

Minister for Tertiary Education  
Incoming Ministerial Briefs  
July 2019

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## **PORTFOLIO BRIEF FOR INCOMING MINISTER**

# **MINISTER FOR TERTIARY EDUCATION**

PORTFOLIO BRIEF FOR INCOMING MINISTER  
JULY 2019

**SENSITIVE - CABINET**



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## PORTFOLIO OVERVIEW

### Skills Canberra

Skills Canberra is responsible for the provision and overall management and reporting of vocational education and training (VET) in the Territory. This includes administering, monitoring and auditing Territory and national funds for a variety of programs, addressing skills development for entry-level learners and existing workers, and adult community education. Skills Canberra makes evidence-informed funding and policy decisions, based on a range of data, to meet current and future skills needs.

Skills Canberra also manages the ACT Skilled Migration Program.

## PORTFOLIO PRIORITIES OVER THE NEXT MONTH

- Knowledge Economy
  - develop cross-division Knowledge Economy Strategy concept and approach for Chief Minister's consideration
- National Partnership on the Skilling Australian Fund
  - provide Chief Minister the quarterly update
  - develop 2019-20 NPSAF project proposal and budget
- ACT Government Budget measures (eligible for matched funding under the NPSAF)
  - recruit SOG A workforce development lead
  - initiate 2019-20 Future Jobs for Future Skills grants round
- New training initiatives funding agreement and compliance guides
  - open applications for a new four-year ACT Government training initiatives funding agreement (Australian Apprenticeships [User Choice] and Skilled Capital) on 1 July 2019
- Skilled Capital August release
  - release limited qualifications and caps for subsidised training places, according to Skills Needs List and government priorities
- Canberra Institute of Technology
  - continue monthly CIT/CMTEDD meetings to discuss the positioning of VET in the ACT
  - establish AVETARS and additional support funding working groups to address red tape
  - scope Skills Canberra and CIT funding model review



- **Nous Group Review of Skills Canberra roles and functions and Protivi Review of Skills Canberra finances**
  - complete stage one of the Forecasting of Industry Needs and Entitlement (FINE) Model review (Nous Group)
  - appoint SOG A change manager for six months
  - initiate business process review
  - appoint short-term certified accountant to improve forecasting and funding models, and financial management processes
  - continue to address data access and management across the branch
- **NSW Employers and ACT Australian Apprentice Training Contracts**
  - advise interested NSW employers of decision to maintain current arrangements (i.e. NSW employers are not eligible to sign up ACT AAs)
- **Wage Advice Line**
  - determine future funding and contractual arrangements--current contract with Canberra Business Chamber expires on 30 September 2019
- **Australian Industry and Skills Council appointment**
  - finalise the ACT AISC appointment—cabinet date: 2 July 2019
- **TFA Board Chair appointment**
  - commence recruitment process—Chair’s tenure ends on 30 December 2019
- **ACT Training Awards and WorldSkills Competitions**
  - continue planning and judging processes

## **PORTFOLIO FINANCIAL OVERVIEW**

### **Budget**

An increasing cumulative underspend from 2013-14 until 2017-18 resulted in significant rollovers each year. In 2017-18, planned expenditure exceeded the budget by \$6.5m.

In 2018-19, the Australian Apprenticeships (User Choice) and Skilled Capital training budgets were intentionally overspent to maximise training outcomes and absorb underspends. Approximately \$2.7m was reprofiled to augment the 2019-20 training initiatives budget. Minimal reprofiling is expected in 2019-20 and the training budget will be adjusted accordingly.

In 2019-20, the Skills Canberra VET Budget is approximately \$36.4m, comprising:

- \$1.4m from ACT Government budget
- \$5.0m reprofiled from payments received under the NP on Skills Reform



- \$22.4m from the National Agreement on Skills and Workforce Development (NASWD)
- \$2.7m from reprofiled funds received under the NPSAF in 2018-19
- \$4.9m from anticipated NP SAF funding

#### **Other Financial Considerations**

In June 2019, ACT received \$4.9m, the full entitlement of Commonwealth funding under the NPSAF.

## **LEGISLATIVE RESPONSIBILITIES**

- *Skilling Australia's Workforce Act 2005 (Commonwealth)*
- *National Vocational Education and Training Regulator Act 2001 (Commonwealth)*
- *Training and Tertiary Education Act 2003 (ACT)*
- *Building and Construction Industry Training Levy Act 1999 (ACT)*

## **KEY APPOINTMENTS**

#### **Statutory Appointments**

- Building and Construction Industry Training Fund Authority Board (established under the *Building and Construction Training Levy Act 1999*)

#### **Non-Statutory Appointments**

- ACT industry representative on the Australian Industry and Skills Committee (AISC).

