



INSTITUTE FOR TRADE SKILL EXCELLENCE

Briefing Note

Copyright© Australian Education Union
120 Clarendon Street
Southbank 3006

February 2005

The Institute will be funded by the Federal government and have as its major shareholders Australian Chamber of Commerce and Industry (ACCI), Australian Industry Group (AiG), Business Council of Australia (BCA) and National Farmers Federation (NFF).

The Institute will:

- Provide industry endorsement of qualifications provided through public and private training providers (including TAFE)
- Identify “preferred providers” of so-called “high quality and industry-relevant” training
- Establish an Industry Reference Group for each key trades industry – comprising industry associations’ nominees, individuals with professional expertise and a (single) representative of the relevant Industry Skills Council. These groups will be responsible for endorsing qualifications and nominating the “preferred providers”.
- Undertake a range of “marketing-type” strategies to “improve profile of trades”, annual awards events, including the design and distribution of certificates to New Apprentices completing a qualification with a preferred provider.

The Institute has a three year budget of \$18.3 million.

The current operating budget for ANTA is approximately \$10million per annum.

The institute has the potential to establish an infrastructure for the allocation of funds to the delivery of training in the traditional trades areas. Given the recent announcement of the abolition of ANTA, with the functions to be taken over by DEST, and the uncertainty about the wide range of functions that ANTA currently undertakes in respect of the national system, this structure could be seen as an alternative to the ANTA arrangements.

The States play a critical role in the current system in registering training organisations (RTOs) – the providers of training, and in the recognition of qualifications gained through training as well as the accreditation of training programs. The Institute for Trade Excellence proposes no role for the state governments, state training agencies, or trade unions unless they get a guernsey as the single representative from the recently restructured Industry Skills Councils on the Industry Reference Groups.

There appears confusion within the policy statement over the Industry Reference Groups. Whilst the policy does refer to the Industry Skills Councils as having one representative on the Industry Reference Groups, their role and the role of the newly established skills Councils are clearly blurred. There appears to be no role for trade unions on any of these structures.

The Institute appears to have the potential to become an ACCI/BCA/AiG/NFF alternative to the tripartite arrangements established under ANTA. While the proposal in the Prime Minister’s announcement of the abolition of ANTA is for ANTA’s functions to be taken over by DEST, and for the establishment of a new VET MINCO, there is some concern that the federal government’s emerging radical agenda in vocational education and training could see the new Institute replace ANTA altogether.

Despite what the government may intend, or may be proposing, the states play a critical role in vocational education and training, supplying to the public TAFE system more than 70% of total recurrent funding. They also play an important role in the range of recognition and quality assurance processes that have allowed the VET system some legitimate claim to “national” status. In essence, the states have total responsibility for the delivery of vocational education and training.

In addition, the development of relationships with industry and other stakeholders occur primarily at the state or provider level. Much of the frustration with the role of industry associations, particularly from industry itself has indeed been with the megalomania of certain of the larger associations (ACCI, BCA, AiG and NFF!), and with their inability to adequately represent the needs of small and medium enterprises. It is at the enterprise level that much of the workplace delivery occurs.

Despite the complexity of existing arrangements, most stakeholders agree that the arrangements which have evolved through ANTA over the passed 10 years reflect the complexity of state and federal relations and the complexity of juggling state and national agendas.

- It is critical for there to be an agreed mechanism across the states and territories and the federal government, and industry (broadly defined to include trade unions) stakeholders to deal with issues around national qualifications and registration of training organisations, including quality of delivery. If this role is handed to only one of the stakeholders, it will destroy the legitimacy of the qualifications structure and the impact on students in the sector will be significant.
- If there is no agreed mechanism for monitoring standards within the range of training organisations, then the issue of public confidence will become a major concern.
- If there is confusion around the various mechanisms for providing funds to training organisations to deliver education and training, the scope for wasting scarce public resources is enormous.
- If the market alone and in isolation determines the allocation of funds in key industry areas, the capacity to plan for the future needs of the economy and society will be significantly hampered. The stated aim of addressing skill shortages will not be achieved unless the issue is addressed through a partnership of the various levels of government and industry and community and other stakeholders. There are many who would argue that the current state of affairs in relationship to skill shortages is due in no small part to the refusal or inability of industry to plan and commit and invest in future needs, rather than simply dealing with the present.
- Cooperation across all levels of government to coordinate effort and reduce wasteful duplication is critical in vocational education and training.

Pat Forward
AEU Federal TAFE President