

**Submission to the Senate Employment,
Workplace Relations and Education
References Committee**

**Inquiry into small business employment
matters**



AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

August 2002

TABLE OF CONTENTS

<u>ATTACHMENTS</u>	3
<u>PART 1</u>	1
<u>BACKGROUND</u>	1
<i><u>The Australian National Training Authority</u></i>	1
<i><u>What is the National VET System?</u></i>	2
<i><u>ANTA and Small Business</u></i>	2
<i><u>Addressing the Terms of Reference</u></i>	3
<u>PART 2</u>	4
<u>RESPONSE TO TERMS OF REFERENCE</u>	4
<i><u>Term of Reference (2): The Special needs of Small Business</u></i>	4
<u>Consequences of business size</u>	4
<u>VET system arrangements enhancing small business employment</u>	4
<u>Evidence from research</u>	6
<u>Summary</u>	9
<i><u>Term of Reference (4): Possible measures</u></i>	10
<u>VET products and services</u>	10
<u>Reaching small business networks</u>	12
<u>Whole of government and whole of community approaches</u>	13
<u>Summary</u>	14

ATTACHMENTS

- A. Australian National Training Authority Act 1992 and ANTA Agreement 2001-03.
- B. Members of the ANTA Board.
- C. A Bridge to the Future: Australia's National Strategy for Vocational Education and Training 1998 – 2003, ANTA.
- D. Annual National Priorities 2003

PART 1 BACKGROUND

The Australian National Training Authority

Vocational education, training and lifelong learning form the pivot around which much of our world is turning in the 21st century. Robust and expanding economies, richer and more diverse societies, stronger and more cohesive communities: for all these to exist and grow, the enterprises, individuals and communities involved must have access to the learning and skills they need.

The role of the Australian National Training Authority (ANTA) is to work cooperatively with our stakeholders to build a vocational education and training system that can meet the needs of those enterprises, individuals and communities. We seek a 21st century national training system that can respond quickly to emerging needs, plan for future skill demand and continuously improve the quality training products, services, structures and systems our clients deserve.

ANTA was established by the *Australian National Training Authority Act 1992* to promote the development of a national vocational education and training system. ANTA's objectives are specified in an *ANTA Agreement* that is negotiated between the Commonwealth, States and Territories.¹ The Agreement provides the basis for a joint partnership between governments and industry.

ANTA is a Commonwealth statutory authority with an industry-based Board² that reports to and advises a Ministerial Council (ANTA MINCO) consisting of the Ministers from each State and Territory and the Commonwealth who are responsible for vocational education and training. ANTA MINCO is chaired by the Commonwealth.

ANTA's business is to work with our stakeholders to build a fully integrated, quality national vocational and education system that meets client needs. Our clients are learners, the employers who hire them, and the communities they come from.

ANTA is a leader in the vocational and education and training sector; it advises the ANTA Ministerial Council on national policy, strategy, priorities, goals and objectives and has key planning and reporting responsibilities. ANTA also administers national programs and projects and distributes Commonwealth funding for the national system to States and Territories.

The overall vision and direction of the national vocational education and training system is captured in *A Bridge to the Future: Australia's National Strategy for Vocational Education and Training 1998-2003*³.

Within this strategy, the ANTA Ministerial Council has identified five objectives which underpin the agreed mission statement for the system:

- equipping Australians for the world of work;

¹ The ANTA Act 1992 and the ANTA Agreement 2001-03 are provided at attachment A.

² The current ANTA Board members are listed in attachment B.

³ This is provided at attachment C

- enhancing mobility in the labour market;
- achieving equitable outcomes in VET;
- increasing investment in training; and
- maximizing the value of public VET expenditure.

The overarching challenge in the national strategy is to create the world's most innovative and best regarded vocational education and training sector.

The current National Strategy will be complete in 2003. A new National Strategy involving extensive public consultation is under development and will be considered by Ministers in mid 2003.

