

Annual Report

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Victorian Skills Commission

Annual Report 2008-09

This annual report covers the Victorian Skills Commission as an individual entity.

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October 2009

This report is also available on the Internet at www.vsc.vic.gov.au

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Authorised by the Victorian Government

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October 2009

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Minister for Skills and Workforce Participation
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Dear Minister,

On behalf of the Victorian Skills Commission (the Commission) I am pleased to submit the annual report for the year 2008–09 in accordance with the requirements of the *Financial Management Act 1994*.

In pursuit of the Government's goals and targets for post-compulsory education and training, 2008–09 has seen major achievements in relation to post-compulsory education in the vocational education and training, adult education and school sectors.

In 2008, TAFE, adult community education and private providers delivered vocational education and training to approximately 530,000 students. A total of 95,661 people were enrolled in government-funded apprenticeship/traineeship places. There were significant shifts of the training delivery profile to high-need, high-priority industries and occupations, based on the VSC Priorities Framework.

In 2008, the education, training and employment outcomes of 44,000 young people were influenced by Local Learning and Employment Networks.

This year the Commission farewelled Ms Lynne Wannan and I thank her for her valuable contribution to the work of the Commission. It was with much sadness that I note the passing of the previous Chair, Mr Peter Thomas. Peter played a significant role in shaping and driving the work of the Commission and it is a sad loss to industry and training.

I am pleased to welcome Mr Roger Leeming and Mr Adrian Nye as new members of the Commission.

Much of the Commission's work is performed by officers in the Department of Innovation, Industry and Regional Development, and I thank these people for their work and express the Commission's appreciation of the efforts of all those individuals and organisations that collaborate with the Commission towards improving the education and training outcomes of Victorians.

Finally, I wish to record my appreciation of the contribution to Commission strategies and operations from fellow Commissioners and the considerable goodwill they have willingly provided.

Yours sincerely



Rowena Allen
Acting Chair

2008-09 in brief

- In 2008-09, Victoria undertook the most fundamental reform of our skills system in decades, launching *Securing Jobs for Your Future – Skills for Victoria*.

The aim is to encourage more people into Vocational Education and Training (VET) for the first time and for Victorians to upgrade their qualifications. The reform has a strong focus on lifting the qualifications profile of Victoria's working age population.

The reforms increase the capacity of our VET system to train thousands more students and to deliver the higher level skills that our industries need. As a result of the reforms, Victoria will have a better VET system to meet the challenges and opportunities of the 21st century.

- In 2008, TAFE institutes, Adult and Community Education (ACE) and private providers delivered 134.8 million student contact hours of training and further education (excluding non-VET activity) to approximately 530,000 students. More than 87.4 million of these training hours were government funded.
- In 2008, just over 74,000 young people aged 15-19 years undertook government-funded vocational education and training with TAFE institutes, ACE and private providers.
- At 30 June 2009, 95,661 people held government-funded apprenticeship or traineeship places.
- In 2008, the Local Learning and Employment Networks (LLENs) brokered 168 partnerships and initiatives to improve the education, training and employment outcomes of 44,000 young people.
- The Victorian Skills Commission (VSC) initiated pilots on access to funded traineeships for existing employees and research projects on the education and training needs of mature age workers; and approved a framework to monitor training activity and the impact of skills reforms.

About the Victorian Skills Commission

Context

The national Vocational Education and Training (VET) system operates as a joint partnership between the Commonwealth, states and territories. The Victorian Skills Commission (VSC) is responsible for addressing Victoria's government, industry and community training needs in accordance with the *2005 – 2008 Commonwealth-State Training Funding Agreement* and the *2006 – 2008 Bilateral Agreement between the Commonwealth and Victoria*.

The VSC is the state training agency for Victoria under the Commonwealth Government's *Skilling Australia's Workforce Act 2005*.

The VSC allocates funding for vocational education and training and regulates the Victorian apprenticeship and traineeship system.

Overview of the state training system

The state training system delivers programs and services to the Victorian community through a range of organisations:

- 18 TAFE institutes (including four TAFE divisions within universities)
- 1,320 registered providers of vocational education and training (registered training organisations), including 113 schools involved with VET programs
- 376 Adult Community Education (ACE) providers
- 16 industry training advisory bodies (ITABs).