## **MINISTERIAL COUNCILS AND CONSULTATIVE BODIES**

- COAG Industry and Skills Council (CISC): CISC is the ministerial council for industry and skills-related policy areas. CISC considers and advises on issues relating to industry competitiveness, productivity and labour market pressures, skills development and national training arrangements. The CISC industry and skills streams routinely meet separately.
- Australian Industry and Skills Committee (AISC): AISC was established by CISC to ensure ministers are informed by an industry-based perspective on the quality and relevance of the national training system, including training products.
- Senior Skills Officials Network (SSON): SSON comprises senior skills officials from the Commonwealth and each state and territory. It does not have a formal decision-making role, however is a useful forum for raising issues, providing input to policy development and processes, and sharing information to support ministers at CISC.

## KEY ISSUES

### COAG matters

#### Joyce Review and the Australian Government's Skills Package

- The Joyce Review was commissioned by the Australian Government and the report delivered just prior to the recent Federal election.
- The report recommends a six-point plan and roadmap for change.
  - strengthening quality assurance
  - speeding up qualification development
  - simpler funding and skills matching
  - better careers information
  - clearer secondary school pathways
  - greater access for disadvantaged Australians.
- While the ACT agrees to the six points, the 71 underpinning recommendations are problematic as they pay scant attention to TAFE, and pave the way for significant changes to the national VET architecture, centralisation of key functions, and a narrow definition of VET grounded in work-based learning.
- The Skills Package announced in the 2019-20 Australian Government Budget includes implementation of several Joyce Review recommendations:
  - a National Skills Commission
  - pilot Skills Organisations
  - a National Careers Institute and National Skills Ambassador
- Additional Skills Package measures are:
  - a top up for the Skilling Australians Fund in 2019-20
  - new incentives payments for employers and apprentices
  - funding to target regions of high youth unemployment
  - funding to support second-chance learners.

#### COAG Industry and Skills Council

- Senior officials have recently discussed whether the continued pairing of Industry and Skills in the CISC is effective:
  - there is little overlap between agendas
  - a stand-alone committee, or a committee linked with higher education, would assist in shaping a future-focused and productive agenda, including
  - the positioning of TAFE and achieving synergies across tertiary education.

#### National Agreement on Skills and Workforce Development (NASWD)

- Targets articulated in the NASWD expire in 2020—there are no signals from the Commonwealth indicating their intent to negotiate a new agreement, however.

### **National Partnership on the Skilling Australians Fund (NPSAF)**

- Over the next four years, funding through the NPSAF will contribute to an additional 4000 apprenticeships, traineeships, pre-apprenticeships and higher apprenticeships in the ACT, over and above agreed baseline activity.
- Through project proposals negotiated between the ACT and Australian Governments, 50% matched funding is available from the SAF for agreed projects, up to a capped annual amount.
- On signing the NPSAF in 2018, projected funding available to the ACT (2017-18 to 2021-22) was \$20.4m. The Australian Government has revised this forecast based on the shortfall in Skilling Australians Fund Levy revenue. The current projection is \$17.8m available to the ACT over the NPSAF.

### **Positioning VET in the ACT**

At a national level, reform outcomes the ACT Government is seeking include:

- a strong commitment to the public provider to ensure resourcing enables a responsive and future-focused agenda
- ensuring the VET system can respond quickly to the needs of industry, and that public funding and regulation support VET providers to deliver the desired outcomes for students and industry
- ensuring the apprenticeship and traineeship system continues to serve segments of our industry base, while considering alternative employment-based training opportunities across the broad spectrum of industry sectors
- a shift in the current training package focus on technical skills to incorporate the broader skills and essential capabilities employers are seeking in their graduates, like teamwork and problem solving.

The Directorate is meeting with CIT on a regular basis to advance key priorities including:

- increasing the relevance, responsiveness and integration of VET in the ACT
- optimise policy and funding settings to ensure an effective VET system in the ACT, with a strong public provider at its core.

These elements will be formalised and integrated into a cohesive, long-term VET Investment Strategy for the ACT.

## **Nous and Protivi reviews**

In late 2018, Nous Group was engaged to provide advice on Skills Canberra's:

- legislative and service delivery obligations as the State Training Authority (STA), compared to other STAs
- funding, promotion and delivery of VET services aligned to relevant national agreements
- performance against service delivery obligations and legislative requirements
- functions and possible integration with other areas of CMTEDD or government to enhance efficiency and effectiveness.

Based on the findings, Nous Group recommended the following:

- Develop a Skills Canberra strategic plan articulating clear objectives, outlining the activities that will be performed to meet them, and how these will be evaluated.
- Restructure Skills Canberra to align with its strategic purpose, allocating some functions to areas outside of Skills Canberra if they could be more efficient or effective in these locations.
- Expand the VET investment strategy beyond current skills needs.
- Conduct a business process review and capability audit, and establish standard operating procedures and formal consultation processes to enhance stakeholder engagement.

Skills Canberra has commenced a process for responding to the Nous review.