undertaking investigations into providers whose integrity or quality has been called into question. Where providers are found not to meet the National Code requirements, the states and territories would have delegated powers to apply sanctions that include fines and suspension or cancellation of registration. If a state or territory fails to investigate in a timely or adequate manner, the NQQAA would retain powers to initiate its own investigation and apply sanctions;

(d) the membership of the NQQAA provide a balance between national and state and territory governments, employers, unions and VET provider interests. The NQQAA should have deliberative and compliance powers as set out in other parts of this Recommendation, as well as a role in advising ANTA MINCO and, as set out in (a) x. above, an obligation to report annually to the Commonwealth Parliament on the operation of the National Code for Quality in VET and all aspects relating to it;

(e) the NQQAA have all the powers and functions of the present National Training Quality Council; and

(f) the National Qualifications and Quality Assurance Authority be funded by the Commonwealth.

The Government considers that establishment of a National Qualifications and Quality Assurance Authority is unnecessary in light of the responsibilities of the NTQC. The ANTA Ministerial Council has given the NTQC, which is a committee of ANTA under the ANTA Act 1992, primary responsibility for monitoring and reporting on national quality assurance arrangements.

The NTQC has assumed the functions of the former National Training Framework Committee (NTFC) and, in particular has responsibility for providing information and advice to the ANTA Board on the operation of the ARF in each State and Territory, including independent advice on State/Territory registration, audit and related processes and related Commonwealth processes. The ANTA Ministerial Council has agreed that the NTQC access appropriate technical expertise and support in delivering this role.

The Government does not consider that it would be appropriate or helpful at this time to separate national quality assurance from ANTA's broader roles in the national VET system.

The establishment of a new Commonwealth statutory body to undertake quality assurance in VET would effectively create two bodies of equal status dealing with overlapping responsibilities. This would be wasteful in resource terms as well as adding unnecessarily to the bureaucracy in a regulatory system which is already perceived by industry as being overly complex.

At its 17 November 2000 meeting, the ANTA Ministerial Council considered the issue of nationally consistent legislation for VET. It noted that changes to the existing legislative framework for VET are required and agreed to the implementation of “model clauses” in the short term with further consideration to be given to the adoption of codified legislation in the longer term. Under the “model clauses” approach, each State and Territory would amend its existing VET legislation to include the same, or substantially the same, set of clauses to give effect to agreed national standards for the VET system.

The Government expects that the States and Territories will deliver on the commitments they have given through the Ministerial Council. Progress on this nationally collaborative approach will be monitored carefully by the Ministerial Council. If the States and Territories do not meet the commitments that they have given, it may be necessary to revisit the issue of Commonwealth legislation.

Recommendation 7 (paragraph 8.101)

The committee recommends that ANTA continue to have the following core roles:

- **progressive development of the National Strategy for VET as necessary;**
- **provision of advice to MINCO on annual VET plans;**
- **provision of advice to MINCO, in the context of the National Strategy, on the principles to be applied in the allocation of funding between states and territories and the release of Commonwealth funds;**
- **provision of information and advice to MINCO to assist MINCO to identify and plan for future growth requirements, including social, labour market and demographic growth, and requirements arising from major changes in factors affecting demand;**
- **policy review, evaluation and research on national policies agreed by ministers from time to time;**
- **advising MINCO on the development of key performance measures and reporting objectives;**
- **ensuring agreed national data are generated;**
- **coordinating major national initiatives agreed by ministers from time to time;**
- **administration of arrangements for payment of Commonwealth funds to the states and territories; and**
- **annual reports to ANTA MINCO.**

These roles are largely specified in the ANTA Agreement for 2001 to 2003 that the Commonwealth has proposed to the States.

Recommendation 8 (paragraph 7.52)

The Committee recommends that:

(a) the new ANTA Agreement include an agreement by the Commonwealth to meet, in each year of the new Agreement, its share of funding for growth in vocational education and training. In the absence of agreement on the likely rate of growth and the cost associated with that growth, growth funding should be tied to actual growth and the cost associated with that growth in successfully completed modules in the previous twelve month period. Commonwealth funds to ANTA (capital and recurrent) can be adjusted each year by the percentage change in *Assessable enrolment-successfully completed Annual Hours Curriculum* recorded for the previous year. This was 171,983,920 in 1998 and 183,838,731 in 1999 – an increase of 7 per cent. Applying 7 per cent to Commonwealth funds for the year 2000 (\$920m) is \$65m. This approach overcomes the need to base growth funding on estimates of growth and automatically rewards states and territories both for growth and for improving success rates;

(b) the payment of Commonwealth growth funding to states and territories be subject to each state and territory agreeing to rigorously implement enhanced standards for registration, performance monitoring and auditing of providers. This commitment should include each state and territory preparing and submitting to ANTA MINCO, along with Annual VET Plans, an annual Quality Assurance Plan that sets out a program and targets for registration, performance, monitoring and auditing of providers, and reports on progress against the previous year's plan; and

(c) ANTA report and make recommendations to MINCO on the states' and territories' Quality Assurance Plans, including whether progress against the previous year's plan is satisfactory. Growth funds should be paid by ANTA to a state or territory only if the state or territory's Quality Assurance Plan has been considered and accepted by the Ministerial Council. Responsibility for this function should pass to the national Qualifications and Quality Assurance Authority when it is established.