What is the National VET System?

In talking about the national VET system ANTA often refers to the National Training Framework. This framework is comprised of Training Packages - supported by the Australian Qualifications Framework - and the Australian Quality Training Framework.

For enterprise, individual, and community clients VET delivers:

- **Competency-based training.**
This represents a move away from time-based programs dependent on institutional practices and particular pathways to a system in which the qualification is based on demonstrated competence. Skills-based training and assessment around competency outcomes identified by industry is the key distinctive feature of Australian vocational education and training. These outcomes are defined in Training Packages.
- **Nationally-recognised qualifications.**
These represent a move away from the myriad of local courses available in 1994, when employers had little understanding of their content and value, to a structure in which there are now standard definitions and standards across Australia for all levels of Certificates and Diplomas. These are defined in the Australian Qualifications Framework.
- **A quality framework.**
This covers the registration of Registered Training Organisations and the accreditation of courses by the relevant State and Territory bodies, an essential requirement given the opening of the training market. This is provided through the new Australian Quality Training Framework.

ANTA and Small Business

The ANTA Board believes that small business is critically important for Australia's economy and future. Small business represents over 90% of all enterprises and half of Australia's private sector workforce⁴.

⁴ Paul Kearney, *Size Matters: National Summative Evaluation Report of the Small Business Professional Development Best Practice Programme 1996-2000*, DETYA 2000, p ix.

We know that vocational education and training is a critical factor in equipping Australians with the skills necessary in a competitive global economy and that many small businesses will have to compete nationally and even globally in order to survive and grow.

It follows that we need to deliver the benefits of training to small business and we must do this by ensuring its needs are known, understood and met by a client-focused VET system.

2003 will provide significant opportunities to improve the capacity of the VET system to better meet the needs of small business by delivering business solutions that improve the bottom line. In May 2002 MINCO endorsed the Annual National Priorities for the VET system for 2003; two of the seven priorities refer specifically to the needs of small business⁵. In addition the current National Strategy for VET ends in 2003. In May MINCO also agreed to the development of a new National Strategy for Vocational Education and Training for 2004 to 2010. A national consultation is underway to develop a National Strategy that captures VET's contribution to the clever, economically strong and socially inclusive nation we want Australia to be in 2010. Small business views will be crucial to shaping our strategy.

Addressing the Terms of Reference

ANTA will address only Terms of Reference 2 and 4 as these are most relevant to its role in leading Australia's vocational education and training system.

⁵ See attachment D

PART 2 RESPONSE TO TERMS OF REFERENCE

Term of Reference (2): The Special needs of Small Business⁶

(2) The special needs and circumstances of small business, and the key factors that have an effect on the capacity of small business to employ more people

Consequences of business size

There are a number of immediate consequences of the small size of a business unit in relation to employment and training:

- Small business owners play many roles – financial manager, human resources specialist, supervisor – played by different individuals in larger businesses
- A single appointment represents a much larger proportion of the wage bill, supervisory load and total risk than in larger businesses. Workforce capability is critical in small businesses; if even one person in a small workplace lacks the skills required for the job the impact on the bottom line is potentially huge.
- Small businesses lack training staff to conduct their own courses
- Small businesses lack development staff to analyse their training requirements
- Small businesses have less time available for training because of the difficulties of backfilling to cover absences
- Small businesses may have less money available for meeting costs of training

These affect the ability of small businesses to take on new workers, particularly partially skilled workers needing further training, to grow the business by upgrading the skills of existing workers, or to use training as one of a suite of solutions to the business challenges they face.

