

# **Bilateral Funding Agreement**

between

***The Australian Government***  
and  
***the Australian Capital Territory (ACT) Government***

under the

## **2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce**

### **Purpose**

1. This Bilateral Agreement describes arrangements between the Australian Government and the ACT Government to advance national and Territory priorities for vocational and technical education. This agreement aims to ensure that the training sector performs at the highest possible level and meets the needs of industry, individuals and communities within the ACT and region.
2. In this Bilateral Agreement, the Australian Government and the ACT Government are establishing those areas where they will work together, and the manner in which they will engage to improve training outcomes for clients of the national training system.
3. This Bilateral Agreement also details the Territory-specific elements of the Commonwealth-State Agreement for Skilling Australia's Workforce that will apply in the ACT.
4. This Bilateral Agreement applies in respect of the period 1 January 2006 to 31 December 2008. In recognition of the dynamic nature of industry and the training sector, the agreement will be reviewed annually to take account of changing local priorities.

### **Introduction**

The ACT has been a fully collaborative partner with the Australian Government in establishing and maintaining the national vocational education and training system. Three elements stand out as major ACT contributions:

- full implementation of User Choice including full competition and maximum availability of qualifications;
- early establishment and implementation of the model clauses underpinning the national system; and
- funding well above the matching requirements in 2003, 2004 and 2005, with a concurrent high level of vocational education and training activity.

# THE ACT GOVERNMENT PRIORITIES

## Economic Development Priorities

### Socio-economic context of Vocational Education and Training

The ACT Government understands that a first-class education and training system is a precondition for a strong and dynamic society and economy. Through *The Canberra Plan* the ACT Government has established a long-term agenda that will involve rethinking the way we live, use resources, and do business. *The Canberra Plan* has three key planning components:

- The Social Plan;
- The Economic White Paper; and
- The Spatial Plan.

The *Economic White Paper* is based on four core principles:

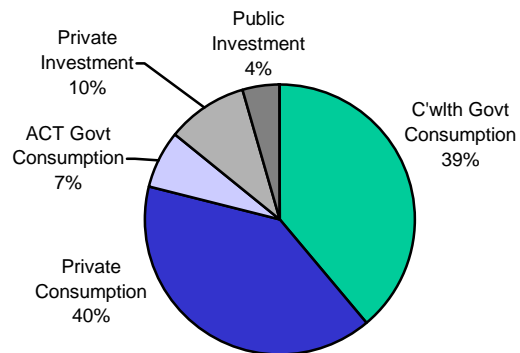
- sustainability;
- embracing small business;
- jobs; and
- private sector development.

The ACT provides an effective and efficient vocational education and training system with high participation rates and sound outcomes for students, industry and the community. This is achieved in the context of the narrowest vocational education and training market in Australia and in an economic setting that is very different from other jurisdictions. Some significant features of the ACT economy are:

- the ACT's role as the national capital and its dependence on Australian Government activity as a major source of demand (Fig 1);
- the activities of the Australian and ACT Governments which dominate the economy and labour market, accounting for one third of Gross State Product (GSP) and one quarter of total employment;
- that, apart from government and defence, a relatively narrow range of industries comprise the bulk of the ACT economy with essentially no primary industry, mining or manufacturing in the ACT;
- a private sector is dominated by small business, often very small business. Employment in these businesses represents over half (53%) of all private sector employment – a higher proportion than in any other State or Territory, and well above the national average of 47%;
- that the ACT training market, as with all small jurisdictions, is characterised by high volatility; and
- high mobility of current and potential apprentices and trainees, particularly to and from New South Wales.

The societal and economic structures of the ACT are often significantly different from those of other jurisdictions. The occupational structure is heavily weighted towards highly skilled white-collar jobs. For example, the ACT workforce has relatively higher proportions of people classed as professional workers: managers, and administrators (accounting for almost 40% of the ACT labour force) than the rest of Australia (25%), but lower proportions of tradespersons, labourers and production workers.

**Figure 1. Proportions of ACT Investment 2004-05**



New Apprenticeships form a low proportion of government recruitment and training, and proportionally more jobs in the ACT require a university qualification for entry into employment. A large proportion of New Apprenticeships are in the traditional trades, but the small size of the ACT New Apprenticeship system also makes it vulnerable to shifts at industry or even company level, and has, on occasion, significantly affected the attainment of New Apprenticeship growth targets.

The ACT also has a younger population, a higher year 12 retention rate, and a higher entry rate into university study, than the rest of Australia. Despite this, the ACT performs well in the delivery of vocational education and training (VET) per head of population. The graph on ACT Training Performance (Attachment A, Fig 1) demonstrates this in comparison with Tasmania and Australia as a whole.

The ACT has a lower proportion of Indigenous people (1.2%) than the national average (2.4%), but Australian Bureau of Statistics (ABS) data (publication 4713.0 2001) demonstrates that the ACT Indigenous population achieves:

- higher VET Load Pass Rates (Attachment A);
- higher secondary school participation (10.5% compared to 8.5%);
- higher university participation (5.6% compared to 1.8%); and
- higher employment rates (58.2% compared to 40.3%).

This makes it difficult for the ACT to significantly increase Indigenous VET participation.

Graphs of ACT Industry and Occupation profiles (Attachment A Figures 2 & 3,) drawn from official ABS data, illustrate the ACT's unique socio-economic position in Australia.

These industry and employment profiles have influenced the ACT Government's thinking in establishing a broad framework of economic development priorities from 2003 into the future. The ACT Government will assist the building of competitive advantage by supporting activities and approaches aimed at developing industry networks and clusters. These efforts will be directed towards industries with demonstrated competitive advantage (Economic White Paper, p 56). Initially, the following sectors are being targeted:

- Information and Communication Technology;
- Space Sciences;

- Biotechnology;
- Public Administration;
- Environmental Industries;
- Creative Industries;
- Sport Science and Administration;
- Education;
- Defence; and
- Tourism.

The above sectors encompass the major proportion of economic activity and, where appropriate, will be supported by vocational education and training activity. At the same time the traditional areas of health and community services, building and construction, automotive, and electrotechnology will not be neglected.

### **Industry Development Strategies**

There are limited opportunities for vocational education and training in the initial research and development phases of high technology industries, such as advanced Information Communication Technology (ICT), Space Sciences and Biotechnology. However, different strategies are being explored to provide vocational education and training opportunities across the economic development spectrum. For example, a course has been developed and accredited in the ACT to provide business and market development skills for IT and engineering graduates to enable them to further support the development of scientific and technological breakthroughs to bring them to a stage where they are commercially viable and marketable.

Vocational education and training strategies being developed in the ACT include:

- maintaining existing high levels of training in the traditional trades, and where applicable, broadening the range of qualifications available, including Certificate IV and Diploma level qualifications for supervisory positions
- broadening the range of qualifications for health and community services, and increasing training activity levels where required to meet existing and emerging demand
- attempting to influence the culture of training in Australian and ACT Government departments, to increase the uptake of nationally accredited training, and to address existing and potential skills gaps as the currently ageing workforce moves into retirement
- maintaining skills levels in the hospitality and tourism industries to ensure a steady stream of chefs, cooks and other key personnel, and to examine other ways and means of lowering the relatively high attrition rates in this sector, and
- broadening the range of training and support initiatives for inclusion of persons in equity target groups in the workforce through approaches such as:
  - customised programs for persons with a disability;
  - higher level qualifications for Indigenous persons; and
  - traineeships and pre-traineeship competencies for upskilling mature age and younger workers to counter skills loss through the retirement of an aging workforce.

- programs to upskill persons returning to the workforce after a prolonged absence, particularly women and persons from a non-English speaking cultural background, and
- programs to develop job seeking and lifelong learning skills for Youth at Risk.

