

BILATERAL FUNDING AGREEMENT
between
THE AUSTRALIAN GOVERNMENT AND NORTHERN TERRITORY

under the
2005-08 COMMONWEALTH-STATE AGREEMENT FOR SKILLING AUSTRALIA'S
WORKFORCE

PURPOSE

1. This Bilateral Agreement underpins the collaborative intent of the new national training arrangements. It creates the basis for a partnership between Northern Territory and the Australian Government to advance national and State priorities for vocational and technical education, and ensures that the training sector performs at the highest possible level and meets the needs of industry, individuals and communities within Northern Territory.
2. In this Bilateral Agreement, Northern Territory and the Australian Government are establishing those areas where they will work together, and the manner in which they will engage in a collaborative effort to improve training outcomes for clients of the national training system.
3. This Bilateral Agreement also details the State-specific elements of the Commonwealth-State Agreement for Skilling Australia's Workforce that will apply in Northern Territory.
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, it will be reviewed annually to take account of changing local priorities.

NORTHERN TERRITORY PRIORITIES

Many of the Northern Territory priorities fall within the framework of the Commonwealth-State Agreement for Skilling Australia's Workforce and the associated National Strategy for Vocational Education and Training and National Priorities for 2005-2008, but some go beyond this.

The Northern Territory Government has a fundamental and abiding commitment to improving the economic and social outcomes for all Territorians and believes education and training is the most important pathway to achieving this commitment. Building a skilled and competitive workforce to fill job opportunities created by continued strong economic growth is a key priority in the Northern Territory.

Northern Territory Planning for Industry, Trade, Regional and Economic Development

The Northern Territory's Economic Development Strategy, *Building a Better Territory*, developed following an Economic Development Summit in 2001, has been the blueprint to drive the economic development priorities of:

- creating an attractive investment environment;
- encouraging skills and innovation;
- improving Indigenous economic development;
- building on past successes and creating new industries; and
- developing the Territory's regions.

http://www.otd.nt.gov.au/dcm/otd/publications/major_projects/economic_development_strategy/building_a_better_territory.pdf

A number of strategies have supported *Building a Better Territory* and its aims to grow the economy and build job opportunities, including

Building Stronger Regions, Stronger Futures

<http://www.dcdsca.nt.gov.au/dcdsca/intranet.nsf/pages/StrongRegions>,

- Centres on the development of sustainable regional economies through the identification of opportunities; negotiation of governance arrangements which support regional social and economic development; and the provision of physical infrastructure that fosters sustainable development.

Building Northern Territory Industry Participation

<http://www.nt.gov.au:8501/dberd/TBC/documents/BNTIP.pdf>

- Aims to give competitive Territory businesses the opportunity to participate in the future growth of the Territory and to enhance business and industry capability.

Building Stronger Territory Trade

http://www.nt.gov.au:8501/dberd/TBC/documents/ITS_STRAT_DIRECTIONS_ACTIONS.pdf

- A focus on export enterprise development, trade knowledge and skills, growth of the major Territory export sectors and trade planning and development in emerging sectors, aiming to expand exports, maximise export value, create new Territory jobs and enhance economic development.

Indigenous Economic Development

http://www.nt.gov.au/cdsca/ied/docs/ied_strategy.pdf

- Based on identifying opportunities for economic development in 13 industry sectors: aquaculture and fisheries, arts, community services, construction, forestry and agribusiness, government, horticulture, knowledge and culture, mining and production, natural resource management, pastoral, retail and services, and tourism.

The Territory's economy is experiencing strong growth and independent analyst Access Economics predicts the Territory will have Australia's highest average annual Gross State Product growth rate over the next five years, along with the highest annual job growth rate. Its population is forecast to grow at the second-highest rate in the country and the construction industry is currently experiencing considerable growth.

These successes are underpinned by achievements such as the AustralAsia Railway and Trade Route, the development of Timor Sea oil and gas and associated industries, the expansion of the Alcan aluminium refinery in Gove, and the Darwin waterfront redevelopment.