Small business capacity to employ more workers is hence enhanced by:

- Relevant, certified skills in job-seekers
- Small business owners' managerial skills
- Employment risk reduction strategies
- Cheap, readily available, business-focused training
- Strong support and advisory services

VET system arrangements enhancing small business employment

- *Relevant certified skills in job seekers*

Industry Training Packages define the skills required for employment in different industries and form the basis of the VET system. This ensures that job-seekers can gain training in

⁶ In keeping with the current Australian Bureau of Statistics definition, small businesses will be taken as those employing fewer than 20 wage and salaried workers and including self-employed persons.

the skills required by employers, whether large or small. National qualifications based on Training Packages are not a statement of what a person has learned but rather of what they know and can do. Other training policy initiatives, such as the Australian Quality Training Framework requirement of industry involvement in VET sector assessment, School-based Apprenticeships and VET in Schools programs, increase the industry exposure and experience of new labour force entrants and hence increase their employability.

- *Small business owners' managerial skills*

The competencies required by small business owner managers are specified in the Business Services Training Package. The Certificate IV in Business (Small Business Management) is the latest of a series of qualifications developed with ANTA support to cover the competencies required to run a small business.

Programs for Small Business

The Business Services Scoping Project completed by Business Services Training Australia in 1999 identified a need to develop an integrated Business Services Training Package using innovative approaches which make formal learning and development more attractive, flexible and accessible to clients, especially those engaged in small businesses.

Until the endorsement of the Business Services Training Package in September 2001 there were a large number of state and industry-based small business courses at Certificate III and Certificate IV level and also national small business programs developed by Commonwealth agencies. Some of these drew on the Small Business competencies developed for ANTA in 1994. Other programs drew on other competencies and yet others were specially created for particular groups or purposes. Some of these were very popular and successful but there was little comparability or parity between courses.

With the endorsement of the Business Services Package these courses have been replaced by the Certificate IV in Business (Small Business Management). This Certificate IV is based on eight new endorsed competency standards. The qualifications packaging includes the requirement for a minimum of 3 Common Business units plus a minimum of 4 Small Business units while the other 3 can be included either from other areas in the Business Services Training Package or from another training package which may relate to the individual business.

Programs like Women in Small Business use some of these competencies together with other Business Services competencies to construct courses catering particularly to beginning and non-employed businesses.

It is difficult to estimate the usage of the small business qualifications as full data is only available for publicly funded enrolments. Even so there were 22406 enrolments recorded in courses or units to do with small business in 2000.

- *Employment risk reduction*

With credible national qualifications linked to industry requirements, staff selection is simplified and employment risk lessened. Employment risk is also lessened by two labour

market programs heavily used by small business. In the New Apprenticeship⁷ arrangements an employer takes on an apprentice/trainee under a training contract. The employer provides supervision and makes the apprentice/trainee available for agreed hours of training with a Registered Training Organisation. In return the employer is able to pay a training wage and may receive incentive payments for taking on the New Apprentice. At the end of the training period the employer can decide whether or not to keep on the former trainee. Under Group Training⁸ arrangements the business owner hosts the trainee who is employed under New Apprenticeship arrangements by a Group Training Company. This gives the small business owner access to extra labour at low cost and risk whilst giving the trainee a job and training towards a nationally recognised qualification.

- *Business focused training*

The provision of low cost, available, business-focused training for small business was the focus of a major project – the Small Business Professional Development Best Practice Programme – funded by the then Department of Education, Training and Youth Affairs (DETYA) 1996-2000. The report of this project⁹, and the “how-to” manuals produced by the project, have been widely distributed within the VET system.

- *Support and advisory services*

A major theme of ANTA policy research recently has been the necessity of integrating training with overall business strategy¹⁰. Small business in particular cannot afford the luxury of approaching training in isolation from an overall business plan. Like any other investment, training must be undertaken strategically. But also because small business is people intensive, training issues arise from most business decisions. Small business needs advisory and support services, including training providers, that recognize the need for a “whole-of-business” approach. ANTA has recently produced a ten part television series with the ABC that illustrates the contribution that small business mentors can make.¹¹

Evidence from research

- *The training preferences of small business*

There is no shortage of research about small business needs.