The education and skills training provided through these organisations includes:

- entry or certificate-level training, including apprenticeships and traineeships
- courses in basic literacy and numeracy
- basic preparation for work
- advanced vocational training, including training for paraprofessionals
- undergraduate and postgraduate degrees and other programs.

Role of VSC

The VSC contributes to the achievement of the Victorian Government's goals and targets set for education and training in *Growing Victoria Together: A Vision for Victoria to 2010 and Beyond*.

These include:

- increasing the percentage of young people who successfully complete Year 12 or its equivalent
- making near-universal participation in post-compulsory school education and training the norm in our society, not only for the young but for *all* the community.

The VSC provides policy advice and direction to the Victorian Minister for Skills and Workforce Participation on matters relating to post-compulsory education and training. Its functions are outlined in Part 3.1 of the *Education and Training Reform Act 2006*.

In summary, the VSC:

- allocates funding for vocational education and training
- is the Victorian state training agency and executes responsibility for the state training system
- provides funding for and regulates apprenticeships and traineeships
- has an advisory role to government on post-compulsory education and training, and employment
- monitors the outcomes of post-compulsory education and training
- supports the Local Learning and Employment Networks (LLENs).

VSC relationships

To achieve these outcomes, the VSC:

- contracts TAFE institutes to provide training
- contracts registered training organisations (RTOs) to provide training for apprentices and trainees through the Apprenticeship/Traineeship Training program
- contracts private RTOs to provide training through the Priority Education and Training program
- supports the statewide network of 31 Local Learning and Employment Networks (LLENs) to improve education, training and employment outcomes of 15-19 year olds
- through Skills Victoria, maintains a close working relationship with the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR)
- works with Victorian industry training advisory bodies (ITABs) to identify the skills requirements of Victorian industry
- works with the Victorian Registration and Qualifications Authority, the Victorian Curriculum and Assessment Authority, the Department of Education and Early Childhood Development, the Department for Planning and Community Development and the Department of Innovation, Industry and Regional Development to improve Victoria's education and training system and achieve the government's goals and targets
- supports and works with the Adult, Community and Further Education Board to ensure that the VSC's actions are consistent with arrangements for the provision of adult, community and further education in Victoria.

Summary of financial results

The table below shows information on the Commission's financial results and financial position for 2008-09 and comparisons with the preceding four years.

The operating result for the 2008-09 financial year was a surplus of \$18.3 million which was lower than that recorded in 2007-08 (\$31.4 million).

The Commission is not aware of any event subsequent to 30 June 2009 that could have a material effect on its operations in subsequent years.

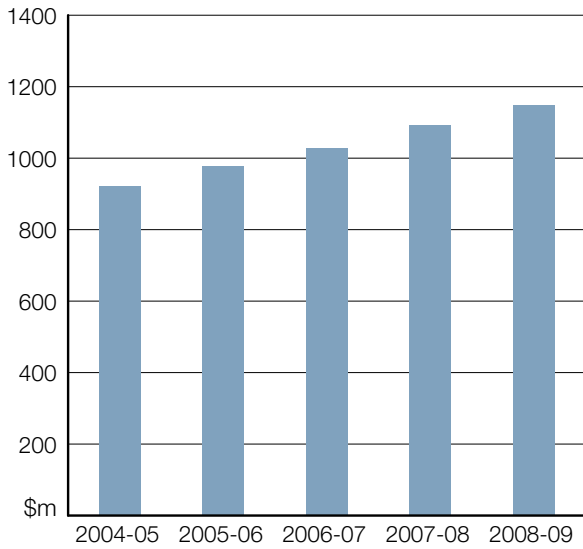
	NOTES	2008-09	2007-08	2006-07	2005-06	2004-05
		\$m	\$m	\$m	\$m	\$m
Operating revenue						
Revenue from State Government	1	789.3	758.9	710.6	668.2	620.5
Other revenue	2	360.3	334.6	318.8	310.9	301.4
Total operating revenue		1,149.6	1,093.5	1,029.4	979.1	921.9
Operating expenses	3	1,131.3	1,062.1	1,023.7	1,000	918.1
Operating surplus/(deficit)	4	18.3	31.4	5.7	(20.9)	3.8
Total assets	5	171.6	152.5	88.8	83.6	103.7
Total liabilities	6	25.6	24.8	4.4	4.9	4.1
Retained funds	7	146.0	127.7	84.4	78.7	99.6
Net cash inflow/(outflow)	8	20.0	37.3	5.6	(20.5)	2.3

