

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Supplementary Budget Estimates 2014-15
23rd October 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Industry Skills Council

REFERENCE: Question on Notice – Senator Carr

QUESTION No.: SI-101

1. Can the Department provide funding details for each Industry Skills Council including:
 - a. The amount that each Industry Skills Council receives;
 - b. The programs, research and other tasks that Industry Skills Councils are required to undertake;
 - c. How many people does each Industry Skills Council employ?
2. Does the Government recognise and acknowledge that Industry Skills Councils bring together a broad range of skills, experience, expertise and knowledge in order to develop training modules to enable students, particularly those accessing Government funds for training, to acquire skills for a lifetime?
3. Does the Government intend to completely cease all direct funding to Industry Skills Councils from 1 July next year? If so,
 - a. Has the Government assessed the implications of such a decision for the viability of Industry Skills Councils and the impact on employees?
 - b. Has the Government received representations from Industry Skills Councils board members, or their organisations, or general industry stakeholders expressing concerns about the decision to tender out training packages and de-fund Industry Skills Councils? If so, how many? What is the nature of concerns expressed?
4. Industry Skills Councils conduct research and provide projections regarding future skills needs in their areas. Will Industry Skills Councils continue to conduct this research and provide this advice from 1 July 2015?
5. The Minister recently announced that the Government is moving to a more contestable model for the development and maintenance of training packages so that “industry has the freedom to design the type of training they’re after – through both full trades and through skill sets” (see Minister’s Press Release – 11 September 2014). In relation to this announcement:
 - a. What detail are you able to provide on the progress on the tendering of this work previously done by industry skills councils?
 - b. Will the tenders require applicants to have strong connections to all the stakeholders in the sector? Is this being written into the tender?
 - c. When will the tendering process commence?
 - d. What protections will be put in place to ensure national consistency for training qualifications?
 - e. Will tenderers be required to conduct research and provide projections regarding future skills needs in their areas?
 - f. What protections for workers will be put in place to ensure they gain a portable qualification for a lifetime rather than narrow employer-based skill-set training, particularly given that taxpayer funds will be expended on this training?
6. In Senate Estimates on 23 October 2014, Mr Robinson advised that a discussion paper was soon to be released regarding the contestable funding model for Industry Skills Councils. When will this be released?

7. Australia is well regarded around the world for the way our Industry Skills Councils operate. Other countries, including India, are looking to emulate our system due to the high regard that skills and training packages are held. The system works well because Industry Skills Councils bring together industry, Government and unions to develop the best training packages for workers to develop the skills they need for a lifetime of employment, not just skills to suit their current employer.

a. Is the Government aiming to move to the cheapest approach to training package development rather than ensuring quality in the sector?

b. What measures will the Government put in place to ensure that safety considerations and quality are guaranteed? Who will be overseeing this process?

8. Will the Government continue to fund and participate in overseas delegations that promote and teach the value of our Industry Skills Councils?

ANSWER

1a. This information is publicly available at:

www.industry.gov.au/AboutUs/LegalandLegislativeReporting/Grants/Pages/default.aspx

1b. This information is publicly available at:

www.industry.gov.au/AboutUs/LegalandLegislativeReporting/Grants/Pages/default.aspx

ISCs receive core funding for:

- the engagement and consultation with industry and other key stakeholders in the development and delivery of products and services that reflect Australian and international best practice models and benchmarks (Training Package Qualifications); and
- involvement in and the provision of advice on training and skills needs for industry;

Other tasks ISCs undertake include the following which are available on individual ISC websites:

- annual environmental scan;
- annual project business plan; and
- mid and final year project reports.

1c. Industry Skills Councils are companies limited by guarantee and the Department does not have access to information in relation to numbers of staff employed by the individual companies.

2. Yes

3. Yes

3a. Australian Government contracts are not open ended and the current Funding Agreement for Industry Skills Councils ends on 30 June 2015.

3b. Not known.

4. That will be a matter for each ISC Board to determine.

5a. A discussion paper (Industry Engagement in Training Package Development – Discussion Paper Towards a Contestable Model) was released on 31 October 2014. The paper is available at www.vetreform.industry.gov.au. Outcomes from this consultation will help inform the Contestable Model process.

5b. The terms of the Contestable Model are yet to be determined.

5c. In the first quarter of 2015.

5d. The Australian Industry and Skills Council will guide the National Training System.

5e. See 5b.

5f. Skill sets contained within Training Packages and available on the national register (Training.gov.au) form a subset of nationally recognised qualifications and learners will, if they wish to, be able to continue learning and complete a full qualification which is nationally recognised and portable.

6. A discussion paper (Industry Engagement in Training Package Development – Discussion Paper Towards a Contestable Model) was released on 31 October 2014. The paper is available at www.vetreform.industry.gov.au.

7a. No.

7b. The Australian Skills Quality Authority will continue to monitor training quality and the Australian Industry and Skills Council will ensure that qualifications meet all relevant safety and other requirements.

8. The Government will continue to engage in international information exchange on Australia's Vocational Education and Training system.