Funding arrangements under the proposed ANTA Agreement for 2001-2003 specify that funding for growth should be on the basis of shared responsibility between the Commonwealth and the States and Territories. The Agreement that the Commonwealth has proposed to the States and Territories includes strengthened accountability arrangements in relation to the implementation of quality assurance under the Australian Recognition Framework, including in respect of auditing.

Recommendation 9 (paragraph 9.121)

The Committee recommends that:

(a) the Commonwealth and ANTA work together to revitalise and strengthen the role of Training Plans so that they play a more strategic and effective role in planning and delivering training for individual apprentices and trainees, and in providing a means of more closely monitoring progress towards the outcomes defined by the Training Agreement. Training Plans should become auditable documents linked to the registration

of Training Agreements and the payment of government incentives and payments. As a minimum, Training Plans should contain the following:

- details of the RTO, employer and apprentice or trainee;
- the Training Package being used and the qualification(s) to be awarded;
- the competencies to be achieved (in the most detailed form available) and the courses, modules, units or other training to be successfully completed in order to acquire the qualification;
- whether recognition of current competencies and/or credit transfer has been requested or provided and a list of competencies for which recognition of current competencies or credit transfer has been granted;
- a statement of the proportion of structured training to be provided off the job;
- a statement of the proportion of training which is enterprise-specific;
- the need for any additional literacy, numeracy or other support and how this will be provided;
- indicative monitoring dates;
- details of arrangements for assessments including indicative assessment milestones; and
- negotiated arrangements for reporting back to the employer and their trainee or apprentice.

(b) fully completed Training Plans, signed by the employer, the apprentice or trainee and the Registered Training Provider providing or supervising the training be included with Training Agreements when they are submitted for approval and registration. Training Agreements should not be approved or registered by state or territory authorities unless accompanied by an acceptable Training Plan.

(c) Commonwealth financial incentives not be paid to employers unless an approved Training Plan is in place and evidence of progress or compliance with the Training Plan is provided.

(a) As part of the ongoing work to improve national consistency, and building on previous work on a 'model' Training Agreement, ANTA is working with the States and Territories and the Commonwealth to develop a new national New Apprenticeships training contract. It is expected that this will be finalised in 2001, following consultations to address varying current State and Territory requirements related to the timing, content and inclusion of a training plan.

In addition, as agreed by the ANTA Ministerial Council, ANTA has worked with the Commonwealth, States and Territories and industry to develop a National Code of Good Practice. The Code has been implemented from January 2001. The code explains in plain English the obligations of employers and New Apprentices under a training contract, including a requirement to participate in the development of a training plan.

(b) Approval and registration of training agreements is the responsibility of State and Territory Training Authorities. The Commonwealth will draw the attention of ANTA's National Consistency Advisory Committee to the Committee's recommendation.

(c) The Government considers that the current requirements, whereby Commonwealth New Apprenticeships Incentives cannot be paid unless the employer, the New Apprentice and the Registered Training Organisation declare that training has commenced according to the New Apprenticeships Training Plan, are adequate.

Recommendation 10 (paragraph 9.145)

The Commonwealth strengthen and more rigorously monitor and enforce measures to avoid real or potential conflicts of interest between organisations operating as New Apprenticeships Centres and/or Group Training Companies and/or VET providers. As a minimum, where real or potential conflicts of interest exist, the same staff within an organisation should not be allowed to carry out multiple roles.

DETYA requires New Apprenticeships Centres to be transparent and rigorous in their management of conflict of interest. All New Apprenticeships Centres must have a detailed plan of the controls and arrangements to manage potential and actual conflicts of interest. New Apprenticeships Centres are required to make public their strategies for managing conflict of interest. Monitoring of compliance with Conflict of Interest Management plans is undertaken as part of the contract management process.

Breaches of the plan will constitute a breach of contract and will be dealt with through the formal contract process.

In general, the Government agrees with the Committee that it is good practice that the same staff in a New Apprenticeships Centre should not carry out multiple roles where real or potential conflicts of interest exist. Separation of duties is common practice already and the attention of New Apprenticeships Centres will be drawn to the issue in the light of the Committee's comments. However, it would not be appropriate for the Commonwealth to require total separation of staff of New Apprenticeships Centres in all circumstances, since for some New Apprenticeships Centres staff, particularly those in minor administrative roles, it could be impractical, inefficient and unnecessary to separate functions in the manner suggested.

Recommendation 11 (paragraph 8.127)

The Committee recommends that:

(a) national implementation plans for National Training Packages be developed, with particular attention paid to achieving national consistency in regard to nominal hours, sample training programs, and identification of current and new resources to deliver training; and

(b) ANTA commence work on establishing the national implementation plans for National Training Packages pending the establishment of the National Qualifications and Quality Assurance Authority proposed in Recommendation 6.

ANTA has for several years supported the development of implementation guides through the Victorian Office of Post Compulsory Education Training and Employment which have been made available to all States and Territories. Building on this, the ANTA Ministerial Council at its 17 November 2000 meeting agreed that ANTA, in conjunction with States and Territories, will develop national implementation guides for use with each Training Package (endorsed or re-endorsed from July 2001) and publish them on the ANTA website.

