

Maintaining the Advantage:

# Skilled Victorians

A Victorian  
Government  
initiative



# MESSAGE FROM THE PREMIER

**VICTORIA IS A COMMUNITY OF FIVE MILLION PEOPLE COMPETING IN THE GLOBAL MARKETPLACE AGAINST NATIONS THAT MEASURE THEIR POPULATIONS IN THE HUNDREDS OF MILLIONS.**

To compete internationally we need to be creative and smart. We need to be healthy and dynamic. We need to be highly skilled and diverse. We need to be open to new ideas and new people. We need to speak the world's languages and understand its cultures.

In short, Victoria needs more skilled people to support its skilled-based economy.

We must ensure Victorians have access to the health services, educational opportunities and work environment they need to reach their full potential.

On 10 February 2006, the Council of Australian Governments agreed to a national reform agenda proposed by the Victorian Government that included commitments to protect more families from preventable diseases, lift education levels at all ages, and help more people to participate in the workforce. Our skills strategy, *Maintaining the Advantage*, is designed to complement the national reform agenda by setting out Victoria's action plan to:

- increase young Victorians' involvement in education and training
- provide more opportunities for Victorians of all ages to upgrade their skills
- introduce more flexibility and choice for students
- match training priorities to business needs
- help people of all ages participate in the workforce.

Victoria faces significant challenges in the years ahead, such as an ageing population, increased global competition, a skills shortage and falling workforce participation rates, but we can turn those challenges into opportunities.

To do so we need to invest in our people – the current and future generation of workers; the men and women who power our economy and produce our prosperity.

STEVE BRACKS  
*Premier of Victoria*

# MESSAGE FROM THE MINISTER FOR EDUCATION AND TRAINING

**VICTORIA'S EDUCATION AND TRAINING SYSTEM WILL MAINTAIN ITS LEADERSHIP POSITION, PROVIDING OPPORTUNITIES FOR ALL VICTORIANS TO ACHIEVE THEIR BEST EMPLOYMENT OUTCOMES IN THE FACE OF UNPRECEDENTED WORKFORCE CHALLENGES.**

When the Government came to office more than six years ago, we set about reforming the education and training sector to provide access to high-quality education and training opportunities for all Victorians. The rationale for this action is simple: a world-class education system underpins the success of individuals, the economy and the wider community.

The effectiveness of an education and training system can be measured in terms of how well it meets the new and emerging needs of individuals and businesses. Industry needs workers with the right skills and knowledge, and individuals need the skills to equip them for changing employment opportunities.

By focusing our efforts to date on broadening Victoria's skills base, with an emphasis on specialisation, we have laid the foundations for a successful and competitive economy. We have reformed the training sector to ensure that Victorians have the skills to compete internationally.

We have already done much to create an effective education and training system. We are now taking the next steps to ensure that we continue to meet emerging challenges. *Maintaining the Advantage: Skilled Victorians* is the Government's strategy to produce skilled individuals who will lead industry and the community into the future. It builds on our *Knowledge and Skills for the Innovation Economy* statement of 2002.

*Maintaining the Advantage* responds to the demand for higher qualifications and skills in an increasingly competitive and innovative global economy, one that is characterised by an ageing workforce and changing industry needs. Our four key actions are to:

- provide greater opportunities for students to participate in vocational education and training while at school – Starting earlier
- encourage people to aim higher and extend their skills throughout their working life – Learning longer
- open up employment opportunities that demand higher-level skills – Getting smarter
- provide better information about career pathways and training opportunities and make the training system more responsive – Making it easier.

Through these actions, we will continue to build a skilled Victorian workforce, one that safeguards our economic and social place in the global community.

LYNNE KOSKY  
*Minister for Education and Training*

# MAINTAINING THE ADVANTAGE HIGHLIGHTS

THE GOVERNMENT'S HIGHEST PRIORITY CONTINUES TO BE GOOD JOBS AND BETTER ECONOMIC OUTCOMES FOR VICTORIA, THROUGH INVESTMENT IN QUALITY EDUCATION AND TRAINING OPPORTUNITIES. *MAINTAINING THE ADVANTAGE* INCLUDES NEW INVESTMENT OF \$241.47 MILLION, INCLUDING:

- \$28.22 million to provide a guaranteed place in TAFE institutions or other public providers to students aged under 20 to complete year 12 or an equivalent training qualification
- investment of \$33.22 million over four years to expand opportunities for young people through additional pre-apprenticeship programs. This initiative will fund an additional 4,500 pre-apprenticeship places
- the Government will work with industry to accelerate apprenticeship completions while ensuring quality training outcomes
- \$32 million over three years to establish Technical Education Centres (TECs) for senior secondary students linked to TAFE institutions
- investment of \$10.88 million to fund 1,800 places for 35 to 64-year-olds (at Certificate III level and above) who do not have a year 12 or equivalent qualification
- new investment of \$42.26 million to fund an additional 3,500 vocational education and training places in higher-level qualifications in key occupations and industries
- introduction of an approach to quality assurance that recognises excellent training organisations
- \$48 million to enable TAFE institutions to keep pace with new and emerging technological changes and better align teaching equipment to industry standards, ensuring that students are well-prepared for the workplace
- ensuring every Victorian can better their employment opportunities by improving qualifications and skills, through an investment of \$23.46 million to develop 13 skills stores across Victoria. Skills stores will aid in the formal recognition of prior learning, enabling adults to more easily gain qualifications without repeating training in skills and knowledge already gained
- providing \$10.57 million to help Victorian businesses, and manufacturers in particular, to plan their future workforce
- better access to information. From 2007, individuals and employers seeking information about gaining new or upgrading existing skills will be able to access information about vocational education and training providers online.

# INTRODUCTION

**FOR MORE THAN SIX YEARS, THE VICTORIAN GOVERNMENT HAS DEMONSTRATED ITS COMMITMENT TO EDUCATION AND TRAINING BY INVESTING IN A SYSTEM THAT DELIVERS BETTER SKILLS OUTCOMES.**

**Victoria's vocational education and training (VET) system leads the nation in many key areas.**

VET offers opportunities to young people entering the labour market as well as older people updating their skills and knowledge. VET trains young employed students through apprenticeships and traineeships, while older workers use VET to top up their job skills. Our vocational education and training system has the highest participation rate of any state, and continues to grow. In 2004 a higher percentage of Victorian VET graduates, compared with the national average, were employed after training.

Our other achievements to date in education and training are impressive: there are more young Victorians successfully completing year 12 or an equivalent training qualification; the proportion of Victorians participating in post-compulsory education and training has significantly increased; and we have invested in high-quality learning facilities.

The Government must maintain our advantage and secure Victoria's position as the country's most successful vocational education and training provider. It will achieve this by offering opportunities for industry and individuals to attain the skills they need.

*Maintaining the Advantage: Skilled Victorians* builds on our achievements, making vital changes to our education and training system. These changes will ensure we:

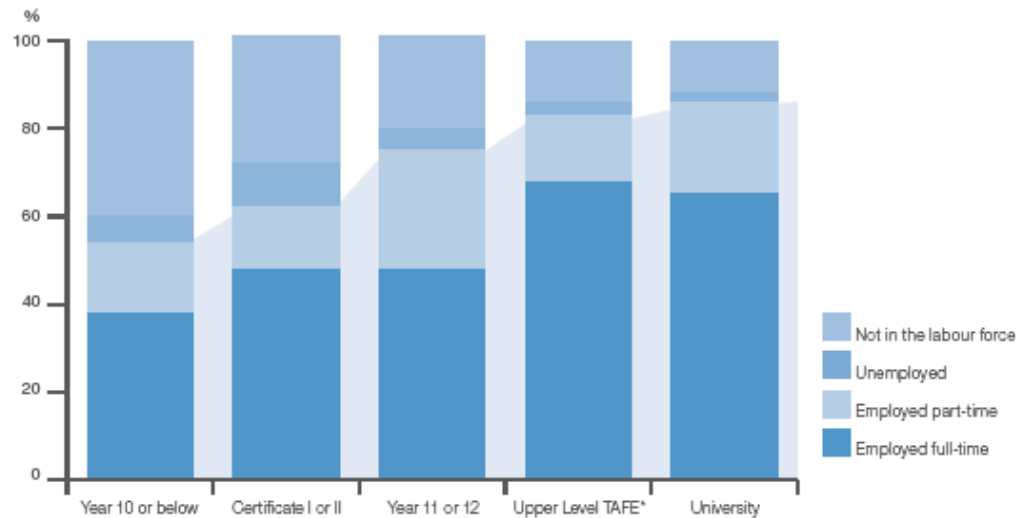
- have better skills, and more of them, to better function in an economy increasingly driven by innovation
- meet the challenges of an ageing population in an environment where there could be skills shortages in some industry sectors
- are equipped to prosper in the face of increased global competition.

*'Human capital is the most important capital ... Lose the drivers of discovery and technological development and the financial sectors are likely to follow.'*

– Professor Peter Doherty, Nobel Laureate

## HIGHER QUALIFICATIONS LEAD TO BETTER JOBS

Figure 1: Employment status and highest level of education, Victoria



\* Certificate III & IV, Diploma and Advanced Diploma

Source: ABS Survey of Education and Training, 6278.0, 2001

We will continue to increase the number of highly skilled workers in industry areas of strategic importance to Victoria. We are committed to developing skills further to maintain economic growth and competitiveness.

The connection between education and employment is illustrated in Figure 1, which shows that higher levels of educational attainment lead to greater workforce participation. All Victorians (individuals, their employers and the wider community), benefit from more education opportunities and higher skill levels, and a highly skilled workforce will become an increasingly critical factor in our future prosperity.

The Government will invest more than \$240 million in new and expanded education and training initiatives that strengthen Victoria's workforce skills, take advantage of opportunities, and drive the next generation of quality jobs.

