

Transferring the functions of the Australian National Training Authority (A)

On Friday 22 October 2004, Aurora Andruska, the Group Manager of the Vocational Education and Training Group, Department of Education, Science and Training (DEST) was having lunch with two colleagues, Rebecca Cross and Mary Johnston. The Coalition Government had been returned to office in an election the previous week. The three were discussing the election commitment of \$1.2 billion in the vocational education and training (VET) system to address skills shortages.

Their mobile telephones rang simultaneously. “Come back to the office,” was the request. “The Prime Minister has just announced the abolition of the Australian National Training Authority (ANTA) and transfer of its functions to our Department.”

The establishment of ANTA

In the early 1990s, Australia was in recession. With high levels of unemployment and a large population of unskilled workers, there was agreement between the Commonwealth, State and Territory Governments, unions and employers to work together to improve VET in Australia.

VET is constitutionally the responsibility of the states. In general, the Commonwealth Government has funded around one third of publicly funded training with the states and territories funding the remainder. At the time there was concern that not enough training opportunities were being offered to lift the economy out of recession.

This case study was undertaken by Nicola Quin for Professor John Alford as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation. The assistance and support of the Commonwealth Department of Education, Science and Training is gratefully acknowledged.

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At this time, VET qualifications were developed in each jurisdiction and were not transferable between jurisdictions. A child care worker trained in South Australia would require retraining in Victoria to work in that state. Further, there was no mechanism to ensure the same quality of training across Australia.

In 1990, a National Training Board was established to assist in the establishment of a national skills development and training framework. Key objectives at this time were to: set nationally consistent standards for VET; introduce competency based training; and increase private investment in training. However, there was no requirement for registered training organisations to abide by the nationally consistent standards and thus these tended to end up on bookshelves.

In the early 1990s, the need to create a national training system emerged. The Prime Minister's Economic Statement, issued in February 1992, included a proposal for the Commonwealth Government to take full responsibility for VET. This proposal was considered at the Premiers' Conference in June 1992 but was poorly received. Instead the Heads of Government agreed to establish a new authority to advise State and Commonwealth Ministers on appropriate policies and mechanisms to move towards a more national focus for vocational education and training. ANTA was created as a result.

The vision for the national training system and the role of ANTA

In 1992, the common vision for the national training system was for:

- A national system with programmes and qualifications that were portable across industries and all states and territories.
- Vocational education and training that reflected industry and enterprise needs and priorities, especially the importance of on the job training.
- Vocational education and training that met the needs of individuals, especially employment needs, and supported lifelong learning.
- Vocational education and training that was competency-based and used national industry and enterprise standards.
- An open training market, where public, private and industry providers, who aimed for quality and best practice, competed and collaborated to meet the needs of a diverse group of clients.
- An efficient and productive network of TAFE¹ providers that could compete for clients in an open training market.
- Improved links between schools, higher education, vocational education and training and greater flexibility for those in training to move between them.
- Better access (and improved outcomes) for groups of people who had missed out on training opportunities in the past.

¹ Technical and Further Education institutes provide the majority of tertiary vocational training.

A new governance structure

Australia's mechanisms for decision-making within VET were unique in that they operated in a partnership through a formal intergovernmental agreement.

ANTA reported to the ANTA Ministerial Council which was established in 1994. The Council was the peak government decision-making body for training and set national goals, objectives and priorities for the national training system. The Council was chaired by the Commonwealth training minister and comprised the Commonwealth and state and territory training ministers. The Commonwealth Minister as Chair had a weighted vote within Council (two plus casting). Meetings were held usually twice a year.

The Vocational Education and Training Funding Act provided the authority for the Commonwealth Minister to appropriate the Commonwealth Government contribution to states and territories and funding for national projects on a calendar year basis. The Commonwealth Government's financial contribution to the states and territories for training was provided under the ANTA Agreements. The ANTA Agreements were negotiated on a triennial basis between the Commonwealth and State and Territory Governments setting out agreed terms for the provision of this funding.