ANTA is currently undertaking a business re-engineering project to improve Training Package processes. It is expected that this project will result in better synchronisation of endorsement and implementation activities to ensure prompt availability of Training Packages.

In relation to variations in the assignment of nominal hour values to units of competency and/or qualifications, the ANTA MINCO meeting of 17 November 2000 agreed that:

- (a) in consultation with States, Territories and the Commonwealth, ANTA is to clarify working definitions and purposes for which nominal hours are assigned to Training Packages;
- (b) in light of (a) above, if necessary, a process will be introduced that is developed in consultation with States, Territories and the Commonwealth, for ongoing moderation of variations in nominal hours and that this process be completed by December 2001;
- (c) pending the work undertaken in (a) and (b) above, ANTA will introduce into the State and Territory evaluation forum for each Training Package, a discussion of implementation including moderation of potential discrepancies in the assignment of nominal hours to Training Packages; and
- (d) the NTQC undertake a review of the packaging rules for qualifications in Training Packages to identify if and where these rules contribute to nominal hours inconsistencies and to address as necessary by March 2001; and
- (e) significant variations of nominal hour values assigned in existing Training Package implementation guides, will be moderated by December 2000 (this work is still under way).

Recommendation 12 (paragraph 7.96)

The Committee recommends that:

- (a) training for individual apprentices and trainees must include a sound foundation of portable, industry-wide competencies and qualifications; and**
- (b) ANTA and Training Package guidelines and advice on customisation or tailoring of training to meet enterprise-specific needs be underpinned by a clear policy statement that enterprise-specific training is the responsibility of the enterprise. Training may be tailored to meet enterprise-specific needs, but there must be a balance between industry-wide and enterprise-specific training, and the portability of skills and maximising the use and integrity of the system of portable national qualifications must be paramount.**

(a) Training Packages have been developed for this purpose. Most include core and elective units of competency to provide flexibility while ensuring that foundation skills are covered. New advice to Training Package developers which recommends this approach, with exemplars, is now included in the Training Package Developers Handbook, published on the ANTA website.

(b) Contextualisation (not “customisation”, which is the term that applies to accredited courses) is a delivery issue and Registered Training Organisations are able to contextualise training which complies with the standards in the Training Package to meet client needs. Advice on contextualisation is found in each Training Package and is now included in the Training Package Developers Handbook.

ANTA’s continuous improvement cycle provides for a review of each Training Package after a set period (usually 2- 3 years). During this process, the qualifications and the packaging arrangements are reviewed and revised to address changing requirements.

Recommendation 13 (paragraph 8.168)

The Committee also recommends that:

(a) **Training Packages not provide so much flexibility in the selection of units for a particular qualification that the qualification has insufficient commonality of outcome to provide the industry and the employee with a truly consistent and portable qualification. Customisation policies must clearly protect the integrity and portability of the qualification;**

(b) **in implementing the recommendations for the National Code for Quality in VET (Recommendation 5 and 6), particular attention be paid to ensuring that Registered Training Organisations actually deliver and assess the broad skills and competencies specified in the training package qualifications; and**

(c) **endorsed Enterprise Training Package qualifications which do not achieve at least 85 per cent commonality with portable industry qualifications not be eligible for User Choice or other public funding.**

Recommendation (a) reflects current policy. Policies on Training Packages have been developed within the ANTA Ministerial Council framework based on collective agreement by the Commonwealth and States and Territories. The NTQC has representatives from industry, the States and Territories and the Commonwealth, and administers Training Package policies. The packaging rules for Training Packages balance flexibility with the requirement to maintain the integrity of the qualifications (including industry skills and portability).

The thrust of Recommendation (b) is being addressed through the revisions to the ARF arrangements.

Recommendation (c) is not supported. Current policy on the development of Enterprise Training Packages aims to protect the integrity and portability of the qualifications.

Enterprise Training Packages are subject to the equivalent quality requirements and endorsement processes as publicly funded Training Packages. Submission to the National Training Quality Council (NTQC) for endorsement must be via a national Industry Training Advisory Body or Recognised Body (if the Enterprise does not have existing recognition as a standards body). All requirements for involvement of stakeholders, consultation, validation and compliance with technical specifications apply.

Enterprise Training Packages are required, where relevant, to incorporate endorsed industry standards.

Recommendation 14 (paragraph 9.107)

The Committee recommends that no Commonwealth funds be made available for fully on the job apprenticeships or traineeships, and that, as provided for in the following recommendation, Training Plans must stipulate the proportion of training to be delivered off the job.

As the Committee's Report notes there has been much confusion over the term 'on the job training'. There is wide variation of experiences in on the job training and the Government is concerned that a full prohibition on fully on the job training may limit unnecessarily the provision of the most appropriate training in some circumstances. The Committee adopted the terms 'workplace training' and 'on the job training' to distinguish between training that is delivered primarily off the job at the workplace and that which is experienced by an apprentice or trainee through the performance of normal work duties. The report also refers to the further distinction between training that is delivered primarily off the job but which is reinforced in a workplace context and structured workplace learning "whereby competence is acquired ... through the performance of normal work duties". To further quote the report "This may include: the structuring of experience-led learning opportunities in the workplace through such means as job rotation, sequencing of the learner's activities, increasing the variety and complexity of work tasks; and training on the job through coaching, mentoring, work shadowing, supervision and job instruction."