In 1998, the National Centre for Vocational Educational Research (NCVER) prepared a ‘Research at a glance’ summary on ‘Small business and VET’. Key observations included:

“Small business doesn’t like externally provided formal training in management and technical skills areas, but this doesn’t mean that they don’t want to participate in training. They prefer short training developed to meet their specific needs.”

⁷ Small business employs over 38% of all apprentices and trainees although it accounts for only a quarter of wage and salaried employment. (Unpublished ABS data for 2001.)

⁸ The 1996 survey of host employers found that over half were micro businesses with five staff or fewer, **Group training apprenticeships and traineeships in Australia**, NCVER 2001

⁹ Paul Kearney, **Size Matters: National Summative Evaluation Report of the Small Business Professional Development Best Practice Programme 1996-2000**, DETYA 2000.

¹⁰ Leonie Doyle & Rod McDonald, ‘Training for business: much more than skills’, **B-HERT News**, No 13 March 2002, pp 8-10.

¹¹ The series, ***Eight Days a Week***, looks at real businesses and the decisions their owners have to make. It will go to air in December of this year.

“Small business is most likely to decide to train when faced with a crisis, government regulation or a change to business – a business problem. Awareness of training options and the value of training aren’t by themselves an inducement to train.”

“If they do decide to train, they want training that helps them learn in places, at times and in ways that suit them. And they want to learn how to solve their immediate and specific problems.”

“The diversity of the small business sector means that general training programs are of limited value. Training needs to be market-orientated. Because small businesses vary so much and operate in a very diverse market an individual approach, using a business counselor, is often the best approach.”

“Networks – social and business – are their prime source of information and learning. Networks are critical sources of information and learning for small business. Successful management of their network relationships is the key to their business survival. Training will be most effective when it is conducted through the network.”¹²

These latter observations are echoed in the National Summative Evaluation Report of the Small Business Professional Development Best Practice Programme 1996-2000:

“Similarly many small businesses seek advice or learn from industry associations, accountants and a host of technical advisers. Many small businesses also use equipment and product suppliers, as well as opportunities offered by franchise arrangements, to gain knowledge and new skills.”¹³

This report also has some interesting data on the results of well-designed training for small business owners. A longitudinal evaluation was carried out with 200 participants in the programme 1997-9. Of these over 60% reported a positive impact on measures of business performance and 78% believed participation had increased their chances of business survival. Also of interest is that fact that 28.5% claimed to have taken on staff or increased the hours of existing staff as a result and over half had undertaken further training.¹⁴

Overall however small business is at best lukewarm about training until it experiences the benefit. In the research that ANTA conducted in 1999-2000 towards a National Marketing Strategy three groups of employers were distinguished on the basis of their attitude to training: the ‘not interested’ employers who see training purely as a cost and offer little training to their employees, the ‘here and now’ employers who will train on an as-needs basis and value on the job training, and the ‘high valuers’ who support learning for work and in the workplace. Whilst small businesses were found in each category, the ‘not interested’ group was made up almost entirely of small business. On the basis of these findings ANTA approaches for the ‘not interested’ group are entirely targeted at small business using the research results above (along with others)¹⁵.

¹² **Research at a glance: Small business and vocational education and training**, NCVER 1998, p1.

¹³ Paul Kearney, **Size Matters**, p10.

¹⁴ Ibid pp 48-49. The report attributes these effects to the use of a “collaborative self-help model” as opposed to conventionally packaged training delivered by external “experts”.

¹⁵ **A National Marketing Strategy for VET: Meeting Client Needs**, ANTA June 2000.

- *The effect of business size on training participation*

It is important to supplement these observations collected largely from enterprises with data gathered from individuals.

Australian Bureau of Statistics (ABS) surveys reveal that employees of small businesses enroll themselves in study towards full qualifications at the same rate as employees of other businesses¹⁶. This is despite the fact that a smaller percentage of them receive employer support for study. Small business employees are also more heavily represented in VET enrolments than other employees. In 2001 one quarter already held VET qualifications.

