



# **Vocational Education and Training Funding Amendment Act 2001**

**No. 88, 2001**



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***An Act to amend the *Australian National Training Authority Act 1992* and the *Vocational Education and Training Funding Act 1992*, and for related purposes***

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**An Act to amend the *Australian National Training Authority Act 1992* and the *Vocational Education and Training Funding Act 1992*, and for related purposes**

[Assented to 18 July 2001]

The Parliament of Australia enacts:

## **1 Short title**

This Act may be cited as the *Vocational Education and Training Funding Amendment Act 2001*.

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## **2 Commencement**

This Act commences on the day on which it receives the Royal Assent.

## **3 Schedule(s)**

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Amendment of the Australian National Training Authority Act 1992**

### **1 Subsection 4(1) (definition of *Agreement*)**

Repeal the definition, substitute:

*Agreement* means:

- (a) the Australian National Training Authority Agreement (a copy of which is set out in the Schedule) approved by the Commonwealth and States; or
- (b) if that Agreement is amended—that Agreement as so amended.

### **2 Subsection 13(9)**

Omit “and 14A”, substitute “, 14A and 14AA”.

### **3 Subsection 14(7)**

Omit “section 14A”, substitute “sections 14A and 14AA”.

### **4 After section 14A**

Insert:

#### **14AA Commonwealth Minister may direct the payment of amount to a State**

- (1) If the Minister has, under section 9AB of the *Vocational Education and Training Funding Act 1992*, determined that a specified amount is to be paid to the Authority in respect of a State and the year 2001 or 2002, the Minister may, by written notice given to the Authority, direct that the Authority must allocate and pay the amount determined in respect of the State and the year to the State.
- (2) The Minister must not amend or vary a notice given under subsection (1) so as to reduce an amount specified in the notice.
- (3) The Authority must comply with a direction in a notice given under subsection (1).

### **5 Schedule 1**

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Repeal the Schedule, substitute:

## **Schedule 1—Australian National Training Authority Agreement**

Note: See subsection 4(1) (definition of *Agreement*)

### **ANTA AGREEMENT FOR 2001 TO 2003**

#### PREAMBLE

This amended Australian National Training (ANTA) Agreement between the Commonwealth, State and Territory Ministers responsible for vocational education and training applies in respect of the years 2001 to 2003 inclusive. It reinforces the commitment of the States, Territories and the Commonwealth to a strong national industry-led vocational education and training system of high quality to benefit the nation, its industries and its people.

At the heart of the ANTA Agreement 2001-03 is a commitment by the States, Territories and the Commonwealth, in partnership with industry, to work together to increase the participation of Australians in an integrated national vocational education and training system that allows for local diversity. The partners recognise that an effective vocational education and training sector is needed to provide skills to maintain individuals' employability, increase their productivity and improve the competitiveness of enterprises and the nation. The partners give a commitment to national consistency so that individuals and enterprises do not face barriers in undertaking or enjoying the benefits of training when moving between jurisdictions.

Under the ANTA Agreements to date, the partners have achieved a great deal, including a major expansion of vocational education and training opportunities, a wider and more competitive national market in training and strengthened pathways from school to work. This Agreement builds on the strong industry and community support for the national vocational education and training reforms. It provides a vocational education and training framework that can deliver:

- opportunities for all to acquire skills through life especially for young people and other new entrants to the labour market, Indigenous Australians, people with disabilities, and mature age workers



- employer and individual commitment to invest in skill acquisition, including by reducing red tape wherever possible and building confidence in the value and quality of vocational education and training high quality outcomes relevant to current and emerging labour market needs, including by targeting effort to support growth industries
- flexible and innovative training delivered by a wide range of nationally recognised providers responsive to their clients and the needs of Australian industry
- strong regional communities through training that strategically benefits regional economies.

The States, Territories and the Commonwealth agree that accountability will be based on making real improvements to the training system over the length of the Agreement. Under the Agreement, accountability standards will be transparent and ensure that the vocational education and training system improves Australia's skill base, addresses community needs and contributes to social and economic progress.

This Agreement between the Commonwealth, State and Territory Ministers responsible for vocational education and training applies in respect of the years 2001 to 2003 inclusive.