The Northern Territory Government, industry, business and the community again worked in partnership during a second Economic Development Summit held in November 2005. This will shape a framework for the future and lead to a set of strategies to continue to drive economic development and create jobs for all Territorians. The Summit focused on five key areas of discussion:

- creating an attractive business environment;
- promoting investment;
- expanding markets;
- developing business and industry capacity and capability; and
- building and retaining a skilled and productive workforce.

Vocational Education and Training Planning to Meet Economic Goals

Since the first Economic Development Summit was held in 2001, the Northern Territory economy has strengthened from zero economic growth to having the highest forecast economic growth rate in Australia. Critical to maintaining this growth are targeted vocational education and training strategies to address increasing skills and labour shortages in key industry sectors of

agriculture, forestry, fisheries, Defence support, tourism and related industries, construction, manufacturing, mines and energy, and consumer services.

The NT will focus on building the Territory's skills base through:

- identifying future skills needs - linking education to economic participation;
- training for 'real' jobs in the regions, including Indigenous Territorians;
- implementing initiatives to support retention of a skilled workforce;
- skilling our population for existing and emerging industries eg. defence, oil and gas;
- focussing on innovation and information technology
- skilled migration; and
- training young Territorians for high skill, high wage jobs.

The Northern Territory experiences a tight labour market characterised by skills shortages. Employment tends to be volatile, with extreme growth rates (both positive and negative) often associated with the commencement and conclusion of the labour-intensive construction phase of major investment projects. With several significant projects underway and proposed, this is likely to continue to be a feature of the Territory labour market over the next few years¹.

The Department of Employment, Education and Training (DEET) collaborates with industry, employers, communities and local government to ensure timely, targeted and accredited vocational education and training is matched to employment opportunities. The *Workforce NT* Report provides government, industry and the community with information about skills shortages and labour demand, urban and regional labour markets, Indigenous and disadvantaged groups employment profiles, employment growth forecasts, workforce trends, macro-economic data impacting on employment and the employment impacts of major projects.

There are four major priority areas for vocational education and training in the Northern Territory:

- Improving Indigenous training and employment opportunities through working collaboratively with communities, industry, regional development boards, other government agencies and training providers and ensuring that programs are aligned with the Northern Territory's *Indigenous Economic Development Strategy* initiatives.
- Continue implementation of the *NT Jobs Plan – Building the Northern Territory Workforce*, a plan that complements the Northern Territory's *Economic Development Strategy*. This comprehensive and coordinated approach to planning for jobs and mapping the future to a skilled, flexible and responsive workforce is underpinned by the continuing production of up to date labour market information in the *Workforce NT* publication.
- Improving school to work transition through the development and implementation of the *School to Work Strategic Plan 2006-2008* and a focus on full integration of VET in Schools programs into the senior secondary curriculum.
- Building on and developing closer relationships with Charles Darwin University and the Batchelor Institute for Indigenous Tertiary Education, the two major public providers of vocational education and training in the Northern Territory.

ENGAGEMENT AND COOPERATION

Industry, Community and Client Engagement

The Ministerial Advisory Board for Employment and Training comprising representative membership from Northern Territory and Australian Government agencies responsible for

¹ NT Treasury, Budget Papers 2005-06

vocational education and training including; training providers, the community, training advisory councils, the Indigenous community, the Trades and Labor Council, and the Chamber of Commerce and Industry, was established under the *Northern Territory Employment and Training Act 2004*. This body has provided advice to the Minister for Employment, Education and Training and the Northern Territory Employment and Training Authority on policies and programs designed to enhance employment and training skills across the Northern Territory. This advisory arrangement will be replaced from February 2006 with the Minister's Employment and Training Round Table, aiming to facilitate constructive discussion and an exchange of views between Government, business and industry employers, vocational education and training providers and clients about issues that are impacting on employment and training in the Northern Territory.

A number of these Round Table meetings will be held in all regions of the Northern Territory and will encourage broad ranging discussion between Government and representatives of business, industry, training providers and the NT community and complement existing mechanisms available to engage in dialogue with Government.

DEET provides the opportunity for regular forums, professional development workshops and information sessions in relation to VET delivery and assessment, local and national regulatory requirements and funding programs for registered training organisations and group training organisations in the Northern Territory.