### **ACT Priority training areas for 2005-2006**

Based on the detailed analysis of the factors impacting on vocational education and training, the Vocational Education and Training Authority has endorsed the following set of vocational education and training priority industry areas and priority groups for 2005-2006. It has also identified three enabling priorities that span multiple industry areas. The priority industry areas for 2005-2006 are:

- Arts, Entertainment, Sport and Recreation;
- Automotive;
- Building and Construction;
- Business and Clerical;
- Community Services, Health and Education;
- Finance, Banking and Insurance;
- Primary Industry;
- Sales and Personal Services;
- Science, Technical and Other;
- Tourism and Hospitality; and
- Utilities.

The priority groups for 2005-2006 are:

- Persons with a Disability;
- Indigenous Australians;
- Mature aged (40+);
- Youth (15-19);
- Small Business; and
- Government Administration & Defence.

Emphasis is given to vocational education and training areas with the potential to cross all industry sectors. These areas may be regarded as *enabling* priority areas for 2005-06, and include the provision of vocational education and training in:

- Business Services;
- Information Technology; and
- Employability Skills.

Special attention across all relevant industries is also provided to equity and target groups.

The priority training areas will inform the funding of training over the period 2005-2008 reviewed annually. Funding will focus on particular qualifications applicable to these areas and identified as being most appropriate to the ACT.

## **ACT Programs addressing priorities**

The priorities are managed in accordance with available funding and the changing needs of the ACT Government and of the ACT and national vocational education and training system. The priorities help inform the ACT's vocational education and training funding programs including:

- New Apprenticeships through User Choice;
- Strategic Priorities Program (for innovation and equity training places);
- Canberra Institute of Technology Planning & Funding Agreement; and
- Vocational Education and Training in Schools.

## **ENGAGEMENT AND COOPERATION**

### **The ACT Vocational Education and Training system**

The ACT has a strong commitment to sustained participation in vocational education and training as a means of providing appropriately qualified and trained citizens to contribute to the economic, social and cultural well-being of the ACT. The ACT:

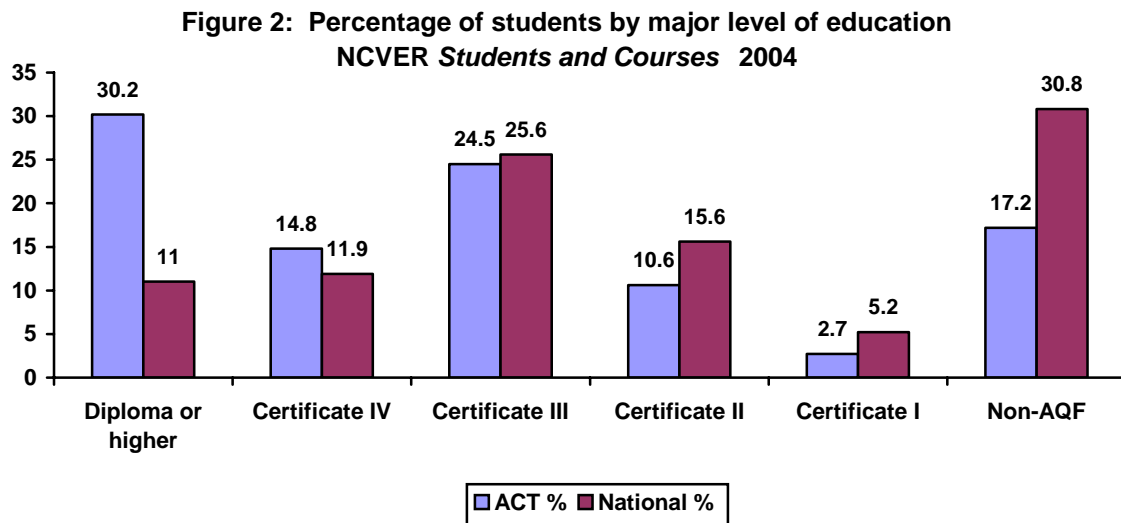
- ensures that all training package qualifications relevant to ACT industries are available for New Apprenticeships through User Choice;
- ensures that each and every New Apprenticeship is delivered under full User Choice arrangements that follow the nationally agreed User Choice policy and resourcing principles;
- has a fully demand driven New Apprenticeships system;
- provides a fully competency based system as opposed to a time based system
- has open and transparent pricing; and
- achieves proportionally a high level of VET activity compared to its employment profile.

The ACT VET system is a small system with considerable mobility of population, particularly in the 19 - 25 age group, where young people come to the ACT for study purposes, then leave for the major cities or overseas. This and other factors cause higher volatility in the number of persons undertaking VET courses than the national average.

### **Level of qualifications studied**

The ACT is a high quality system that generally produces better outcomes than the rest of Australia. The level of qualifications is higher than the national average and load pass rates for all students and for students in equity groups are higher than the national

average.



ACT students also achieve better outcomes than the national average, as exemplified by load pass rates for all VET students (80.1% ACT, 77.4% Australia), for Indigenous students (67.8% ACT, 63.7% Australia) and students with a disability (73.6% ACT, 69% Australia). This is shown in Attachment A, Figure 4.

## Sharing of Governance Structures

Shared governance of the ACT component of the national VET system is through:

- joint participation of Australian and Territory governments in the Ministerial Council on Technical and Vocational Education;
- legislation; and
- interlinked strategic plans.

### **Ministerial Council on Technical and Vocational Education, National Senior Officials Committee and Action Groups**

Governance of the ACT component of the national VET system is through joint participation of the Australian and the ACT Governments in the Ministerial Council, National Senior Officials Committee, and the several Action Groups relevant to the ACT VET system.

## Legislation

The legislation for VET in the ACT produces an integrated Commonwealth/Territory framework that puts the national system into effect. On 1 November 2003 two new Territory Acts gave the ACT a more robust regulatory framework for vocational education and training and higher education. This legislation incorporates nationally agreed model clauses and supports the ACT's current high quality education and training environment and continues to safeguard the interests of students, VET professional educators and the community. These Acts, together with the Australian Government's Skilling Australia's Workforce Act 2005, make up the legislative framework.

## Strategic Plans

Shared governance is also implemented through integrating the Australian and ACT Government vision, mission and goals for VET in the ACT as expressed through the relevant Australian and ACT Government VET strategic plans.

### *The ACT Vocational Education and Training Strategic Plan 2005-2009*

A key function of the Vocational Education and Training Authority is to develop a Strategic Plan for VET in the ACT that is consistent with nationally agreed strategies and relevant to ACT government policy, local industry and the community.

*The ACT Vocational Education and Training Strategic Plan 2005-2009* has been designed to enable ACT vocational education and training to comply with Australian Government requirements, the objectives of the *National Strategy for Vocational Education and Training 2004-2010*, the *Canberra Plan* and relevant Australian Government and ACT legislation.

In its Strategic Plan, the Vocational Education and Training Authority focus on meeting needs of learners in equity and target groups. Strategies and programs for addressing disadvantage and achieving equitable outcomes are incorporated in training delivery across all industry areas and applied in all planning activity.

The Authority also supports the development of relevant equity action plans where these take forward the work of the ACT and the Australian Government sponsored strategies in these areas. Equity advisory committees, composed of community, business and stakeholder representatives, meet regularly throughout the year to provide policy advice to the ACT Government Department of Education and Training (ACT DET) and to develop and implement appropriate strategies and action plans.

All of the above plans may be viewed at  
<http://www.det.act.gov.au/services/TrainingEquityAdvisoryGroups.htm>

## Engagement with clients

The Vocational Education and Training Authority and the ACT State Training Authority have comprehensive communication networks with all major clients and stakeholders.