The Committee strongly supports training which "is competently provided in a real work context, that is, either on the job or in the workplace", and notes that submissions it received indicate that support for the concept of structured workplace training is strong. However, the Committee notes that "fully on the job traineeships (without the direct involvement of an RTO) were first introduced under the *Working Nation* initiatives as National Training Wage Traineeships in the early 1990's.

These "fully on the job" training products are being phased out as a consequence of the introduction of Training Packages based on New Apprenticeship pathways. The Government considers that these arrangements provide for an appropriate combination of on and off the job training.

Recommendation 15 (paragraph 8.145)

The Committee recommends that:

- (a) ANTA's National Training Quality Council raise the standards for the specification of underlying knowledge and skills in National Training Packages and ensure these are applied consistently;**
- (b) National Training Packages not receive endorsement until underpinning knowledge and skills are specified in accordance with the strengthened requirements; and**
- (c) responsibility for this task and all other powers and functions associated with National Training Packages that currently rest with the National Training Quality Council pass to the National Qualifications and Quality Assurance Authority (Recommendation 6) when established.**

Work on the matters raised in (a) and (b) is under way.

ANTA has undertaken a national strategic evaluation to investigate the nature and sufficiency of underpinning knowledge in competencies within Training Packages and its results are being considered by the NTQC.

Recommendation (c) is covered by the response to recommendation 6.

Recommendation 16 (paragraph 8.156)

The Committee recommends that:

- (a) ANTA's National Training Quality Council pursue initiatives to clarify and improve the specification of Key Competencies in National Training Packages, including the development of standards to be met in relation to their specification; and**
- (b) in accordance with Recommendation 15, responsibility for further development and enforcement of standards relating to the specification of Key Competencies in Training Packages pass to the National Qualifications and Quality Assurance Authority when established.**

The matters outlined in Recommendation 16 (a) are being addressed.

Current NTQC policy is that the Key Competencies should be embedded within Training Package competency standards.

The revised ANTA Guidelines for Training Package developers, the Training Package Development Handbook will contain advice on how to make the Key Competencies explicit in Training Packages.

Recommendation (b) is covered by the response to recommendation 6.

Recommendation 17 (paragraph 8.139)

The Committee recommends that:

- (a) ANTA takes steps to strengthen National Training Package Support Materials so that they provide specific guidance on implementation, particularly in regard to appropriate learning strategies, teaching programs and courses and resource materials. These should be developed with both work based and institutional delivery in mind;**
- (b) Support Materials be available when National Training Packages are released; and**
- (c) responsibility for the development of National Training Package Support Materials pass to the National Qualifications and Quality Assurance Authority when established.**

The thrust of recommendation (a) to strengthen Support Materials for Training Packages is supported but the Government considers that the range and nature of Support Materials funded by ANTA and the Department of Education, Training and Youth Affairs (DETYA), should continue to be determined in consultation with industry stakeholders and a range of RTO end-users. Industry-specific and generic materials are currently being developed for endorsed Training Packages and those under development and review. Innovative and flexible learning strategies, assessment resources and professional development materials will support a variety of institutional and work-based pathways with particular emphasis on New Apprenticeships. A quality assurance process, subject to continual improvement, has been implemented.

Recommendation (b) is supported but the Government notes that some Support Materials may be identified after a Training Package's initial release.

Recommendation (c) is covered by the response to recommendation 6.

Recommendation 18 (paragraph 5.70)

The Committee recommends that:

- (a) systems and arrangements for tracking individual apprentice and trainee movements or transactions (ie withdrawal, cancellation, recommencement, or any other event that involves an apprentice or trainee leaving an employer prior to completion) be strengthened, including by the establishment of systems and arrangements whereby:**
 - (i) apprentices and trainees whose contractual status changes (because of withdrawal, cancellation, recommencement or any other event that involves an apprentice or trainee leaving an employer prior to completion), and their employers, are interviewed in person or by phone about the circumstances surrounding the change; and**
 - (ii) records of such changes and the reasons for the changes are maintained in a form that will allow results to be compiled in a timely manner in a national database to assist training policy analysis and development.**

(b) ANTA and the Commonwealth jointly convene a working group to investigate and make recommendations to ANTA MINCO on possible arrangements to ensure that apprentice and trainee movements or transactions, and the reasons for these changes, are more effectively tracked, recorded and reported. The investigation should consider the roles and responsibilities of employers, apprentices and trainees, registered training organisations, New Apprenticeship Centres and state training authority agents such as Field Officers, to determine where initial or primary responsibility for tracking apprentice and trainee movements or transactions, contacting apprentices and trainees and their employers, and maintaining records of and reporting on changes could most effectively rest; and

(c) responsibility for administering the systems and arrangements for monitoring and reporting on apprentice and trainee movements or transactions pass to the National Qualifications and Quality Assurance Authority when established. (Paragraph 5.70)

(a) Administration of Training Agreements is a State and Territory responsibility. The National Centre for Vocational Education Research Ltd (NCVER) collates State and Territory data on withdrawal, cancellation, and recommencement events that involve a New Apprentice leaving an employer prior to completion. However these records depend on the accuracy of State Training Authority (STA) records. Work is currently under way through the NCVER to improve data collection and recording of completions. In addition ANTA has commissioned work through the NCVER to further examine Apprentice and Trainee Completions and Non – Completions. Targeted research and evaluation on this issue is more cost-effective than the creation of a national database to record all reasons for changes in New Apprentices' status.