The four actions guiding *Maintaining the Advantage* are:

- Starting earlier – by providing greater opportunities for students to participate in vocational education and training while at school, we increase their chances of further employment
- Learning longer – by encouraging new entrants, existing workers and adult learners to develop skills throughout working life, we will retain workers and meet the future needs of industry
- Getting smarter – by giving all Victorians access to opportunities to increase their skills levels, we can take advantage of opportunities in higher-skilled and better-paid work
- Making it easier – by providing individuals and employers with easy access to information about training options, we will ensure that our education and training system can respond to future skills needs in a timely and efficient way.

# LEADERSHIP AND INVESTMENT

**'VICTORIA'S LEADERSHIP ON SKILLS, EDUCATIONAL ATTAINMENT AND TRANSITIONS IS LONGSTANDING AND DESERVES RESPECT.'**

*– Dusseldorp Skills Forum*

**Over the past six years, Victoria's strong economic base has been supported by an additional investment of \$5.44 billion in our education and training system. This has helped Victoria become the nation's leading training provider.**

Since coming to office in 1999, the Government has invested an additional \$620 million in Victoria's vocational education and training (VET) system including:

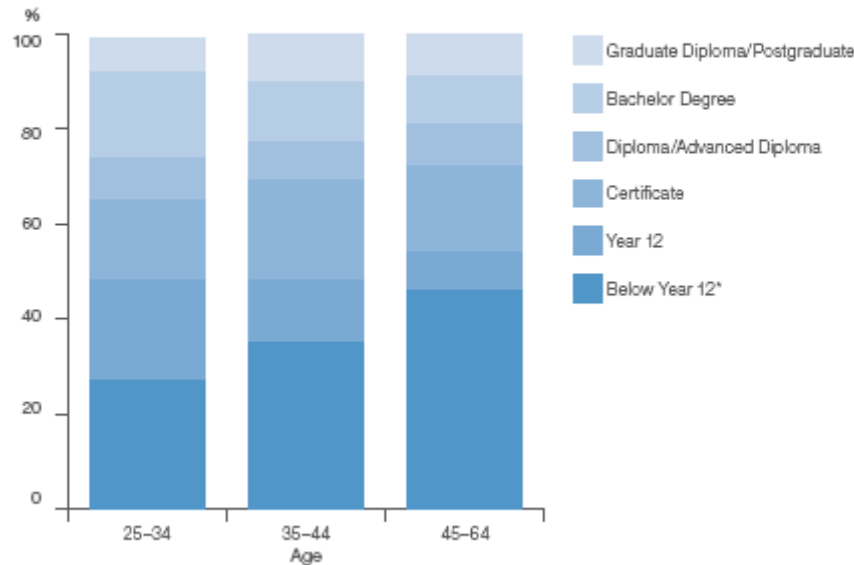
- allocating \$230 million for TAFE capital works, including major upgrades to most TAFE institutions
- providing \$90 million for innovative training programs for Victorians (including young people, mature-age workers and people with disabilities) providing \$12.5 million for an additional 1,600 pre-apprenticeship training places. Arrangements are now in place in key sectors including building and construction, automotive and engineering
- providing \$11 million to assist up to 9,900 parents prepare to return to work after being at home caring for children, with up to \$1,000 per person provided for training and related expenses such as childcare and books
- providing over \$65 million to employers as a completion bonus for assisting employees to complete their apprenticeship and traineeship contracts
- making available over \$10 million annually in fee concessions that help enable access to VET for over 100,000 Victorians.

**However, new challenges lie ahead. Demographic trends make it important that Victoria tackle these challenges strategically and proactively. Victorians are living longer, the birth rate is declining, fewer young people will be entering the workforce and the average age of existing workers is rising. We must invest in helping more Victorians gain the skills they need for productive employment throughout their lives.**

## THE CHALLENGE OF THE AGEING POPULATION

Figure 2 shows that older workers have a smaller proportion of higher-level qualifications than other age groups.

Figure 2: Proportion of Victorians with qualifications by age group



\* Highest educational attainment at Years 9, 10 or 11

Source: ABS Survey of Education and Training 6278.0, 2001

The skills requirements of employers need to play a greater role in shaping the development of training and education in our state. Many Victorian employers are concerned that they will not be able to recruit enough people with the skills that they require. In addition, employers are increasingly aware of the need to upskill and reskill their employees and are seeking training that is flexible and responsive. Better skilled workers will enable employers to be more innovative and introduce new products and ways of working. This will create more jobs by enabling our economy to be more competitive.

Better information and recognition of skills will make it easier for Victorians to gain high-quality education and training. We will provide better information and reform the way that we provide training.

## Accessing Skills Training

### VOCATIONAL TRAINING FOR YOUNG PEOPLE

- 36,000 students (up from 15,000 in 1999) in 560 schools combining vocational education and training (VET) with Victorian Certificate of Education (VCE) or the Victorian Certificate of Applied Learning (VCAL)
- 4,600 school-based new apprentices (up from 690 in 1999)
- More than 10,000 students in the VCAL (program introduced in 2002)31 Local Learning and Employment Networks improving education and training outcomes for youth
- Managed Individual Pathways Program and youth Pathways Program assisting young people to develop self-management skills and make the transition to employment and further education

### TAFE INSTITUTIONS

- 18 TAFE institutions
- 350,000 enrolled students – including 49,000 apprentices and trainees

### PRIVATE REGISTERED TRAINING ORGANISATIONS (RTOS)

- More than 1,200 private RTOs

- More than 200 RTOs receiving Government funding to train 50,000 students a year – including 40,000 apprentices and trainees

#### ADULT COMMUNITY EDUCATION (ACE)

- More than 370 ACE providers receiving Government funding to train 90,000 students a year. ACE attracts learners in all age groups (over 70 per cent of ACE enrolments are women) including those with few or no qualifications.

#### UNIVERSITIES AND HIGHER EDUCATION PROVIDERS

- Nine universities – including four with TAFE divisions
- 241,000 higher education students
- 42 private higher education providers
- Four stand-alone TAFE institutions approved to deliver degree programs

#### GROUP TRAINING ORGANISATIONS (GTOS)

- 24 GTOs receiving Government funding
  - Employing more than 5,500 apprentices and trainees
  - Assisting business with skilled worker

#### INDUSTRY ENGAGEMENT

- 16 Industry Training Advisory Bodies
- 19 Specialist Centres
- Apprentices and trainees
  - Training funding increased from \$109 million in 1999 to \$188 million in 2005
  - 80 per cent increase in numbers from 1999 to reach 133,000 in 2005
  - up to \$3,500 bonus to employers for each completing apprentice/trainee
- Skilled Migration Strategy
  - Aims to increase Victoria's national share of skilled migrants to 25 per cent by 2007
- Mature-age workers
  - More than 63 per cent of VET students are aged over 25 years, with the average age being 32.6 years

#### PARTICIPATION IN SKILLS TRAINING

**Victoria has the highest completion rate for Year 12 or an equivalent training qualification of all states and is the recognised leader in skills-based education and training.**

More young people and adults are gaining more qualifications than ever before. Victoria's skills system delivers quality education and training throughout communities in provincial and metropolitan Victoria to maximise access to employment. Skills training is provided by schools, registered Training Organisations (RTOs), Technical and Further Education (TAFE) institutions, Adult and Community Education (ACE) providers and universities.

Victoria leads the nation with 89.2 per cent of 15 to 19-year-olds engaged in full-time education or training, full-time work, or in both part-time work and part-time education or training. Total vocational education and training activity has increased by 21.2 per cent between 2000 and 2004 and participation in VET (as a school-based activity) doubled.

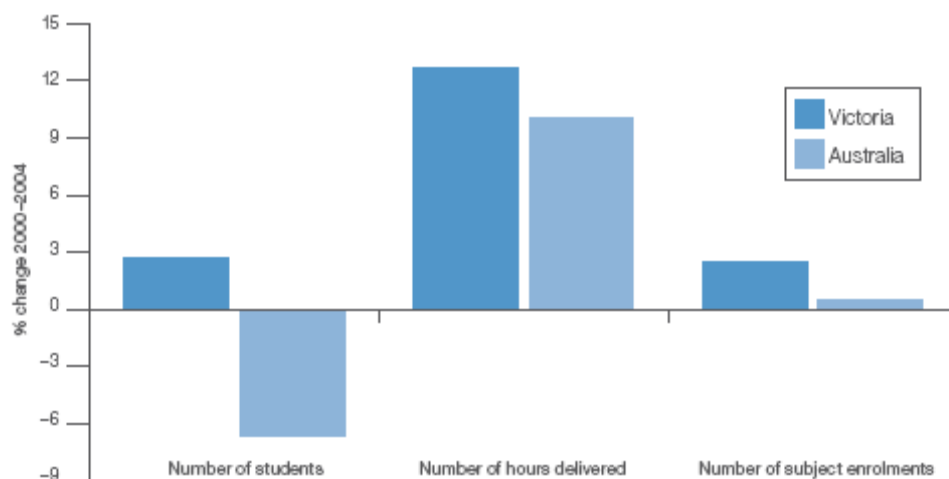
**Comparisons with systems across the nation confirm that Victoria's VET system is the most cost-effective, has the highest participation rate, leads in industry engagement, and continues to grow to meet the changing demands and needs of industry and individuals.**

More Victorian trainees and apprentices obtained a qualification than those in other Australian states. Victorians aged 15 to 19 years started an apprenticeship or traineeship at rates above the national average. Substantially more Victorians commence apprenticeships and traineeships at a higher qualification level, with 75 per cent of qualifications at Certificate III or above (compared with 64 per cent nationally).

Recent education and training initiatives have had a major impact on Victorians of all ages. In 2004, 87 per cent of Victorian VET graduates were satisfied with the outcomes of their training. The number of VET students aged 45 to 64 has increased by 20 per cent. Demographic trends make it imperative to increase participation of that age group in education and training. People are living longer, fewer people will enter the labour market in coming years and the average age of the workforce will increase.

