

## OVERVIEW AND RECOMMENDATIONS

The majority report contains 28 recommendations to the Government. These go to the heart of restoring quality in vocational education and training, beginning with a renegotiation of VET objectives with major participants in the training network, but focusing mainly on strengthening institutional arrangements which ensure compliance with quality control processes. All that is recommended here is consistent with the federal compact on VET, and the need to provide all stakeholders with a share of responsibility in a vital national endeavour. This includes a reconsideration of the needs and responsibilities of industry which relies heavily on the maintenance of quality training, and on which national prosperity largely depends.

### **Re-establishing the fundamentals**

#### ***R 1. Broadening National Objectives***

National Objectives provide the *raison d'etre* for the vocational education and training system and the context within which policies and programs are designed and implemented.

Australia's National Strategy for Vocational Education and Training 1998-2003 outlines the major economic, technological and social trends affecting vocational education and training in Australia. The five objectives of the strategy are:

- equipping Australians for the world of work;
- enhancing mobility in the labour market;
- achieving equitable outcomes in vocational education and training;
- increasing investment in training; and
- maximising the value of public vocational education and training expenditure.

The Committee supports these objectives as appropriate drivers of VET policy and provision, but considers that 'equipping Australians effectively to enable them to fully participate in society' is a significant omission. This omission has the effect of excluding the broader social and educational goals that should be an essential part of any education and training system.

#### **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. (Paragraph 6.63)**

## ***R 2. Reaffirming VET's role in Australia's economic and social life***

The Committee strongly believes that a new national quality framework is needed for VET: a framework within which a truly national, truly integrated system can become a reality. Vocational education and training policy and the system that supports it are vital to both Australia's economic prosperity and that of significant numbers of its people. Australia's continued trade and financial integration into the global economy depends on increasing the knowledge, skills, flexibility and adaptability of its labour force.

It is no longer feasible or acceptable for VET policy and the VET system to operate as disparate entities paying lip service to national goals and objectives. At a time when thinking globally has become imperative, arrangements which restrict VET to state borders can no longer be justified.

In the twelve months to February 2000, 698,000 workers, or 8 per cent of all workers, lost their jobs involuntarily, while another 1.13 million, or 13 per cent, quit voluntarily. The increasing trend for Australian workers to seek to change jobs, either voluntarily or involuntarily, emphasises the importance of broad-based, transferable knowledge and skills and the need for nationally consistent VET arrangements, particularly mutual recognition of training and qualifications.

More and more of Australia's businesses and industries are becoming national and are demanding the services of an efficient, effective, quality national VET system to increase their competitiveness. Achieving world's best practice in VET is being seriously hindered by the failure of current arrangements to develop a national system. The Commonwealth Parliament and the Government must show leadership and commitment to achieving a robust, quality driven vocational education and training system as an essential and critical part of economic and social policies.

### **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. (Paragraph 8.74)**

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### ***R 3. Re-establishing more inclusive partnership and consultative arrangements***

The Committee supports a strong and active role for industry in VET but believes the leadership role it has been accorded by the current Government must be shared by other stakeholders. There is a need to ensure that VET policy and planning is determined with both the economic and social goals of education in mind so that the interests of *all* clients are considered.

The Committee considers that teaching and educational expertise has not been used to best advantage in national policy making or the development of important components of the current VET system, particularly where aspects of VET delivery and assessment are concerned. Such expertise should be sought at the planning and development stage of all VET system components in order to avoid difficulties at the implementation and/or delivery stages.

The new ANTA Agreement is an opportunity to restore partnership and consultative arrangements that are inclusive of expertise in teaching and learning, assessment and training delivery. In putting this view the Committee stresses that it does not in any way support a return to a provider driven or an educationally dominated VET system, merely a system where expertise which is integral to quality outcomes is used to advantage.

#### **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. (Paragraph 6.52)**

### ***R 4. Taking advantage of the expertise of all stakeholders***

The membership of the ANTA Board has been a matter of debate since its establishment, particularly in regard to the absence of any practising teachers or professional educators.