ANTA advised, and provided support to the ANTA Ministerial Council in all its functions. The work of ANTA was governed by the ANTA Board, which comprised representatives from industry and included an employee representative (ie union representation). The Board was designed to build industry leadership into the national training system and was responsible for the operations and performance of ANTA.²

Papers for meetings of the Ministerial Council were prepared by ANTA in consultation with jurisdictions, where relevant, for approval by their Board. The Ministerial Council was supported by a committee of senior officials from Commonwealth and state and territory training departments, the Chief Executive Officers' (CEOs') Committee. The CEOs' Committee supported the work of the Ministerial Council by providing advice to the respective training ministers as well as to the ANTA Board regarding matters before Council. The ANTA CEO chaired and managed the business of the CEOs' Committee.

ANTA's work 1993 to 2004

ANTA had two offices, one located in Brisbane and the other in Melbourne. There were approximately 100 staff, with one quarter located in the Melbourne office.

From its inception, ANTA was charged with implementing national approaches to training in Australia. The key functions ANTA oversaw in this regard were:

1. *Industry leadership for the national training system.* This was achieved through the Board's involvement in overseeing the work of ANTA and providing advice to

² ANTA was established by the *Australian National Training Authority Act 1992*. The ANTA Agreement was appended to the Act, setting out agreed priorities.

the ANTA Ministerial Council to ensure employers' needs were being met by the national training system.

2. *Facilitating the introduction of competency-based training.* Competency-based training refers to the delivery of training on the demonstration of competency. This approach shifted the training focus to acquisition of skills instead of a time based curriculum approach to training delivery.
3. *Developing and advising on national training policy, goals, objectives and strategies* to guide the national training system.
4. *Achieving national consistency in qualifications*, through the development of Training Packages and Australia-wide provision for assuring the quality of training providers.
5. *Managing and monitoring national funding arrangements.* This involved largely the coordination and allocation of the Commonwealth's funding contribution and monitoring its expenditure by states and territories in line with terms agreed in the ANTA Agreement and other planning documents. As an incentive to states and territories to support the national training system at its inception, the Commonwealth pledged growth funding for VET in the first three years (see below, Funding the System).

In terms of organisation, ANTA had two divisions: one focussing on developing the national training system and the other on agreements between states, territories, the Commonwealth and ANTA.

The implementation of a competency based approach to training, in particular the development of Training Packages from 1997, was a key achievement of ANTA's. The acceptance of the Training Package concept and the establishment of the process for their development were successfully embedded in the national training agenda,

A Training Package is an integrated set of nationally-endorsed competency standards, assessment guidelines and qualifications for a specific industry or sector, to assist a Registered Training Organisation (RTO) deliver training in that field.³ The packages provide the mechanism for industry to define the skills they need the formal training sector to deliver, for the content of courses to be regulated and provide for consistency nationally.

The development stages involved jostling between Ministers and their officials and industry. A senior official from ANTA remembers:

“In the beginning, when the fight was on about Training Packages, national registration and national accreditation, the staff from ANTA would meet with industry representatives in restaurants prior to meeting with officials and Ministers. It was almost like being in a political club at university.

“There were circumstances when senior officials from Australia's states and territories refused to endorse the agreed position of the Board of ANTA. At the Ministerial Council, members of the Board – ‘Captains of Industry’ – would stare down ministers

³ Training Packages can be downloaded from the National Training Information System at www.ntis.gov.au

and officials. It was like a dance of death as ministers and officials agreed to the industry position.”

Under the *Australian National Training Authority Act 1992*, the ANTA Board set up Industry Training Advisory Boards (ITABS) to develop and present sectoral priorities for qualifications. Each ITAB then presented its priorities for Training Packages in a draft business plan. ANTA staff would negotiate the business plan with the ITAB and after negotiation, develop a contract for the agreed work. The contract could be for an operating grant and project funds or for a global amount. Eventually there were approximately 20 ITABs.

Each Training Package was developed by an ITAB with industry and provided to ANTA. ANTA staff examined the package to ensure appropriate validation and consultation within that industry sector. If it was acceptable, ANTA then organised to meet with the ITAB and states and territories to discuss and support the submission of the Training Package to the National Training Quality Council and then to state and territory ministers.⁴ If there was agreement the Training Package was nationally endorsed and then made available for RTOs to include in the scope of training they were accredited to deliver. This enabled the qualifications under the Training Package granted by the RTO to be formally recognised across Australia.