To ensure the Northern Territory's vocational education and training system is positioned to respond to the changing demands of industry and economic and social drivers, six Northern Territory industry sector training advisory councils assist DEET in establishing partnerships between industry, business, unions, trainers, the community and government by:

- contributing a Territory perspective to the development, implementation, maintenance and review of Training Packages;
- acting as a conduit between enterprises/industry and government on vocational education and training planning, policy and practice;
- assisting to increase awareness and uptake of VET; and
- meeting national agreement responsibilities with the Department of Education, Science and Training (DEST) where DEET needs to formally engage with industry.

The training advisory councils also undertake labour market surveys within their respective industry sectors; information from which contributes to the data published in the *Workforce NT* Report.

The NT engages with its clients by way of links with the community and stakeholder representatives through involvement in a number of reference groups, such as:

Disability

Post Secondary Education and Employment Network for people with disabilities
Disability Coordination Officer Reference Group
Secondary Transition Information Group

Migrants and Refugees

NT Settlement Planning Committee
Refugee Employment Working Party

Prisoners and Offenders

National VET Strategy for Prisoners and Offenders Steering Committee

Youth

Centrelink Youth Reference Group
NT Youth Affairs Committee

Mature-Age

National Priority Action 4 – Mature Aged Workers – Steering Committee

Through ongoing consultation and collaboration with agencies such as the NT Council of Social Service, Multicultural Council of the NT, the Regional Disability Liaison Officer and the Disability Coordination Officers, NT Working Women's Centre, NT Correctional Services, Community Engagement Division, NT Department of Chief Minister, Darwin Community Legal Aid Service, Centrelink, the Department of Employment and Workplace Relations (DEWR), Job Network Members and Open Employment Services and the NT Chamber of Commerce and Industry, the Northern Territory is kept informed and receives relevant advice regarding the needs of all learners, particularly people with a disability, mature-aged and Indigenous Territorians.

Annual client surveys conducted by the six training advisory councils also provide a mechanism for ascertaining client and stakeholder skills and training needs.

The Employment and Training Portfolio Principals Group, which meets quarterly with DEET officers, is an important communication mechanism between the State Training Authority and Schools on VET in Schools, School Based New Apprenticeships and other school to work transition matters.

To facilitate constructive discussion and an exchange of views between government, business and industry about issues that are impacting on business and industry development in the Northern Territory, the Chief Minister's Business Round Table meets ten times per year. The Round Table encourages broad ranging discussion between government and representatives of business and industry in the Northern Territory and complements existing mechanisms available for business and industry to engage in dialogue with government, such as Community Cabinet.

The Northern Territory Government's Community Cabinet enables individuals and community groups throughout the NT, including regional and remote areas, to meet directly with government ministers and department heads. Through Community Cabinet, ministers and agency officers are able to meet with many local residents and community organisations, to listen to their concerns and talk about their issues, as well as see and experience a wide range of community training and employment initiatives and projects.

Cooperative and Collaborative work with the Australian Government

The Northern Territory Government, through DEET and the Australian Government through the Department of Education, Science and Training (DEST) currently operate a joint funded contract with one organisation, known as the New Apprenticeships Centre, to deliver New Apprenticeships Support Services in the Northern Territory. The current contract for the provision of New Apprenticeships Support Services in the Northern Territory ends on 30 June 2006. A new contract will be signed with the successful organisation following the tender process.

A Memorandum of Understanding between DEET and DEWR exists to facilitate cross government communication and, in relation to employment and training initiatives, to ensure effective employment program delivery in the Northern Territory.

An initiative of the Council of Australian Governments (COAG) is the Indigenous Community Coordination Pilot for the Northern Territory community of Wadeye. A Shared Responsibility Agreement has been signed between the Australian Government, the Northern Territory Government and the Thamarrurr Regional Council whereby Governments have agreed to work together on three key regional priorities of:

- women and families;
- youth; and
- housing and construction.