(b) New Apprenticeships Centres have as part of their contractual obligations, a requirement to undertake a minimum of two contact visits with the employer and New Apprentice during the period of the New Apprenticeship. These contacts are designed to allow for the identification of any issues that may impact on the potential for successful completion of the New Apprenticeship. New Apprenticeships Centres are required to refer any issues raised to the relevant State/Territory training authority for appropriate action.

(c) The response is covered in the response to recommendation 6.

Recommendation 19 (paragraph 5.66)

The Committee recommends that ANTA commission independent national research into the relationship between the nature and availability of both educational and social welfare support systems for apprentices/trainees, and apprentice/trainee movements or non-completion, either through withdrawal, cancellation, transfer to another employer, or other event.

The Government believes that there has already been significant research undertaken in this area and does not see the need to commission further work at this stage. In 1999, DETYA commissioned an action learning research project to investigate support structures for New Apprentices to assist them to complete their training. Several 'Support Models' were developed, following a literature search and focus group research, and trialed in four sites across Australia.

The project found that the 'industry support' model and the 'community support' model were successful when the organisations involved had integrated better monitoring and support strategies into their business processes. It is expected that some of the resources developed through this project will be available in the second half of 2001.

The National Centre for Vocational Education Research Ltd (NCVER) has recently undertaken a number of research projects into non-completion of New Apprenticeships through the National Research and Evaluation Committee (NREC).

Recommendation 20 (paragraph 9.123)

The Committee recommends that:

(a) as apprentices and trainees do not have access to unfair dismissal arrangements, the Commonwealth, through ANTA MINCO, prevail upon the states and territories to provide greater protection through regulations and other arrangements that prevent employers terminating apprenticeship and traineeship contracts without the approval of the state training authority; and

(b) access by apprentices and trainees to an independent state appeals tribunal or process be established on a tripartite basis.

At the ANTA Ministerial Council meeting in November 2000, Ministers agreed, at the instigation of the Commonwealth, to the progressive introduction of a New Apprenticeships Training Contract and Code of Good Practice in 2001 (the Code was finalised and distributed in March 2001). In addition, the issue could be examined further along with the work being undertaken through the nationally consistent legislation project.

Recommendation 21 (paragraph 9.179)

The Committee recommends that Commonwealth financial incentives not be available to employers who have a persistent pattern or a high incidence of withdrawal, cancellation, transfer or other event which involves an apprentice or trainee leaving the employer prior to completion, unless the reasons for leaving can be demonstrated to be attributable to genuine voluntary choice on the part of the apprentice or trainee. Provision should be made for employers to requalify for Commonwealth financial incentives after demonstrating satisfactory training performance over a period of twelve months.

Non-completions arise from a wide variety of circumstances as reported in the DETYA Traineeship Non-Completions Report, which covers young people commencing traineeships up to the first quarter of 1996. The Government sees no present need to take action of the kind proposed in this recommendation.

Approval of training agreements and the monitoring of a New Apprenticeship, in terms of both employment and training, is a State or Territory government responsibility. STAs may refuse to register training agreements involving employers who have a persistent pattern or a high incidence of withdrawal, cancellation, transfer or other event that involves a New Apprentice leaving the employer prior to completion. Where DETYA, through standard monitoring procedures or other avenues, becomes aware of a potential problem with an employer of New

Apprentices, the appropriate STA is notified of the situation. In addition, where there is appropriate evidence DETYA will also investigate the matter.

As noted in the response to Recommendation 9, in November 2000, Ministers agreed on the implementation of a National Code of Good Practice for New Apprenticeships.

The Code will be an important tool that explains in plain English the obligations of employers and New Apprentices under a Training Contract and could also be used by New Apprenticeships Centres and Registered Training Organisations in promoting New Apprenticeships.

Recommendation 22 (paragraph 7.145)

The Committee recommends that ANTA and DETYA continue to pursue options for collecting data on employer training activity and expenditure and for establishing a benchmark that can be used to assess changes in employer investment over time.

In 2000, the Australian Bureau of Statistics (ABS) examined the feasibility of conducting another Training Expenditure Survey. It found that a survey of this scope was no longer possible as employers did not have the requisite record keeping systems.

DETYA is participating in work with ANTA to investigate alternative ways of obtaining quantitative information about employers' investment in training.