According to a senior official from DEST:

“Most people would have no idea that Australia is world leading in VET because you can undertake a qualification anywhere in Australia and you will be working your way through the same competencies. It will be quality assured on a national basis and it comprises absolutely the relevant and right skills you need.”

Funding the system

The ANTA Ministerial Council considered and approved the allocation of available funding for state and territory training systems. ANTA was responsible for coordinating the distribution of this funding to states and territories as directed by the Council. The original intention was that funding from the Commonwealth and states and territories would be pooled for redistribution to state and territory training systems, based on national priorities. In practice, only Commonwealth funding contributions were distributed by ANTA and states and territories retained their funding.

In 1992, the Commonwealth contributed approximately 10 percent of the total funding for VET. As part of establishing ANTA, the Commonwealth pledged \$100 million⁵ additional funding and growth funding of \$70 million for the triennium 1993–1995.⁶ This formed part of the first ANTA Agreement.

The Agreement had a clause stating that if ANTA or the Commonwealth Minister were not satisfied with the performance of states or territories, the growth funding

⁴ As part of the endorsement process there was a 14-day period when any state or territory minister could veto the endorsement and send it back to the National Quality Training Council for further development. If a Training Package was submitted and endorsed, it was available for purchase.

⁵ All amounts in Australian dollars.

⁶ Australian National Training Authority Annual Report, 1992-93, p.21

from the Commonwealth would be withheld, either from an individual state or from all of them. On one occasion, when ANTA and the states and territories were unable to reach agreement regarding the terms of one of the ANTA Agreements, the Commonwealth continued its existing funding levels to the states and territories and withheld growth funding from all states and territories, purchasing VET directly from RTOs. When the Commonwealth Funding Agreement package was resolved, the growth funding was redirected to the states and territories.

In the six years between 1992 and 1998, the Commonwealth growth funding to VET steadily increased from around 10 percent of VET in 1992 to 30 percent in 1998. Following a period of steady contributions from the Commonwealth, growth funding resumed in the 2001-2004 triennium, with an increase of \$100 million over the triennium.

In 2005, ANTA's budget from the Commonwealth Government was \$1,195 million. Of this, \$12 million was allocated by the Commonwealth for ANTA's staffing and operating costs. \$1,148 million was administered by ANTA under the *Vocational Education and Training Funding Act* and distributed to states and territories. The remaining \$35 million was provided by the Commonwealth to support: Training Package development; Industry Skills Councils; group training; and equity development and training innovation.⁷

Leadership

The role of the CEO of ANTA was to manage the affairs of ANTA subject to the directions of, and in accordance with the policies determined by, the ANTA Board and the Ministerial Council.

The first CEO of ANTA was Terry Moran, who was recruited from the Victorian public service but understood industry and utilised the lever of industry in facilitating change. He was described by a colleague as a “gamesman, really driven, always pushing agendas”. The second CEO, Moira Scollay, was recruited from the Australian Taxation Office and was recognised as dynamic. A third CEO was recruited in 2003 from the private sector. After six months in the role, this CEO resigned. In 2004, a former General Manager of ANTA, Paul Byrne, was approached to be acting CEO until a replacement was found. Paul Byrne had eight years experience in senior roles within ANTA.

Similarly, people appointed to the ANTA Board represented a range of relevant organisations. The ANTA Board's first chair was Brian Finn, at the time Managing Director of IBM. The Board also included representatives of the Australian Industry Group, the Australian Council of Commerce and Industry, and the Australian Council of Trade Unions. The Board members were united in their recognition of the importance of a national training system responsive to the needs of industry. They were pivotal to ensuring an industry perspective was presented at Ministerial Council deliberations.

⁷ Portfolio Budget Statement, 2004–05, Education, Science and Training Portfolio, Budget related paper number 1.5 - ANTA Overview, page 156

By 2004, cracks were beginning to appear in the united position of the Board. Some nominations to the Board, supported by key industry bodies, were overturned by joint decision of the Ministerial Council, leading to some loss of confidence in the Board by some governments.