Agreeing that education, training and enterprise development are essential for the well being of Thamarrurr and its people, the parties committed that actions arising out of this pilot to address the three priority areas must also address agreed education, training and enterprise development needs. DEET supports the aims of the Thamarrurr Employment and Training Committee, to increase the participation of the Indigenous population of Wadeye in employment and training programs targeted to secure lasting employment outcomes.

The Northern Territory Minister responsible for Training, or his delegate, will attend the Ministerial Council for Education, Employment, Training and Youth Affairs (MCEETYA) and the Ministerial Council for Vocational and Technical Education (MCVTE) meetings. Senior officials from DEET are members of, and will attend various MCEETYA Taskforce groups and committees to progress national initiatives such as *training.com*. The NT will participate in MCVTE Action Groups as they are established, such as the Client and Student Voice Action Group, on which it has representation.

It has been agreed at Ministerial level that the Australian and Northern Territory governments work cooperatively and collaboratively in developing a response to, and considering the recommendations of, the recently released Northern Territory report *Creating Effective Pathways to Employment and Training for the Employment Disadvantaged in the Northern Territory*. This report makes a number of recommendations for coordinating and integrating employment and learning services to provide clear information, pathways and access points for employment of disadvantaged clients. The Northern Territory Government, through DEET and the Australian Government, through DEST, will work together collaboratively to advance the work of this report.

Communication

DEST Canberra and Northern Territory State Office will keep DEET's Deputy Chief Executive responsible for employment and training services informed of up-to-date information on all matters in relation to the Australian Government's vocational education and training system.

The Australian Government will communicate with Northern Territory training providers, industry, clients, and key stakeholders through the State Training Authority, DEET, except where existing communication arrangements are in place.

STATE-SPECIFIC ELEMENTS OF THE COMMONWEALTH-STATE AGREEMENT FOR SKILLING AUSTRALIA'S WORKFORCE

Strategic National Initiatives

5. The Northern Territory will work with local industry and community to support the following Strategic National Initiatives:
 - (i) The Northern Territory supports the National Skills Shortage Initiative and will work with the Australian Government on initiatives designed to further coordinate programs to address skills shortages. NT programs in place to address this issue include:
 - a. Skill Shortage Trades Employer Incentives, which provide eligible Territory employers with financial incentives (\$7 000) aimed at promoting the uptake of additional apprentices and trainees, particularly in the traditional trades skill shortage areas.

- b. Workwear/Workgear Bonus for apprentices assists apprentices and trainees with the start up costs faced when commencing their training. This bonus is paid directly to apprentices and trainees and is worth \$1000 to apprentices in skills shortage trades and \$300 to all other apprentices and trainees.
- c. School Based New Apprenticeships.
- d. Try a Trade, an annual event where students undertake small projects in skills shortage areas ranging from construction to hospitality, under the guidance of qualified tradespeople.
- e. Build Skills, a program to up-skill existing workers in skills shortage areas.

The Northern Territory, as a member of the Council of Australian Governments, will participate in the joint Commonwealth-State working group to respond to the national skills shortages and provide more opportunities for young Australians.

- (ii) The Northern Territory supports the Joint Indigenous Funding Pool to improve outcomes for Indigenous Australians. Once the new program and implementation arrangements are finalised and signed off by all jurisdictions, DEET will identify strategies to contribute to and administer this initiative. This may be in the form of a process whereby providers put forward a business case for funding and their applications are assessed against the Joint Indigenous Funding Pool guidelines. The Australian Government will be invited to participate in this process.

National Targets

- 6. The Northern Territory will meet its share of the national targets set out in the 2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce. In meeting its share, the Northern Territory will use 2003 as its base year from which all its targets will be achieved. The targets for the Northern Territory are as follows:
 - (i) Additional New Apprentice commencements in skills shortages in traditional trades:
 - a. the Northern Territory share of the national target based on the Northern Territory share of working age population is 104: and
 - b. the trade occupations the Northern Territory target will be achieved in the following qualifications, drawn from the latest DEWR National and NT Occupation and Skills Shortage List and other emerging occupations/skills shortage areas:

