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FROM THE MINISTER FOR EDUCATION AND TRAINING

Tuesday May 30, 2006

## **\$367 MILLION TO MAINTAIN VICTORIA'S SKILL ADVANTAGE**

A **\$367 million** budget investment will encourage more young Victorians to take up and complete a trade, boost the skills of our workforce and help grow the economy into the future.

Education and Training Minister Lynne Kosky said a \$500 'Trades Bonus' would be introduced with **\$36 million** over four years to combat an alarming high first year apprentice drop-out rate.

Another **\$6.2 million** has been allocated to boost the accommodation allowance for around 2700 apprentices and trainees in regional Victoria from \$7.40 to \$25 per night.

"The Bracks Government is continuing to invest in skilling our workforce to create more jobs and help make Victoria an even better place to live, work and raise a family," she said.

"Around one in every three apprentices drop out of their apprenticeship in their first year.

"Now up to an estimated 17,500 first year apprentices will receive two payments of \$250 annually – one mid year to help meet the costs of training, the other at the end of the year following re-enrolment to provide an incentive to continue their studies."

The Bonus will be available to people starting apprenticeships from January 1 this year.

She said other initiatives funded over the next four years in the 2006-07 State Budget to help meet the challenges of ensuring a skilled workforce included:

- **\$47.2 million** to continue the successful Victorian Certificate for Applied Learning;
- **\$10 million** to build a state-of-the-art facility on Swinburne's Wantirna campus, to deliver training in sustainability and environmental design;
- **\$11 million** for South West Institute of TAFE to complete the final stage of redevelopment at its Warrnambool campus, including construction of state-of-the-art IT laboratories, classrooms and facilities for visual arts students;
- **\$241 million** to fund the Government's recently released major Skills Statement, *Maintaining the Advantage*; and
- **\$15.5 million** to provide new training opportunities in skill areas of high regional demand, such as in engineering skills for wind farm and road and rail projects and electro technology for the power generation industry, as outlined in the provincial statement *Moving Forward*.

Ms Kosky said the Government's major investment in training young people would help build a strong economy and meet the future challenges of an ageing population, skill shortages and increased global competition.

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“Apprentices are the skilled workers of the future. We want to encourage as many young people as possible to not only start an apprenticeship but more importantly, complete it.”

Ms Kosky said the \$6.2 million increase in the accommodation allowance for apprentices and trainees in provincial Victoria would put around \$17 extra in their pockets every night.

“This will help rural and regional apprentices and trainees to offset some of the costs of staying away from home when on study block release,” she said.

Ms Kosky said the \$241 million allocation for the *Maintaining the Advantage* Skills Statement would encourage more young people into trades, provide workers with a chance to update job skills and help businesses match skills training to industry priorities.

Funding includes \$32 million for the creation of new Technical Education Centres (TECs), the first four to be established in Ballarat, Wangaratta, Berwick and Heidelberg.

The other initiatives funded as part of the Skills Statement *Maintaining the Advantage* are:

- \$3.7 million to establish new specialist centres that link industry with trainers, targeting the demand areas of building and construction, information and communication technology and automotive design.
- \$28 million to guarantee funding so all Victorians up to the age of 20 could complete Year 12 or an equivalent qualification;
- \$33 million encouraging pre-apprenticeships in areas of skill shortage;
- \$11 million for older existing workers who did not complete Year 12 to go back to study and gain a qualification;
- \$2 million to employ skills advisors for business;
- \$42 million to help existing workers to upgrade their skills to keep pace with technology;
- \$3 million for information campaigns to encourage take up of careers in trade and manufacturing;
- \$4.1 million to employ more field officers to help apprentices, trainees and employers;
- \$23 million to create 13 new Skills Stores;
- \$48 million to continue the modernisation of TAFE teaching equipment, allowing institutes to keep pace with the new and emerging technology; and
- \$10 million to help business plan for workforce and industry skills needs.

Ms Kosky said the skills of young Victorians would be further enhanced with the \$47.2 million continuation of the successful Victorian Certificate for Applied Learning.

“Schools will be funded to continue employing the equivalent of 120 teachers, so more students are given a chance to enrol in a wider range of VCAL programs,” she said.

“Victoria already has the highest year 12 retention rate of any Australian state, but there is still more to do. We want as many young people as possible to complete Year 12 or its equivalent and VCAL is one initiative that has kept more students at school for longer.”