Establishment of the Australian Quality Training Framework

The National Training Quality Council and its predecessor the National Training Framework Committee oversaw quality assurance and national consistency in the VET system. Since the early 1990s there was an incremental strengthening of national quality assurance arrangements driven by ANTA. This was through the nationally agreed frameworks commencing with the National Framework for the Recognition of Training, then the Australian Recognition Framework and then the Australian Quality Training Framework (AQTF).

The AQTF was endorsed by the ANTA Ministerial Council in June 2001 and fully implemented on 1 July 2002. The Framework provided standards for RTOs and state and territory accreditation bodies to ensure nationally consistent VET in quality and assessment of training.

Despite these advances, there were still complaints about the consistency of quality of RTOs. The introduction of Training Packages tested the capacity of some providers and the expansion of incentive payments to employers for apprentices and trainees led to allegations of inappropriate collusion between employers and RTOs. As a result, states were anxious that they were dependent upon what appeared to be inadequate national standards and approaches to address risks within their jurisdictions. This gave rise to an ongoing tension with the national training system, often attributed as inadequacies of ANTA.

Relationship with stakeholders

According to a former official from ANTA, staff were absolutely committed to a national training system. This generated a focus on ensuring that the brokerage of ANTA on issues was satisfactory to affected parties. A key part of all roles within ANTA was relationship-building and management.

For example, in the development and design of Training Packages, ANTA contracted ITABs (and then Industry Skills Councils or ISCs) to work with industry to develop and validate national competencies and qualifications. In designing a training package, ANTA also had to ensure that consultation with all jurisdictions occurred. For an industry area that was principally the responsibility of the Commonwealth, such as aged care, the design of Training Packages was relatively straightforward. However, for most Training Packages this was not the case. For example, in health, where the states and territories had responsibility, ANTA had to broker arrangements between the industry representatives and all jurisdictions. Health Training Packages also had to consider up to 67 pieces of legislation across Australia governing the provision of health services. States and territories required satisfaction that Training Packages were going to meet the training needs of industry in their jurisdictions. This added a further layer of complexity to brokering nationally agreed outcomes.

One state could hold up the development or update of a training package with objections. An example was given by Di Lawson, CEO of the Community Services and Health Industry Skills Council:

“Our organisation was contracted by ANTA to develop a training package to ensure indigenous Australians could improve the health of their communities. There was a competency in the package for the participant to be able to do basic toilet plumbing. The Victorian Plumbers Board held up approval of the package for 14 months while they considered if they were comfortable with indigenous Australians in remote communities undertaking this work. And then the Victorian State Training Authority complained about our Council, saying the process was too slow!”

As states had no constitutional requirement to remain part of the national training system, ANTA management considered the system to be fragile. There was a concern that a heavy-handed approach by the Commonwealth to states and territories might prompt some jurisdictions to split from the national training system and “go it alone”.

The Department of Education, Science and Training (DEST)

In the Australian Government, DEST had responsibility for school education, career development, training and skills, higher education, research, international education, indigenous education, science and innovation. The VET Group within DEST had responsibility for high level policy advice on the national training system and, after ANTA was established, for managing the Commonwealth funding for VET through the Commonwealth Funding Agreement and other programmes such as funding and administration of the New Apprenticeships arrangements. As a result, most staff were responsible for managing programmes or contracts. In 2004, although the VET Group within DEST was responsible for the development of VET policy for the Australian Government, with its perspective on the national operations of the system, detailed understanding of the operation of the national training system rested with ANTA staff.

DEST was described by a senior official as “collegial with a strong focus on people, reward and recognition and getting things done. The Department is driven by the needs of the Minister and is responsive to the political environment in Canberra.” Another senior official described the Department as having a “sense that it is one of the best Commonwealth Departments, is a good place to work with a strong ethos. However, the Department does not have a lot of tolerance for diversity of opinion.”

Support within DEST for the development of the VET sector was strong with one DEST senior official describing the VET Group as “believing in the fundamental value of strong vocational education and training in Australia...they value the national system and the value of the Commonwealth offering leadership...and are characterised with low turnover and high job satisfaction in departmental surveys.”

