MINTRAC

NATIONAL MEAT INDUSTRY TRAINING ADVISORY COUNCIL LIMITED

The Secretary
Senate Economics Committee
PO Box 6100, SG. 64
Parliament House
CANBERRA ACT 2600

13 April 2012

PROCESSING

Dear Sir/Madam

Thank you for the invitation to provide a submission to the **Inquiry into the National Vocational Education and Training Regulator (Charges) Bill 2012.**

This submission has been prepared by the National Meat Industry Training Advisory Council (MINTRAC). MINTRAC provides products and services to the Australian Meat Industry in the areas of education and training. Part of its role is to provide advice to State and Federal Governments in relation to the training needs and requirements of the Australian meat processing industry. With strong links to Industry and Registered Training Organisations (RTOs), the organisation has well-established industry relationships and is valued by the industry for its expertise in education and training.

SMALLGOODS

Sixty-three RTOs currently provide services to the Australian meat industry. Of these:

- 25 are Public providers, such as TAFEs
- 13 are Private RTOs
- 10 are Enterprise RTOs
- 15 are inactive, or provide only occasional services to the industry.

RETAIL

In preparing to make this submission, we contacted each of the RTOs and invited their comments. As expected, most of the major public providers did not respond, and those that did answer indicated that they were making separate submissions or were being represented by their own peak organisations.

We received a mixed response from the private and enterprise RTOs, most of which provide services predominantly to the meat industry.

An overriding response was the lack of information available on which to provide comment. Essentially we were being asked to comment on the Bill's intention that audits for all registered training organisations be undertaken on a cost recovery basis. Even after looking more closely at the detail in the Bill itself, it simply stated that the fees would be set at the discretion of the Minister.

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With this in mind, the types of concerns raised by our RTOs included the following.

1. Does 'cost recovery' include auditor travel time and costs – in which case this is a significant impost on the smaller, regional RTOs?
2. Does 'cost recovery' include report writing and preparation time, and if so, how will the amount of time taken be controlled?
3. Does the 'cost recovery' include appeals to audit findings and outcomes, and to what extent, especially if the appeals are upheld?
4. Does the 'cost recovery' include the addressing and closing out of corrective actions, and if so, how will this practice be monitored to ensure that the system is not abused by auditors?
5. One RTO stated: "Already moving to ASQA has seen our audit cost increase from $3 000 to $17 000; full cost recovery based on earlier modelling will push it up to $32 000."
6. Smaller RTOs indicated that they already felt overwhelmed with costs associated with financial audits, insurances and compliances; and that their profit margins had already significantly decreased with greater competiveness and reduced access to User Choice. Please note that this has been quite significant in the meat industry with both state and federal restrictions to the Certificate II Traineeships which constitute the majority of training enrolments in the industry. Since the beginning of this year, one RTO has closed down, another has withdrawn from providing services to the meat industry and a third is considering relinquishing its RTO status.

Given the short time frame provide to collect and evaluate responses, especially with Easter and a school holiday period occurring at the same time, we have been unable to collect further information to support this submission.

Yours faithfully

Jenny Kroonstuiver

Chief Executive Officer