The Committee notes that a senior state or territory official is a member of the ANTA Board. The Committee considers this is a positive inclusion in Board membership but that it does not provide the Board with the teaching and educational expertise that is needed to complement its efforts to construct a national VET system capable of meeting the needs of all its clients.

The Committee believes that the exclusion of teachers and professional educators from the policy development and decision making processes weakens the 'partnership' and 'consultative' basis on which the national VET system is founded. The Committee believes the partnership would be considerably strengthened by the inclusion of a member with extensive teaching and educational expertise and experience.

**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. (Paragraph 6.23)**

## **Restoring quality**

### ***R 5. National code for quality in VET***

Problems with the Australian Recognition Framework are undoubtedly some of the more serious issues emerging from the Committee's inquiry. Submissions and other evidence identify three aspects of the Framework that limit its effectiveness in ensuring quality in VET, in providing for labour mobility, and in developing a national training market. These are the adequacy of the content of the Framework documentation, particularly the standards contained therein; the rigour with which states and territories have applied standards in VET provider registration, carried out audits and applied available sanctions; and the capacity of the Framework to achieve national consistency.

The Committee found that there are serious deficiencies in both the design and implementation of the Australian Recognition Framework. These deficiencies include inadequacies in the scope and effectiveness of Standards and Evidence Requirements, serious weaknesses in the capacity of the Framework to contribute to national consistency and quality in the VET system, and shortcomings in the application auditing by states and territories of the Principles and Standards for provider registration.

ANTA and DETYA have been aware of these deficiencies for some time but both failed in their written submissions to identify these problems. Deficiencies have been acknowledged by government for some time, at least behind closed doors.

ANTA has sought legal advice on a range of aspects of the Australian Recognition Framework. The legal advice, from Minter Ellison, confirms that serious legal impediments exist to the effective operation of the Framework. These legal impediments have not been addressed to date. Nor do any proposals currently before MINCO to rectify flaws in policies and strategies for the development of a nationally integrated VET system exhibit any integrity. There is also an extensive list of MINCO Agreements yet to be implemented (see Appendix 5).

The deficiencies relate specifically to interstate mutual recognition of:

- monitoring and auditing of Registered Training Organisations;

- recognition of providers;
- recognition of training packages and accredited courses;
- recognition of qualifications; and
- quality endorsement.

These deficiencies, unless addressed, will prevent the achievement of a truly national, truly integrated VET system. There is therefore a very strong case for changing the Australian Recognition Framework. The Committee cannot accept the argument that the system is suffering from 'reform fatigue' and that this therefore constitutes a justification for not remedying system deficiencies simply because it would constitute further change.

The Committee believes it is imperative that the regulatory and quality framework promotes stability and integrity in the system. The Committee also considers that a stronger hand is needed in the management of quality in order to ensure the integrity of the system. The principles and standards of the Australian Recognition Framework are not enforceable in law. State and territory management of quality assurance processes for VET are not consistent and in some states not sufficiently robust, and procedures for registration of new providers under the Framework across the states are not always satisfactory. Neither ANTA nor the Commonwealth has the power to compel VET providers to observe the principles and standards of the Framework, nor states and territories to enforce them. The ultimate sanction provided by the Framework, deregistration, is fraught with legal difficulties and appears little used and thus even less of a deterrent.

Leaving sole regulatory authority in the hands of the states and territories has not worked. It is no longer a viable option, particularly in the light of identified inconsistencies in legal and administrative processes.

The Committee strongly believes that a new national quality framework is needed for VET: a framework within which a truly national, truly integrated system can become a reality.

The Committee believes that national consistency and quality cannot be achieved without agreed, legally enforceable national standards that are consistently applied by all states and territories. The Committee considers the Australian Recognition Framework should be replaced by a National Code for Quality in VET modelled on that contained in the Education Services for Overseas Students (ESOS) Bill 2000, and that the National Code should be made legally enforceable through Commonwealth legislation, again modelled on the ESOS legislation.

The Committee finds it extraordinary that the instructions from ANTA to their legal consultants, Minter Ellison, on the question of national consistency of regulation in the VET sector specifically excluded the provision of advice on national legislation. In the Committee's view the Commonwealth has sufficient constitutional powers in this regard under Sections 51(xx) and 122 of the Constitution.