Trade	Qualification	Code
Aeroskills	Certificate IV in Aeroskills (Avionics)	MEA40602
	Certificate IV in Aeroskills (Mechanical)	MEA40702
Automotive	Certificate III in Automotive (Electrical)	AUR30199
	Certificate III in Automotive (Vehicle Body – Panel Beating)	AUR31699
	Certificate III in Automotive (Vehicle Body – Vehicle Painting)	AUR31899
	Certificate III in Automotive (Mechanical – Light Vehicle)	AUR31099
	Certificate III in Automotive (Mechanical – Diesel)	AUR30499
	Certificate III in Automotive (Mechanical – Heavy Vehicle Road Transport)	AUR30899
	Certificate III in Marine (Mechanics)	AUR32299
	Certificate III in Automotive (Mechanical - Heavy	AUR30999

	Vehicle Mobile Equipment, Plant/Earthmoving/Agriculture)	
Electrical	Certificate III in Electrotechnology (Systems Electrician)	UTE31199
	Certificate III in Electrotechnology (Refrigeration and Airconditioning)	UTE30999
Engineering	Certificate III in Engineering (Fabrication Trade)	MEM30398
	Certificate III in Engineering (Mechanical Trade)	MEM30298
Food	Certificate III in Food Processing (Retail Baking – Combined)	FEF30703
	Certificate III in Hospitality (Commercial Cookery)	THH31502
	Certificate III in Meat Processing (Meat Retailing)	MTM30800
Construction	Certificate III in Furniture Making (Cabinetmaking)	LMF30402
	Certificate III in Bricklaying/Blocklaying	BCG30103
	Certificate III in Carpentry	BCG30203
	Certificate III in Concreting	BCG30303
	Certificate III in Steel Fixing	BCG31103
	Certificate III in Plumbing	BCP30103
Personal Services	Certificate III in Hairdressing	WRH30100

(ii) Additional places in other areas of skills shortage:

- a. the Northern Territory share of the national target based on the Northern Territory share of working age population is 104;
- b. the occupations and qualifications the Northern Territory target will be achieved in the following qualifications, drawn from the latest DEWR National and NT Occupation and Skills Shortage List and other emerging occupations/skills shortage areas:

Industry	Qualification	Code
Computing	Certificate II in Information Technology (Application)	ICA20201
	Certificate II in Information Technology	ICA20199
Community Services, Health and Education	Certificate III in Aboriginal Health Work (Clinical)	15715NT
	Certificate IV in Aboriginal Health Work (Clinical)	15716NT
	Certificate IV in Community Services and Health (Enrolled Nurse)	70088NT
Tourism	Certificate III in Tourism (Guiding)	THT30902
Hospitality	Certificate I in Hospitality (Operations)*	THH11022
	Certificate II in Hospitality (Operations)	THH21802
	Certificate III in Hospitality (Operations)	THH33002
Childcare	Diploma of Children's Services	CHC50302
	Certificate III in Children's Services	CHC30402
Business	Certificate II in Business	BSB20101
	Certificate III in Business	BSB30101
Retail	Certificate I in Retail Operations*	WRR10102/ WRR10197
	Certificate II in Retail Operations	WRR20102/ WRR20197

* Note: Certificate I qualifications are identified target areas as entry level to the workforce for Indigenous Territorians in remote communities attempting to establish employment opportunities in arts, crafts and tourism.

- (iii) Additional places for mature age people and/or youth:
 - a. the Northern Territory share of the national target based on the Northern Territory share of working age population is 270; and
 - b. the target will be split between youth aged 14 – 24 year olds and mature aged 40 – 64 year olds. It is agreed that youth will include from age 14 years old due to the large number of Indigenous youth in the Northern Territory who have not accessed secondary schooling. The mature age of 40-64 reflects the demographics of the Northern Territory population.

- (iv) Additional places for people with a disability:
 - a. the Northern Territory share of the national target based on the Northern Territory share of working age population is 104. It is agreed that a training delivery cost relativity of 1.9 will be applied to the disability target to account for the additional support required by this target group.