Victoria has continued to exceed the Australian average in growth in VET delivery. Between 2000 and 2004, the number of students enrolled in VET grew by 2.7 per cent and the number of training hours delivered increased by 12.7 per cent.

Figure 3: Victoria exceeds national average in VET growth



Source: National Centre for Vocational Education Research, Australian Vocational Education and Training Statistics, 2004

The significant growth in vocational training is a result of more individuals and employers seeking higher-level qualifications to meet the changing needs of the workforce and the community.

**To meet Victoria's future skill requirements, the VET system must continue to expand over the next decade. All our major competitors are investing in skills to ensure innovation and growth and so must Victoria.**

#### ***Government-funded Centre for New Manufacturing trains students and benefits industry***

*Swinburne University's Centre for new Manufacturing was established as part of the Victorian government's Knowledge and Skills for the Innovation Economy initiative. The Centre received \$450,000 in government funding to provide specialist training linked to new and emerging manufacturing technologies such as nanotechnology, microtechnology and computer-aided engineering.*

*Engineering companies including headland, DMG, Marrand and Festo use the facility as a demonstration centre for clients. Through these arrangements, the Centre has received equipment valued at over \$2.5 million, providing students with access to the latest technologies. New companies and small manufacturers are also able to access the Centre's latest and most sophisticated manufacturing technologies.*

*The Centre brings together students, teachers, equipment suppliers and manufacturing companies to shape materials into new forms, develop and test prototypes, and showcase new manufacturing technologies and processes.*

*In this spirit of collaboration, the Centre has established a network of VET providers. Areas of collaboration include the development of new training programs, courses*

and learning resources, and the acquisition and use of equipment, facilities, and specialist consultants and trainers.

## FUTURE CHALLENGES AND OPPORTUNITIES

**WE CAN BEST MEET THE NEEDS OF AN ECONOMY INCREASINGLY DRIVEN BY INNOVATION BY TURNING CHALLENGES INTO OPPORTUNITIES.**

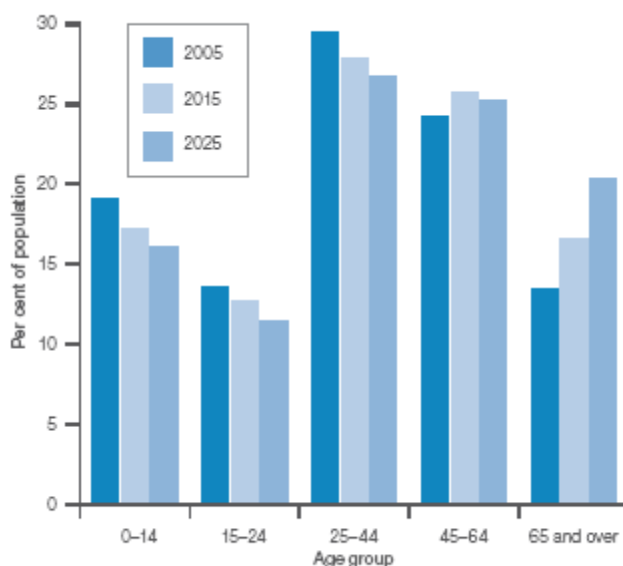
Victoria's economy has thrived over the past five years. Consumer spending, housing construction and business investment have been strong, driving production and jobs growth. unemployment is at a 15-year low and labour force participation is high. The Government wants to ensure that our economy continues to grow and prosper. To achieve this, it will transform some significant future challenges into opportunities.

One challenge is that we are entering a period of unprecedented demographic change. **The ageing population has the potential to reduce productivity growth, participation and skills of our workforce, slowing the growth of our economy.**

Another challenge is that the needs of business and industry are also changing. Business is demanding better skills and more of them, across a range of industries. As we face rising competition from increasingly skilled emerging economies, our workforce must increase its skills and competitiveness.

The rising demand for higher-level skills has the potential to increase levels of social and economic disadvantage. Lower-skilled workers will be at greater risk of unemployment, underemployment and lower paid, less secure employment, while lower-skilled Victorians outside the workforce will find it harder to re-enter it.

Figure 4: Victoria's ageing population



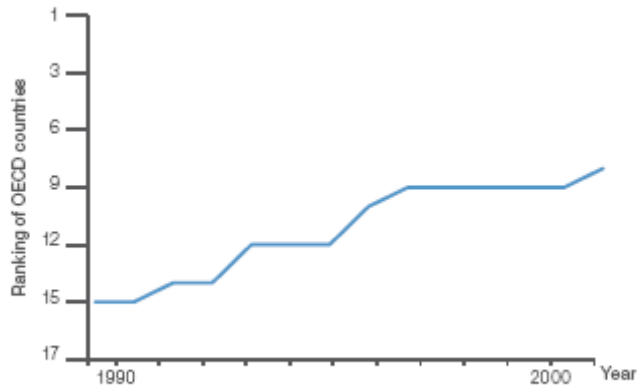
Source: ABS Population Projections, Australia, Catalogue No. 3222.0, Series B, 2005

## MAINTAINING OUR PROSPERITY

Australia's standard of living, measured by gross domestic product per head, has risen rapidly. Australia is ranked eighth (out of 30) in the Organisation for Economic Co-operation and Development (OECD) which demonstrates our high standard of living compared with many other countries around the world.

Victoria has been instrumental in helping to achieve this milestone. To maintain and increase our prosperity, we must introduce reforms aimed at boosting the skills levels of Victorian workers.

Figure 5: Australia's standard of living is rising



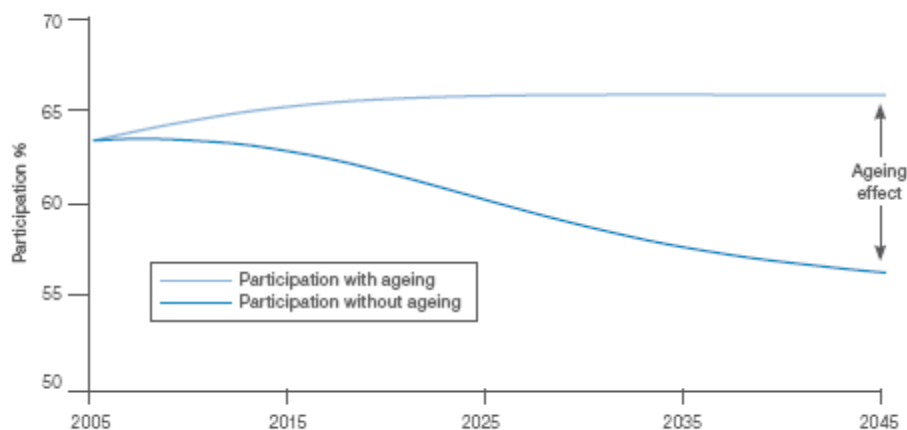
Source: Access Economics, *Macroeconomic Outlook: November 2005*

## ADDRESSING THE CHALLENGE OF AN AGEING POPULATION

A smaller proportion of the population will be in the workforce by 2010. This could lead to reduced economic growth and increased pressure on Government spending.

Victorians are living longer and having fewer children, resulting in an ageing population. The Productivity Commission projects that labour force participation rates in Australia will drop from 64 per cent in 2004–05 to 56 per cent by 2044–45. The effect is expected to be slightly greater in Victoria, given our current age profile and projected birth rates.

Figure 6: Ageing population set to reduce Australia's workforce



Source: *Economic implications of an ageing Australia*, Productivity Commission 2005

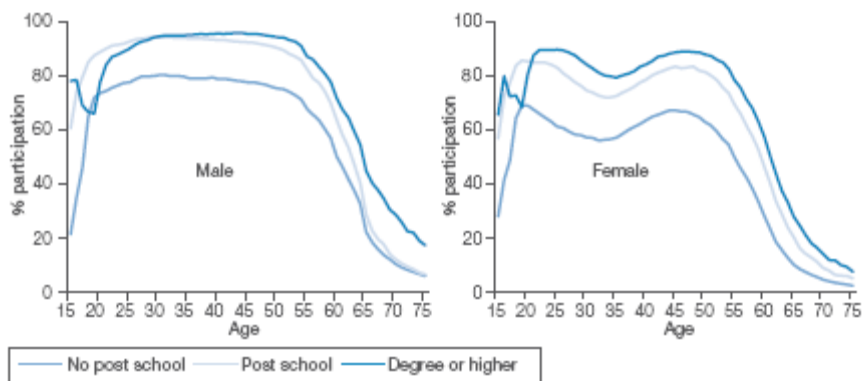
**The economy grows when more people are working. There is potential to lift the workforce participation of some Victorians, particularly:**

- older workers
- lower-skilled workers

– **part-time workers who want more work.**

Recent research suggests that the most effective way to expand the workforce is by increasing further education, and that a greater focus on skills would lift workforce participation. Increasing year 12 completion rates would be an important driver, with adult education playing a significant role in boosting labour market retention and re-entry.

Figure 7: Higher-level education boosts workforce participation



Source: Economic implications of an ageing Australia, Productivity Commission 2005

**Workforce training boosts productivity for Goodyear Belting**

A strong focus on workforce skills development has been integral to the rapid growth and success of Goodyear Belting, Bayswater, a company that makes conveyor belts for the mining industry. Recent expansion of the Australian mining sector and new export markets, especially in China, have helped the company to enter a rapid growth phase since 2000, with employment growing from 16 to 105 jobs.

In 2000, Goodyear Belting used a Victorian government grant to carry out a skills audit. This led to the development and subsequent expansion of a training program integrated with traineeships and benchmarked to national competency standards.