#### PURPOSE

1. This Agreement is intended to ensure that the skills of the Australian labour force are sufficient to support internationally competitive commerce and industry and to provide individuals with opportunities to optimise their potential. It aims to create opportunities for all to acquire skills through life, especially for young people and new workforce entrants; to promote employer and individual commitment to invest in skill acquisition; to deliver high quality outcomes relevant to current and emerging labour market needs; and to enable flexible training to be delivered by a wide range of providers that are responsive to their clients.
2. The purpose of this Agreement is to create the basis for a joint partnership between governments and with industry through the development and refinement of a national vocational education and training (VET) system which will:
  - i. build a leadership role for industry in national VET decision-making, planning and advisory processes;

- ii. enhance the National Training Framework through national co-operative action;
  - iii. achieve the development of a skilled Australian community, including by working with the school sector to expand vocational education and training opportunities in schools and working with the higher education sector to improve pathways, and expanding apprenticeship and traineeship opportunities;
  - iv. increase opportunities and employment outcomes for individuals;
  - v. define national priorities and outcomes to guide State and Territory directions in the delivery of VET;
  - vi. encourage the development of an effective and competitive training market including through the National Training Framework;
  - vii. encourage a training culture in Australian enterprises and throughout the Australian community; and
  - viii. improve the efficiency of the provision of VET around Australia.
3. The underpinning principles to a national approach to VET are:
- i. a spirit of co-operation and a commitment to partnership at a national level by State, Territory and Commonwealth Governments working closely with industry as a key stakeholder;
  - ii. a key role for industry in providing leadership and advice, particularly in relation to the ongoing development of the National Training Framework;
  - iii. a recognition of the individual needs and characteristics of States and Territories within the context of the need for a national approach to VET;
  - iv. promotion of clear, nationally shared objectives and goals for VET;
  - v. clearly defined and complementary roles and responsibilities for all stakeholders; and
  - vi. transparent and accountable funding arrangements and relationships.

**KEY OBJECTIVES**

4. Within the overarching agreed national objectives for VET, namely:
- i. equipping Australians for the world of work;
  - ii. enhancing mobility in the labour market;
  - iii. achieving equitable outcomes in VET;
  - iv. increasing investment in training; and
  - v. maximising the value of public VET expenditure;

the particular objectives for the period of this Agreement are:

- (a) to expand New Apprenticeships into new areas and to achieve further growth in New Apprenticeships opportunities by maintaining the agreed commitment to resourcing New Apprenticeships as a high priority within the overall VET system;
- (b) to ensure that effective arrangements to ensure the quality of VET provision and outcomes, under the National Training Framework, are in place nationally and that national consistency is achieved wherever possible;
- (c) to achieve the intended benefits of the National Training Framework to deliver greater flexibility and customisation of VET programmes to meet clients' needs, including through removal of any unnecessary regulatory barriers;
- (d) to continuously improve Training Packages to ensure that they meet future skill needs, including for the existing workforce;
- (e) to establish more effective arrangements within the VET sector to facilitate pathways from schools to VET, including recognition of VET outcomes achieved in schools for the purposes of entry to higher education, and between VET and higher education, including through improved credit transfer arrangements;
- (f) to implement the agreed national marketing strategy in order to further develop the commitment of employers and individuals to investment in training; and
- (g) to implement a revised accountability framework for the Infrastructure Program to ensure that infrastructure funding supports efficient and effective VET provision, including through expanded use of information and communications technologies.

#### ROLES AND RESPONSIBILITIES

5. Noting the need to implement arrangements to avoid duplication and overlap, the following roles and responsibilities are agreed.

##### *ANTA Ministerial Council*

6. The Australian National Training Authority (ANTA) Ministerial Council (MINCO) will be the peak national decision making body for vocational education and training. MINCO will maintain a full national co-operative agenda and process.

7. The Council will consist of the Ministers from each State and Territory and the Commonwealth responsible for VET and will be chaired by the Commonwealth.

