

***Employment, Education and Training Act 1988***

**Industry Training Advisory Bodies:  
Advice of the National Board of  
Employment, Education and Training  
and its Employment and Skills  
Formation Council**

The Hon. Kim C Beazley, MP  
Minister for Employment, Education and Training

December 1992

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**NATIONAL BOARD OF  
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Chair: Peter Laver

The Hon Kim C Beazley MP  
Minister for Employment, Education and Training  
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Dear Minister

I am pleased to forward to you advice prepared by the Employment and Skills Formation Council on Industry Training Advisory Bodies.

The Employment and Skills Formation Council undertook a review of Industry Training Advisory Bodies in 1990 and provided your predecessor, the Hon J S Dawkins MP, with advice in October 1990 based on that review. The advice contained a number of recommendations aimed at improving the performance and ensuring a more consistent and ordered development of Industry Training Advisory Bodies.

The Council reviewed developments in relation to Industry Training Advisory Bodies in its March 1992 report, *The Australian Vocational Certificate Training System*, noting that there was still need for further reform in some areas, particularly if Industry Training Advisory Bodies are to play a major role in implementing Australian Vocational Certificate training. The Council recommended the establishment of an independent tripartite overarching body responsible for coordinating national Industry Training Advisory Bodies and ensuring their effectiveness.

In July 1992 the Prime Minister, the Hon Paul Keating MP, announced the establishment of the Australian National Training Authority which would have responsibility, among other things, for national Industry Training Advisory Bodies.

Because of the implications of the Australian Vocational Certificate Training System report for Industry Training Advisory Bodies and the announcement of the establishment of the Australian National Training Authority, the Employment and Skills Formation Council agreed that it should provide supplementary advice to you on the future role and operations of Industry Training Advisory Bodies to ensure their effectiveness.

The Board considered the Council's advice at its meeting on 28 August 1992 and agreed that it should be forwarded to you as soon as practicable. As you are aware, the Employment, Education and Training Act 1988 provides for this advice to be tabled in both Houses of Parliament as soon as practicable.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Laver', written in a cursive style.

Peter Laver

14 September 1992

## Background

In its report, *The Australian Vocational Certificate Training System (AVCTS)*, the Employment and Skills Formation Council (ESFC) discussed the role which Industry Training Advisory Bodies (ITABs) might play in implementing national vocational certificate training. Specifically, the AVCTS report recommended the establishment of an independent tripartite overarching body responsible for coordinating national ITABs and ensuring their effectiveness.

The successful introduction of the AVCTS will also require effective support from ITABs in:

- developing, implementing and accelerating competency-based training—in particular, national ITABs which are Competency Standards Bodies will need to coordinate the development of national competency standards, help determine mechanisms for the development and accreditation of vocational qualifications, and be involved in developing assessment mechanisms where industry-wide arrangements are to be introduced;
- promoting networking between education and training providers and industry, which leads to the provision of more varied vocational education pathways and enables the AVCTS targets to be met;
- developing industry training plans for the introduction of Australian Vocational Certificate training, some elements of which were identified in the AVCTS report; and
- promoting the introduction of AVCTS pilots, consistent with objectives in industry training plans and the long-term objectives of broad structural reform set down in the AVCTS report.

In July 1992 the Prime Minister announced the establishment of the Australian National Training Authority (ANTA), which will have responsibility, among other things, for national ITABs. ESFC welcomes this development which is in line with both its 1990 advice on ITABs and the recommendation in the AVCTS report, calling for the establishment of an independent overarching body responsible for coordinating national ITABs and ensuring their effectiveness. With the announcement of the establishment of ANTA it is now necessary to consider the role of ITABs within ANTA. While this advice focuses on exiting ITABs, it is also relevant to any ITABs which may be established in the future.

## ITABs and Industry-driven Training

ITABs are well-placed to assist governments in developing industry-driven training. In some industries, ITABs have already played an important role in reforming or developing industry training, while in others the reform process has commenced more recently through such activities as the development of national competency standards and revised curricula.

As tripartite bodies, ITABs provide useful forums by which employers and unions, with the involvement of government, can jointly determine training for their industries. With their links to industry and their policy focus, national ITABs provide a cost-effective means of introducing and implementing relevant training policies across industries.

They are also able to give independent industry advice to training systems and training providers. A task for ANTA will be to determine mechanisms by which ITABs can—collectively and individually—ensure that the needs of their industries are accurately reflected in training and in government support for training.

## Roles of National ITABs

The main roles of national ITABs are to:

- give industry advice to government on education and training;
- provide a national coordinating focus for their networks, in areas such as research, training development and communications across their industry—this coordination helps avoid duplication, with consequent savings in public and private sector expenditure;
- take a leading role in promoting, developing and implementing training reform in their industries;
- effectively promote their industry's needs and remain abreast of key developments in their industry;
- perform public relations negotiations and marketing activities on behalf of their network; and
- effectively administer their operations to meet government accountability and company legislation requirements.