Notes (refer to 2008-09 data only)

- Revenue from State Government increased from \$758.9 million in 2007-08 to \$789.3 million in 2008-09, an increase of \$30.4 million (4.0%).
- Other revenue increased from \$334.6 million in 2007-08 to \$360.3 million in 2008-09, an increase of \$25.7 million (7.7%). This is due to increase in Commonwealth grants and Commonwealth revenue for indexation received during the period under review.
- Total operating expenses increased from \$1,062.1 million in 2007-08 to \$1,131.3 million in 2008-09, an increase of \$69.2 million (6.5%). Increased expenditure in recurrent and capital grants caused this increase in expenditure.
- An operating surplus of \$18.3 million (2007-08, \$31.4 million) has been recorded for 2008-09. The reason for this decrease is mainly due to increases in payments to private providers for programs including Apprenticeship Completion Bonus, Trades Bonus, Priority Education and Training Program and Apprenticeship Traineeship Training Program.
- Total assets increased from \$152.5 million in 2007-08 to \$171.6 million in 2008-09. This \$19.1 million (12.5%) increase approximately represents the surplus for the period.
- Total liabilities increased from \$24.8 million in 2007-08 to \$25.6 million in 2008-09.
- The equity as at 30 June 2009 is \$146.0 million. The equity funds represent Commonwealth funds held in Trust Accounts for various projects. A large proportion of these funds represent unspent Commonwealth funds committed for Priority Education and Training Program and Apprenticeship Traineeship Training Program.
- A \$20.0 million net increase in cash was recorded, reflecting the surplus for the period under review and other items listed in 4 above.

Summary of financial results (continued)

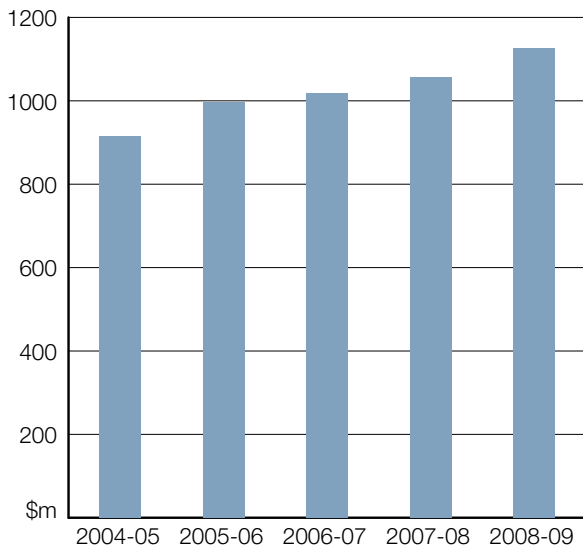
Revenue



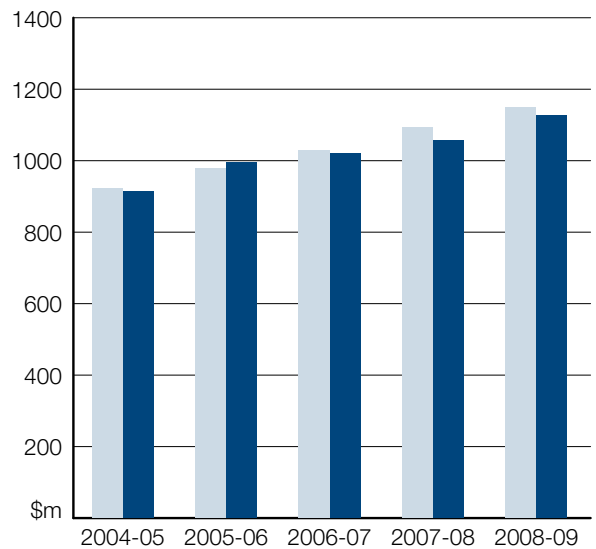
Operating result



Expenses



Revenue and expenses comparison



■ Revenue
■ Expenses

Members of the VSC

The VSC consists of 11 members. Its membership reflects its responsibility to ensure effective linkages with community stakeholders and industry and key government advisory bodies, including the Victorian Registration and Qualifications Authority and the Adult, Community and Further Education Board.