8. Each State and Territory will have one vote and the Commonwealth will have two votes and a casting vote. All matters will be decided by a simple majority, except that special arrangements apply in relation to the approval of State/Territory Annual VET Plans for the purposes of additional Commonwealth funding to contribute to growth as specified in paragraph 33.

9. The functions of the Ministerial Council will include overseeing ANTA and decision making on national strategic policy and planning, including funding, and national objectives and priorities. Other functions of MINCO will include:

- (a) agreeing on necessary Commonwealth and State/Territory legislation establishing ANTA and defining the relationship between ANTA, the Ministerial Council and State training agencies;
- (b) deciding on the appointment of members of the ANTA Board and their removal;
- (c) deciding on the appointment of the chairperson and deputy chairperson of the ANTA Board;
- (d) endorsing an annual plan for ANTA, which includes planning for efficiencies, work priorities and its proposed expenditure;
- (e) determining national objectives and priorities for vocational education and training;
- (f) determining the National Strategy based on advice from ANTA, consistent with agreed national objectives and priorities;
- (g) determining, in the context of the National Strategy, the principles to be applied for the allocation of funding between States/Territories and for any national programs;
- (h) identifying and planning for future growth requirements, including demographic growth, and requirements arising from major changes in factors affecting demand;
- (i) agreeing planning arrangements for the delivery of vocational education and training nationally;
- (j) ensuring that ANTA operates in an effective and efficient manner;
- (k) resolving any dispute between ANTA and a State/Territory training agency or any other issue raised by a Minister;
- (l) giving references to ANTA on other issues of training policy;
- (m) being accountable to the Commonwealth Parliament for the operation of ANTA and the expenditure of Commonwealth funds; and

- (n) approving the Annual National Report.

*Australian National Training Authority (ANTA)*

10. The ANTA Board will support MINCO in all of its functions and will have the capacity to give effect to industry-led arrangements with a strategic focus to develop and recommend on national policies and strategies, and will exercise the following core roles:

- (a) development of a draft revised National Strategy for MINCO, when required by MINCO, and preparation for MINCO of the Annual National Report;
- (b) provision of advice to MINCO on annual VET Plans;
- (c) provision of advice to MINCO, in the context of the National Strategy, of the principles to be applied in the allocation of funding between States/Territories and advice to MINCO on the release of Commonwealth funds to each State/Territory having regard to the State/Territory's satisfactory participation in the accountability arrangements relating to the Annual National Report as set out in paragraph 27;
- (d) provision of information and advice to MINCO to assist MINCO to identify and plan for future growth requirements, including demographic growth, and requirements arising from major changes in factors affecting demand;
- (e) development, management and promotion of the national aspects of the National Training Framework;
- (f) policy review, evaluation and research on national priorities agreed by Ministers from time to time (ensuring that descriptions of all research documents are circulated promptly and simultaneously to all MINCO members);
- (g) advising MINCO on the development of key performance measures and reporting objectives;
- (h) ensuring agreed national data are generated;
- (i) co-ordinating major national initiatives agreed by Ministers from time to time;
- (j) with the agreement of the Commonwealth and States/Territories, facilitating co-operation between State/Territory systems and, where appropriate, the Commonwealth on specific matters agreed from time to time; and
- (k) administration of arrangements for payment of Commonwealth funds to the States and Territories.

11. In discharging its core roles ANTA will consult extensively with relevant stakeholders, and work closely with State/Territory training authorities.

12. The Chair of the ANTA Board will be the principal point of contact between the ANTA Board and members of MINCO.

13. The Board will act as an advocate for encouraging industry investment and involvement in training.

14. Appointment of members to the Board will be determined by MINCO. The composition of the Board will include one large State and one small State/Territory training agency industry representative.

15. The ANTA Board will be the accountable authority for its staff and resources and be responsible to MINCO.

*State/Territory Training Agencies*

16. The principal role of State/Territory training agencies will be to address, within the national framework, training needs and priorities of industry and the community within their State/Territory. In addition to their State/Territory based roles and responsibilities, State/Territory training agencies will be committed to and actively involved in the national VET system through:

- (a) providing advice to their respective Ministers on significant aspects of the national VET system;
- (b) participating in the processes for the formulation of national strategic policy, national planning and national objectives and priorities;
- (c) implementing agreed national priorities and initiatives within the context of State/Territory needs and priorities;
- (d) administering the National Training Framework within the State/Territory;
- (e) consulting with and supporting industry networks at the State/Territory level; and
- (f) providing advice to the Minister on resource allocation at the State/Territory level and ensuring the effective operation of the training market within the State/Territory.