Among the more recent responsibilities taken on by many ITABs in response to government policies are:

- the development and implementation of national strategic plans;
- the development, implementation and monitoring of national competency standards;
- the development of new assessment arrangements for application in a variety of locations including on-the-job;
- the introduction and ongoing implementation of the Australian Vocational Certificate Training System which includes those activities outlined in Section 1 of this advice; and
- the provision of advice on, and/or coordination of, curriculum development, accreditation and certification arrangements.

## ITAB Effectiveness and Funding

Many national ITABs have difficulty in effectively carrying out the diverse set of activities now required of them.

The effectiveness of ITABs is often limited by the time which part time members can devote to them. Most industry partners who sit on ITABs are full time industry executives and union officials. The attention which they can give to their ITAB is limited, especially during economic downturn, thus placing the additional burden of complex and difficult activities such as identification of competencies and coordination of curriculum development on ITAB secretariats.

Most national ITABs are poorly resourced: government recurrent funding is minimal. The funding formula for national ITABs assumes that industry will also contribute to ITAB operations. However, most industries give priority to the provision of training, rather than to support for training development infrastructure.

ITABs are frequently required to engage in time consuming income generation activities simply to maintain an office. This detracts from their other activities.

Recurrent funding for ITABs is supported by project-based funding but, while there are benefits in project-based funding, there are also disadvantages:

- it may take many months from the point at which an ITAB submits a funding application to the point where funds are actually received, thus limiting the responsiveness of ITABs;
- a heavy reliance on project funding substantially increases ITAB administrative responsibilities and reduces ITAB flexibility to respond quickly in policy and development, since anything outside day-to-day operations must be carried out as a project;
- a hiatus may occur if there is a delay between completion of one project and commencement of a related one, with consequent damaging effects on industry support for the project;
- a reliance on projects reduces staff continuity, since it is difficult for ITABs to employ research staff when employment beyond the period of a project is uncertain; and
- the requirement to have industry contribute approximately 50 per cent of the cost of every project is unrealistic where industries are already contributing significant amounts to training, particularly to provision of training.

ITABs have been subject to numerous reviews and they have been required to respond to many changes in government policy, frequently at short notice and with very little consultation. There are differences in the quality of ITABs but the process of reform has already forced major changes to many national ITABs.

In particular, the introduction of competency-based training (CBT) has created additional pressure on many national ITABs, with most national ITABs now being endorsed as Competency Standards Bodies.

The establishment of ANTA should be used as an opportunity to set out realistic expectations of national ITAB policy development, administrative, coordinating and leadership roles and to reconsider funding levels and mechanisms. The new arrangements should ensure that national ITABs contribute to meeting ANTA's objectives, continue and strengthen their roles in national coordination, accelerate their work in CBT, and promote coordinated industry development of the Australian Vocational Certificate Training System.

### **New Funding and Accountability Arrangements**

The Employment and Skills Formation Council believes that funding for ITABs should continue to be based on the broad principle that the costs of training should be shared between governments and industry.

However, to address the funding problems which have been raised in this advice the ESFC recommends that:

- **Changes be made to the level and mix of funding and to funding mechanisms, with governments meeting the major share of national or industry-wide training development costs, and industry and enterprises meeting the major share of providing industry-based training or enterprise-specific training development.**
- **To do this, the development and implementation of new training arrangements should be costed over three years consistent with ITAB strategic plans. These costings should then be used to allocate costs against all stages of training, from development through to training delivery and assessment.**
- **With this costing breakdown, responsibility for national and industry-wide training development costs, and for costs associated with providing industry-based training or enterprise-specific training development can be divided.**

This division of responsibilities implicitly acknowledges that the priority for individual enterprises will be to deliver training, and that it may be unrealistic to expect them also to provide large financial contributions to industry-wide "catalytic" development. Many enterprises, however, do devote significant human resources to participating in those developmental activities.

The ESFC considers that public funding for national ITABs should guarantee a base sufficient to ensure that they have the capacity to meet a minimum set of government expectations.

The ESFC therefore recommends that:

- **National ITAB base funding be increased to provide additional research and secretariat support, particularly associated with the development of national competency standards and training curricula and the acceleration of CBT. This would reduce ITAB's heavy reliance on project funding and the administrative burden of managing large numbers of projects.**

In its 1990 advice on ITABs, the ESFC recommended measures for improving ITAB accountability. These included the development of three-year strategic plans, with annual performance agreements based on industry-government negotiations. ITAB strategic planning was introduced in 1991. While annual performance agreements were introduced, these were not the product of industry-government negotiation, but rather were produced by the Department of Employment, Education and Training, on the basis of strategic plans, for signature by ITABs.