The composition of the Vocational Education and Training Authority is representative of ACT stakeholder groups and comprises the following members:

### Representation

Chair appointed by Minister	Parents &Citizens Association
Employee Organisations (2 members)	Community Representative
Employer Organisations (2 members)	Canberra Institute of Technology
Private training providers	Chief Executive ACT DET (STA)
Industry Training Advisory Services	Accreditation and Registration Council
Indigenous community	

The Adult and Community Education (ACE) Council is a committee of the Vocational Education and Training Authority. There are also three equity advisory committees advising the ACT State Training Authority. It is proposed to amalgamate these equity advisory committees as a major committee of the Vocational Education and Training Authority to raise their profile and develop greater cross-fertilisation of ideas. Students

will be represented on this new committee through the equity groups, and are represented on the Vocational Education and Training Authority through both the Community and Parents and Citizens representation.

The State Training Authority meets regularly with each of the key sectors outlined below in a range of forums.

### Providers of training

Training providers in the ACT comprise:

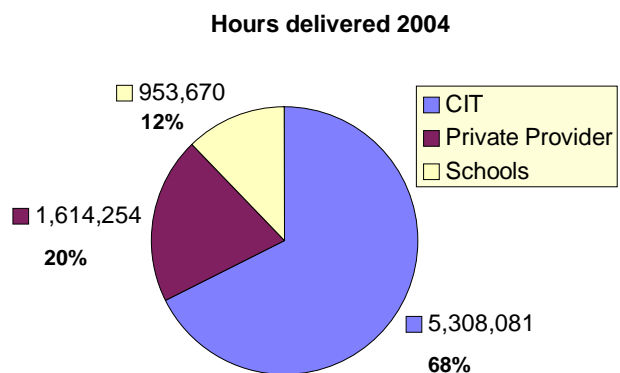
- Public and school Registered Training Organisations
  - One TAFE college - the Canberra Institute of Technology
  - Seventeen Government and Non-Government Senior Secondary Colleges
- Private Registered Training Organisations (RTOs)
- Group Training Organisations that are also RTO, and
- Enterprises that are RTOs

### Public and School RTOs

The Canberra Institute of Technology (CIT) is the principal public Registered Training Organisations in the ACT. The CIT was established in 1928 and represents over 70 years of educational service in the ACT. It is the oldest and largest post-compulsory education system in the ACT, providing vocational education and training for Canberra and region.

There are 9 government and 8 non-government senior secondary colleges registered as RTOs in the ACT delivering a broad range of Certificate I and II qualifications, as well as fostering School-based New Apprenticeships (SNAPS).

Figure 3: Hours delivered 2004



### Private Registered Training Organisations

About 170 Private Registered Training Organisations provide New Apprenticeships training under User Choice in the ACT, about 70 of which have their primary registration outside the ACT. Many are members of the ACT Association of Providers of Training Services (APTS), or the Australian Council for Private Education and Training (ACPET).

### Group Training Organisations (GTOs)

There are 14 GTOs operating in the ACT, 10 are funded through Joint Policy Funding for Group Training, and 7 are Registered Training Organisations.

## **Enterprise RTOs**

There are a number of enterprises conducting their own nationally accredited training in the ACT, mainly in the retail and real estate sectors.

## **Industry Advice**

The *ACT Industry Training Advisory Association (ACTITAA)* was established in 2003 to provide advice on industry training needs to the ACT Government. This new body streamlined the structures and processes for obtaining industry advice by incorporating several ITABs, which had been previously funded by the Australian Government.

ACTITAA's members include the chairs or senior officers of the Industry Training Advisory Boards. The Industry Training Advisory Boards work with their respective industries and national bodies to provide advice to the ACT Industry Training Advisory Association and other stakeholders.

ACTITAA is a major source of industry training advice for the ACT and the surrounding region. It provides a mechanism for coordinated, informed advice to the ACT Vocational Education and Training Authority, the ACT Department of Education and Training and other stakeholders on current and emerging requirements regarding industry training, including skill shortages.

ACTITAA is currently funded by an annual grant of \$0.5 million from the ACT Government. The Chair of ACTITAA is a member of the Vocational Education and Training Authority.

## **ACT Accreditation and Registration Council (ARC)**

The Chair of ARC is a member of the Vocational Education and Training Authority, and officers of the State Training Authority provide secretariat services to ARC.

## **Protocols for Australian Government Agencies' contacts with ACT Stakeholders**

The ACT is very supportive of open communication between the national Councils and their ACT counterparts and would encourage Australian Government agencies to work through the ACT State Training Authority.

Australian Government and ACT VET agencies and stakeholders are encouraged to work collaboratively to strengthen the national system as it operates in the ACT. The ACT State Training Authority and the Australian Government Department of Education, Science and Training (DEST) will work cooperatively through the appropriate mechanisms and channels by which national and territory instrumentalities and stakeholders communicate.

In general, communication would occur between like organisations and peak bodies. For example, the National Skills Council would communicate with the ACT Vocational Education and Training Authority, and individual Industry Skills Councils would communicate with the ACT peak industry advice body, the ACT Industry Training

Advice Association. The ACT State Training Authority would be the first port of call between Australian Government agencies and the ACT Government and ACT stakeholders, while contacts with registered training organisations would be through the industry association, the Australian Association of Providers of Training Services or the Australian Council for Private Education and Training.

New Apprenticeships Centres (NACs) communicate regularly with ACT DET and with DEST. Formal communication between DEST and ACT DET about NACs occurs through the DEST NSW/ACT Office. It may also be beneficial for all parties if sometimes communication about specific aspects of NAC arrangements occur between ACT DET and DEST national office.

It would be expected that significant communications or discussions with ACT agencies or stakeholders would be notified to the ACT State Training Authority prior to the event, and coordinated through that agency.

## **Australian/ACT Government Collaborative Arrangements**

Given the ACT's role as the home of national government, and the significance of government and defence economic activity and employment levels in the ACT, it is a fundamental assumption that the Australian and ACT Governments will cooperate in a number of ways to achieve better mutually agreed outcomes for VET in the ACT.

The ACT Government and the Australian Government will work together to progress the work of the Council of Australian Governments (COAG).

Joint initiatives could be a primary focus of the Commonwealth/State Skills Shortage Initiative and may include:

- examining options to expand pre-apprenticeship training in traditional trades and specified skill shortage areas to create a range of school to work pathways, with closer links between employers and RTOs;
- linking ACT New Apprenticeships marketing campaigns in coordination with national promotional campaigns, coordinating Internet website information with Training.com.au, and maintaining a New Apprenticeships Information Hotline to provide relevant information;
- Australian Government agencies notify the ACT State Training Authority of national initiatives outside the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce being implemented in the ACT to assist in overall monitoring and planning of ACT vocational education and training activity;
- seeking to expand Group Training in the ACT to increase training capacity through the Australian Government/Territory jointly funded program;
- exploring possible action to increase involvement of persons with a disability in New Apprenticeships through pilot projects with adjustments to employment incentives to attract more employers into taking on trainees, as well as additional training support;
- jointly exploring possibilities to promote the uptake of nationally accredited training through New Apprenticeships in the Australian and ACT public services; and
- jointly exploring ways and means to promote the uptake of persons from equity target groups by major employers in the ACT, including large private companies and Australian and ACT Government agencies.

## STRATEGIC NATIONAL INITIATIVES

### Commonwealth-State Skills Shortage Initiative.

The ACT will work with local industry and community, including Australian Government agencies to support the **Commonwealth-State Skills Shortage Initiative**. The ACT Government and the Australian Government will work together to consider ways that State and Territory skills shortage initiatives that are consistent with the work of COAG, might be progressed to provide national benefit. Where appropriate such work may be proposed for funding through Strategic Initiative Funding.