The Committee would expect all standards and evidence requirements in the new National Code to be considerably higher than those currently contained in the Australian Recognition Framework, and that they would include standards and evidence that relates to both the *capacity* of a provider to provide quality VET services, and to a provider's *actual performance* against the standard. Much more emphasis needs to be placed on the quality of outcomes.

**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 RTOs failing to comply with the Code;**
- **arrangements for a national register of VET providers, with 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. (Paragraph 8.84)**

### ***R 6. National Qualifications and Quality Assurance Authority***

The current basis for quality in the VET system is the quality assurance measures contained in the National Training Framework (NTF). There is, however, no single body within, or independent of, the ANTA national structure that has overall responsibility for quality.

The Committee believes primary responsibility for the National Code for Quality in VET (Recommendation 5) should rest with an independent National Qualifications and Quality Assurance Authority (NQQAA). The NQQAA should 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 (ESOS) Bill 2000, underpinned by an Agreement similar to the ANTA Agreement.

The NQQAA should subsume ANTA's National Training Quality Council (NTQC) but have a broader, clearer and more independent statutory basis. The NQQAA should also have all the powers and functions of the NTQC. The NQQAA should also take on the role of the national professional teaching standards and registration body recommended in this report.

#### **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.
- (f) The National Qualifications and Quality Assurance Authority be funded by the Commonwealth. (Paragraph 8.100)

#### ***R 7. Maintaining a strong role for ANTA***

The Committee reiterates its strong support for ANTA and the Authority's central role in managing key strategic aspects of the VET system and in participating in further reform needed to build a quality national VET system that has the capacity to provide for the diverse needs of individuals, employers, industries and the Australian community. The Committee supports a continuation of ANTA's role in giving effect to arrangements with a strategic focus to develop and recommend on national policies and strategies.

**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. (Paragraph 8.101)**

#### ***R 8. Restoring growth funding and planning for quality assurance***

When the 1998-2000 ANTA Agreement was negotiated, the Commonwealth declined to continue providing the \$70 million annually in growth funding that had been provided since 1992. Instead, the states and territories were required to achieve 'growth through efficiencies' in return for Commonwealth funding being maintained in real terms for five years, with 1997 set as the base year for funding for the duration of the Agreement.

State governments insist that while they have achieved efficiencies under the 'growth through efficiencies' policy over the last few years, this has reached its limits. If growth in New Apprenticeships continues at current rates, existing funding arrangements will become unsustainable and states and territories will have difficulties resourcing future demand for New Apprenticeships.

The Committee's view is that demand for VET will and should continue to grow substantially during the period of the new ANTA Agreement. The Committee also considers that additional funding must be provided to accommodate this growth, that there are limited opportunities to achieve further efficiency gains in the VET system and that attempting to continue to fund growth from efficiency gains will have serious and irreversible consequences for the quality of VET in Australia.

The Committee is alarmed that the Commonwealth Government has not recognised the critical state of current VET funding and that it appears determined to enforce a continuance of the policy, albeit *de facto*, of growth through efficiency. The Commonwealth Government must recognise that it has an obligation to ensure that VET in Australia is adequately funded and that it must restore base level funding to adequate levels and resume its share of contributions to growth funding.

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 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.

(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. (Paragraph 7.52)

### ***R 9. Revitalising and strengthening Training Plans for Apprentices and Trainees***

Along with the registration of training providers and the use of endorsed National Training Packages, the registration of Training Agreements is a particular regulatory mechanism intended to ensure quality in apprenticeships and traineeships. Evidence suggests that there is widespread lack of diligence, lack of commitment to and failure to monitor and ensure compliance with Training Agreements.

The Training Plan, which is supposed to be an integral part of the Training Agreement, has until recently been neglected or ignored by employers, RTOs and state administrators. Many apprentices and trainees have no involvement in developing their Training Plan and it is rarely referred to in order to check progress.

Some states and territories have recently moved to revitalise and strengthen the role of Training Plans in helping to achieve quality training and outcomes.