Recommendation 23 (paragraph 7.156)

The Committee recommends that:

(a) an independent review of employer investment in training be undertaken. The review should take account of both employer contributions, in all forms, to training, and returns or benefits received by employers through the combination of all incentives (both state and Commonwealth) such as grants, tax concessions, subsidies for the employment of apprentices and trainees, workers' compensation arrangements et cetera. The review should investigate measures which could be introduced to lift the level of enterprise investment in vocational education and training which leads to national qualifications, including:

- (i) options to encourage and support cooperative schemes at the industry level which work toward this objective;**
- (ii) incentives which could be introduced to encourage firms to make additional investment;**
- (iii) the establishment of a target of a minimum investment by each enterprise equivalent to (say) 3 per cent of payroll to be spent on training (exclusive of the wages of those being trained) and the marketing and monitoring of this target;**
- (iv) measures to ensure that minimum levels of investment in training leading to national qualifications by individual enterprises are a condition of the letting of government tenders, infrastructure projects and contracts;**

- (v) **the benefits which would flow from the costs of, extending the research and development tax concession arrangements to include investment in vocational education and training which leads to national qualifications where the employer spends more than (say) 3 per cent of payroll on training; and**
- (vi) **changes to the Commonwealth New Apprenticeships Financial Incentives Program including the feasibility and likely effectiveness of varying the rate in different industry sectors to encourage training in industries that suffer skill shortages.**

(b) ANTA MINCO approve the terms of reference for the review following advice from the Commonwealth and ANTA CEOs.

The Government does not see any present need for an independent review or a mandatory training expenditure scheme. The National Centre for Vocational Education Research (NCVER) is undertaking a large amount of work in this area. The National Research and Evaluation Strategy for 2001-2003 and the previous strategy (1997-2000) were developed in consultation with stakeholders in the VET Sector. The economic and social implications of vocational education and training, encompassing return on investment in training to enterprises and individuals, has been identified as a priority area for VET research under the Strategy.

Recommendation 24 (paragraph 9.160)

The Committee recommends that pending the independent review, recommended in Recommendation 23, of both industry investment in training and benefits derived by industry from the range of incentives and subsidies, DETYA re-examine the withdrawal of completion payments from 'not for profit' Group Training Companies.

The non-payment of a completion payment to not for profit GTCs reflects their special tax free status. The 1997/98 Budget change to incentives was designed to ensure that no employer was worse off when the CRAFT taxation exemption on incentives was removed from 1 January 1998. The re-introduced completion payment, when taken with other standard incentive payments, maintained a net total value of the incentives in the hands of employers who were subject to taxation. The significant role of GTC's in recommending out of trade New Apprentices has been recognised by payment of a completion incentive for recommended Certificate III or IV New Apprentices. The Government has no present plans to re-examine this issue.

Recommendation 25 (paragraph 9.168)

The Committee recommends that the Commonwealth not implement changed eligibility criteria for its New Apprenticeships Financial Incentives Program without formally advising and receiving the views of ANTA MINCO on the intended changes.

The Commonwealth has consulted with the States and Territories on possible incentives policy changes where this has been practical. For instance, State and Territory representatives have been invited to join the reference group for the current review of the Disabled Apprentice Wage Support (DAWS) element of the New Apprenticeships Incentives Programme. In return the Government hopes that in future the States and Territories will also provide the Commonwealth with the opportunity to consult on changes that States and Territories are planning to introduce to their incentives programmes.

At its November 2000 meeting, ANTA MINCO requested the ANTA Board to provide a report to its first meeting in 2001 on the potential to improve coherence and compatibility in the area of subsidies and incentives.

Recommendation 26 (paragraph 7.85)

The Committee recommends that a moratorium be placed on User Choice pending an independent national investigation of the impact of competition policies and User Choice on the viability of TAFE. The investigation should consider inconsistencies and legal impediments in its implementation and, based on experience to date, determine whether it has been demonstrated that User Choice has delivered net benefits to stakeholders.

The Government does not support this recommendation. The *National Evaluation of User Choice*, completed in 1999, found that User Choice is having a positive effect. This view is confirmed in the Victorian Review of the *Quality of Training in Victoria's Apprenticeship and Traineeship System*, May 2000, which states that "some negative impacts [of User Choice] have been outweighed by the positive effects in terms of encouraging providers, particularly TAFE Institutes, to get closer to their clients and develop more flexible and innovative approaches to training delivery."

Commonwealth, State and Territory governments are, however, aware that further improvement is required, particularly in the area of national consistency. To this end, on 17 November 2000 the ANTA Ministerial Council endorsed a range of measures to address inconsistencies in the implementation of User Choice across jurisdictions. These include:

- the States and Territories, the Commonwealth and ANTA compare the availability of public funding for each Training Package qualification as a New Apprenticeship pathway in the jurisdictions in order to identify where greater consistency in the availability of this funding across jurisdictions can be achieved, without compromising State and Territory decision making on resourcing issues as agreed by Ministers in May 1997;
- that information regarding the following aspects of User Choice be published on the User Choice and incentives information service;
 - the criteria used by States and Territories to determine whether public funding will be available for each New Apprenticeship;

- the availability of public funding for each qualification as a New Apprenticeship pathway;
 - the criteria used by States and Territories to determine which training provider can be chosen by clients to deliver their New Apprenticeship
 - the training providers who the client can choose to deliver their New Apprenticeship.
- amendments be made to User Choice policy principles to take account of State and Territory decisions regarding the resourcing of New Apprenticeships and the management of risks associated with Registered Training Organisations; and
 - development of administrative protocols for User Choice which incorporate best practice in procurement, contract management and customer service.