Since 2003 the ACT has directed considerable effort to addressing skill shortages across the broad spectrum of ACT industry. The approach taken by the ACT is a broad approach, as well as a focus on specific sectors where skills shortages are seen to be a more pressing problem.

The ACT has worked closely with specific non-Government Agencies to increase the uptake of New Apprenticeships. The Building and Construction Industry Training Fund, for example, provides employer incentives to increase uptake in skill shortage areas in the building trades. The Construction Industry Training Council provides information about skill shortages in the building trades, and provides advice and support to reduce these shortages. This organisation and the Master Builders Association implement programs to increase the uptake of young persons in school into the building trades, through School-based New Apprenticeships.

These efforts and similar efforts in other industries have increased the number of apprentices and trainees commencing in the General Construction and other categories as outlined in the following table (Source: NCVET):

Industry Category	2001	2002	2003	2004
General Construction - all	120	155	258	288
Certificate III in General Construction (Carpentry - Framework/Formwork/Finishing)	70	79	129	122
Automotive Industry Retail, Service and Repair - all	189	169	439	264
Information Technology - all	84	82	60	124
Community Services - all	294	364	534	534
Correctional Services - all	27	12	28	55
Health - all		47	111	41
Telecommunications - all	60	40	140	171
National Fitness Industry - all	5	9	33	26
Transport and Distribution - all	183	231	190	297
Tourism and Hospitality - all	284	254	319	379

The focus on skill shortages will include increased effort in the following areas:

- the ACT will continue to liaise with New Apprenticeships Centres, major RTOs, ACTITAA, Australian Government agencies, and peak industry bodies to increase training in the skills shortage target areas described in the section on Targets below;
- the ACT will progress the development of Recognition of Prior Learning to accelerate the progress of mature age workers towards a full trades certificate in identified skills shortage areas; and

- the ACT will encourage the growth of Group Training in the ACT, particularly in those industries affected by identified skills shortages.

### **Joint Indigenous Funding Pool**

The ACT will participate in the Joint Indigenous Funding Pool to improve outcomes for Indigenous Australians. The ACT envisages a resource intensive program to support pre-employment training, employment and life skills, together with coaching and mentoring to ensure positive outcomes for the majority of clients. The intent is to implement the approach, based on ACT Government policy, to place indigenous students in employment rather than recycle them through a succession of training programs. The ACT will seek support and assistance from Australian Government agencies, as well as other major corporate employers, to find suitable placements for work experience, vocational placements and ultimately full-time meaningful employment for participants in the program.

The ACT will, through the ACT standard competitive tendering process (which meets the Australian Government requirements for competitive procurement processes), engage one or more registered training organisations to provide training, together with the necessary mentoring, support and direct assistance that will result in meaningful employment for each Indigenous person commencing in the program.

## **NATIONAL TARGETS**

### **Baseline**

The ACT will meet its share of the national targets set out in the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce. The base for the targets is **planned activity for the year 2004**, as agreed by Dr Brendan Nelson, Australian Government Minister for Education, Science and Training, in his letter of 16 June 2005 to Ms Katy Gallagher, ACT Government Minister for Education and Training.

Planned activity for 2004 was 4.9060 million annual hours curriculum (AHC). Planned activity for the New Apprenticeships through User Choice program, in line with ACT planned budget outlays, was as follows for the years 2000 –05:

### **2004 New Apprenticeships through User Choice**

	<b>Planned Commencements</b>	<b>Australian Government Recurrent Funding \$ million*</b>
<b>2000</b>	3,300	14.21
<b>2001</b>	3,300	15.05
<b>2002</b>	3,350	15.52
<b>2003</b>	3,400	15.94
<b>2004</b>	3,500	15.87
<b>2005</b>	3,800	16.56

\* at constant 2000 dollars

The ability to plan and accurately forecast New Apprenticeships activity is limited because of the market-driven nature of the User Choice policy. The **actual** commencements for 2004 will be accepted as the baseline for purposes of counting commencements and assessing progress towards meeting the New Apprenticeships targets.

ACT planning methodology is based on the known levels of activity in the previous year. In practice, when plans were set in September 2003 for 2004, the most recent reliable activity data available was for the 2002, with some indication of increase or decrease on that year estimated from the activity to June in 2003.

The level of activity planned for any year is strongly influenced by both Australian Government and ACT Government budget allocations available for User Choice for that year. It should be noted that for the period 2001 to 2003, there was additional Australian Government funding available, which increased over the period to finally amount to \$1.7 million, which was matched by the ACT. Note that there was no increase in Australian Government funding in 2004, which was set at the 2003 level.

The net effect on planned figures was that there was little movement in planned activity over the years 2001-04. However, there was a considerable unexpected increase in activity in 2003, which required a cash injection of approximately \$2 million at the end of the 2003-2004 financial year to meet the additional expenditure. This additional amount increased the recurrent VET element of the 2004-05 ACT budget, and the planned number of commencements for 2004 was raised to 3,500, as a precautionary measure in case the growth continued. Unplanned growth continued in 2004-05 to the extent that an additional \$3.1 million was allocated in the second appropriation in March 2005 to cover this growth.

## Targets

The targets for the ACT are outlined below. The unique industry profile of the ACT could make achieving the target in **(i) “traditional trades”** difficult. The ACT will make every effort to achieve the 171 places required, but it may be necessary to make up these numbers by achieving more than the 171 places in **(ii) “other skill shortage areas”**. **Nevertheless the ACT will achieve combined, growth of 342 places overall.**

The Australian Government Department of Employment and Workplace Relations (DEWR) skill shortage list does not reflect the ACT reality, as it is not sufficiently disaggregated to reflect the actual skill shortages experienced in the region.

The ACT Vocational Education and Training Authority identifies ACT skills shortages through research and industry consultation conducted by ACT Department of Treasury, ACT DET, the ACT Industry Training Advisory Association and business groups. The ACT Vocational Education and Training Authority publishes this official ACT skills shortage list in its *Half Yearly Outlook*. This list of skill shortages is reviewed and updated for each edition of the *Half Yearly Outlook*.

The targets based on 2004 activity in identified Training Package qualifications in skills shortage areas (by current equivalent where packages have been introduced or reviewed in the interim) are detailed in **Attachment B**. The qualifications list will be

reviewed when new qualifications become available or new opportunities to increase training in skills shortage areas emerge.

### **Traditional Trades and Skill Shortage Areas**

- (i) 171 additional New Apprentice commencements in skills shortages in traditional trades and in agreed skill shortage areas specific to the ACT because of its unique training market. The areas where growth is expected to be most significant are outlined below.

#### *Automotive*

- Higher diagnostic callings and supervisory positions

#### *Building and Construction*

- Contract Administration/Supervision
- Plumbing, bricklaying, painting and decorating
- Steel fixing

#### *Electro technology industry*

- Air conditioning & refrigeration mechanics; Data Communications Technicians; Assembly and Servicing Technicians
- Line workers and Cable jointers
- Communications industry: - network managers, data communication specialists, data cabling and cable-jointers, customer support and service personnel and telecommunications software specialists.