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Mr Peter Thomas AM

Chair

From: July 2008 to August 2008

Peter Thomas had a 41-year career with GM Holden, where his senior roles included Managing Director of Holden's Engine Company, and Executive Director of Planning and External Affairs. Mr Thomas was Deputy Chancellor of RMIT University, and past Chair of the Victorian Manufacturing Industry Consultative Council and the Melbourne Port Corporation. Mr Thomas was an Australian Industry Group Emeritus National Councillor, a Director of GUD Holdings Ltd and of Australian Super. Mr Thomas was Chair of the VSC for just over four years, commencing in July 2004.



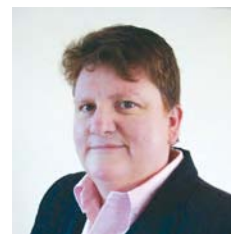
Ms Rowena Allen

Acting Chair

Member from: July 2008 Acting Chair from September 2008

Rowena Allen has held positions in the area of community development and community services with rural and metropolitan local governments, and is the former Chair of the Youth Affairs Council of Victoria and Goulburn Regional Youth Affairs Network. She is also the Chair of the Victorian Government Ministerial Advisory Committee on Gay and Lesbian Health and Wellbeing.

Ms Allen remains the Chief Executive Officer of UnitingCare – Cutting Edge, an agency she established in the Goulburn Valley to work with disadvantaged and rurally isolated communities. Rowena is also a member of the Victorian Government Women's Honour Roll.



Mr Stuart Hamilton AO

From: July 2008

Stuart Hamilton worked in the Commonwealth public service for many years including as Deputy Secretary for the Department of Prime Minister and Cabinet; Secretary for the Department of Health, Housing and Community Services; and Secretary for the Department of Environment, Sport and Territories. He was Secretary of the Victorian Department of Education, Employment and Training (2001-2002) and then Director of the Innovation Economy Advisory Board. He was Executive Director of the (then) Australian Vice-Chancellors' Committee (now Universities Australia) for five years.

Mr Hamilton is currently Chair of the Victorian Registration and Qualifications Authority. He is also Chief Executive Officer of Open Universities Australia and Secretary of the Council for the Humanities, Arts and Social Sciences.

Mr Hamilton holds a Bachelor of Arts and Bachelor of Economics, and was awarded a Rhodes scholarship to Oxford.



Members of the VSC

Mr Peter Coyne

From: July 2008

Peter Coyne is Executive General Manager of Human Resources for Crown Melbourne, responsible for the people strategy for Australia's largest hospitality employer. Mr Coyne's 14-year career with Crown Casino started as a contractor preparing long-term unemployed people to transition to work in hospitality. He then focused on leadership development and Human Resource management.

Prior to working for Crown Melbourne Mr Coyne was a secondary school teacher in a variety of country and metropolitan schools for 19 years. He established his own curriculum and resource development business that focused on school-to-work transition.



Mr Howard Ronaldson

From: July 2008

Howard Ronaldson was the Secretary of the (former) Department of Infrastructure, a position he held from December 2002. Mr Ronaldson has also held executive positions in the Department of Innovation, Industry and Regional Development (DIIRD) and the Department of Premier and Cabinet, and was previously the Director of Gaming, the Director of Crown Lands and the Director of Housing in Victoria. He also worked in Canberra as the Chief Executive and Under Treasurer of the Department of Treasury, Australian Capital Territory.

To his current role as Secretary of DIIRD, Mr Ronaldson brings vast experience in negotiating complex commercial arrangements between the private sector and government, and providing strategic policy advice on key links between infrastructure and the economy.



Ms Megan Lilly

From: July 2008

Megan Lilly was the Chief Executive Officer of Business Services Training Australia – the national industry advisory board for the business services and related industry sectors. Before joining the national board she held several senior management positions in various Victorian TAFE institutes.

Ms Lilly is currently Associate Director – Education and Training for the Australian Industry Group, Chair of Manufacturing Skills Australia, member of the National Quality Council and Chair of the Training Package Standing Committee. Ms Lilly is also a member of the newly formed Australian Qualifications Framework Council and a member of the Australian College of Education. She has a Masters in Educational Policy and Administration.