The Commonwealth and ANTA, in conjunction with peak employer and union bodies should work to ensure that the Training Agreements for apprentices and trainees are nationally consistent and effectively monitored. This should include revitalising and strengthening 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; in providing a means of more closely monitoring progress towards the outcomes defined by the Training Agreement; and in refocussing the attention of employers, RTOs and apprentices and trainees on quality training delivery and assessment. Such a role is of increased importance where training is delivered entirely or largely on the job.

**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. (Paragraph 9.121)**

#### ***R 10. Guarding against conflicts of interest for NACs, RTOs and GTCs***

Evidence presented to the Committee registered concerns where one organisation, or closely related organisations, have several roles in relation to training.

The Committee considers that the potential conflict of interest in this situation is obvious - particularly in the situation where 30 of the 35 New Apprenticeship Centres are also either Registered Training Organisations or Group Training Companies or both. There is reasonable evidence of a certain amount of unethical practice which the Committee views with concern, not least because it has not been properly investigated.

The Committee believes that requirements for ensuring that conflicts of interest are ethically resolved are not adequate and the requirements that do exist are not adequately scrutinised to ensure they are being adhered to.

**The Committee recommends that:**

**the Commonwealth strengthen and more rigorously monitor and enforce measures to avoid real or potential conflicts of interests between organisations operating as New Apprenticeship 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. (Paragraph 9.145)**

#### **Making National Training Packages work**

***R 11. Ensuring national consistency in the implementation of National Training Packages***

The ANTA CEOs report on national consistency confirms claims made to the Committee about inconsistencies in the implementation of National Training Packages. There are, for example, differences in the availability of endorsed National Training Packages in different jurisdictions, and in nominal hours (and therefore funds) allocated to qualifications in National Training Packages in different jurisdictions. Significant variations in nominal hours makes it difficult to assume equivalent educational quality between two identical programs, delivered in different jurisdictions. The inconsistencies have arisen because state training authorities have adopted individual approaches to the implementation of Training Packages.

The Committee considers that many of the implementation arrangements could and should be determined on a nationally consistent basis, particularly those relating to nominal hours, sample training programs, and identification of current and new resources to deliver training. The Committee believes that in order to improve consistency between states and territories in the implementation of National Training Packages, national implementation plans should be developed.

**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.**

**(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. (Paragraph 8.127)**

***R 12 and R 13. Ensuring portability of skills and qualifications***

A key objective and feature of New Apprenticeships is the flexibility and choice it provides for training to be customised or tailored to meet industry's needs. This flexibility and choice is provided largely through User Choice arrangements and National Training Packages. The Committee is concerned that the prevailing policy emphasis on meeting industry's needs and the framework used for User Choice has the potential to distort this objective and to result in training which is narrowly enterprise-specific.

With the 'choice' in User Choice resting almost entirely with employers, and with the added flexibility and choice that National Training Packages provide, the danger is that the particular options that an employer chooses from a Training Package as best suiting his/her business may be quite narrow and may not take into account the longer term needs of the apprentice or trainee. This can be exacerbated in some instances where there is too much flexibility provided by particular Training Packages, in terms of how units can be packaged together to provide a qualification, resulting in

qualifications that do not have enough commonality of outcome to be truly portable. There must be a balance between industry-wide and enterprise-specific training and the portability of skills must be paramount.

The Committee reiterates its view that apprenticeship and traineeship Training Plans should become the key means of monitoring the nature of training to be provided under the Training Agreement, and assessing progress for User Choice and Commonwealth employer incentive payments.

**The Committee recommends that:**

- (a) Training for individual apprentices and trainees must include a sound foundation of portable, industry-wide competencies and qualifications.**
- (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. (Paragraph 7.96)**

**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. (Paragraph 8.168)**

***R 14. Encouraging off the job training***

The Committee believes that when genuine training is competently provided in a real work context, that is, either on the job or in the workplace, the value of that training is indisputable and the Committee strongly supports it as a cornerstone of apprentice and trainee training.