#### *Tourism and Hospitality*

- Chefs, Cooks and Foods Trades
- International Retail Travel Sales

### **Other Skill Shortage Areas**

- (ii) 171 Additional places in other areas of skills shortage, not necessarily through New Apprenticeships:

#### *Arts, Entertainment, Sport and Recreation*

- Outdoor recreation

#### *Community Services and Health*

- Centre-Based Child Care-skills shortages in Diploma qualified workers
- Out of School Hours Care -new legislation requirements for qualified staff ratios
- Aged Care and Disability Work (existing workers) Enrolled Nursing and Assistants
- Public Safety Officers
- Lifestyle and Leisure
- Services Coordination
- Community Services Work
- Health Support Services, and
- Dental Technology

#### *Government Administration and Defence*

- Procurement and contracting

#### *Business (including Small Business etc.)*

- Bookkeeping, Accounting, Financial Control, Credit Management and Finance Operations personnel
- Higher-level business and financial management skills, including Legal Administrators and Executive and Personal Assistants
- Asset Maintenance – Pest Control
- E-Business

#### *Tourism and Hospitality*

- Allied Industries (including relevant aspects of arts, entertainment and culture)

#### *VET teaching staff*

- Training and Assessment (new qualification)

#### *Corrective Services*

- For new ACT prison to open in financial year 2007-08

### **Mature Age and Youth**

- (iii) Over the period 2005-2008 the ACT will provide 443 extra places for mature age persons aged 40 and over and youth in the range 15-24.

### **People with a Disability**

- (iv) Over the period 2005-2008 the ACT will provide 171 extra places for people identifying as having a disability.

### **Indigenous**

- (v) Over the period 2005-08 the ACT will increase by 20 the number of commencements by Indigenous Australians at Certificate III or higher, particularly targeting Training and Assessment.

## **PERFORMANCE MEASURES**

The ACT Government will demonstrate continuous improvement in employer and student satisfaction over the life of this Agreement through the performance measures outlined below.

### **Employer Satisfaction**

- (i) The agreed benchmark for employer satisfaction and strategies to maintain or improve this over the life of the Agreement are outlined below.

The NCVET 2001 *Survey of Employer Views on Vocational Education and Training* indicated that 73% of ACT employers were satisfied or very satisfied with public and private VET Providers in the ACT. During 2005 a further survey has been undertaken with outcomes expected to be available early in 2006. On the basis of the data currently available, the ACT Government aims to maintain or improve the 2001 level of satisfaction within reasonable statistical confidence intervals over the life of this Bilateral Agreement. However an update of commitments around this measure will be undertaken through agreement between the ACT Government and the Australian Government following the release of the 2005 survey.

The ACT will maintain employer satisfaction by:

- working collaboratively with national initiatives to simplify and streamline the New Apprenticeships system;
- providing relevant information about the ACT VET system and New Apprenticeships on the ACT VET Internet website (linked to Training.com.au) and through the distribution of brochures, newspaper articles and other forms of public media;
- continuing consultation and emphasis in contractual requirements with all Registered Training Providers to promote greater flexibility of training provision and high levels of commitment to customer care;
- rapid response to concerns and complaints raised by any of the providers or clients of the vocational education and training system; and
- continuing monitoring and auditing of training providers to ensure high quality training provision.

### **Student Satisfaction**

- (ii) the agreed benchmark for and strategies to maintain or improve this over the life of the Agreement are outlined below.

Overall student satisfaction measured by the 2005 Student Outcomes Survey for ACT was 85%. This will be compared with the measure obtained from the next survey (2007 or 2008), and a standard statistical test at a 5% significance level will be used to determine whether the two measures are significantly different. This will ensure that the variability of the two measures, as reflected in their confidence intervals, is taken into account in a valid and defensible way.

The ACT will maintain the student level of satisfaction by:

- working collaboratively with national initiatives to simplify and streamline the New Apprenticeships system
- providing relevant information about the ACT VET system and New Apprenticeships on the ACT VET Internet website (linked to Training.com.au) and through the distribution of brochures, newspaper articles and other forms of public media
- continuing consultation and emphasis in contractual requirements with all Registered Training Providers to promote greater flexibility of training provision and high levels of commitment to customer care
- rapid response to concerns and complaints raised by any of the providers or clients of the vocational education and training system, and
- continuing monitoring and auditing of training providers to ensure high quality training provision.

### **Mature Age and Youth**

- (iii) Strategies to improve completion rates and outcomes for mature age workers aged 40 and over and youth 15 – 24 years will be outlined in the ACT VET Plan. Specific strategies for the purpose of this agreement include:

- working with RTOs to provide training opportunities for young people and mature aged persons (including persons in equity target groups) to develop required skill levels to enter or re-enter the workforce;
- particularly through developing partnerships and coalitions with RTOs, the use of the New Apprenticeship system, particularly traineeships, to upskill mature aged persons already in their employ;
- in collaboration with DEST, encourage Australian and ACT Government agencies in the ACT to use the New Apprenticeships system and nationally recognised qualifications to upskill mature aged workers; and
- implementing programs for youth at risk such as young people in detention, or young people at risk of dropping out of high school.

### **People with a Disability**

- (iv) Strategies to improve outcomes and performance measures for each strategy are outlined below and in Attachment C.

The graph in Attachment C illustrates the already high ACT levels of engagement by people with a disability so the ACT targets will focus on new initiatives. Because of the key role of Australian Government agencies in employment in the ACT, the success of the approach outlined below depends on close collaboration between ACT and Australian Government agencies in order to achieve the targets.

The ACT will participate with the *Client and Student Voice Action Group* to develop the suite of strategies and performance measures that States and Territories will implement to address the priorities in the revised Blueprints.

#### *What the ACT will do*

The ACT will implement a comprehensive suite of actions to increase access to training leading to employment opportunities for persons with a disability. A flexible approach will achieve success in meeting the proposed targets, through a range of initiatives, including:

1. Support programs for students leaving school with an emphasis on a seamless transition program, including completion of Certificate I qualifications. This will include mentoring, careers advice and any other support required to achieve a link to employment.
2. Providing traineeship places for people with a disability and providing additional support necessary for them to achieve viability in the workplace.
3. Improving skills and qualifications for existing workers with a disability to increase their opportunities for workplace recognition and career progression.
4. Providing up to 50% of Graduate Administrative Assistant places in the ACT Public Service for persons with a disability. At the same time ensuring all Graduate Administrative Assistants undertake vocational education and training with Public Sector Training Package qualifications, and encouraging Australian Government agencies to do the same.

These initiatives are described in more detail at **Attachment C**

The ACT believes it can only achieve the proposed targets for people with a disability if the ACT and the Australian Government work closely together to achieve the following enabling conditions by:

1. Maximising legitimate opportunities for employers to access the Disabled New Apprentice Assistance Scheme provisions of additional assistance to eligible employers who recruit a New Apprentice with a disability. DEST will work with ACT New Apprenticeships Centres to encourage them in processing legitimate claims by employers for assistance for New Apprentices with a disability.
2. Encouraging Australian Government agencies to improve skills and qualifications for existing workers with a disability to increase their opportunities for workplace recognition and career progression
3. Encouraging all Australian Government Agencies with offices in the ACT to provide more Graduate Administrative Assistant places in the Australian Government Public Service for persons with a disability. At the same time encourage agencies to provide the opportunity for all Graduate Administrative Assistants undertake vocational education and training with Public Sector Training Package qualifications.

### **Indigenous Australians**

- (v) Strategies to improve outcomes for Indigenous Australians and performance measures for each strategy are outlined below.

The ACT will participate with the *Client and Student Voice Action Group* to develop the suite of strategies and performance measures that States and Territories will implement to address the priorities in the revised Blueprints.

#### *What the ACT will do*

1. The ACT will encourage Indigenous persons to enrol in higher-level qualifications on completion of an initial qualification. Funding of up to \$50,000 will be available for training, mentoring, support and assisting 15 Indigenous people per year in successfully completing their courses and gaining employment as a result of their studies. Matching funding for this venture will be sought from the National Indigenous Pool.
2. In each intake, the RTO/supporting organisation will support the Indigenous students to find a traineeship placement and both the trainee and the employer will be supported throughout the traineeship in order to encourage completion. The supporting organisation will also liaise with relevant RTOs and NACs. As a result of this program the ACT expects to maintain and improve its already high rate of Indigenous trainee completions and to encourage trainees to continue on to higher qualifications.
3. The ACT will launch an initiative to provide 20 places in Training and Assessment qualifications for Indigenous Australians to enable them to provide formal Skills Recognition services to the ACT Indigenous community.