All Goodyear Belting employees, whether new recruits or existing workers, undertake training leading to a Certificate III in the Plastics, Rubber and Cablemaking training Package, which involves on and off-the-job training. The training dividend is clear: Goodyear Belting has experienced significant productivity growth, and employees have enjoyed the opportunities that stem from developing higher-level skills and expanding their skill sets.

Goodyear Belting's training Manager, Georges Wilmann, believes that a continued focus on training will help Goodyear Belting prosper well into the future. 'There is tremendous growth potential in this industry, but to take advantage of it, a company like Goodyear Belting really needs to build the skills of its workforce. Over the last few years we've managed to achieve this, and it's something that we're going to keep on doing.'

In August 2005, Goodyear Belting was awarded a Certificate of Manufacturing Excellence from Victoria's Manufacturing hall of Fame, a fitting recognition for the company's commitment to workforce training, innovation and export achievements.

## MEETING THE CHANGING NEEDS OF BUSINESS AND INDUSTRY

Victoria is experiencing official skills shortages across a range of industries and occupations, and many employers report difficulty in recruiting skilled workers. The reduced enrolment of young people in traditional trades is exacerbating the problem. As the population ages and the workforce shrinks, short-term skills shortages may become more frequent.

Building workforce skills is critical to meeting the changing needs of business and industry. Occupations requiring higher skills will represent nearly 44 per cent of employment by 2013, up from 36 per cent in 1996. Over 50 per cent of projected employment growth is expected to come from the fastest growing industries (property and business services, education, and health and community services), which employ relatively highly skilled workers. There is also a general trend across all industries to employ more highly skilled workers.

There are already signs that opportunities exist for Victorian businesses capable of designing and delivering cutting-edge products. The Government has identified the following priority industries where Victoria has a strategic capability:

- Biotechnology
- advanced manufacturing
- design
- information and communication technologies
- environmental technologies.

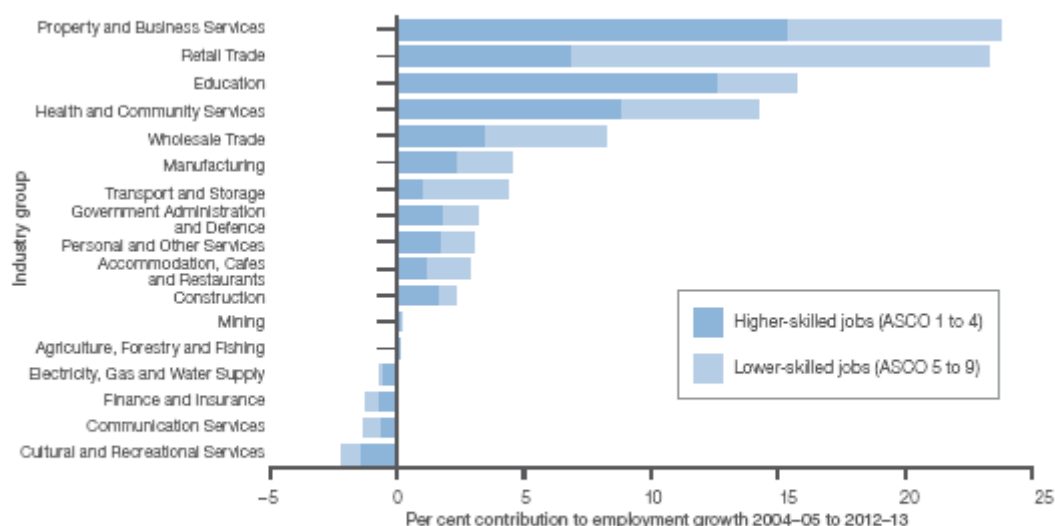
Further investment in a highly qualified, adaptable workforce will help develop these and other industries across the whole economy.

## RECOGNISING EXISTING SKILLS

Many workers do not have formal qualifications, but do have important knowledge and skills gained on-the-job. Others have attained skills through formal training that did not result in formal qualifications.

The Government needs to help these workers gain formal recognition of their skills to boost their ability to progress within the workplace – and meet the needs of industry for higher skilled workers.

Figure 8: Demand for higher-level skills increases



Note: The skills profile of employment growth is based on the profile of employment at August 2005 (from the ABS Labour Force Survey Data Cube).

Source: Unpublished data, CoPS, Monash Economic Forecasts, DE&T Victoria Version, June 2005

## MAINTAINING OUR GLOBAL COMPETITIVENESS

Manufacturing, Victoria's largest industry in terms of economic output, is crucially important to our economy. OECD estimates of comparative advantage internationally show that we are competing increasingly more effectively in higher-value, higher-skilled manufacturing.<sup>2</sup>

However, strong economic development in the region is boosting the competitiveness of emerging economies, which are producing increasingly highly skilled, value-added goods and services. Victoria will need to expand its education and training system over the next decade in order to maintain our advantage.

### **National Reform Initiative**

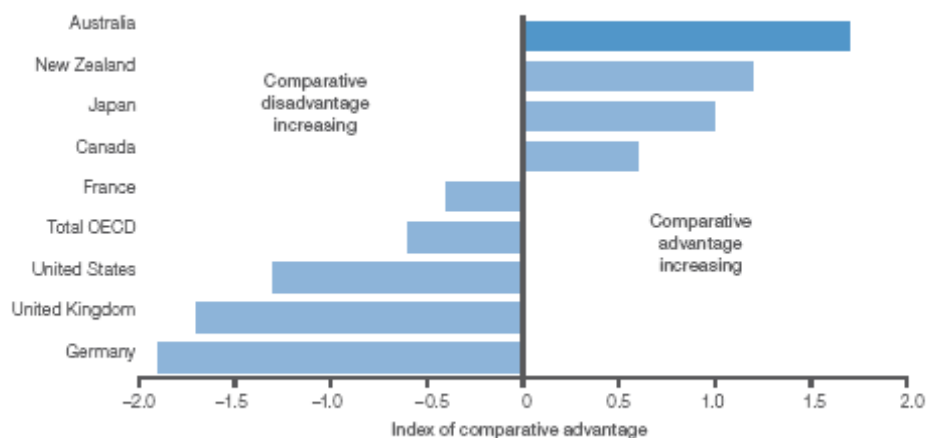
*Australia is facing big challenges in the decades ahead, with increasing global competition and an ageing population. A third wave of reform that continues to create a competitive environment for business and develops our most important asset – our people – is required to meet these challenges and create new opportunities.*

*The Council of Australian governments (COAG), the forum of all state and territory governments and the Commonwealth government, recently endorsed a Victorian led initiative for reform called the national Reform Initiative. A key component of the initiative is a focus on development of human capital. this comprises:*

- *Health – giving greater emphasis to preventing ill-health, and a more efficient health system;*
- *Education and training – ensuring more people – young and old – are involved in education and training to build and maintain their skills; and*
- *Work Incentives – removing disincentives and barriers to labour force participation, encouraging all people to make the best use of their talents and capabilities.*

*Maintaining the Advantage is an important part of delivering the Victorian government's education and training outcomes of the national reform initiative.*

Figure 9: Australia's comparative advantage grows in higher-skilled manufacturing



Source: OECD from Access Economics, Macroeconomic Outlook: November 2005

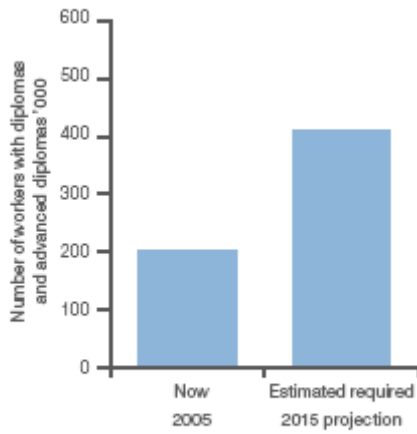
## THE CASE FOR CHANGE

Further reform to both state and national VET systems is needed. The Victorian Government has researched the need for reform by undertaking independent inquiries into VET (Inquiry into Vocational Education and Training) and workforce participation (Victoria: Working Futures), both informed by extensive stakeholder engagement.

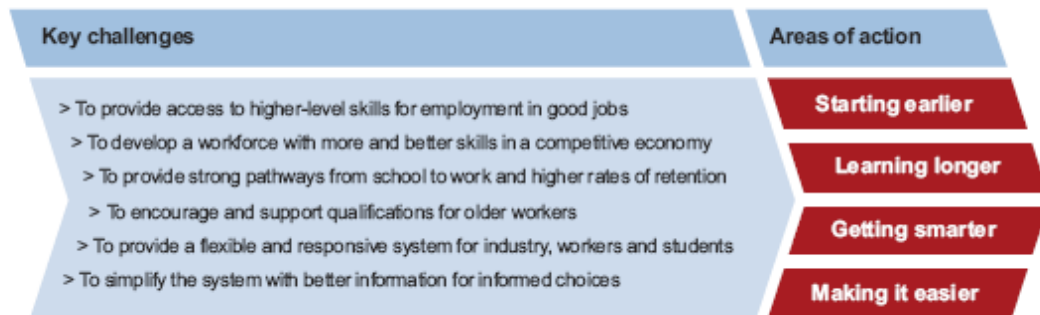
Victoria will continue to drive national change through the Council of Australian Governments, to achieve:

- more flexible apprenticeships and traineeships
- increased take-up of higher-level qualifications
- increased participation in education and training
- removal of unnecessary regulation.

Figure 10: Demand for education and training set to grow



Source: Unpublished data, CoPS, Monash Economic Forecasts, DE&T Victoria version, June 2005 and calculations by DTF, 2006



# MAINTAINING THE ADVANTAGE: SKILLS STRATEGY

ENSURING MORE PEOPLE ARE INVOLVED IN EDUCATION AND TRAINING TO BUILD AND MAINTAIN THEIR SKILLS, THE VICTORIAN GOVERNMENT IS IMPLEMENTING KEY INITIATIVES UNDER FOUR MAIN ACTIONS – STARTING EARLIER, LEARNING LONGER, GETTING SMARTER, MAKING IT EASIER.