Ms Gillian Robertson

From: July 2008

Gillian Robertson has been a teacher in the VET sector for 14 years, an Education Manager at Gordon Institute of TAFE and a union sub-branch president.

Currently, Ms Robertson is the Vice President, TAFE and Adult Provision Sector, Australian Education Union Victoria. She is also a member of the Community Services and Health Industry Training Board.



Mr Julius Roe

From: July 2008

Julius Roe spent 11 years as a bus driver and rank and file trade union activist before becoming a union official in 1987. Since that time Mr Roe has been a leader in the development of classification career paths and competency-based training opportunities for workers.

Mr Roe was a member of the National Training Board and its successor the National Training Quality Council from 1990 until 2004, and was a member of the Australian National Training Authority (ANTA). He is also a member of the executive of the International Metalworkers Federation.

Mr Roe is currently the National President of the Australian Manufacturing Workers' Union (AMWU). He has been a member of the Australian Qualification Framework Council since 1998. He was recently appointed by COAG to co-chair the Australian Apprentices Taskforce to support participation in apprenticeships during the economic downturn.



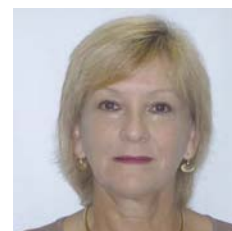
Ms Lynne Wannan AM

From: July 2008 to August 2008

Lynne Wannan is a social policy analyst who has worked in senior management positions in local government in Victoria, in the private sector and in state government.

Ms Wannan has been an advisor to government at both the state and national levels, and at local government level for over 25 years. She has worked in the broad community and health services industry for the past 20 years. She was a founding member of the Western Institute, the inaugural Deputy Chancellor of Victoria University of Technology and convenor of the Victorian Women's Consultative Council and is Chair of the Adult, Community and Further Education (ACFE) Board.

Ms Wannan also chairs the Victorian Children's Council and the Community Support Fund Advisory Committee for the Department of Victorian Communities. She was appointed Director of the Office for the Community Sector in the Victorian Government in June 2008.



Members of the VSC

Mr Adrian Nye

From: August 2008

Adrian Nye is Acting Chairperson of the ACFE Board until 31 October 2009. Mr Nye is a self-employed consultant. He has a long-standing interest in community-based education and has extensive local government experience. Mr Nye is a former Councillor of the City of Brunswick. Mr Nye is the Chairman of the Victorian Managed Insurance Authority and the President of the Metropolitan Fire Brigade and has extensive governance and community stakeholder experience. Mr Nye has received a Centenary Medal for his contribution to Public Management.



Mr John Sharkey AM

From: July 2008

John Sharkey is a senior partner of Deacons, where he practises as a construction lawyer. He is a former chair of the Law Council of Australia's Construction and Infrastructure Law Committee and is a Senior Fellow of the University of Melbourne. His published works include the co-authorship of *Building and Construction Contracts in Australia* and *Commercial Arbitration*.

Mr Sharkey has been a member of the Council, now Board, of Holmesglen Institute of TAFE since 1982 and is presently Chairman of the Board.



Mr Roger Leeming

From: April 2009

Roger Leeming spent 26 years with Pilkington in Europe, largely in the automotive glazing area, and in 1997 moved to Australia assuming overall responsibility for the Australasian operations. In this role he became President Building Products Australasia and Country Manager Australasia. The business currently has a turnover of around \$400 million and employs around 1,800 people. He sat on the executive of a number of industry bodies, and was national President of the Australian Glass and Glazing Association, and President of the Australian Industry Group in Victoria. He is a Fellow of the Australian Institute of Management.

Mr. Leeming retired from Pilkington in 2006, and has a portfolio of non-executive directorships/chairmanships and government panels, including Chairman, Tycab Cables Member, Emergency Services Telecommunications Authority (Vic) and former Member, National Industry Skills Committee.



Audit and Risk Committee

The Audit and Risk Committee consists of four members: an independent Chair plus an independent member and two members of the VSC. It operates within the guidelines of the *Financial Management Act 1994*. The members of the Audit and Risk Committee are:

Ms Merran Kelsall
(Chair, and independent member)

Mr Peter Thomas
(VSC Chair) to August 2008

Ms Rowena Allen
(Acting VSC Chair) from September 2008

Ms Gillian Robertson
(VSC member)

Mr Robert Maughan
(independent member)

Executive support

The VSC is directly supported by a Secretariat which operates within Skills Victoria, a division of the Department of Innovation, Industry and Regional Development (DIIRD). Officers within the department are delegated work related to the VSC's functions as the Victorian state training agency and the broader post-compulsory education and training system.