### **INFRASTRUCTURE**

ACT will not convert any infrastructure funding (major capital) for recurrent purposes in 2006-08.

## **ACTIVITY**

It is agreed that the ACT, in consultation with the Australian Government, will make adjustments to training activity targets in the first year of this Agreement. It is agreed that the ACT will be able to negotiate changes to target levels should higher cost qualifications result in significant increases in expenditure per student commencement.

## **ADDITIONAL FUNDING**

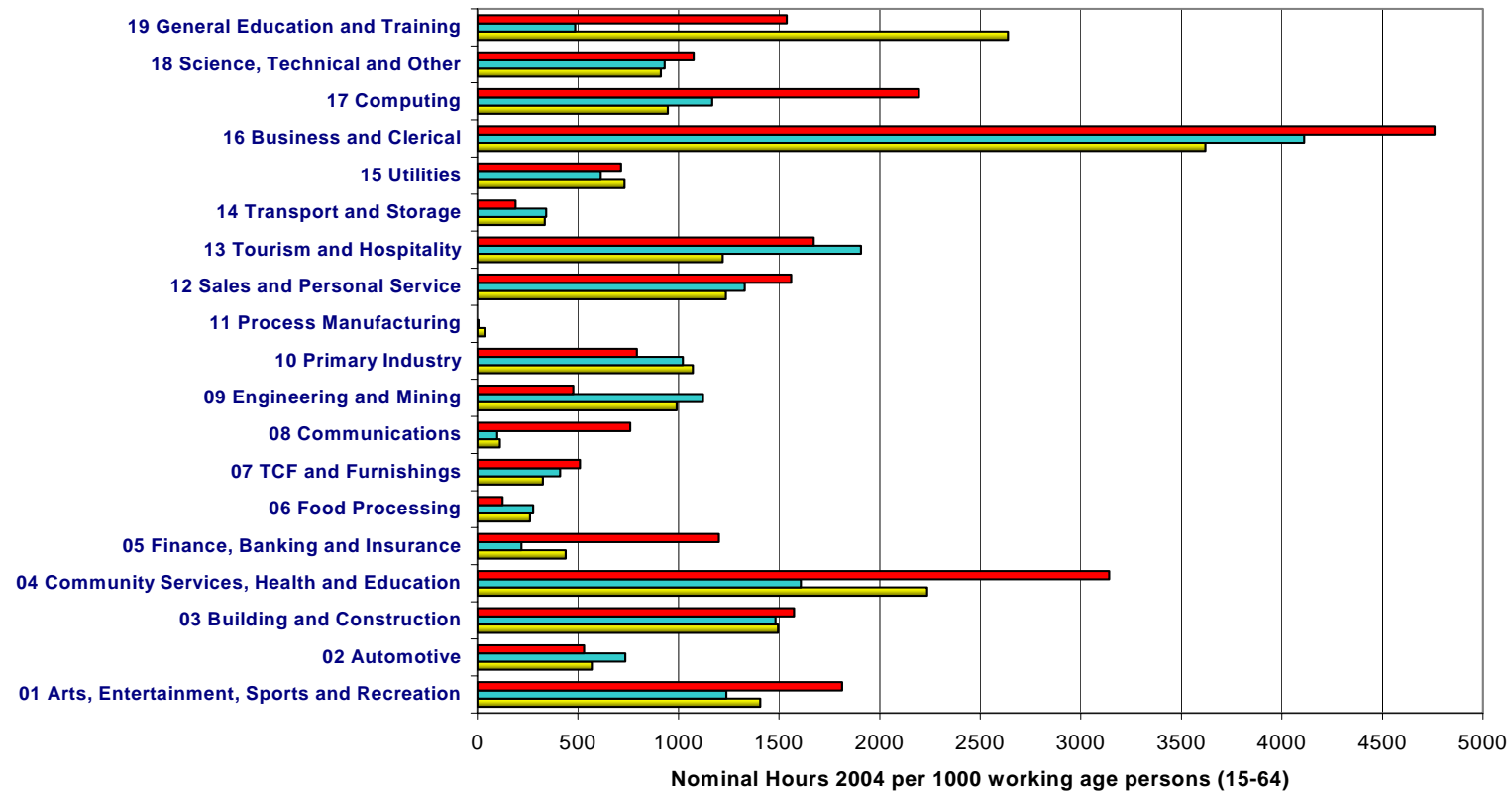
The ACT will consider accepting additional funding if it becomes available from another jurisdiction, and will match it. Additional activity will be determined on the basis of funds available and agreed national priorities to be addressed.

## **OTHER**

The ACT proposes to further develop, through a pilot project, the creation of a centre of excellence for skilling people with a disability. In 2006 funding will be available to support a pilot project with a view to establishing a centre of excellence funded from several sources including Australian Government Skill Centre funding, ACT Disability Services, ACT Health, and Australian Government disability funding.