*Commonwealth Agency Responsible for VET*

17. The Commonwealth department responsible for vocational education and training will have the following role in the national VET system:

- (a) ensuring that VET is responsive to emerging national economic and social priorities;
- (b) providing advice to Commonwealth Ministers on all aspects of the national VET system;
- (c) participation in the processes for the formulation of national strategic policy, national planning and national objectives and priorities;
- (d) administering arrangements for accountability to the Commonwealth Parliament on Commonwealth VET expenditures;
- (e) advising the Commonwealth Government on determining the global level of Commonwealth resources for the VET sector;
- (f) management of Australia's bilateral relationships with counterpart Governmental agencies, and of Australia's participation in relevant international organisations;
- (g) facilitation, with the States/Territories, of co-operation between education and training providers in international marketing; and
- (h) encouraging clear and improved pathways between educational sectors by the provision of advice on linkages between schools, VET and higher education.

#### PLANNING AND ACCOUNTABILITY ARRANGEMENTS

18. The planning and accountability arrangements for the national VET system will include the following:

##### *National Strategy*

19. The National Strategy will be a medium term strategic document which focuses on the operation of the National Training Framework, national objectives, policies, priorities and initiatives. The Strategy will also identify agreed key performance measures for the system.

20. A draft revised Strategy will be developed by ANTA with all stakeholders for consideration and approval by MINCO, when required by MINCO.

##### *Annual National Priorities*

21. A national priorities document will be prepared which provides an annual statement of agreed national priorities based on the National Strategy. This document will identify agreed national priorities for VET together with agreed outputs/outcomes.

22. The priorities document will be developed by ANTA, in consultation with the Commonwealth, States/Territories and key industry parties, for consideration and approval by MINCO.

*State/Territory Planning Arrangements, within the National Response to Annual National Priorities and National Strategy*

23. Within the national planning arrangements the content of State/Territory VET planning documents will be a matter for each individual State/Territory to determine. There will, however, be a requirement for States/Territories to respond to the agreed Annual National Priorities and to report on progress against the National Strategy.

24. Each State/Territory will provide an Annual VET Plan for MINCO.

25. Each Annual VET Plan will include the State/Territory's response to the Annual National Priorities, a report of progress against the National Strategy and an Innovation Strategy. The Innovation Strategy will include the State/Territory's assessment of industry requirements, within the overall context of national skill requirements, and will show, for example, identified shifts in training effort to support emerging industries, uptake of Training Packages in Information Technology and other new technologies and development of new VET-industry links in cutting-edge industry areas. Each Annual VET Plan will also include an activity table which shows the distribution of total VET activity to be achieved annually, by industry and level of training, and the number of New Apprenticeships commencements and New Apprentices in-training. The Annual VET Plan will include an agreed use of Australian Vocational Education and Training Management Information and Statistical Standards (AVETMISS).

26. State/Territory Annual VET Plans will be considered and agreed by MINCO, acting with the advice of the ANTA Board, in accordance with the requirements in paragraph 33.

*Annual National Report*

27. The Annual National Report will provide the basis for reporting against the National Strategy and national priorities, including against the agreed key performance measures. It will also include a report for each State/Territory on:

- (a) relative efficiency (using the approach adopted for the Annual National Report for 2000 based on adjusted unit costs);



- (b) the effectiveness of the operation of the Australian Recognition Framework (using an approach agreed by MINCO but including at a minimum the nature and extent of auditing arrangements and audit outcomes at the whole-State level); and
- (c) the implementation of Training Packages and the extent to which Registered Training Organisations are using Training Packages to respond to clients' needs at the local level.

28. The report will be the mechanism for reporting to the Commonwealth Parliament on the operation of the national VET system. To ensure its effectiveness as a national accountability mechanism, ANTA will have the capacity to arrange for independent verification of any information or data provided by States/Territories for inclusion in the report.