ABS surveys however show that employees of small businesses are sent to far fewer short training courses than are employees of other businesses. Small business employees represented around 24% of total employment but only 12% of training course attendances in 2001. Small businesses mounted far fewer internal training courses – courses attended principally by the employees of that business – than other businesses. Furthermore a smaller percentage of small business employees attending external courses received employer support than did non-small business employees (65% as opposed to 71%).

According to the ANTA and DETYA research cited above, small business demands training that is short, sharp and business-focused. However the ABS surveys show that short course training is consumed massively by big business and the public sector and that small business consumes very little. Its low consumption in the small business sector is a consequence of the inability of small business to organise and deliver or fund its own training and is a potential impediment to business success and employment growth. Other avenues to meet the needs of small business must hence be explored. ANTA is currently funding further research developing the DETYA-trialled approaches. This research particularly targets government advisory services and other intermediaries who deliver support and advice to small business and could be used to link small business with the expanding delivery options of the VET system.

- *The effect of employment type on training participation*

ABS surveys also throw some more light on small business owner attitudes to training.

Small business has a different employment composition from larger business. Wage and salaried employees are only 48% of total small business employment, the self-employed 32% and the small business employers themselves 18%¹⁷. Therefore in small business, study and training for employers and the self-employed are as important as study and training of employees.

According to ABS data, small business employers and the self-employed are much less likely to enroll in study towards qualifications than are small business wage and salaried employees. The main reason given was that they “do not need a qualification”; the second major reason given was that they have “no time”. This confirms the ANTA research finding that small business tends to fall into the ‘not interested’ group.

¹⁶ **Education and Training Experience Australia**, ABS 2001

¹⁷ The missing 2% are largely unsalaried family members. These figures and the following claims are based on the 1997 survey, which is the latest for which the full data is available.

Things are different with shorter training courses. Small business employers are more likely to attend these than are their employees or the self-employed. There is therefore a better chance of delivering information to small business employers through short rather than through longer study programs.

Summary

Overall VET makes a substantial contribution to employment outcomes in small business but the following factors need further consideration if we are to capitalise on this contribution.

Small business owners are required to be multi-functional. Employment and business outcomes are affected by their need to be competent as financial planners, operational supervisors and human resources managers. The Certificate IV in Business (Small Business Management) and related courses can supply the required competencies.

Small business owners may however lack the inclination and also the time to pursue extended study to qualify themselves in these areas.

Small business employees appear to have access to study for qualifications but miss out on shorter courses keyed to the particular requirements of the business.

Small businesses lack the internal resources to design appropriate training and train their staff according to their needs.

There is therefore a need to ensure the VET system explores more ways to deliver the short, sharp, business focused training that small business owners need while ensuring small business employees still have access to the building blocks of a portable national qualification. One way may be to better access the trusted networks most used by small businesses as sources of advice and support. This is pursued further in relation to Term of Reference (4).

Term of Reference (4): Possible measures

(4) measures that would enhance the capacity of small business to employ more people

Based on the strong belief, as discussed in relation to Term of Reference (2), that training focused on business needs enhances business competitiveness, strength and capacity to employ people, ANTA will be focusing its efforts on the following areas in the coming year. These areas will also be the subject of consultation and debate in the development of the next National Strategy for VET.

VET products and services

The National Training Framework represents the underpinning of quality VET in Australia. It specifies the products and the service standards applying to all clients and providers across the country. But those responsible for the continuous improvement and implementation of the system are hearing a call for a system which has both national credibility and local responsiveness.