The culture of DEST included regular social occasions for staff such as after-work drinks and morning teas for celebrations. The importance of “putting people first” in the work environment was a strongly held value regularly cited by employees.

Questioning of ANTA's role

By 2004, both ANTA officials and senior executives within DEST were questioning the role of ANTA.

When Paul Byrne was approached to act as ANTA's chief executive officer he recognised that:

“Strategically, the organisation was not strong... we were not breaking any new ground nor inventing new directions. The effectiveness of the Board in representing industry views was compromised by the inability of some organisations to get senior representatives onto the Board and by a lack of unity between industry peak bodies... I knew that the CEO of the Australian Chamber of Commerce and Industry was in regular contact with the Prime Minister's office.

“The Board had recently signed onto a 10 year lease for a new building in Brisbane, against my advice. When I returned to ANTA, my first priority was to write a work plan to firmly establish our goals for the coming year. While I was giving an upbeat report of how things were going, I had a sense that my staff did blame leadership for getting them into the situation.”

The Deputy Secretary of DEST, Jim Davidson, noted that the achievements of ANTA were considerable, but:

“As Ministers changed, they asked ‘Why are ANTA sitting at the table at the Ministerial Council? What do they add?’ There was a sense that ANTA were getting involved in triviality, such as training web pages, and that the organisational structure was driving the function. Sometimes you set up structures to make change, to develop another momentum. The momentum for ANTA was embedded in the technicalities of the system for which it was responsible. I felt a sense that everyone was engaged in the business of training, not in what training was supposed to facilitate.”

Di Lawson, CEO of the Community Services and Health Industry Skills Council, noted circumstances where ANTA contracted development of Training Packages to other parties, rather than the relevant Industry Skills Council.

“For a national package, the Industry Skills Council goes through a robust process of consultation to ensure the package is suitable. For the health sector, our employees are highly unionised and structured. Our consultation includes involving all players including unions – we give a voice to many parties. The contractor may only consult with ‘three men and a dog’. This does not equate to a viable training package.”

However, Jim Davidson noted that the Industry Skills Councils, originally designed to engage industry on training, had become “bureaucratised”.

“We have had complaints that the Industry Skills Councils do not represent industry and are intruding on the legitimate role of industry associations. There is a sense that the structure had outlived its usefulness.”

Another senior official from DEST saw some administrative confusion developing within ANTA:

“The information systems between the Melbourne and Brisbane office did not align, which created problems when information was shuttled between them. Documents sent by stakeholders were never received or lost. There was a sense of a labyrinth of committees and a tendency to contract out rather than make a decision.”

Yet another senior official from DEST noted, “They were not responsive to clear Commonwealth Government policy, instead taking these matters to their Board. ANTA regularly met with its Board in Brisbane but rarely saw the Commonwealth Minister.”

Rebecca Cross, Branch Manager in DEST, noted that outsourcing of work by ANTA may have reduced its standing in the VET sector.

“Early on, in my view, they did work in-house. Towards the end, ANTA was commissioning consultants. From where I was sitting they moved from an internal capacity to a project management/steering committee role to get results. You lose intellectual property when you do not do the work yourself. When you do it in-house, you own the result inside out. There was a genuine need for ANTA to be a leader and to have the intellectual capacity to drive the agenda for VET.

“This shift may have been due to a shortage of staff, as the investment in ANTA had not increased. They had 82 positions filled in 2004 with 20 vacant which could not be filled due to resourcing issues.”

The decision to abolish ANTA was made within the context of the Uhrig Report⁸ – a 2004 review of corporate governance of Commonwealth statutory authorities and office holders. The report recommended clearer lines of accountability between Commonwealth Government authorities, through portfolio agencies to Ministers and Government. In the case of ANTA, this entailed the transfer of its responsibilities to a portfolio agency - DEST. The transfer of several other Commonwealth statutory authorities into government agencies was also included in the announcement concerning ANTA.