#### FUNDING

29. The Commonwealth and the States/Territories will continue to provide funding stability for the national VET system. To this end the Commonwealth will maintain current levels of funding in real terms for the duration of this Agreement. The States/Territories agree to maintain outputs or outcomes, to be measured on a basis agreed by the Ministerial Council, over the life of the Agreement and to strive for ongoing efficiency improvements. Each State/Territory will have the flexibility to use up to its share of \$30 million of the total allocation for capital purposes (ie, the Infrastructure Programme) for recurrent purposes to achieve additional VET activity. The additional VET activity funded from this flexibility, commensurate with the funds reallocated to recurrent purposes, will be over and above current outputs/outcomes measured for the purpose of this paragraph.

30. The Commonwealth's commitment to maintain current levels of funding in real terms applies to the funding appropriated under the Vocational Education and Training Funding Act 1992 in respect of 2000, amounting to \$931.415 million.

31. The Commonwealth and the States/Territories acknowledge that expansion of VET, including New Apprenticeships, will play an important part in developing the broad skills base needed to support innovation in enterprises. To this end, the Commonwealth will provide additional funding of \$50 million over the indexed 2000 base in 2001, \$75 million over the indexed 2000 base in 2002 and \$100 million over the indexed 2000 base in 2003 as a contribution to growth, including in the number of New Apprentices. The amounts for 2002 and 2003 will be subject to indexation.

32. The additional Commonwealth funding will be allocated among the States/Territories on a per capita share basis. A State/Territory will receive its share of this funding for a year only if it gives a commitment to provide additional State-sourced funding equal to the amount of Commonwealth funding provided under paragraph 31 for that year (using State-sourced expenditure for the 1999-2000 financial year within the ANTA Agreement scope and boundaries as the base). If a State/Territory gives a commitment to match only part of its share, it will receive Commonwealth funding equal to that part. Should a State/Territory decline to provide some or all of the additional State-sourced funding, the Commonwealth Minister may make available the surplus amount that would have been that State/Territory's share (or part thereof) of the additional Commonwealth funding for allocation to other States/Territories, subject to those States/Territories agreeing to provide an equal amount of State-sourced funding. The additional VET activity funded from the combined additional Commonwealth and State/Territory funding for each State/Territory will be over and above current outputs/outcomes measured for the purpose of paragraph 29.

33. The additional Commonwealth funding referred to in paragraph 31 will be paid to a State/Territory in any year only if the State/Territory complies with the User Choice Policy and Principles, as agreed by the Ministerial Council in November 2000, the Ministerial Council approves the State's/Territory's Annual VET Plan for that year (which must include a report on progress against the previous year's Annual VET Plan) and the Commonwealth Minister concurs in that approval on the basis that the VET Plan is satisfactory in respect of the requirements in paragraph 25 for an Innovation Strategy, in paragraph 32 for additional State-sourced funding and in paragraph 33 for planned growth in activity, including in New Apprentices in-training. The Annual VET Plan must include a commitment by the State/Territory to achieve an increase in the number of New Apprentices in-training at least equal to the State/Territory's per capita share of 20,000 by 30 June 2002 over the base of the estimated number of New Apprentices in-training at 30 June 2000 as published by the National Centre for Vocational Education Research in September 2000. A State/Territory which is unable for reasons beyond its control to achieve the specified level of growth in New Apprentices in-training may continue to receive its share of the additional Commonwealth funding referred to in paragraph 31 if it achieves a substantial part of that growth and also demonstrates provision of additional VET places to support innovation amounting in total to an equivalent effort. States and Territories will give high priority to achieving further increases in the number of New Apprentices in-training over the life of this Agreement.

34. State/Territory VET Plans for 2001 that have already been approved by the Ministerial Council will be subject to this requirement and will be revised and resubmitted for approval by the Ministerial Council accordingly.

35. Commonwealth funds will be released to a State/Territory on the advice of MINCO following MINCO consideration of and agreement to the State/Territory Annual VET Plan in accordance with paragraphs 33 and 34 and ANTA's report on satisfactory State/Territory participation in the accountability arrangements relating to the Annual National Report as set out in paragraph 27.