In terms of identifying client needs, the current system of Training Package and accredited course development relies on broad consultation with industry, including individual enterprises. Whether this process fully captures the needs of all enterprises, including small business and of other clients, is open to debate but the concept of a demand-driven system is fundamental. A review of industry advisory arrangements which is underway, the implementation of the 2003 Annual National Priorities in relation to meeting small business needs and consultations around the development of the next National Strategy for VET will assist us to boost the input small business has into shaping the VET products and services that meet their needs. In seeking this input we need to acknowledge that the needs of small business owner/operators may be different from those of their employees in terms of the products and services sought.

- *The needs of small business owner/operators*

To meet the training needs of small business owner/managers themselves, the competency units of national small business qualifications provide a framework both for the provision of advice and the construction of short programs. There is a need to bring this set of resources to the notice of organisations which are outside the nationally recognised VET system but which have strong links to small business through provision of advice and training.

Other bodies looking at needs of small business owner/operators

The Small Business Ministerial Council consists of the Commonwealth, State and Territory Ministers responsible for small business issues. The Council has been considering the management skills needs of small business and has contacted ANTA to discuss this. Information on initiatives and research has been shared with the Council's secretariat. ANTA will continue to liaise with the Council's secretariat to identify areas where we can support each other's work in meeting small business training needs.

The Small Business Consultative Committee provides advice to the Commonwealth Government (through the Minister for Small Business) on issues affecting small business. ANTA has attended a meeting of the committee in response to their interest in skilling of small business owners/managers.

It is crucial that ANTA continues to build links with other networks that have a focus on small business needs so we can coordinate effort and share knowledge. This is one important way for ANTA to tap into people who have expertise in building business capability and improving bottom lines.

Research tells us that many small businesses want to access "small bites" of training rather than full nationally recognised qualifications and they want this training to be directly relevant to their business. Their concerns are partly about products (the capacity to deliver "small bites" tailored to the needs of the business) and partly about delivery. Particularly in short course training, small business owners have expressed a preference for training from people with a business background. This appeared as a theme throughout the DETYA Small Business Professional Development Programme referred to earlier. ANTA currently has a number of projects underway to build the capacity of VET providers around client focus and business understanding. Many Registered Training Organisations are already meeting this challenge and forging partnerships with businesses and business networks to deliver collaborative solutions. Others have developed short courses covering the generic needs of small businesses in skills areas such as computer training.

The problem for small business in accessing short courses is that they lack the internal staff for delivery and in most cases they do not have a viable class size for hiring-in external providers.

Logically there are three solutions:

1. Small businesses band together (cluster) to hire in a training provider or business consultant to deliver the common minimum training they are interested in.
2. Training providers research the small business market, design a common minimum short course useful to a number of small businesses and market it to them.
3. Organisations or individuals providing human resources or other support to small business provide training as well. For example the CPA Australia is considering training accountants working with small businesses to provide basic financial training to their customers.

For the long-term interests of both employers and employees it is important that all these short courses build on or develop parts of the existing framework of competency units in

the National Industry Training Packages. Having this explicit linkage will facilitate later certification of skills at the full unit level by Recognition of Prior Learning (RPL) processes as discussed below.¹⁸ Having standardised reports of training undertaken and related workplace experience would also simplify RPL processes and make them more effective.

- *The needs of small business employees*

1. Transportable qualifications

The national VET system offers individuals the opportunity to gain qualifications that are recognised nationally and portable across Australia. Given the mobility of the workforce in today's and tomorrow's world, this is a significant benefit to individuals as well as an enhancement to the overall efficiency of Australia's labour market. In the future our national qualifications may become internationally recognised.

2. Flexible enrolment

Single unit enrolments allow existing workers and their employers to focus on their immediate training requirements and achieve meaningful outcomes in minimum time.

3. Skills recognition

Certification of existing skills can be achieved through assessment only enrolments and recorded as results by Recognition of Prior Learning (RPL) allowing individuals to build up a "skills passport". ANTA is currently conducting a project on RPL practices and will be examining the applicability of a "skills passport" which records the accumulation of competence rather than a "point in time" qualification.