However, the evidence considered by the Committee has convinced it that there are serious deficiencies in much of the on the job training being provided in Australia. The deficiencies include inadequate content, poor training delivery, and, on occasion, the absence of any training at all. Fully on the job training in particular is open to abuse, both intentional and unintentional. It was of great concern to the Committee that the problems identified by the Employment and Skills Formation Council in 1995-96 are still prevalent.

The Committee believes that much of the poor quality training is attributable to employers' lack of capability to fulfil their training obligations, a tendency to regard training as secondary to business considerations, or a lack of understanding of their training obligations. Authorities cannot accurately quantify the extent of deliberately unethical or fraudulent behaviour, but it is clear that such practice is sufficiently widespread to seriously affect public trust in the VET system.

The Committee has found that state training authorities, which have responsibility for quality assurance of apprenticeship and traineeship training through their control of training agreements and the registration, monitoring and auditing of RTOs, are not adequately meeting that responsibility. This is particularly so in relation to on the job and fully on the job training and workplace assessment.

While almost all submissions from all sides agreed that a mixture of on and on the job training is desirable, there was convincing evidence that fully on the job training is particularly at risk of poor outcomes.

**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. (Paragraph 9.107)**

***R 15. Underlying knowledge and skills in National Training Packages***

A common criticism of National Training Packages is that they have a narrow, task-based focus and lack provision for underpinning knowledge and skills.

There has been a requirement since 1990 for customary task-based standards to include underpinning knowledge and skills. It is evident that in some National Training Packages the specification in Evidence Requirements of underpinning knowledge and skills is not well expressed and lacks an appropriate degree of detail. Specification is often so broad or general that a teacher or trainer cannot make a judgement about what is required. This is more likely to be the case with earlier National Training Packages. The lack of specificity can become a greater problem when the teacher or trainer may not have sufficient expertise or experience to 'unpack' the specifications.



The problem is further compounded by some RTOs enrolling students into units of competency in response to new reporting requirements. As underpinning knowledge is covered within each unit of competency in the Evidence Guide in National Training Packages, this can lead to either superficial treatment or duplication of training, unless the underpinning knowledge associated with the units of competency or specific units of competency in a particular Training Package are drawn together and taught as a 'subject' or 'subjects'.

**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. (Paragraph 8.145)**

***R 16. Key Competencies in National Training Packages***

Many stakeholders believe that National Training Packages do not provide adequately for the achievement of the broader generic skills known as 'soft' skills or the Key Competencies. The Key Competencies are a set of generic competencies that people need for effective participation in the workforce. They provide the structure for the development of life-long, generic and transferable skills and a foundation for the development of more specific industry and enterprise competencies.

The importance of underpinning knowledge and skills is argued strongly in many submissions. The study commissioned by the Australian Industry Group, *Training to Compete*, found that the knowledge and skills most valued by employers as a foundation for all others are the generic, core skills needed for work, a mix of specific competencies, personal attributes and interpersonal skills.

The Committee strongly agrees that in the rapidly changing, knowledge-based economy in which Australia now operates, an innovative, adaptable and highly skilled labour force is of utmost importance. In this context the Key Competencies are critical. The Committee notes that there is a requirement for Key Competencies to be clearly identified in all training packages at the level of each unit of competency. The evidence before the Committee suggests that this requirement may not always have been met. A further problem appears to be that National Training Packages do not always adequately identify how the Key Competencies are to be achieved.

**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. (Paragraph 8.156)**

***R 17. Strengthening National Training Package Support Materials***

Training Package Support Materials generally include learning strategies and other support materials to provide teachers and trainers with the guidance and materials they need to implement Training Packages, but there are no compulsory requirements as to what support materials should include. The problem with Training Package Support Materials, according to evidence provided to the Committee, is that they have not yet been developed for all Training Packages, they are variable in quality, many are considered inadequate by teachers and trainers, and they have been developed to be used in an on the job training and workplace assessment context and are therefore not necessarily suitable for students who are not in employment related to their training.

The unavailability of support materials for many National Training Packages is attributed to the haste with which they have been developed and implemented.