Continuing the business of ANTA

Aurora Andruska, Group Manager of the VET Group in DEST, returned to her office from lunch and gathered more information on the Prime Minister’s decision to abolish ANTA. The press release noted the abolition was scheduled for 30 June 2005, giving DEST eight months to gain sufficient knowledge to manage the national training system. Andruska’s immediate concern was that if the function was transferred to Canberra, many of the staff in the Melbourne and Brisbane offices would not wish to relocate to Canberra. She considered that an exceptionally good result would be if 10 of the 80 staff were happy to relocate. Even if this were the case, the Department would still lose 12 years of expertise about the national training system in eight months time.

⁸ Senator, the Honourable Nick Michin, ‘Australian Government response to Uhrig Report’, media release, 12 August 2004

Exhibit 1

ANTA's Organisation Chart as at 11 October 2004

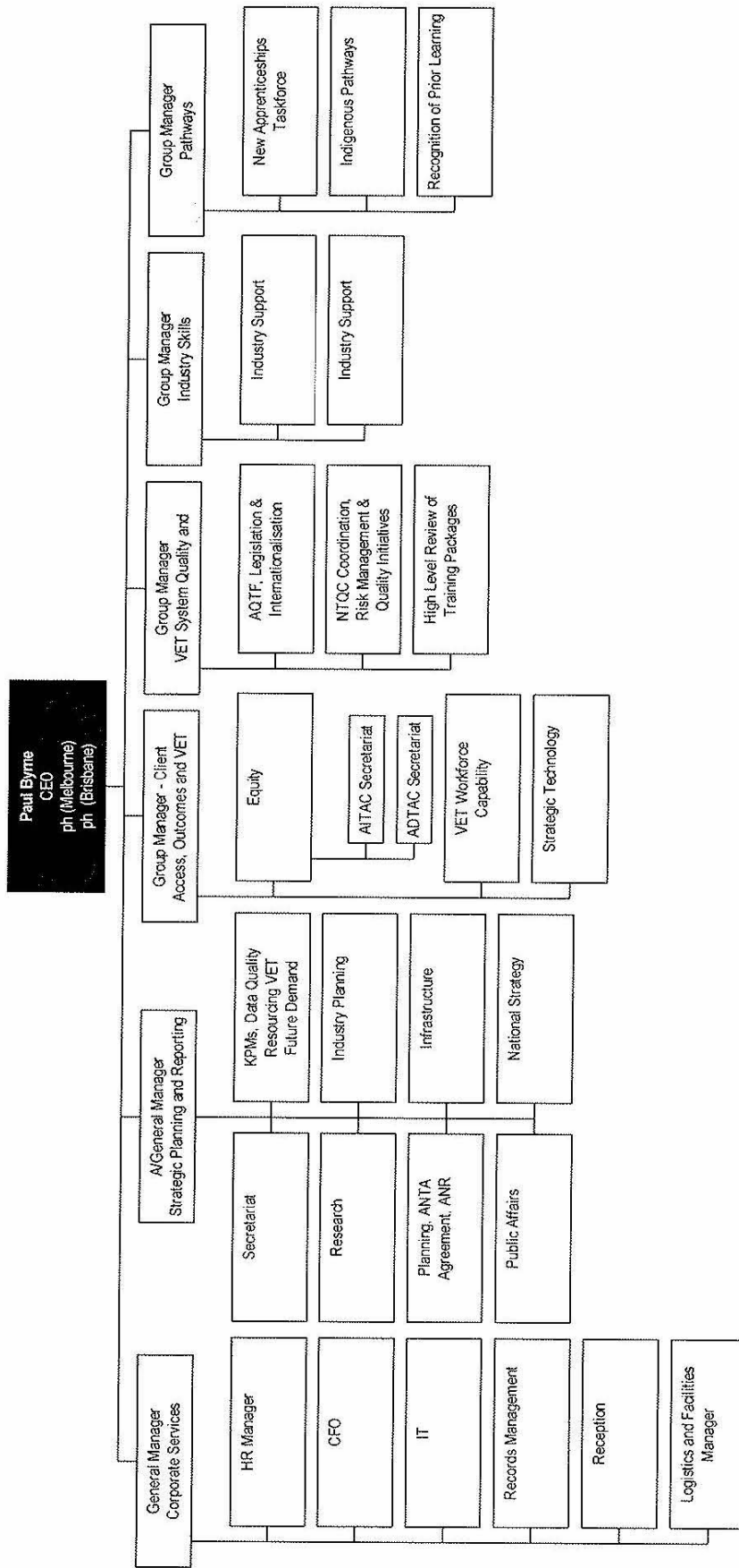


Exhibit 2

Australia's National Vocational Education and Training System before 1 July 2005

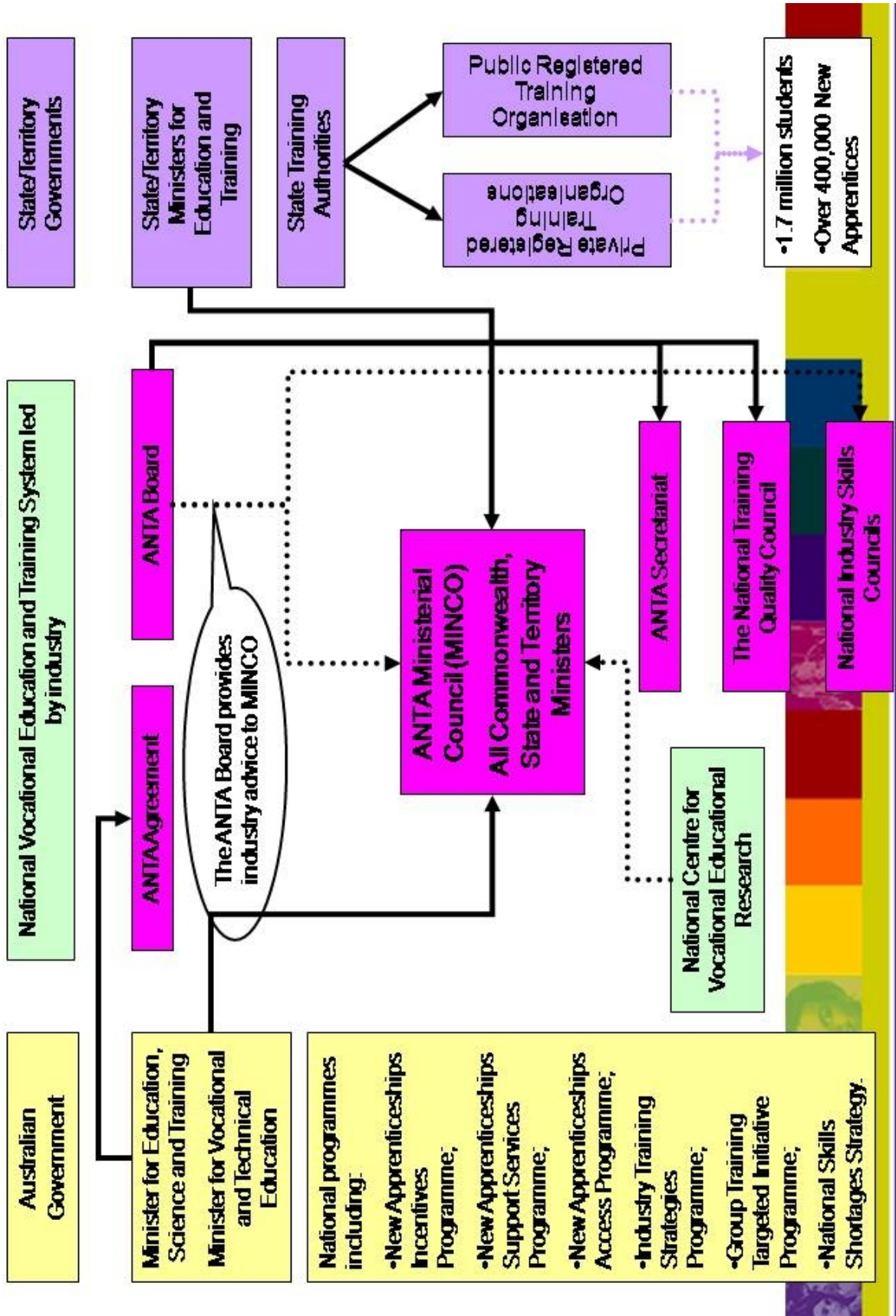


Exhibit 3: DEST Organisation Structure 2004