36. The Commonwealth may make available to the States and Territories, through ANTA, funding over and above that referred to in paragraph 31 as part of the *Australians Working Together — Helping People to Move Forward* package. Such funding will be used for VET activity additional to that covered by paragraphs 31 and 32 and this additional activity will be reflected in State/Territory Annual VET Plans and accountability arrangements relating to the Annual National Report. Specific accountability arrangements for the component of funding for people with a disability relating to improvements over time in participation and outcomes will be agreed by MINCO.

## **6 Savings of matters affecting the Ministerial Council**

(1) Any:

- (a) declaration, determination, requirement, guideline, nomination, recommendation or appointment made; or
- (b) direction, consent or approval given; or
- (c) other thing done by:
  - (i) the Ministerial Council; or
  - (ii) the Chairperson of that Council;

under the *Australian National Training Authority Act 1992* that had effect immediately before the commencement of this Act, has the corresponding effect, for the purposes of that Act as amended by this Act, as if it had been made, given or done by the Ministerial Council or the Chairperson of the Ministerial Council under that Act as so amended.

(2) Any:

- (a) recommendation, advice, report or submission made or given to; or

(b) other thing done in relation to;  
the Ministerial Council under the *Australian National Training Authority Act 1992* that had effect for the purposes of that Act immediately before the commencement of this Act has the corresponding effect, for the purposes of that Act as amended by this Act, as if it had been made or given to, or done in relation to, the Ministerial Council under that Act as so amended.

## 7 Savings in respect of a State

- (1) If both the Commonwealth and a State have not, on or before the day this Act commences, approved the new agreement in respect of the State, then the ANTA Act, as in force immediately before the commencement of this Act, continues in force in respect of that State.
- (2) If, after the day this Act commences, the Commonwealth and a State approve the new agreement in respect of the State, then any thing done by:
- (a) the Ministerial Council or by the Chairperson of that Council in respect of the State; or
  - (b) the Australian National Training Authority; or
  - (c) the State;

that has effect immediately before the new agreement day, is treated as if it were a thing done for the purposes of the ANTA Act as amended by this Act.

- (3) In this item:

**ANTA Act** means the *Australian National Training Authority Act 1992*.

**new agreement** means the **Agreement** defined in the ANTA Act as amended by this Act.

**new Agreement day** means the later of:

- (a) the day that the State approves the new Agreement; and
- (b) the day that the Commonwealth approves the new Agreement in respect of the State.

## **Schedule 2—Amendment of the Vocational Education and Training Funding Act 1992**

### **1 Section 9 (table)**

Omit:

2001	\$931,415,000
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substitute:

2001	\$952,745,000
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2002	\$956,158,000
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### **2 After section 9A**

Insert:

#### **9AB Additional funds for allocation by the Authority if State complies with ANTA agreement**

(1) If:

- (a) the Commonwealth and a State approve the ANTA agreement; and
- (b) the Minister determines that the State complies with the agreement; and
- (c) the Minister determines that, because the State has complied with the agreement, a specified amount is to be paid to the Authority in respect of the State and a calendar year specified in the table at the end of this section;

the amount determined is payable to the Authority, for allocation to the State under the *Australian National Training Authority Act 1992* in respect of the calendar year.

- (2) In making determinations under subsection (1), the total of the amounts that the Minister determines in respect of a calendar year must not exceed the limit for that year specified in the following table.

<b>Year Limits</b>		
<b>Item</b>	<b>Calendar Year</b>	<b>Limit for year</b>
1	2001	\$50,000,000
2	2002	\$75,000,000

(3) In this section:

*ANTA agreement* means the agreement, set out in Schedule 1 to the *Australian National Training Authority Act 1992* as amended by the *Vocational Education and Training Funding Act 2001*, as amended from time to time.

### 3 Section 9B

Omit “or 9A”, substitute “, 9A or 9AB”.

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[*Minister’s second reading speech made in—  
House of Representatives on 7 June 2001  
Senate on 21 June 2001*]

(96/01)