The Committee considers that, in addition to the national implementation plans recommended earlier, the support materials for Training Packages should be considerably strengthened so as to provide more specific guidance on implementation, particularly appropriate learning strategies, teaching programs and courses and resource materials.

**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 workbased and institutional delivery in mind.**
- (b) Support Materials be available when National Training Packages are released.**

**(c) Responsibility for the development of National Training Package Support Materials pass to the National Qualifications and Quality Assurance Authority when established. (Paragraph 8.139)**

***R 18. Understanding apprentice and trainee movements and transactions***

A number of gaps in data and information critical for sound VET policy development and planning emerged during the Committee's inquiry. One such deficiency is in the area of individual apprentice and trainee movements or transactions (ie withdrawal, cancellation, recommencement, or any other event that involves the apprentice or trainee leaving an employer prior to completion). A much better understanding of the employment and training experience of individual apprentices and trainees and the reasons behind their movements between employers and in and out of training is needed.

There are also considerable and unacceptable delays in apprentice and trainee movements or transactions being identified, reported and recorded, which undermines the reliability of apprenticeship and traineeship statistics. Although sophisticated formulas are applied to estimate commencements, withdrawals, numbers in training, completions etcetera, the true picture cannot be determined with complete confidence at any particular time.

Currently, state training authorities, New Apprenticeship Centres, employers, apprentices and trainees, and RTOs have a role in monitoring, recording and reporting on apprentices' and trainees' movements, and the reasons for movements, but no single group or organisation has primary responsibility. The Committee believes this should be addressed as a matter of priority.

In recommending the establishment of better tracking, recording and reporting systems and arrangements, the Committee acknowledges that young people can be highly mobile and there may be difficulties in contacting them when they leave employment or change jobs. However, the Committee does not see this as preventing the establishment of much better systems than are currently in place.

**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 data base 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.

(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)

### ***R 19. Understanding non-completion of apprenticeships and traineeships***

The Committee regards the rate of non-completion of apprentices and trainees as a matter of great concern because of the significant wastage of public money that it represents. Of equal concern is the findings of research which show that non-completers have much poorer prospects of enjoying the benefits of full participation in economic life.

Available research suggests that one factor contributing to a decision by many apprentices and trainees not to complete is likely to be poor quality training, or training that fails to meet the apprentice's and trainee's expectations. This view is supported by Callan who found in his March 2000 survey of non-completing apprentices and trainees in Queensland that the majority of apprentices/trainees did not believe that they had access to good trainers or staff who understood their training needs, and that poor quality training was cited as one of the dominant reasons for trainees and apprentices not completing their program of training.

The Committee notes the suggested connection between high rates of non-completion and fully on the job training. The Committee is aware also of some research that indicates a connection between the lack of support systems, particularly peer support, and attrition rates in other forms of VET. The Committee considers that 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, should be a priority for further research.

**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. (Paragraph 5.66)**

***R 20. Protecting apprentices and trainees from wrongful dismissal***

Provisions, regulations and processes relating to the termination of apprenticeship and traineeship contracts of training vary between states and the unsatisfactory nature of this has been brought to the Committee's attention. The issue has been addressed in Kaye Schofield's report on VET in Victoria and in the recent inquiry into the Victorian industrial relations system. In the original proposals to establish new apprenticeships the need for terminations to be approved by the state training authorities, and access to independent appeals was included in the blueprint endorsed by the industry reference groups.

The ease with which contracts can be terminated, particularly as apprentices and trainees do not have access to unfair dismissal arrangements, and the anecdotal evidence of employers taking advantage of apprentices and trainees, is of great concern to the Committee. Much more attention needs to be given to measures to protect apprentices and trainees against abuse by employers. The Committee considers that requirements for terminating contracts should be tightened and more effectively enforced.

**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. (Paragraph 9.123)**

***R 21. Discouraging employer abuse of financial incentives***

Most submissions stating that incentives are being accessed legitimately by employers also acknowledge at least some degree of misuse by employers and businesses whose motivation is to obtain cheap labour with no intention of providing proper training, or to shift the cost of enterprise-specific training onto government. Misuse of the system is most often claimed to occur in relation to the converting of 'existing workers' to New Apprentices but is by no means limited to this area.