4. Funding flexibility

There is a growing demand for the system to recognise people's mastery of smaller "chunks" of knowledge and skills than at present. This has implications for both the flexibility and the funding of the system. Current systems of funding, planning and enrolment all tend to reinforce "qualifications" as the primary currency of the VET system at a time when an increasing number of clients, including many small business owners and employees, are interested in gaining particular skills and knowledge, not necessarily a full qualification. We will need to work collaboratively with our funding partners in the VET system to remove funding barriers to flexibility desired by clients.

Reaching small business networks

The NCVER research paper referred to earlier¹⁹ observed that networking and networks are the keys to the way small business does business and the way it learns (p2). The paper proposed that becoming involved in small business networks is the most effective way for a training provider to make small business aware of training services available including integrating delivery with networks through group discussions, mentoring and use of practising business people. The DETYA programme evaluation published two years later reached the same conclusions²⁰.

¹⁸ This is another recommendation in *Size matters*.

¹⁹ **Research at a glance: Small business and vocational education and training**

²⁰ **Size Matters, pp 25-26.**

Reaching the Networks – Trialling some Approaches

ANTA is funding trial approaches to link key business support agencies (such as State and Territory small business agencies, chambers of commerce, industry associations) to training opportunities and networks.

This approach is based on the premise that staff in these business support agencies are well placed to help small and medium businesses to adopt skills development as a business improvement tool because these staff are in contact with these businesses at a time when they are seeking help to establish or grow their businesses. The trial proposes that closer cooperation by business support agencies and training agencies and providers could improve both agencies' assistance to small and medium businesses. The model proposes to use "linkers" who work in key business support agencies to provide professional development, support and guidance to client service staff. The aim of the trials is to test the model, refine the support resources, obtain data about costing and sustainability and create good practice examples that can be showcased.

Whole of government and whole of community approaches

Both the NCVET research and the DETYA report recommend integrating training with other services provided by governments to small business. The NCVET paper notes however that whilst Austrade, the Australian Tax Office, and State, Territory and Commonwealth industry and small business agencies all offer advice to small business at critical stages of their business processes and even offer training services this training is not integrated across departments or linked with VET. It is important to achieve a whole of government approach in this area and the Small Business Ministerial Council and Small Business Consultative Committee referred to above play a key role in building cross-government approaches. It is also important to make this advice and training easy to access and understand. Small business people do not have the time or often the confidence to navigate a complex system.

As well as agencies at all three levels of government there are the non-government networks referred to in "Reaching the Networks" above. This would include bankers, accountants, solicitors and trainers who are outside Registered Training Organisations. ANTA with its industry, Commonwealth, State and Territory partners in the national VET system, has a leadership role in reaching out to these networks and demonstrating the contribution VET makes to business capability. The "linkers" trial will give some pointers to models for whole of government, whole of community approaches.

A further way to reach small businesses is through their supply chains. Many big businesses have links with small businesses through their supply chains and are increasingly recognizing the value added to their own business outcomes by providing training and support to their supply chains. Also franchise arrangements now account for some 15% of small business employment and franchised businesses are amongst the highest training small businesses.

Summary

In the coming year ANTA will be focusing its efforts on making VET products and services more accessible to small business owner/operators and employees and developing models to integrate training into overall business strategy and organizational capacity building.

The information and training needs of small business cannot be met by any single agency or sector and there is a need for whole-of-government/whole-of-community approaches that tap into established networks already trusted and used by small business.

The VET system plays a fundamental role in the supply of work-ready employees to small business and could play a major role in the creation of business-ready small business employers.

National Training Packages and their competency units – both employee-directed and small business management-directed – could play a wider role as a framework for small business advisers and short course providers.

Many Registered Training Organisations are already developing links with business and business networks and playing a role in identifying business solutions to business challenges, including demonstrating that vocational education and training equips enterprises to deliver business strategy. These examples need to be showcased more widely so that small business can see the benefits that flow from training partnerships.