**Victoria's education and training system has much to be proud of, providing many opportunities for individuals to acquire new skills and update existing skills in world-class learning facilities.**

We have worked hard to ensure greater access to high-quality education and training opportunities. By further building our specialist capabilities in areas such as emerging technologies and advanced manufacturing, we have laid the foundations for a successful workforce, one that can compete in an economy increasingly driven by innovation.

Our significant investment has resulted in a first-class system that offers a range of education and training opportunities in modern and well-equipped learning facilities. Victoria is leading the nation in many key education outcomes, including VET participation rates and industry participation and investment in the VET system.

This includes substantial growth in the provision of training by private providers and industry itself, increasing choice within the system. The Government will provide new investment to private and industry providers and will play an increasingly important role in delivering flexible, tailored training that meets the needs of the economy.

The challenges that lie ahead are significant and include the ageing of our population, changing industry needs and shaping the delivery of education and training to reflect the skills people need for ongoing and productive employment.

We are committed to maintaining our advantage in the coming decades to ensure the rest of the world recognises Victoria as a dynamic, competitive, innovative and globally connected economy. The Victorian Government is taking the next step and building on this enviable position, ensuring that additional investment provides Victorians with the skills they need to meet future workforce opportunities and challenges.

*Maintaining the Advantage: Skilled Victorians* sets out our key vocational education and training priorities. The strategy delivers opportunities that lead to better jobs, not only for apprentices and trainees, but also for existing workers and adult learners. *Maintaining the Advantage* responds to the demand for higher qualifications and skills in an economy characterised by an ageing population and potential skills shortages.

Our four areas of action are:

- Starting earlier – by providing greater opportunities for students to participate in vocational education and training while at school;
- Learning longer – by encouraging new entrants, existing workers and adult learners to develop skills throughout working life, we will retain workers, meeting the future needs of industry;
- Getting smarter – by giving access to all Victorians to increase their skill levels, particularly in the growing economy increasingly driven by innovation, we can

take advantage of increased social and economic opportunities in higher-skilled and better paid work; and

- Making it easier – by providing individuals and employers with easy access to information about training options, we will ensure that our training system can respond to future skill needs in a timely and efficient way.

*Maintaining the Advantage* makes important changes to our education and training system to ensure we have better skills and more of them. These changes will also help us meet the challenges of our ageing population and those of global competition and potential skills shortages.

The Government will invest \$241.47 million over four years in new and expanded education and training initiatives to increase the skills of our workforce, to ensure economic growth and competitiveness, and so that we can continue to add to our stock of highly skilled workers in priority industry areas.

## ACTION ONE

# STARTING EARLIER

**INCREASING THE QUALIFICATIONS AND SKILLS OF OUR YOUNG PEOPLE IS VITAL TO IMPROVING VICTORIA'S COMPETITIVE EDGE.**

**The Government will invest \$93.44 million to help Victorians start vocational education and training earlier.**

**We are committed to providing more opportunities for young people to achieve the highest levels of education possible and remain at school or in training longer. This will enable us to meet the changing demands of business and industry for higher skills and qualifications.**

There has been a steady improvement in education and employment outcomes for young people since the early 1980s, but about one in seven Victorian teenagers is still not fully engaged in education or employment. Strategies that encourage engagement and participation have been successful in addressing this gap, including school-based apprenticeships and traineeships and the Victorian Certificate of Applied Learning (VCAL).

Increasingly, young people undertake high-level employment-related courses during their senior secondary years. Approximately one-third of year 11 and 12 students participate in a vocational program while at school. The Government will continue to support their choices by:

- providing more opportunities
- modern equipment and specialist facilities
- better information about education and training options.

**This will assist young people to achieve the skills they need for today's workforce.**

### A GUARANTEED PLACE IN TAFE OR OTHER PUBLIC PROVIDERS FOR YOUNG PEOPLE

The Government will extend its guarantee to support all young Victorians to complete year 12, or an equivalent training qualification. This initiative includes investment of \$28.22 million for an estimated 6,200 students aged less than 20 years, to complete year 12 or an equivalent training qualification in a TAFE institute or other public education and training setting.

This initiative will provide young people with the opportunity to achieve qualifications and skills in learning facilities that suit their individual needs.

The additional funding will:

- support the provision of a guaranteed place in a TAFE institute or other public provider to students aged under 20
- support more young people to successfully complete year 12 or an equivalent training qualification by 2010
- provide an environment that might better suit some young people in gaining education and skills for employment.

#### EXPANDING OPPORTUNITIES FOR YOUNG PEOPLE

**The Government will invest \$33.22 million over four years to expand opportunities for young people through additional pre-apprenticeship programs. This initiative will fund an additional 4,500 pre-apprenticeship places.**

The Government will attract more young people into trades by accelerating their progress and access to providing higher wages. Undertaking a pre-apprenticeship while at school or in TAFE allows participants to complete appropriate off-the-job training before they start work. Becoming familiar with a trade through a pre-apprenticeship can help young people decide whether the trade is likely to become their future career. Expanding pre-apprenticeships for young Victorians will deliver:

- benefits for employers because they can select young people with knowledge of the trade
- more skilled and job-ready candidates for employers to recruit into apprenticeships
- study credit, gaining full recognition of the skills and knowledge gained during a pre-apprenticeship, so that these are not repeated in an apprenticeship
- time credit, gaining full recognition for the competencies acquired, so that an apprenticeship is shortened
- wage credit, gaining access to higher wages on entering a full apprenticeship in recognition of the skills gained and time spent doing a pre-apprenticeship
- improved completion rates for apprenticeships, as students will have a better understanding of their chosen areas.

The Government's additional investment in pre-apprenticeship opportunities for young people will be in areas with identified skills shortages. This investment will provide improved education and training outcomes and better pathways into apprenticeships and traineeships for young Victorians. Areas of priority include engineering, automotive, electrical and electronic engineering, building and construction, cookery, childcare and aged care.

#### ***Providing opportunities for young people in construction***

*VCAL is designed to create pathways for students into employment, particularly in apprenticeships and into further education and training. In 2005 over 10,000 students were enrolled in VCAL. Emily Wood was enrolled in Intermediate VCAL Building and Construction at Holmesglen Institute of TAFE.*

*Emily was the top student in all 10 industry specific trade training areas that are offered in the course.*

*"I initially wanted to do carpentry and wasn't aware of the other available trades. In this course you get the opportunity to try a variety of trades like glass and glazing, bricklaying, electronics, painting and plumbing while gaining your Intermediate VCAL certificate," Emily said.*

*Emily completed two work placements with local employers in the building industry. One of these placements continued into employment out of the school term. In 2006 Emily has taken up a position in the carpentry pre-apprenticeship at Holmesglen Institute of TAFE. She has also been offered a number of other apprenticeship opportunities.*

### **Accelerating automotive apprenticeships**

*Young people will be able to start work earlier in the automotive industry as a result of the new pre-apprenticeship arrangements launched in 2005. In an agreement between two key industry parties – the Victorian Automotive Chamber of Commerce and the Australian Manufacturing Workers Union – young people who complete a pre-apprenticeship course and choose to go into an automotive apprenticeship will:*

- > get full recognition for their completed training*
- > commence their apprenticeship on second-year wage rates*
- > have their apprenticeship reduced by a minimum of one year.*

*Young people will be able to choose to undertake their pre-apprenticeship either full-time at a TAFE institution (usually over 18 weeks) or as part of their senior secondary studies (usually half a day per week throughout Years 11 and 12).*

### **ACCELERATED APPRENTICESHIPS**

There is a neat fit between motivated young people wanting training and qualifications faster and industry needing a more highly skilled workforce. Since 1999, the growth in Victorians commencing apprenticeships and traineeships has been more rapid than in any other state or territory. Additionally, Victorian apprentices typically commence an apprenticeship at a higher skill level (75 per cent commence at Certificate III or above) than anywhere else in Australia.

Jobs in skills shortage areas can be filled faster by increasing both the number of apprentices and the pace at which apprentices complete their contracts. This initiative will encourage and support the recognition of competency in trade skills rather than relying entirely on the amount of time served as an apprentice.

There is already movement away from four-year apprenticeships, with 24 per cent of apprentices finishing early in 2004–05; on average their time was reduced by nine months. The Government will work with industry to ensure that early completion is a common feature. The key to maintaining a highly skilled workforce while accelerating apprenticeships will be to ensure that the quality assurance system for training organisations is rigorous.

### **ESTABLISHING TECHNICAL EDUCATION CENTRES**

**The Government will provide \$32 million over three years to establish Technical Education Centres (TECs) for senior secondary students.**

Many young people have the opportunity to study a vocational subject through VET in schools or to do a generalist vocational course through the Victorian Certificate of Applied Learning (VCAL). However, some students are ready to specialise in a vocational and technical course early and need access to specialist equipment and expertise.

New Technical Education Centres will give students access to high-tech, modern facilities, trade teachers with current industry knowledge and equipment aligned to industry standards. TECs will offer a range of vocational and training programs including VCAL, pre-apprenticeships, apprenticeships and traineeships.

Linking TECs to TAFE institutions will produce young people who are well-equipped for employment. These young people will receive an education that gives them the skills that industry values today and also lays a foundation for higher qualifications. The first four TECs will be in Ballarat, Wangaratta, Heidelberg and Berwick.