The Committee is persuaded by the evidence presented to it that many employers who are in receipt of Commonwealth financial incentives for New Apprentices are not meeting their obligation to provide adequate and relevant training, particularly on-the-job training. There are two aspects to this problem: the failure to provide any on the job training in many cases; and the failure in other cases to provide on the job training of adequate quality and variety. The failure to provide training may be deliberate and stem from unethical or improper motives, or it may be as a result of the lack of expertise or capability of the employer. Regardless of the cause, it represents a serious misuse of Commonwealth incentive payments.

**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. (Paragraph 9.179)**

### **Employer contributions to training**

#### ***R 22. Establishing a data base and benchmark on employer investment in training***

One of the few sources of hard national level data on industry investment in VET is now more than four years old, the ABS having discontinued the Employer Training Practices survey undertaken in 1993 and 1996

The Committee finds it frustrating that there is no quantitative data available that provides both an indication of total industry investment in training and a breakdown by areas of expenditure. Nor is there quantitative data available that allows historical comparisons on the level of industry investment in training. Thus, although research suggests that a large majority of employers value and intend to provide training, there is no evidence of the level of that commitment in financial terms. The Committee is mindful of the Australian Industry Group's study that concludes that even where there are good intentions and strong motivation to train, many employers do not proceed with training plans.

**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. (Paragraph 7.145)**

***R 23. Reviewing employer investment in training***

It is apparent to the Committee that industry investment in training and returns to industry by way of incentives and subsidies and other measures are regarded as two separate policy areas. The Committee's view is that they are, in fact, two sides of the one coin and need to be considered as a whole.

The Committee considers a fundamental review is needed that examines both employer contributions, in all forms, to training, and the returns or benefits received by employers through the combination of all incentives (both state and Commonwealth) such as grants, tax concessions, and subsidies for the employment of apprentices. When a better understanding of the level and areas of industry investment in training is obtained, more strategic and effective targeting of incentives and subsidies will be possible.

**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 etcetera. 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, and 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. (Paragraph 7.156)

#### ***R 24. Re-examining incentives for Group Training Companies***

A number of issues relating specifically to Group Training Companies are raised in Group Training Australia's submission. These relate to the 'substantial and negative' impact of changes to Commonwealth incentive payments on Group Training Companies.

Group Training Australia (GTA) has stressed in its submission that it believes the exclusion of 'not for profit' Group Training Companies from the completion payments is a significant disincentive to enter into longer term contracts of training. GTA points out that there is also a significant body of evidence to suggest that there is a direct relationship between the level of incentive and the number of apprentices employed. Consultations conducted by The Allen Consulting Group identified a high level of concern among Group Training Companies about the overall reduction in the incentive payments. The Allen report concluded that this concern was brought about because Group Training Companies operate in labour markets that are highly sensitive to price.

The Committee notes that DETYA is currently reviewing a number of incentive eligibility requirements in consultation with states and territories and with industry and considers that pending the more wide-ranging, independent review, recommended in Chapter 7, of both industry investment in training and benefits derived by industry from the range of incentives and subsidies, DETYA should re-examine the withdrawal of completion payments from 'not for profit' Group Training Companies.

#### **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. (Paragraph 9.160)**



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***R 25. Consulting on changes to Commonwealth New Apprenticeships Financial Incentives Program***

The Committee believes that the Commonwealth's extension of subsidies to 'existing workers'<sup>1</sup>, without consulting the states and territories, has artificially inflated New Apprenticeship growth, has diverted training provision away from younger and new entrants to the workforce and has seriously tested the states' capacity to meet the additional training costs associated with the growth in New Apprenticeships. The effect of the latter is compounded by the Commonwealth-initiated 'growth through efficiencies' policy.

As the likely consequences of the Commonwealth's extension of subsidies to existing workers were so obvious, and as ANTA cautioned against the move at the time, the Committee has to question the Commonwealth's motivation, and why the states and territories were not consulted. There is no doubt that the Queensland, Victorian, NSW and Tasmanian Governments are unhappy about the Commonwealth's action. In their submissions they have described not only the additional financial burden it created for them, but pointed also to the lack of adherence to the 'partnership' and 'consultative' model of national policy and planning for VET. The Committee agrees that this action by the Commonwealth is a repudiation of the spirit and the terms of the ANTA Agreement.