- (v) The Northern Territory will increase training places in regional and remote locations for Indigenous Australians:
 - a. it is agreed that a training delivery cost relativity of 2 will be applied to the Indigenous target, to account for the additional support required by this client group;
 - b. these additional places will be achieved in all regional (Darwin and Alice Springs) and remote (all other) areas of the Northern Territory; and
 - c. the Northern Territory will continue to focus on Indigenous responsive training programs developed in collaboration with, and strategically linked to, regional community or local organisation business plans. DEET Regional Field Officers work closely with local communities to identify training needs. These programs, Flexible Response Funding and Community Response Program, aim to respond quickly to new and emerging training requests, providing pathways for career development or to further education and training as well as building work ready and employability skills for Indigenous people in regional areas and remote communities. The Training for Remote Youth program funds VET in Schools programs for Indigenous youth (14 – 19) at school as well as programs aimed at re-engaging disadvantaged youth in training.

Recurrent funding will be provided to Batchelor Institute for Indigenous Tertiary Education and four private registered training organisations that deliver both on- and off-site VET programs to Indigenous people from regional and remote areas of the Northern Territory.

- (vi) The Northern Territory will increase participation by Indigenous Australians at higher qualification levels:
 - a. the Northern Territory will collaborate with the two major public providers, Charles Darwin University and the Batchelor Institute of Indigenous Tertiary Education, to set training profiles that support increased participation by Indigenous Territorians in Certificate III and above. The NT will also work with the new Desert Peoples' Centre consortium partners in Alice Springs

to increase commencement and completion of Certificate III and IV qualifications by Indigenous Territorians.

PERFORMANCE MEASURES

7. The Northern Territory Government will participate with the Client and Student Voice Action Group, which will be established and make recommendations concerning the development of national priorities, strategies and performance measures to help Indigenous Australians, people with a disability and other client groups.

The Northern Territory will demonstrate continuous improvement in employer and student satisfaction over the life of this Agreement through the following:

- (i) maintaining (or increasing) employer satisfaction levels at 71% (2001 data), within the range of the confidence intervals for the Northern Territory;
- (ii) maintaining (or increasing) graduate satisfaction levels at 87% (2004 data), within the range of the confidence intervals for the Northern Territory;

Note: The Northern Territory does not have a TAFE system. These benchmarks are based on surveys of employer and client satisfaction of the major public training providers, Charles Darwin University and the Batchelor Institute for Indigenous Tertiary Education, and the private registered training organisations receiving funding in the NT.

- (iii) NT will work to improve completion rates and outcomes for mature age workers (40 to 64) and youth (14 – 24) through:
 - continued implementation of *NT Jobs Plan*;
 - participation on the National Priority Action 4 Mature Aged Workers Steering Committee ;
 - continuation of the NT Australians Working Together Program;
 - NT Build Skills Program to up-skill existing workers;
 - working with DEWR under the terms of the MOU to assist, at a local level, with implementation of national strategies and programs to increase participation of mature aged workers and unemployed parents in the workforce;
 - working with the NT Council of Social Services to implement selected initiatives highlighted by recommendations following their extensive review of the challenges faced by employment disadvantaged Territorians, including mature aged and youth;
 - Training for Remote Youth program which funds VET in Schools programs for Indigenous youth (14 – 19) at school as well as programs aimed at re-engaging disadvantaged youth in training; and
 - Workgear Workwear bonus program to assist apprentices and trainees with the start up costs faced when commencing their training.
- (iv) NT will work to improve outcomes for people with a disability through:
 - continued implementation of *NT Jobs Plan*;
 - participation in the Equity Manager's Network, under the national Shaping our Future Strategy;
 - continuation of the NT Australians Working Together Grants program; and
 - working with DEWR, under the terms of the MOU, to assist, at a local level, with implementation of strategies and programs to increase participation of long term unemployed and people with a disability in the workforce.
- (v) Improving education, training and employment outcomes for Indigenous students is core business for NT DEET. The Northern Territory has a higher concentration

of Indigenous people with 30.1%² of the NT population reporting as having an Indigenous background, compared to Australia at 2.5% of the total population.