### ***Pre-apprenticeship – the path to a winning career***

*Box Hill TAFE Institute automotive student and Porsche apprentice, Amber Sarda, was overwhelmed by her win as Victorian Apprentice of the Year at the 2005 Victorian Training Awards.*

*Amber tried her hand at hospitality and travel agency work before finding her passion in the automotive industry. She encourages other young people to remain positive if they don't know what career to choose when they finish Year 12.*

*'I never knew what I wanted to do until I did the automotive pre-apprenticeship at Box Hill Institute and I was 20 years old then, and a few years older than everyone else,' she said.*

*'You have time to think about what it is you want to do, and if you have a general idea about what you want to do, then go and hunt around the TAFE system.'*

*Amber has fitted in well to a male-dominated industry, saying the guys in the Porsche workshop were 'like brothers'.*

*She has applied to work at Porsche's headquarters in Germany, even learning the language to prove her dedication to the job, and recently travelled to Germany to work on the Porsche Motorsport production line.*

## ACTION TWO

# LEARNING LONGER

**EXISTING WORKERS AND ADULT LEARNERS WILL HAVE MORE OPPORTUNITIES TO INCREASE AND UPDATE THEIR SKILLS TO MEET THE CHALLENGES OF AN ECONOMY INCREASINGLY DRIVEN BY INNOVATION.**

**The Government will invest \$12.88 million to help Victorians learn longer.**

**We are committed to improving the skills and qualifications of adults and existing workers to maintain and increase productivity and participation, and to ensure an adaptable and highly skilled workforce that meets the changing needs of industry.**

As our population ages and young people entering the workforce make up a smaller proportion of workers, the Victorian economy will rely more heavily on the skills of older workers. The Victorian Government's Workforce Participation Taskforce has recognised that the abilities and skills of Victoria's workforce will become increasingly important for improved productivity and growth in the medium term. The changing demands of the economy will require the continued acquisition of skills, even within the traditional trades, to maintain the competitiveness, adaptability and capability of Victoria's workforce.<sup>3</sup>

Workers will need to be increasingly flexible and adaptable and have more generic skills that allow them to move between jobs and industry sectors. They also need to be encouraged to undertake formal education and training more often as the ability to respond to change becomes an important aspect of ongoing employment.

The Government will assist individuals and businesses to invest in education and training by providing a range of learning options suited to different needs, and by making sure that training is transferable and relevant.

## MATURE-AGE PRIORITY TRAINING

**The Government will invest \$10.88 million to fund 1,800 places for 35 to 64-year-olds to access Certificate III level training and above.**

Higher-skilled occupations have dominated employment growth since the mid-1990s and are forecast to continue to do so. A significant proportion of existing and mature-age workers in

Victoria do not have a post-secondary qualification. Most new entrants to the workforce already hold a year 12 or equivalent qualification. The Government will increase the number of training places available to Victorians aged between 35 and 64 (at Certificate III level and above) who do not have a year 12 or equivalent qualification.

Many existing adult workers have the skills and experience to meet Certificate II requirements, but they don't have formal qualifications that recognise their skills. Through the introduction of a mandatory recognition of prior learning process for this age group, existing skills can be recognised and encouraged.

***Apprentice of the Year traces his start to school 'taster course'***

*Craig Jansen, winner of the Victorian Housing Industry Association (HIA) Alec Fuller Apprentice of the Year award 2003, started his carpentry apprenticeship with the HIA in 2000. After being introduced to a variety of trades during a 'taster course' at school, Craig completed a pre-apprenticeship and then landed his position with HIA. 'It all just fell in place,' he says.*

*After completing a Certificate IV in Building and Construction Management, Craig worked as a carpenter and exhibition technician – building displays at the Melbourne Exhibition Centre. 'I enjoy the joinery. It's more precise and mentally challenging.'*

*After working with host trainers Matt Falla and James Neil for three years, Craig's ambition is to build energy-efficient homes.*

*'The company I did my apprenticeship with (Natural Direction) is a sustainable living/green builder. I'd like to do something along those lines, working with recycled timber and building homes with a higher than five-star energy rating.'*

#### INDUSTRY SKILLS ADVISERS

**The Government will invest \$2 million to introduce Industry Skills Advisers in high-priority areas.**

Industry Skills Advisers (ISAs) will build relationships between companies in selected industries, industry associations and training organisations to develop better training opportunities for Victorian workers. This initiative will ensure that relevant and accessible training opportunities for small to medium-sized companies are developed.

ISAs will help organisations deliver flexible training. They will also increase the participation of existing workers in VET programs, ensuring that they gain formal recognition for existing skills.

Six areas have been initially identified as requiring priority ISA assistance: advanced manufacturing (automation); logistic and supply chain management; competitive manufacturing; packaging technologies; scientific and medical equipment instrumentation; and environmental industries.

#### MODERNISING TRADE QUALIFICATIONS

Skills shortages seem to be exacerbated by the perception that trade qualifications are less prestigious than higher-level VET or university qualifications. The Government will explore the potential for certain apprenticeship qualifications to lead to a designated trade diploma rather than the current certificate-level qualifications.

#### ASSISTING EXISTING EMPLOYEE APPRENTICES

Victorian businesses currently employ more than 3,000 apprentices who had been in their employment prior to entering an apprenticeship. These 'existing employee' apprentices are frequently mature-age workers whose employers have given them the opportunity to update their skills.

Under this initiative, the Government will fund training for existing employee apprentices in the same way it funds new entrant apprentices.

#### OTHER VICTORIAN GOVERNMENT ACTION

##### **Attracting skilled younger workers**

The Government will take new action to attract skilled younger workers to regional areas by investing in *Make Your Career happen in Provincial Victoria*, a campaign funded through the Provincial Victoria Growth Fund. This initiative was announced in *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest*.

The information campaign will attract young professionals and their families to provincial Victoria, and will make secondary and tertiary students and graduates aware of study, employment and lifestyle opportunities in provincial Victoria.

##### **Attracting skilled migration**

The Government will build on the success of the Skilled Migration Strategy through investment from the Provincial Victoria Growth Fund.

Activities will link regional employers with potential migrants, showcase provincial Victoria and assist with visa sponsorship and job application services.

#### ACTION THREE

## GETTING SMARTER

#### THE VICTORIAN ECONOMY NEEDS A SKILLED AND INNOVATIVE WORKFORCE, ONE THAT CAN RESPOND QUICKLY TO THE CHANGING DEMANDS OF INDUSTRY AND THE WIDER COMMUNITY.

**The Government will invest \$93.96 million to enable the Victorian workforce to lift its skills profile and ensure that we are getting smarter.**

**We will meet changing industry needs by lifting the skills and qualification levels of Victorians to provide business with a more highly skilled and adaptable workforce.**

Traditional and emerging industries not only require skills to develop new knowledge; they also demand skills to apply the knowledge we already have in new and creative ways. A growing body of international evidence demonstrates the link between educational attainment and the rate of productivity growth.

Competitive pressures from other economies are increasing. Developing economies, while traditionally competitive in terms of cost, are increasingly competitive in the expertise they can offer. Higher skill levels in Victoria are becoming even more important if we are to enjoy continued economic growth.

Moreover, as the need for higher-level skills grows, the social and economic disadvantage associated with lower levels of education and training may also increase.

#### CREATING A HIGHLY SKILLED WORKFORCE

##### HIGHER SKILLS

**The Government will commit \$42.26 million to fund an additional 3,500 VET places in higher-level qualifications in key occupations and industries.**

The Government is committed to increasing the proportion of Victorians with higher-level skills. Workers with higher-level skills (those at diploma level or above) will remain in demand by employers and will contribute to strong productivity growth for the state. As other economies continue to develop and increase their competitiveness, it is crucial that Victoria's labour force increases its higher-level skills and qualifications profile to remain internationally competitive.

This initiative will fund an increase of 3,500 VET places for higher-level qualifications and will ensure the recognition of prior learning and skills. The focus will be on priority industry sectors to ensure skill deepening occurs in areas critical to the economy.

### **Construction and engineering places**

The sectors the Government has identified as being of particular importance are construction and engineering where higher-level skills are in short supply. The Government will allocate 500 of the 3,500 VET places to address skills shortages in the areas of construction and engineering.

#### ***Further study makes good business sense***

*After completing her plumbing apprenticeship in 1995, Tania Finn set up her own business, Strata Plumbing.*

*Tania's business involves all aspects of commercial, industrial and domestic plumbing and maintenance. She is licensed in gas, roofing, sanitary/drainage, water and mechanical services. She has a particular interest in 'green plumbing' and water conservation and has helped develop new technologies in these fields.*

*After setting up her business, Tania completed a diploma of Business Management.*

*'I already had the trade skills. I wanted to build up the knowledge and skills needed to run a successful business. the diploma of Business Management really helped me out on this front. It was great.'*

*Tania is an enthusiastic advocate for the plumbing industry. her passion for her work is evident when she says 'I love plumbing.' She describes her job as 'a good, healthy outdoor job where I feel physically great at the end of the day and mentally stimulated because my work involves lots of problem solving. And it's financially rewarding'.*

### **EXPANDING SPECIALIST TRAINING CENTRES AND NETWORKS**

#### **The Government will invest \$3.7 million to expand specialist training to meet industry's needs.**

Specialist centres and their networks create closer cooperation between training and industry, encourage diversification and provide added value to existing training programs and services.

The VET system will deliver better specialised training to industry with the establishment of three new specialist centres in building and construction, information communications technology and automotive design.

The activities of three existing specialist centres – the Food Industry Centre, the National Centre for Sustainability, and the Centre for Environmental Technology – will also be extended to address emerging industry skills needs.

New VET specialist networks will be established in energy, competitive manufacturing, transport and logistics. State and national specialist VET networks will be established to expand training delivery across industries and enterprises in areas of skills shortage. This initiative will deliver customised and specialised training to industry. It will increase the quality of training and encourage collaboration between training providers.

## IMPROVING QUALITY ASSURANCE WITHIN THE VET SYSTEM

The Government will introduce an approach to quality assurance that recognises excellent training organisations. TAFE institutions and registered training organisations with a proven track record of high-quality performance will be able to shift to university-style self-accreditation. The greater emphasis on evaluation by students and industry will ensure higher-quality skills training, greater flexibility and increased competitiveness.