The Committee believes that in a national VET system based on partnership, it should not be possible for one party to unilaterally make decisions that directly impinge on areas for which other parties have responsibility, in this case the responsibility for the quality of training outcomes.

**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. (Paragraph 9.168)**

**User Choice*****R 26. Moratorium on User Choice***

The Committee's view is that User Choice as a mechanism for developing the training market and encouraging greater flexibility and responsiveness by providers is unproven. The Committee finds that there are significant problems associated with the current training market which are affecting the quality of outcomes, not just for apprenticeships and traineeships but for the whole of VET. The problems are partly

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1 Eligibility criteria was later made more restrictive

due to the varying success of strategies to increase the diversity and responsiveness of the supply side of the training market, but much of it is attributable to weaknesses in demand side policies and strategies, particularly User Choice.

The Committee believes that a moratorium should be placed on any extension of User Choice until the inconsistencies and legal impediments are resolved and until it can be demonstrated that User Choice has actually delivered net benefits to stakeholders.

**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. (Paragraph 7.85)**

### **Raising the skills and qualifications of VET teachers and trainers**

#### ***R 27. Restoring the skills and qualifications of VET teachers and trainers***

An issue of concern to all stakeholders is the level of skills and qualifications of VET teachers and trainers. The Committee gained the impression that in recent years there has been a lowering of the standards required by employing authorities.

The issues surrounding VET teacher and trainer qualifications are not new to the Committee, having been canvassed in some detail during its inquiry into the status of the teaching profession in 1997-98, which resulted in the report, *A Class Act, Inquiry into the Status of the Teaching Profession*. The Committee made a number of recommendations in that report and, in the light of evidence put to it about the status and qualifications of VET teachers and trainers in the current inquiry, believes those recommendations are equally relevant and applicable in the VET context.

The Committee considers a national, professional, teaching standards and registration body should be established to develop and maintain standards of professional practice for VET teachers and trainers. It would be appropriate for the National Qualifications and Quality Assurance Authority recommended earlier in this report (Recommendation 6) to take on the role of the national professional teaching standards and registration body.

**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.

(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. (Paragraph 8.210)

## **Encouraging recognition of prior learning or current competency**

### ***R 28. Encouraging recognition of prior learning or current competency***

An issue that is particularly relevant to existing employees is the recognition of prior learning (RPL) or current competency (RCC). Recognition of prior learning (RPL) was to be a key means of enabling individuals to gain recognition for the skills and competencies they already hold, thus facilitating the achievement of nationally recognised qualifications. Recognition of prior learning was a cornerstone of the short-lived Australian Vocational Training System but appears to have receded from prominence in the current VET system. There are warm words of encouragement for the concept but there are no actual incentives to progress its application.

While recognition of prior learning has been promoted as a feature of the National Training Framework, in practice it has had limited application, primarily due to the funding systems operating in the states. Under current funding arrangements most states and providers find that RPL is a costly exercise. Consequently it has been applied only on a limited basis. Many existing workers, however, through extensive on the job work experience, could complete all or a substantial portion of an AQF qualification through recognition of prior learning or current competencies. This would be a cheaper exercise than applying the costs of a full course.

A major shortcoming of the present system is the reluctance of training providers to recognise existing skills and experience. Students should not be required to participate in training processes where they already have the required skills and knowledge.

In some states, under User Choice arrangements, training providers are not recompensed for the cost of providing an RPL or RCC service. Hence there is no incentive to provide it and an incentive not to if, by including an additional student, more income will be generated.

The Committee accepts that if governments want to increase skill levels within the members of the existing workforce, they should seriously consider providing public funds for skills assessments to recognise the skills gained outside the formal training system.

**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. (Paragraph 9.210)**

Senator Jacinta Collins  
Chair

Senator Kim Carr

Senator Trish Crossin

Senator Natasha Stott Despoja