Ministers also agreed that the ANTA Board will report back to the first meeting of MINCO in 2001 on the effectiveness of these measures to improve the implementation and consistency of User Choice.

Recommendation 27 (paragraph 8.210)

The Committee recommends that:

(a) a national professional teaching standards and registration body be established with responsibility, authority and resources to develop and maintain standards of professional practice for VET teachers and trainers. The national body should work closely with state governments, industry and peak teaching organisations. The national body should:

- **establish national standards of professional practice which take into account what teachers should be expected to know and be able to do in order to facilitate student learning;**
- **certify levels of entry into the profession, criteria for re-registration and recognition of advanced standing in the profession for full-time, part-time and casual teachers;**
- **accredit programs of initial teacher training and establish the professional development framework for the maintenance of the professional expertise of all teachers;**
- **make recommendations to ANTA MINCO on priorities for national professional development programs;**
- **assist teachers and trainers to improve their skills; and**
- **manage a register of teachers and trainers who meet and maintain professional standards and are thereby eligible for employment by public and private training providers.**

(b) the national professional teaching standards and registration body be empowered to delegate aspects of its authority, and such tasks as it sees fit, to appropriate agencies or teacher associations;

- (c) **teachers' and trainers' registration fees be levied as an offset to costs; and**
- (d) **the National Qualifications and Quality Assurance Authority recommended in this report (Recommendation 6) take on the role of the national professional teaching standards and registration body.**

The recommendation is not supported.

States and Territories are responsible for their own training systems, including administration of TAFE institutes and employment of TAFE teachers.

As part of the ongoing work to revise the ARF, the ANTA Ministerial Council agreed at its 17 November 2000 meeting that, a requirement be included that personnel undertaking assessments on behalf of an RTO should hold the following assessment competencies for the Assessment and Workplace Training Training Package or equivalent (noting that competencies need not necessarily be held by one person):

- BSZ401A Plan Assessment
- BSZ402 Conduct Assessment
- BSZ403 Review Assessment, and
- The relevant vocational competencies at least to the level being assessed;

The ANTA Ministerial Council also agreed that delivery standards be incorporated into the ARF requiring personnel delivering training to be competent or under the direct supervision of competent personnel. (Competence for this purpose is defined as having all the competencies in the Certificate IV from the Training Package for Assessment and Workplace Training, or having demonstrated equivalent competencies, and vocational competencies at least to the level of those being delivered).

There are also national staff development initiatives funded by the Commonwealth through ANTA to equip VET practitioners with the skills necessary to deliver training in different and innovative ways in order to meet client needs. These include:

- Framing the Future which aims to increase the skills of VET practitioners who are involved in implementing the National Training Framework. This initiative funds work-based learning projects around Australia to assist practitioners to understand and use Training Packages;
- LearnScope which provides funds for work-based learning in RTOs to assist VET professionals to develop the skills, knowledge and attitudes required to apply new learning technologies for flexible learning and delivery;
- Flexible Learning Fellowships which promote the implementation of more responsive and innovative flexible learning among RTOs. The Fellowships are awarded to RTO senior and middle level managers.
- Flexible Learning Leaders which aims to develop a nation-wide group of VET practitioners able to lead Australian VET in flexible learning pedagogy and the technical skills in application of information technologies to flexible learning.

The Commonwealth through ANTA has funded a project to trial a profession development strategy to build the capability of VET practitioners in using Training Packages. The project will involve the development of Support Materials by pilot groups across Australia as a way to enhance the skills of participants to construct effective learning and assessment pathways. The pilot groups will focus on Key Competencies, working with youth, cultural diversity, VET delivery in Adult and Community Education and assessment.

Recommendation 28 (paragraph 9.210)

The Committee recommends that:

(a) the Commonwealth investigate how Commonwealth and state and territory funding for Registered Training Organisations could be used to encourage effective and accessible mutual recognition of prior learning or current competencies; and

(b) where employers demonstrate a preparedness to fund training for existing employees to gain nationally recognised qualifications, the Commonwealth contribute to the cost of recognition of prior learning or recognition of current competencies for those employees.

(a) The Government agrees that more work is needed on recognition of prior learning (RPL). It is expected that ANTA will be progressing work in this area, through ANTA National Project funding, commencing in 2001. The objectives of the project are: to articulate national policy which supports access to RPL in the VET sector in the context of the NTF and revised ARF standards; to inform RPL decision making by RTOs and prospective students; and to increase access to RPL through the development of cost effective approaches. In November 2000, the ANTA Ministerial Council agreed that revised Australian Recognition Framework (ARF) standards for Registered Training Organisations (RTOs) including a requirement *“ that RPL processes are readily accessible and structured to minimise the time and cost to clients, and that RPL occurs before training commences.”*

(b) The Government has no plans to produce a specific scheme to fund recognition of prior learning or recognition of current competencies for employees.

The Australian Democrats Senator's Additional Comments' (recommendation 1.2)

The Australian Democrats recommend the immediate review of fees and charges levied by publicly-funded training providers with a view to their abolition, reduction or subsidisation.