Also in its 1990 advice, the ESFC stated that the strategic plans 'should not produce a mass of detailed information and result in unnecessary bureaucracy'. Often, however, the opposite has occurred. The ESFC reiterates its earlier advice, and adds specifically that ITABs should not be required to produce lengthy strategic plans which include implementation plans and project proposals.

The ESFC believes that ANTA could greatly improve accountability processes for ITABs by developing, in consultation with ITABs, clear written guidelines for the preparation of ITABs strategic plans. Strategic plans should address equity responsibilities, particularly for women, people of non-English speaking background, people with disabilities and Aboriginal and Torres Strait Islander people.

Council recommends that:

- **Annual performance agreements be negotiated between ANTA and each national ITAB, with State agreements being negotiated between State ITABs and State training authorities within agreed national industry frameworks. Performance evaluation should be conducted jointly by ANTA and each ITAB and used as the basis for changing funding arrangements at the end of each three year period.**

Council considers that a funding system linked to negotiated performance agreements could more rigorously assure the performance of ITABs and avoid the problems associated with a too-heavy reliance on project-based funding.

To ensure that funding mechanisms support national coordination efforts, the ESFC recommends:

- **A continuation of current arrangements by which State ITABs are required to seek national ITAB endorsement for projects. Recurrent grants for ITAB networks should be paid to national ITABs to make their own determination on funding to State ITABs.**

## ANTA and ITABs

The agreement on ANTA implies a role for ITABs in ensuring that the national vocational education and training system's objectives and priorities reflect those of industry. ITABs will need to promote close interaction between industry and training providers, one of the six objectives for ANTA.

ITABs should also assist ANTA in meeting its other stated objectives, particularly those of promoting a national vocational education and training system with agreed objectives and priorities and consistent national strategies; promoting an effective training market; and improving cross-sectoral links between schools, higher education and vocational education and training.

The ANTA agreement identifies a role for national ITABs in providing advice on national policy and priorities and for State ITABs in contributing to the development of State profiles. However, the mechanisms for obtaining ITAB advice, particularly at national level, require careful consideration if the diverse needs of Australian industries are to be properly addressed through ANTA and reflected in national strategic plans.

There is also a need avoid any potential conflict or confusion between national ITAB advice and that offered by State ITABs for State profiles.

Clear guidelines will be needed if the momentum for more nationally consistent training arrangements is to be maintained and if duplication in curriculum development and other activities is to be avoided.

The ESFC therefore recommends that:

- **National ITABs be given responsibility for advising on national strategies and coordination, with States providing more detailed advice on enterprise, regional and State needs. National ITAB strategic plans should identify priorities and key issues for industries which can be incorporated by ANTA into its own strategic plan. State ITABs should contribute to the State profiling process within agreed national industry parameters. State ITABs could, for example, be requested to identify likely growth requirements in vocational education provision for their States within agreed national priorities (possibly including targets).**

The above approach would require that national ITAB input to the ANTA strategic planning process occur some months before State profiles were developed. It would also require national ITAB endorsement of State ITAB submissions.

An early task for the interim ANTA Board should be to determine key areas of advice which it will require of ITABs and to identify the research and planning support needed for providing this advice.

### **Mechanisms for ITAB Advice to ANTA**

The ESFC considers that ITABs should be given the opportunity to contribute to those policy and planning decisions which directly affect them.

The ESFC therefore recommends:

- **The establishment of a national ITAB reference group to ANTA, chaired by the ANTA Chairperson. This should be supported by meetings of the full group of ITAB Chairs and Executive Officers as occurs at present.**

The ESFC also supports the involvement of ITAB members or Executive Officers in appropriate ANTA working parties. Cross-fertilisation of ITABs should be encouraged by the establishment of ITAB industry clusters.

Secretariat arrangements should ensure that a system of case-loaders for each ITAB or a similar arrangement is maintained. If this does not occur, the effectiveness of ITABs may be reduced.

### **National ITABs and AVCTS**

The key to achieving the long-term AVCTS objective for a national integrated system of vocational certificate training is in ensuring that training is linked to national competency standards endorsed by the NTB. In turn, these standards are the benchmarks for Australian Vocational Certificates which provide training in both core and enterprise specific competencies.

The ESFC therefore recommends that:

- While State training authorities may agree to interim standards to be used for AVCTS pilots where there are no National Training Board endorsed industry competency standards, the use of interim standards not be permitted to extend beyond a specified period. Industries or enterprises using interim standards should be required to seek National Training Board endorsement of finalised competency standards as soon as practicable.
- AVCTS pilots not linked to endorsed national competency standards be incorporated into the Australian Vocational Certificate training framework via Competency Standards Bodies or other agreed industry arrangements which can take account of both national and enterprise needs.
- Mechanisms be established to ensure that AVCTS pilots are integrated into the Australian Vocational Certificate framework.