VET participation by Indigenous status in the Northern Territory for 2004 is reported at 39.2%, compared to the Australian participation rate of 4.8%³. The Indigenous population in the NT is characterised by a low school educational profile, with a large number not achieving Year 12 education. Many Indigenous Territorians live in remote areas where access to education, particularly secondary education, may be limited. 72% of Indigenous people accessing VET are concentrated in Cert I and II levels.

As many as 64% of Indigenous Territorians are neither employed nor looking for work and only 15% are working in mainstream (non CDEP) employment. There is work to be done with the Indigenous population to provide them with the capacity to engage in the labour force⁴.

Recurrent and user choice funding is allocated to the Batchelor Institute for Indigenous Tertiary Education and to four private registered training organisations that specifically deliver both on- and off-site VET programs to Indigenous people from urban, regional and remote areas of the Northern Territory. Charles Darwin University, the receiver of the major proportion of the Northern Territory's general recurrent VET funding, advises that their client base is made up of 15.5% Indigenous people. Flexible Response Funding, the Community Response Program and Training for Remote Youth are targeted Indigenous training and employment programs.

INFRASTRUCTURE

8. It is agreed that the Northern Territory will reserve the right to convert \$400 000 of its share of the Australian Government capital funds for use for recurrent funding purposes in 2006. If this right is exercised, this will equate to additional activity of 17 621 Annual Hours Curriculum (AHC), calculated at the rate of \$22.70⁵ per hour.

ACTIVITY

9. Cost of training delivery in remote areas of Northern Territory

Limitations associated with delivery of VET training in remote communities present major challenges to the Northern Territory. The cost of remote training delivery is high. A widely dispersed population with a population density of only 0.15 people per square kilometre, compared to the Australia's population density of 2.55 (June 2002) presents difficulties in delivering vocational education and training.

Approximately 22.1% of the Territory's population live outside the six regional centres, and a major proportion of this population is Indigenous. 31.1% of the Northern Territory

population speaks a language other than English at home. The three main languages spoken at home (other than English) are Australian Indigenous languages. In terms of providing quality training services, large numbers of geographically dispersed, isolated and small communities in the Territory faces cost disadvantages as a result of:

² Report on Government Services 2006 Table 4A.12 (embargoed as at 11 Nov): data sourced from ABS

³ Report on Government Services 2006 Table 4A.12 (embargoed as at 11 Nov): data sourced from ABS

⁴ *Workforce NT* Report 2004

⁵ 2004 Annual National Report

- diseconomies of scale;
- isolation and the costs of obtaining goods and services in remote areas; and
- additional staffing and infrastructure costs such as housing, transport, and relocation costs.

The Northern Territory also has seasonal factors such as road blockages and airstrip closures during the wet season which affect delivery by limiting access to communities. Often there is a shortage of suitable physical infrastructure to support required training in Indigenous communities. Major training facilities at Nhulunbuy, Katherine, Jabiru, Alice Springs and Tennant Creek and twelve smaller training centres located in remote communities throughout the Northern Territory are available to providers delivering VET in these regions. However, these do not meet the demand for training infrastructure in remote areas.

Challenges exist in the building of a critical mass of VET practitioners that are able to realise the potential of flexible learning. VET practitioners must have the training, resources and experience to deliver VET in remote contexts and utilising innovative training delivery models such as Interactive Distance Learning and other e-learning techniques. DEET is addressing some of these issues by providing professional development programs for training practitioners in the Northern Territory.

The Northern Territory supports a review of resourcing arrangements for vocational education and training under the stewardship of the Ministerial Council for Vocational and Technical Education. The NT proposes that this review recognises and addresses the unique characteristics of delivering vocational education and training in the NT and that these will be considered and appropriately reflected in a new resourcing model.

Adjustments to Northern Territory Base Annual Hours Curriculum (AHC)

It is agreed that the Northern Territory Base be re-adjusted to 3.309m AHC. See NT VET Plan for details. It is also agreed that this will be further adjusted in line with nationally agreed adjustment factors to take account of:

- the move to end-date reporting and 100% Recognition of Prior Learning;
- increased delivery in higher cost areas, to ensure cost neutrality; and
- fixed national nominal hours.

ADDITIONAL FUNDING

10. Not applicable

OTHER

11. Not applicable