Governance and policy

COAG reform process

At their meeting on 29 November 2008, the Council of Australian Governments (COAG) agreed new national arrangements for funding of vocational education and training. The Commonwealth and all states and territories are signatories to a new *Intergovernmental Agreement on Federal Financial Relations*, which provides a new framework for federal financial relations and funding arrangements. The agreement operates indefinitely from 1 January 2009. The agreement contains a clause that provides for periodic review (at least every five years) of the level of Commonwealth funding support to ensure its ongoing adequacy.

The *National Agreement for Skills and Workforce Development* replaces the previous funding arrangements through *Skilling Australia's Workforce 2005 – 2008*. The new agreement continues funding at previous levels and provides more flexibility for jurisdictions in the application of funds, while at the same time committing them to a range of targets and measures. Reporting on the agreements will be through the COAG Reform Council.

Victoria is also a signatory to a bi-lateral agreement, the *Intergovernmental agreement for additional training delivery in Victoria* under the *Productivity Places Program*. This agreement recognises the significant investment being made by Victoria over the next four years in implementing *Securing Jobs for Your Future – Skills for Victoria*. The terms of the agreement give Victoria flexibility in delivery around skills shortage areas and qualifications, and allows delivery through existing arrangements.

Securing Jobs for Your Future – Skills for Victoria

This major initiative was announced by the Premier and Minister for Skills and Workforce Participation on 26 August 2008. *Securing Jobs for Your Future – Skills for Victoria* has four clear goals:

- increasing the number of people undertaking training in the areas and at the levels where skills are needed for Victoria's economic and social development
- developing a training system that engages more effectively with individuals and businesses and is easier to navigate
- ensuring our skills system is responsive to the changing needs of Victoria's industry and workforce
- creating a culture of lifelong skills development.

Within this initiative, the VSC is being strengthened to improve industry input into policy and decision making at the highest level. The role of industry training advisory bodies (ITABs) is also being strengthened to enable them to work more closely with the VSC. Funding was provided for projects designed to stimulate demand for training and to provide information on skills needs.

In January 2009, the Minister for Skills and Workforce Participation, the Hon. Jacinta Allan, MP, asked the VSC to:

- identify options for the government to stimulate demand in critical skill shortage areas and discourage oversupply of skills that are not in demand
- develop a framework of strategies and activities to identify and address the needs and concerns of industry
- develop a framework to monitor the impact of reforms designed to get more people to participate in training
- consider opportunities to involve Local Learning and Employment Networks (LLENs) in demand stimulation, with respect to the participation of young people in training, including ways in which the VSC can assist LLENs to engage with industry at the local level.

In response to this request the VSC:

- endorsed an approach to implementing a consolidated information service and approved content and structure of information derived from labour market analysis for publishing via the information service
- endorsed funding ITABs for projects to stimulate training demand and an approach to implementing the *Victorian Skills Pledge*

- approved an analysis of skill shortages to inform the development of exemptions criteria
- endorsed a revised outcomes monitoring framework for the Victorian VET system and measures for a quarterly dashboard report.

A number of apprenticeship retention projects have been initiated to encourage apprenticeship participation, both for young entrants and adult workers, and to provide ongoing incentives for employer involvement in apprentice training.

Post-compulsory education and training

In Victoria, the post-compulsory education and training system comprises four sectors:

- schooling
- vocational education and training (the state training system)
- adult and community education
- universities and other providers of higher education.

In the schooling sector, the post-compulsory or later years of schooling (Years 10-12) provide young people with effective and varied pathways and support to secure their first formal qualification and making a successful transition to further education, training, employment or a combination of these. Students choose from three senior secondary certificates: the Victorian Certificate of Education, the Victorian Certificate of Applied Learning and the International Baccalaureate (Diploma).

The government has set a target that, by 2010, 90 per cent of young people will complete Year 12 or its equivalent. It is in the school setting that most young people complete Year 12.