## IMPROVING TAFE EQUIPMENT

The Government will invest \$48 million to enable TAFE institutions to keep pace with new and emerging technological changes and better align teaching equipment with industry standards, ensuring that students are well prepared for the workplace. This investment will ensure that industry has access to the right skills and knowledge in order to create good jobs.

### ***Victorian TAFE project wins national competition and kickstarts career***

*Thomas Marley, a graduate of the Advanced diploma of Animation at Holmesglen Institute of TAFE, has become one of the first Australians to create downloadable content for the new Sony PSP (PlayStation®Portable).*

*The Sony Computer Entertainment Australia 'Expose' competition in August 2005 aimed to unearth the best new Australian content available for the PSP and uncover Australia's most creative talent. Sony shortlisted 26 finalists from around the country, including 10 from Victoria, with Thomas scooping the \$6,000 grand prize with his computer animated film The Drop.*

*Holmesglen Institute of TAFE Animation Course Coordinator, Clint Cure said he was impressed by Thomas's animation, even at the storyboard stage, and encouraged Thomas to enter 'Expose'.*

*The Drop was a year in production – six months in pre-production, creating the storyboards and character design, then a further six months in actual production. Thomas kept the characters simple and showed great imagination. I'm really proud that he's turned his high distinction animation into an Australian award winner.'*

*Thomas created his prize-winning animation as his final year project in the Advanced Diploma of Animation at Holmesglen Institute of TAFE's Waverley Campus. Following his triumph, he was snapped up by leading Melbourne games company Act3 Animation as part of the Victorian Government's digital Media Fund internship program.*

## OTHER VICTORIAN GOVERNMENT ACTION

### **Increasing VET provision in regional Victoria**

The Government recently announced a significant investment within the *Moving Forward* statement to increase the provision of vocational education and training in areas that are critical to future regional economic growth. The Government will create 2,600 new places over four years in expanded training courses, apprenticeships and traineeships, pre-apprenticeships and pre-vocational courses in areas of high regional demand.

### **Increasing funding to regional TAFE institutions**

The Government will provide an additional \$5.5 million to regional TAFE institutions.

A specific regional payment was reintroduced in 1999 by this government to compensate nine regional TAFE institutions for additional expenses incurred as a result of operating with small class sizes, extra travel and higher communication costs. To ensure the maintenance of high-quality training and education for regionally-based students and industry, the Government will provide an additional \$5.5 million to increase and index this regional funding.

## **Extending the Community Regional Industry Skills Program**

The Government will extend the business component of the Community regional Industry Skills Program (CrISP) from the Provincial Victoria Growth Fund. This initiative helps redress skills shortages and builds skills in regional areas. It has attracted strong support from regional businesses and councils. The expanded component will enable businesses to enhance their skills. It will also help businesses, councils and community groups to attract workers to meet specific skills shortages and to implement projects that maintain mature-age workforce participation.

### **ACTION FOUR**

## **MAKING IT EASIER**

**TO ENCOURAGE ALL VICTORIANS TO UPDATE EXISTING SKILLS OR UNDERTAKE NEW TRAINING, BY PROVIDING HIGH-QUALITY INFORMATION ABOUT TRAINING OPTIONS.**

**The Government will invest \$41.19 million in making it easier for Victorians to increase their skills.**

**To ensure every Victorian can improve their employment opportunities through qualifications and skills, we will make it easier for individuals and industry to select the right education and training options.**

The Government will help industry and individuals to meet their skills needs by providing:

- simpler, high-quality information
- improved workforce planning assistance
- information regarding the career opportunities available to young people in the manufacturing industry
- more support to apprentices.

The Government is making it easier for people to return to education and training, particularly those who have been outside the formal training system for some time by recognising prior learning.

### **ESTABLISHING SKILLS STORES**

**The Government will invest more than \$23 million to develop 13 skills stores across Victoria.**

All too often, people interested in training give up because they don't know where to start. Skills stores will make it easier.

Skills stores will provide a public access point for the education and training system and a point of reference for school careers advisers. They will be located in accessible areas such as shopping centres or as mobile units. They will provide Victorians with individually tailored, face-to-face advice about further education and training options.

The skills stores will work collaboratively with Industry Skills Advisers to build better communication between industry, the community, and education and training providers. This initiative will assist mature-age workers re-entering or retraining in the workforce, and provide advice for young people seeking employment or career improvement opportunities. Skills stores will also aid in the formal recognition of prior learning, enabling adults to more easily gain qualifications without repeating training in skills and knowledge already gained. This is a win for both individuals and the economy.

## REDEFINING THE VET SYSTEM

The Government will launch an information campaign, spending \$2 million to increase awareness of the excellent opportunities available through the VET system. The VET system is one of the most effective ways for Victorians to gain the skills needed to enter and advance in the workplace. Many businesses engage the VET system to upskill their workforce and maintain their competitive edge. This campaign will highlight the broad range of industries that use VET and the strong career outcomes that follow from VET qualifications.

### ***High-tech apprentice is an enthusiastic ambassador for careers in manufacturing***

*The Victorian government's Careers in Manufacturing strategy, which aims to increase the overall appeal of manufacturing careers for young people, has seen apprentice Glen Vandervelde taking the message to Year 9 and 10 students that there are exciting careers in manufacturing.*

*Glen is currently undertaking an apprenticeship as a fitter and turner with ARB, a company that manufactures four-wheel-drive accessories such as bull bars, roof racks, winch bars and suspensions. He started his apprenticeship learning how to use the manual machines and mainly doing maintenance work. Now in his third year, Glen is learning how to set up, program and operate the computerised lathes and mills used to produce large quantities of the company's products.*

*This sort of technology is fairly new to the industry and only used by larger companies, so Glen is working at the cutting edge of his field. 'This is all brand new technology and is growing to include things like robotics. It's full on and could go anywhere,' he says.*

*As a young ambassador, Glen has spoken about his work to students in a number of schools, including Glen Waverley, Ringwood, Upwey and Fairhills secondary colleges.*

*At school, Glen didn't think university was for him, so he started exploring other options through his school work experience program. After investigating careers as a plumber, electrician and mechanic, he had a look at life as a fitter and turner and was hooked.*

*When Glen finishes his apprenticeship, he hopes to have gained some additional qualifications that will enable him to specialise in tool-making. Because there are so many directions he can take in this career, he is also looking at studying to be a supervisor and getting qualifications in welding and piping.*

## BUSINESS SKILLS FOR THE FUTURE

### **The Government will invest more than \$10 million to assist Victorian businesses plan for the future.**

The Government will help Victorian businesses, and manufacturers in particular, avoid and/or overcome skills shortages and gaps through robust workforce planning and better access to training.

This initiative will assist individual enterprises, particularly small and medium businesses, to assess and act on their skills development and training needs. Manufacturing enterprises will be targeted as a priority. Services will focus on:

- workforce planning
- strategies for attracting and retaining a skilled workforce
- skilling options
- requirements for cost-effective training investments

- referral to related service providers.

Practical financial assistance will be provided to upskill and reskill existing employees to meet identified needs with a skills development training plan. Training will be determined by the particular needs of participating firms. Funding will be provided for a range of training options, including in-house and on-the-job training.

#### CAREERS IN MANUFACTURING CAMPAIGN

**The *Careers in Manufacturing* information campaign, with a budget of \$1 million, will challenge stereotypes about careers in manufacturing, an industry that has undergone significant changes to become safer, cleaner and more technologically advanced than ever before. This campaign will help to address the current imbalance in the uptake of apprenticeships in the manufacturing sector.**

#### INFORMING INDIVIDUALS AND EMPLOYERS

The Government is undertaking the most comprehensive reform of education and training legislation in Victoria's history. One of the principles underlying the reform is that information about the performance of education and training providers should be publicly available. This will form the cornerstone of information for business and individuals about where they might train.

Recently, much work has been done to improve the information available to students and employers. However, there is only a small amount of standardised information available about the performance of individual registered training organisations (RTOs).

From 2007, individuals and employers seeking information about gaining new or upgrading existing skills will be able to access information about vocational training providers online. Completion rates, fees, employment and education outcomes and satisfaction rates, will all be publicly available.

#### PROVIDING MORE SUPPORT FOR APPRENTICES AND TRAINEES

**The Government will provide \$4.16 million for additional apprenticeship field officers to support apprentices and trainees.**

Young people beginning apprenticeships and traineeships need support in their new jobs. The Government will extend the state-wide network of apprenticeship field officers for this purpose. Field officers provide information, advice and ongoing support to apprentices, employers and registered training organisations.

We will expand their role to ensure that young people undertaking apprenticeships and traineeships have well-developed and appropriate training plans in place, and that apprenticeship and traineeship completion rates are maintained.

#### REFORMING NATIONAL TRAINING PACKAGES

National training packages, which have progressively replaced a range of state-based VET qualifications, has been a significant step towards achieving a national training system. however, improvements to training packages are vital. The Government will work with the Commonwealth and the states and territories to ensure:

- training packages meet industry demands and offer pathways to employment
- competence is defined broadly to meet future labour market needs
- there is a reduction in duplication and improvement in skills recognition across industries.

