

COUNCIL OF AUSTRALIAN GOVERNMENTS

FACT SHEET

NATIONAL PARTNERSHIP FOR PRODUCTIVITY PLACES PROGRAM

What is the content of the Agreement?

The Productivity Places Program (PPP) is part of the Commonwealth Government's *Skilling Australia for the Future* initiative and aims to reduce skills shortages and increase the productivity of industry and enterprises. The Commonwealth, and State and Territory (the States) governments are committed to increasing investment in training and ensuring that it is targeted to address areas of skills shortages across the Australian economy. Through this program all governments aim to increase the number of people with qualifications and the number of people with higher level qualifications.

The Council of Australian Governments (COAG) has agreed to a National Partnership (NP) for the delivery of training under the PPP that will target areas of current skill shortage and emerging skill needs. Delivery of these training places will help to make training more flexible and responsive to the needs of industry, employers and individuals. Through this Agreement, the States agreed to deliver an additional 402 881 qualification commencements for job seekers and existing workers over three and half years.

The Commonwealth agreed to fund 100 per cent of places for job seekers and 50 per cent of places for existing workers. The States agree to fund 40 per cent of places for existing workers, with the remaining 10 per cent to be funded by private contributions. The Commonwealth has previously committed \$1.2 billion for this NP.

The NP will commence on 1 January 2009 and expire on 30 June 2012. States entering into the NP will be required to develop implementation plans which demonstrate how they will manage and implement the training places and meet the conditions of the NP. Implementation plans are to be provided to the Commonwealth for approval by 12 December 2008.

What will the impact of the Agreement be?

The NP for PPP will assist in meeting the following outcomes that were agreed at the March 2008 COAG meeting:

- the working age population has gaps in foundation skills levels reduced to enable effective educational, labour market and social participation;
- the working age population has the depth and breadth of skills and capabilities required for the 21st century labour market;
- the supply of skills provided by the national training system responds to meet changing labour market demand; and
- skills are used effectively to increase labour market efficiency, productivity, innovation, and ensure increased utilisation of human capital.

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What will change?

This training will be in addition to current efforts. It will increase the total investment in training by all governments. For a small investment of 10 percent of course fees, enterprises be able to commit to up-skilling their workforce. The NP for PPP will facilitate a more collaborative partnership between the Commonwealth and the States in the delivery of training and will increase the skill level of those in work and those seeking work.

The States have agreed to provide projections of when the additional training will be delivered on an annual and monthly basis.

The States also agreed that all training delivered under this NP will be in addition to their current training effort.

What are the benefits that will flow from the NP?

This NP will support productivity growth, increase workforce participation and address skills shortages. The implementation of the NP for PPP will assist:

- all working age Australians to have the opportunity to develop the skills and qualifications needed, including through a responsive training system, to enable them to be effective participants in, and contributors to, the modern labour market;
- individuals to overcome barriers to education, training and employment and to be motivated to acquire and utilise new skills; and
- Australian industry and businesses to develop, harness and utilise the skills and abilities of the workforce.

To support the NP, the Commonwealth has agreed to provide data and information to Skills Australia to assist it in identifying industries, occupation and regions that are experiencing skill shortages, and to establish a national priority list based on advice, including from Skills Australia. Further, Industry Skills Councils will play a key role in the brokerage of training.

COAG also agreed to the development of a national data portal by 2012 for all government funded training delivery, encompassing AVETMISS reporting requirements and allowing for the tracking of individual students. Prior to this, reporting will occur through AVETMISS.

When will the changes take effect?

The NP for PPP will be in place from 1 January 2009 to 30 June 2012.

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QUESTIONS AND ANSWERS

1. What are the conditions of funding?

To receive Commonwealth funding, the States will be required to develop an implementation plan that identifies:

- the anticipated trajectory of delivery of training;
- any industry, occupation or qualification that will be a particular focus;
- how enterprises and industry representatives will be engaged in the program to identify skills needs and facilitate the delivery of training;
- the role of national Industry Skills Councils in the brokerage of training;
- the role for Employment Service Providers (ESPs) in the brokerage of training. This is a continuation of the existing role of ESPs in the job seeker element of the program;
- the process for ensuring that national enterprises only need to work with one point of contact rather than each State or Territory;
- the process for establishing a contestable environment for the delivery of training in which public and private providers can compete;
- the arrangements that will be put in place to ensure that the minimum 10 per cent private contribution is levied in aggregate for training of existing workers; and
- how it will be established that training funded under the program is in addition in existing effort.

There are other conditions of agreement including reporting on activity and outcomes and a role for Skills Australia in identifying priority occupations.

2. How will funding be allocated to States?

Funding is allocated to each State on the basis of its share of the working age population.

3. What kind of training will be funded under the NP PPP?

- Nationally recognised qualifications
- Certificate II to Diploma levels for job seekers
- Certificate III to Advanced Diploma levels for existing workers

The Commonwealth will allocate places to each state according to the following qualification profile:

- two thirds of job seeker places will be targeted to a minimum of Certificate III level;
- 50 per cent of existing worker places will target Diploma and Advanced Diploma levels; and
- 40 per cent of existing worker places will target Certificate IV level.

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Training will be available in qualifications that employers have identified as being in skills shortage. The duration, timing, and location of courses will depend on the qualification chosen.

4. What will be the funding split between the Commonwealth and States?

The Commonwealth will fund 100 per cent of the cost of job seeker places. Existing worker places will be jointly-funded by the Commonwealth (50 per cent), States (40 per cent) and enterprises/individuals (10 per cent).

5. Will the NP be extended beyond 30 June 2012?

Prior to the expiration of the NP for PPP at the end of the three and half years, its success will be evaluated and a decision made at that time.

6. What if the States do not sign up?

Individual States can elect not to participate in the NP PPP. The Commonwealth is working collaboratively with each State to negotiate mutually beneficial arrangements.

7. How will Registered Training Organisations be selected?

States must offer funding on an open basis, in which all registered training organisations, both public and private, can compete to provide the training if they meet conditions of financial viability; registration and data compliance with the AVETMISS for publicly-funded training.