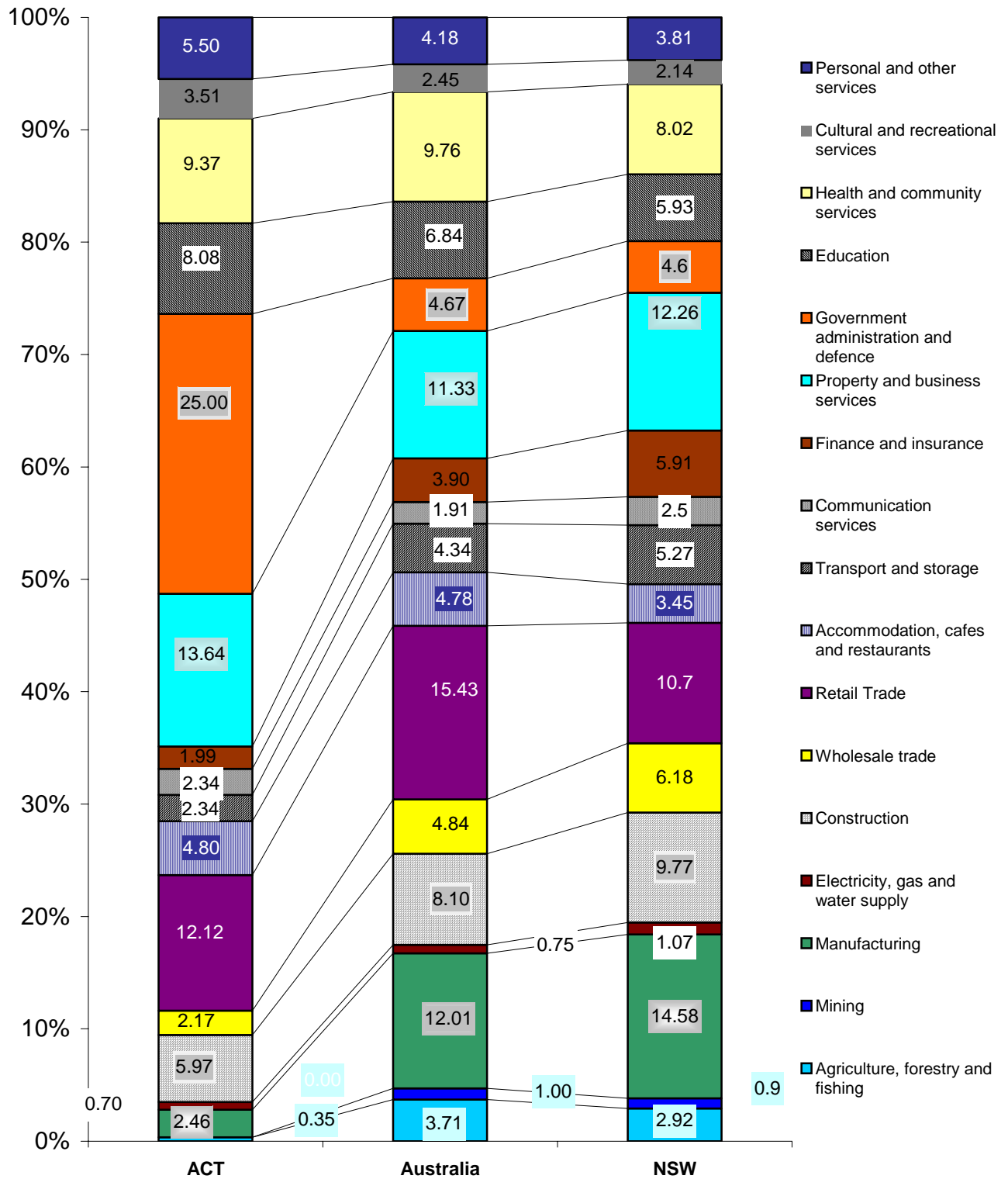
# ACT TRAINING PERFORMANCE

**ACT Tas and Australia Industry Area Participation 2004**  
Hours per 1000 Working Age population



## ACT INDUSTRY PROFILE

**Figure 2: Employment by Industry (Percentage)  
(ABS 1367.8 & 6105.0 February 2003)**



### ACT OCCUPATION PROFILE

**Figure 3: Employment by Occupation (percentage)**  
 (ABS 1367.8 & 6105.0 February 2003)

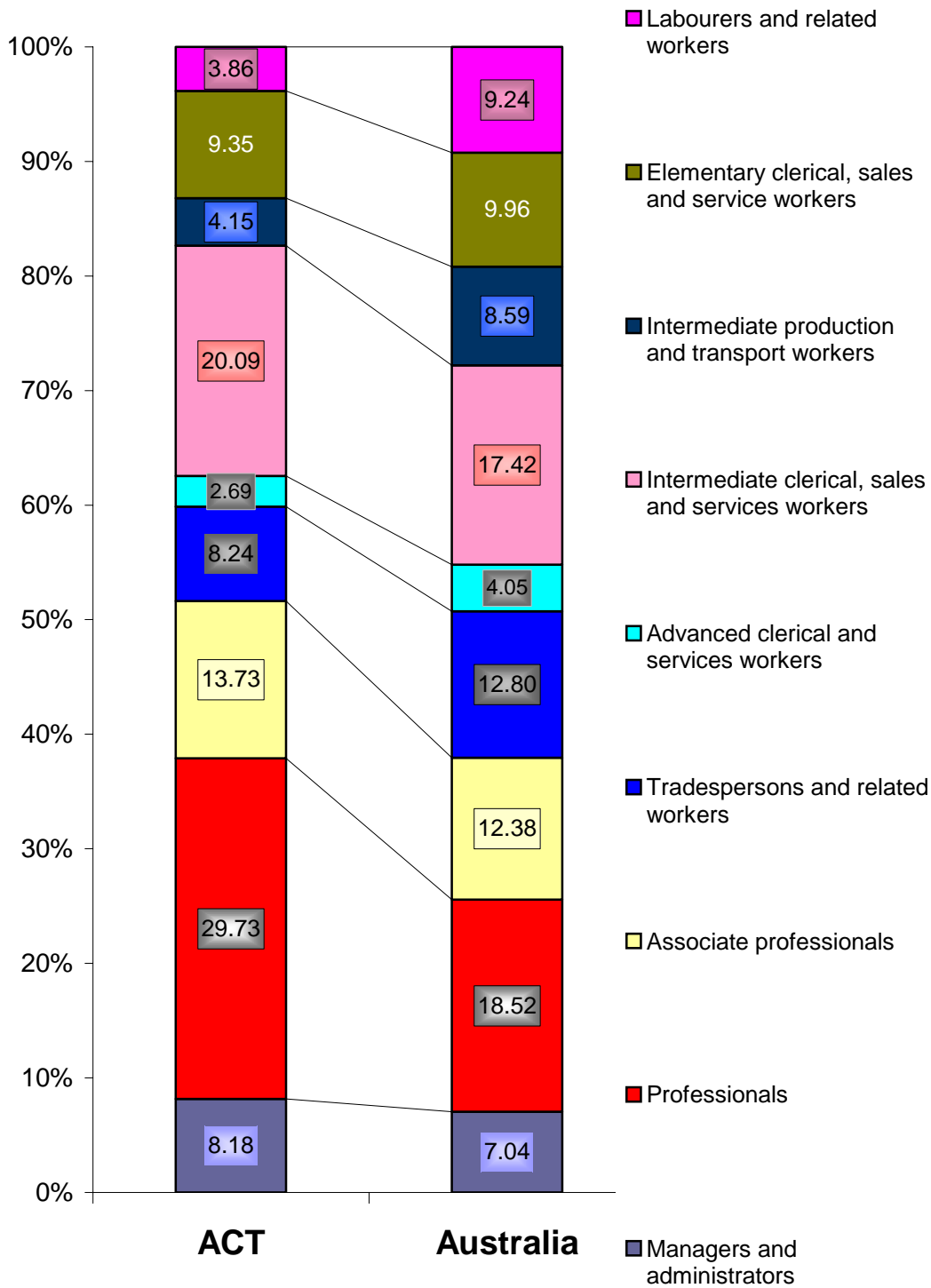
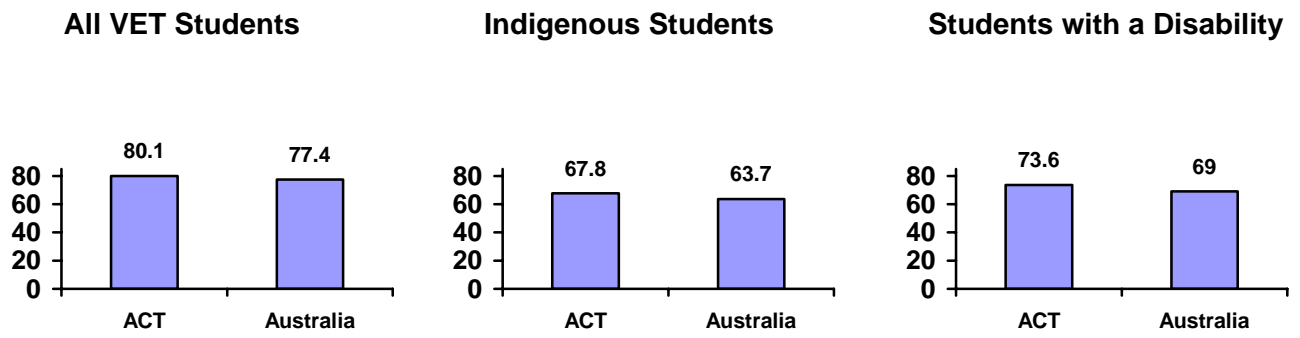


Figure 4: Load Pass Rates 2004 (NCVER Audited Data – *Students and Courses*)