# MAINTAINING THE ADVANTAGE: NEW INVESTMENT

ACTION	INITIATIVE	2006-07	2007-08	2008-09	2009-10	Total	\$M
Starting earlier	Guaranteed place in TAFE for young people	4.50	6.15	7.88	9.69	28.22	93.44
	Expanding opportunities for young people	8.00	8.20	8.40	8.62	33.22	
	Technical Education Centres	8.00	16.00	8.00	0.00	32.00	
	Accelerated apprenticeships*						
Learning longer	Mature-age priority training	1.00	3.07	3.15	3.66	10.88	12.88
	Industry Skills Advisers	1.50	0.50	0.00	0.00	2.00	
	Modernising trade qualifications*						
	Assisting existing employee apprentices*						
Getting smarter	Higher skills	9.62	10.62	10.87	11.15	42.26	93.96
	Expanding specialist training centres and networks	2.10	1.60	0.00	0.00	3.70	
	Improving quality assurance within the VET system*						
	Improving TAFE equipment	12.00	12.00	12.00	12.00	48.00	
Making it easier	Establishing skills stores	2.80	5.17	7.65	7.84	23.46	41.19
	Redefining the VET system	2.00	0.00	0.00	0.00	2.00	
	Business skills for the future	2.66	2.57	2.64	2.70	10.57	
	Careers in manufacturing campaign	1.00	0.00	0.00	0.00	1.00	
	Informing individuals and business*						
	Providing more support for apprentices and trainees	1.00	1.03	1.05	1.08	4.16	
	Reforming national training packages* Pathways*						
* The existing Department of Education & Training budget will finance these initiatives.							241.47

## IMPROVING PATHWAYS

The Government is making it easier to move between vocational education and higher education through graded assessments. In addition to being assessed as competent in their field, students in higher-level vocational courses will be given a graded assessment. This information will provide prospective employers with an indication of the student's level of achievement and will assist students who wish to move on to higher education.

It is also critical to recognise the skills and knowledge individuals have acquired through their work and life experiences. Ensuring they do not need to repeat these as part of a qualification will streamline their training commitment and create efficiencies for both the individual and the economy. This will occur through more widespread recognition of prior learning.

RTOs will be required to put in place systems that result in students gaining credit for what they have already done. Movement between qualifications will be assisted through the recognition of equivalence. Credit recognition and movement between qualifications will become a feature of training in Victoria. It will become increasingly important as more people move between jobs and industry sectors.

## OTHER VICTORIAN GOVERNMENT ACTION

## Developing workforce participation partnerships

The Government will create over 2,000 jobs that will help develop partnerships between individual job seekers and employers.

The recently released Workforce Participation Partnerships package includes funding to provide job seekers with opportunities to access sustainable employment and assist employers to meet their skills needs. The package also provides for work preparation activities, paid work experience, recognition of prior learning, mentoring and post-employment support for both job seekers and employers.

### RESPONDING TO THE CHALLENGES

The State's education and training system has provided many Victorians with new skills and higher qualifications. However, in the face of economic and workforce challenges that demand even more, the system must be more flexible and responsive.

The Government's strategy will meet the demands of business and industry for a highly qualified and skilled workforce, characterised by older workers, fewer new entrants and potential skills shortages. It will be delivered through four areas of action: *starting earlier*, *learning longer*, *getting smarter* and *making it easier*.

# SKILLS-RELATED VICTORIAN GOVERNMENT INVESTMENT

INITIATIVE	\$M	
Attracting skilled younger workers	5.2	Announced in <i>Moving Forward</i>
Attracting skilled migration	6.0	Announced in <i>Moving Forward</i>
Increasing VET provision in regional Victoria	15.5	Announced in <i>Moving Forward</i>
Increasing funding to regional TAFE institutions	5.5	Announced in <i>Moving Forward</i>
Extending the Community Regional Industry Skills Program	5.5	Announced in <i>Moving Forward</i>
Developing workforce participation partnerships	24.0	Department for Victorian Communities

For more information on *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest* refer to [www.business.vic.gov.au](http://www.business.vic.gov.au)

For more information on *Victoria: Working Futures* refer to [www.employment.vic.gov.au](http://www.employment.vic.gov.au)

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1 Evidence on productivity is presented in: Parham, Dean, 2004, 'Sources of Australia's productivity revival', *the Economic Record*, vol. 80, no. 249.

2 Access Economics, *Macroeconomic Outlook*: November 2005, p. 43.

3 Government of Victoria, 2005, *Victoria: Working Futures*, report of Victoria's Workforce Participation Taskforce.

# APPENDIX 1 – A GUIDE TO VICTORIA'S SKILLS SYSTEM

SKILLS DEVELOPED THROUGH FORMAL EDUCATION AND TRAINING ARE AN INCREASING REQUIREMENT OF BUSINESS AND INDUSTRY, WHETHER PROVIDING SERVICES OR MANUFACTURING, ASSEMBLING AND DISTRIBUTING GOODS.

Victoria currently offers a diverse range of education and training options through a wide range of providers, including:

- post-compulsory schooling with clear vocational outcomes, for example, vocational education and training in schools and school-based new apprenticeships
- professional skills and qualifications provided by Victoria's universities and higher education providers
- vocational education and training provided by Victoria's public TAFE institutions and private registered training organisations, including programs that lead to university studies
- adult community education that focuses on gaining employment or transition to vocational studies
- group training organisations that employ apprentices and trainees and hire them out, for example, to smaller employers who do not have sufficient work to employ their own apprentice or trainee
- industry-based training, which leads to skills that may be formally recognised

## SCHOOLS

Through vocational education and training in schools (VETiS) programs, 36,000 students in 560 State, Catholic and independent schools are undertaking school-based studies leading to the Victorian Certificate of Education (VCE) or the Victorian Certificate of Applied Learning (VCAL). These studies are combined with nationally accredited vocational studies provided by a TAFE institution or private training provider.

School-based new apprenticeships are similar to VETiS programs but include part-time employment leading to an apprenticeship or traineeship qualification. Victoria currently has 4,600 school-based new apprentices.

## UNIVERSITIES AND HIGHER EDUCATION PROVIDERS

Nine universities have been established under Victorian statutes and 42 private higher education providers are registered in Victoria. Victoria's education system is unique in that four of its universities are dual-sector institutions. These institutions contain both higher education and TAFE components and have the capacity to use strong industry links to offer innovative research solutions and practical, tailored and accessible education to students from a diverse range of backgrounds.

There were 241,000 higher education students enrolled in Victorian universities in 2004, with 175,000 (72 per cent) being domestic students and 67,000 (28 per cent) being students from overseas.

Further information on initiatives for higher education can be found in *Knowledge and Skills for the Innovation Economy*, the Government's statement on future directions for VET, higher education and adult community education.

## TAFE INSTITUTIONS

Victoria's 18 TAFE institutions are the core of the State's VET system, enrolling 350,000 students a year in studies ranging from certificate to degree qualification levels. There are currently also 49,000 students attending TAFE as apprentices and trainees.

\* \* *the total number of apprentices in Victoria (133,000) includes 89,000 currently undertaking government-funded training in a registered training organisation or a TAFE institute.*

#### PRIVATE REGISTERED TRAINING ORGANISATIONS

Victoria has more than 1,200 private registered training organisations (RTOs), ranging from small, community-based providers to national companies. More than 200 private RTOs receive State Government funding to train about 50,000 students a year, including 40,000 apprentices and trainees.

#### ADULT COMMUNITY EDUCATION PROVIDERS

More than 370 adult community education (ACE) providers are eligible to receive Government funding and these organisations are widely spread across Victoria. These are often the only point of access for adults who want further education and training. ACE providers typically enrol 90,000 students each year.

#### GROUP TRAINING ORGANISATIONS

Victoria has 24 group training organisations (GTOs) receiving funding from the Government and employing over 5,500 apprentices and trainees. GTOs hire out apprentices and trainees to other employers (often small businesses) to ensure that they obtain a wide range of work skills. Because a number of GTOs are also registered as private training providers, they can conduct training and issue qualifications to their employees.

#### INDUSTRY

Industry makes a significant contribution to the development of workforce skills, with estimates of industry investment in training being comparable with Government expenditure. While the growth of industry-based national training packages has led to qualifications that are recognised and accepted both within and across industry sectors, further work is needed to ensure that a greater proportion of this training gives employees qualifications that can be immediately transferred to other workplaces.

#### THE VICTORIAN GOVERNMENT

The Government's role in the skills system is multi-dimensional. While it owns the public infrastructure, it also:

- develops strategic policy directions
- develops and implements plans and priorities
- purchases education and training from providers
- conducts quality assurance
- plays a lead role in developing the national skills system.

#### POLICY

The strategy for developing Victoria's skills is founded on the goals and targets for education and training, participation and completion set in *Growing Victoria Together* 2001 and 2005. Together with *Knowledge and Skills for the Innovation Economy*, the Government is creating a skills system that can respond to the needs of existing and emerging industries, is innovative, is able to specialise in key industry areas, and is based on a strong partnership with community-based adult education.

*Maintaining the Advantage* responds to future challenges presented by social change, economic growth and international competition.

#### PLANNING

The Government develops and implements plans and priorities for the skills system after extensive labour market research and with advice from industry. Education and training priorities are published on the Office of Training and Tertiary Education website:

[www.otte.vic.gov.au](http://www.otte.vic.gov.au)

#### PURCHASING

Based on these plans and priorities, education and training is purchased from TAFE institutions, private RTOs and ACE providers.

Purchase contracts with training providers may specify the type of training to be purchased (for example, apprenticeships or programs for mature-age workers), the level of skills to be developed (for example, certificates or diplomas) and the industry or occupation (for example, finance or nursing).

#### QUALITY ASSURANCE

All education and training is backed by a system of nationally agreed quality and qualifications frameworks. This system ensures that responsible and ethical organisations provide purpose-built training to individuals and industry organisations and that qualifications are recognised across all Australian states and territories. Ensuring Australian qualifications comply with world standards so that they receive international recognition is another important part of the process. The integrity of the quality assurance system is maintained by a comprehensive audit process.

#### OWNERSHIP

The Government owns most of the buildings and facilities at Victoria's 18 TAFE institutions, valued at \$2.1 billion. It also owns the buildings and land of Victoria's eight universities. As owner, the Government is responsible for ensuring that the institutions are governed responsibly and in accordance with statutory requirements, and are managed viably and sustainably.

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Figure 8: Demand for higher-level skills increases

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