The is a matter for the States and Territories, however improving access and removing the barriers to participation in education and training is a key objective of the Government and is reflected in *A Bridge to the Future: Australia's National Strategy for Vocational Education and Training 1998-2003* and its supporting paper *Achieving Equitable Outcomes*.

The Australian Democrats Senator's 'Additional Comments' (recommendation 1.3.1)

The Australian Democrats view the high level of funding of Work for the Dole as an unacceptable diversion of much needed resources away from appropriate training, such as that provided by the VET sector, and recommend that the funding for Work for the Dole be immediately reviewed in this context.

The Government does not support this recommendation.

Although Work for the Dole is not a training programme, it is highly effective in strengthening people's job prospects. Of job seekers who complete their placements, the proportion proceeding to employment or study three months later is around 36 per cent, with around 11 per cent proceeding to education or training. This is encouraging given that around half of the participants in Work for the Dole have been on unemployment benefits for 2 years or more.

In terms of net impact, about 30 per cent of Work for the Dole participants were no longer on benefits three months after leaving the programme, compared to only 17 per cent of a control group of similar job seekers who did not participate, an improvement of 13 percentage points or 76 per cent. These results compare very favourably with previous training programmes under Working Nation which achieved off-benefit net impacts of 2 percentage points or less.

A recent Net Impact Study undertaken by the Department of Employment, Workplace Relations and Small Business in August 2000 revealed that a clear majority of job seekers reported an improvement in their self esteem, motivation to find work and chances of getting a job. In particular, 83 per cent of job seekers reported an increased desire to find a job as a result of their participation in a Work for the Dole project.

Another recent survey-based report commissioned by the Department of Employment, Workplace Relations and Small Business explored general attitudes to Work for the Dole and Mutual Obligation. When asked about Work for the Dole, 89 per cent of the general community were supportive of the programme. 80 per cent of unemployed people surveyed also supported the Mutual Obligation requirement as it motivated them to work and enabled them to give something back to the community.

The Australian Democrats Senator's 'Additional Comments' (recommendation 1.3.2)

The Australian Democrats support the replacement of the discriminatory, age-based junior rates of pay with a competency-based wage structure. This envisages payment of differential rates of pay according to skill level and acquisition. Young people must be offered training to develop skills and receive appropriate remuneration through wage increases as their competency increases.

The Government opposes the abolition of the current system of junior rates in awards.

It has long been the Government position that the preservation and extension of junior rates is essential to maintain and improve the competitiveness of young people in the labour market. Far from disadvantaging junior employees, junior wage rates actually assist young people to gain employment. Junior rates help young people to gain a foothold in the labour market and to acquire necessary workforce experience.

In 1999 the Australian Industrial Relations Commission (AIRC) Junior Rates Inquiry independently and thoroughly examined the consequences for youth employment of abolishing junior rates¹. The Commission determined that there is an undisputable relationship between junior rates, their potential abolition and the employment prospects of young people. The Inquiry also found that there is no feasible non-discriminatory alternative to junior rates.

The Australian Democrats put to the Junior Rates Inquiry their position that age-based junior rates of pay should be replaced with a competency-based wage structure. This, and other suggested competency-based alternatives, were rejected by the AIRC. The Inquiry was critical of the practicality and desirability of competency-based wages as an alternative to junior rates. The development of competency-based classifications for entry level work was regarded as not even the "best of the bunch" of non-discriminatory options available.

The Government supports the provision of training opportunities for young people, and has implemented a range of initiatives. Under the Government's New Apprenticeships scheme, a wide variety of flexible apprenticeships and traineeships are available to young people and employers who wish to use them. The Government also included provisions in the *Workplace Relations Act 1996* that require the AIRC when making awards to have regard to the need to support training arrangements through appropriate trainee wage provisions. This is designed to ensure that awards include trainee wages as well as junior rates. But the choice of which to use should remain with young people and employers. Young people and employers should not be forced to enter a formal training scheme if they do not want to. Young people and employers who choose junior employment without formal training should not be prevented from doing so by the workplace relations system. Individual young people and employers are in a far better position than the workplace relations system to decide whether formal training as part of employment is in their interests.

¹ Australian Industrial Relations Commission Junior Rates Inquiry, Report of the Full Bench Inquiring under Section 120B of the Workplace Relations Act 1996, 4 June 1999, Print No. R5300

GLOSSARY OF ACRONYMS

ANTA	Australian National Training Authority
NCVER	National Centre for Vocational Education Research Ltd
NTQC	National Training Quality Council
ARF	Australian Recognition Framework
ACCI	Australian Chamber of Commerce and Industry
AiG	Australian Industry Group
BCA	Business Council of Australia
RTO	Registered Training Organisation
RPL	Recognition of Prior Learning
NAC	New Apprenticeships Centre
NQQA	National Qualifications and Quality Assurance Authority
STA	State Training Authority
NREC	National Research and Evaluation Committee
DETYA	Department of Education, Training and Youth Affairs
CEOs	Chief Executive Officers
GTC	Group Training Company
NTF	National Training Framework
VET	Vocational Education and Training
AIRC	Australian Industrial Relations Commission
ABS	Australian Bureau of Statistics