National Code	Qualifications	Target			
CHC40102	Aged Care Work Cert IV	30	RTF30403	Horticulture (Landscape) Cert III	7
PRM40204	Asset Maintenance (Pest Management) Cert IV	5	RTF30803	Horticulture (Turf) Cert III	15
AUR31199	Automotive (Mechanical - Motor Cycle) Cert III	5	RTF20603	Horticulture (Wholesale Nursery) Cert II	5
AUR21599	Automotive (Mechanical - Tyre Fitting and Repair Light) Cert II	5	RTF30603	Horticulture (Wholesale Nursery) Cert III	5
AUR21799	Automotive (Mechanical - Vehicle Servicing) Cert II	5	THH33002	Hospitality (Operations) Cert III	20
AUR22899	Automotive (Vehicle Body - Paint/Panel Preparation) Cert II	5	THH42602	Hospitality (Supervision) Cert IV	5
BCG30103	Bricklaying/Blocklaying Cert III	20	ICA30399	Information Technology (Network Administration) Cert III	5
BSA30200	Business (Legal Administration) Cert III	5	ICA50499	Information Technology (Network Engineering) Diploma	5
BSB40401	Business (Small Business Management) Cert IV	5	ICA40399	Information Technology (Network Management) Cert IV	5
BSB30201	Business Administration Cert III	5	CUE40303	Live Production Theatre and Events (Technical Production) Cert IV	5
BSB40501	Business Development Cert IV	30	CHC40402	Out of School Hours Care Cert IV	5
CHC41602	Community Services (Lifestyle and Leisure) Cert IV	10	PSP40399	P99 Government (Procurement and Contracting) Cert IV	15
CHC42002	Community Services (Service Co-ordination) Cert IV	5	BCG30603	Painting and Decorating Cert III	5
CHC40902	Community Services Work Cert IV	20	BCP30103	Plumbing Cert III	5
80725ACT	Contract Admin & Supervn in Building & Construction Cert IV	10	PRD30301	Spatial Information Services Cert III	3
CSC30201	Correctional Practice (Custodial) Cert III	5	SRO40103	Sport and Recreation Cert IV	10
HLT50502	Dental Technology Diploma	5	BCG31103	Steel Fixing Cert III	15
CHC30302	Disability Work Cert III	10	ZWA30404	Store Operations (Free Standing Liquor) Cert III	5
CHC40302	Disability Work Cert IV	10	THT30302	Tourism (International Retail Travel Sales) Cert III	5
BSB51101	E-Business Diploma	11	TAA40104	Training and Assessment Cert IV	15
UTE30699	Electrotechnology Data Communications Cert III	5		<b>Total</b>	<b>483</b>
UTE30999	Electrotechnology Refrigeration and Air Conditioning Cert III	5			
UTT30101	ESI - Distribution (Powerline) Cert III	5			
FPI30499	Forest and Forest Products (Timber Manufactured Products) Cert III	25			
UTG30198	Gas Operations Cert III	20			
LMF30602	Glass and Glazing Cert III	5			
HLT31602	Health Service Assistance (Client/Patient Services) Cert III	25			
HLT40402	Health Support Services (Supervision) Cert IV	20			
HLT31002	Health Support Services Cert III	5			
RTF20403	Horticulture (Landscape) Cert II	2			

## STRATEGIES FOR PEOPLE WITH A DISABILITY

### Dual qualification for employment support workers

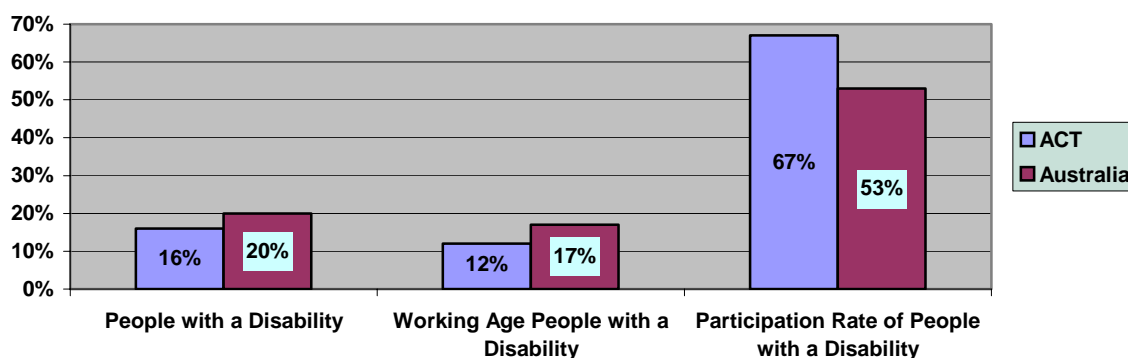
The ACT Government has moved from an emphasis on training alone to an emphasis on employment through training. This emphasis on employment outcomes has placed new pressures for training. Those charged with finding employment are also in need of training.

The ACT Government intends to introduce a dual qualification, Certificate IV in Employment Services/Disability, to be targeted at JobNetwork providers, staff in specialist employment and support agencies, Registered Training Organisations and New Apprenticeships Centre workers, ACT Government Department of Disability, Housing and Community Services. Workers with this qualification would be better prepared to assist people with a disability to gain employment and to complete New Apprenticeships.

### Improving skills and qualifications for existing workers with a disability.

The ACT has a lower proportion of people with a disability in the population compared with the national figure (16% cf. 20%) and a lower proportion of people of working age with a disability than the national figure (12% cf. 17%). The ACT has high levels of participation in the workforce by people with a disability compared to the national figure (67% cf. 53%).

**Disability and the Labour Force  
(ABS 1344.8.55.001 January 2005)**



In order to facilitate upgrading of skills and qualifications for existing workers with a disability the ACT Government is willing to fund training for existing workers with a disability undertaking New Apprenticeships.

### Australian Government Support through employment incentives (ACT only)

In addition, the ACT Government proposes that the Australian Government extend the nominal duration for people with a disability to allow eligibility for Australian Government incentives to employers. Australian Government incentives to

employers for existing workers under New Apprenticeships are currently only available for qualifications with a minimum two-year duration. This proposal would:

- allow existing workers with a disability to upgrade their skills and qualifications through New Apprenticeship;
- allow reasonable adjustment for many to complete a qualification within an appropriate timeframe;
- provide incentives for employers to take on people with a disability as New Apprentices; and
- offer employment incentives for Certificate I qualifications for people in equity groups (see below).

### **Transition support program for students leaving school**

We have identified a gap in the provision of services to young people with a disability when they first leave school. We envisage a supported transition program of 600 hours of structured training and work placements for this group and believe it should be counted as 100 commencements. This program would be resource intensive and the small numbers of students would not reflect the effort or the costs of training.

The ACT Government already funds Certificate I qualifications for people in equity groups through the Strategic Priorities Program but it would be easier for these groups to find employment if they were funded as New Apprenticeships through User Choice the Australian Government paid employer incentives for Certificate I qualifications for all people in equity groups.

### **Targeting graduate entry into the ACT Public Service.**

The ACT Chief Minister has announced that half the graduate intake will be for those with a disability. Graduates entering the ACT Public Service undertake a Certificate IV in Government through New Apprenticeships. This approach should be adopted by Australian Government agencies to assist in the placement of suitable persons with disabilities. It mirrors the setting of targets by some large Australian companies, such as Westpac and other major banks. This approach should be adopted by all Australian Government agencies in the ACT.

### **Centre of Excellence for Skilling People with a Disability**

The ACT Government will seek to create a centre of excellence to give vocational education and training and structured work experience to people with a disability. The first stage of a feasibility study into such a centre is already underway, funded by the Australian National Training Authority Equity Development and Training Innovation in the 2005 round. The indications from progress reports on this project are that this will be a viable type of skills centre for the ACT. Further work needs to be done in preparation for establishing the centre, including consultation with various Australian and ACT Government and non-government agencies in regards to joint funding of a centre of excellence.

The ACT Government will seek to convert approximately \$100,000 of recurrent funding from training delivery to this initiative.