The higher education sector has, as at 30 June 2009, nine public universities and one self-accrediting higher education institution, 54 non self-accrediting providers approved to deliver accredited higher education qualifications, and four interstate universities approved to deliver higher education courses to overseas students in Victoria.

2008-10 VSC Strategic Plan



Context

Victoria is undergoing a transition to an innovation economy and is confronting economic and social challenges, not least from an ageing population, global pressures, and the impact of climate change.

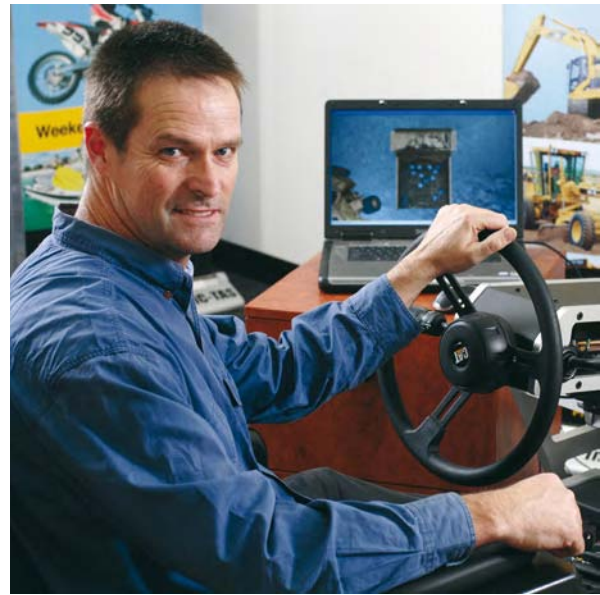
To respond to these challenges, it is vital to increase workforce participation and productivity. The skills development system has a central role to play in this. However, the skills development system is only part of the broader workforce development system. All parts of that system – at a whole-of-state level, at a regional level and within individual enterprises – need to work in synergy. Skills policy is a vital part of innovation, industry and regional policies.

The VSC is building on its relationships with training providers to create a strong skill-development system which encompasses all skill-formation processes.

In January 2008, the VSC published its *2008 – 2010 Strategic Plan: Skills for the Innovation Economy*, available on the VSC website at www.vsc.vic.gov.au

The VSC 2008-10 Strategic Plan is developed around the following objectives:

- a Victorian workforce with the mix and level of skills and knowledge required to meet the current and emerging needs of employers, industry and the community
- increased workforce participation through enhanced access to skilling opportunities, especially for groups with currently low participation rates (unemployed and under-employed)
- equitable access to skills development opportunities for all individuals to develop the full range of their potential skills and employability
- provision of systemic opportunities for existing workers to build towards higher qualifications.



The Caterpillar Institute won the 2008 Victorian Training Award for Small Training Provider of the Year for its success in addressing the skills shortage of heavy automotive service technicians and skilled earthmoving equipment operators.

The VSC has two core strategies and three enabling strategies to optimise the contribution of the skills development system to the state's workforce development:

Core strategies

- *Productivity*: increase productivity by identifying and providing the right mix and level of skills and qualifications required to meet the current and emerging needs of employers, industry and the community in the new Victorian economy.
- *Participation*: increase workforce participation by providing the right skilling opportunities for new entrants, existing workers facing industry change, and those who are unattached or marginally attached to the workforce.

Enabling strategies

- *Capacity and Capability*: ensure system and provider capability to meet productivity and participation needs.
- *Investment*: increase investment in skills development in a fair and effective way.
- *Governance*: ensure effective and accountable governance for the skills development system, and its effective links to other components of the broader workforce development system.

The Victorian Skills Commission is the state training agency for Victoria, and the following sections reflect the Commission's 2008-10 Strategic Plan.

2008-10 VSC Strategic Plan

Strategy 1

Productivity

Increase productivity by identifying and providing the right mix and level of skills and qualifications required to meet the current and emerging needs of employers, industry and the community in the new Victorian economy

Skills and jobs outlook

The VSC endorsed an analysis of the employment outlook in selected Victorian industries for posting on the Skills Victoria website. A summary of the employment outlooks in the first five industries over the 2009 and 2010 period is provided below.

Agriculture, forestry and fishing industry

Despite the current economic downturn, expectations remain positive in the industry for 2009 and 2010 due to stable demand conditions. Demand for the industry's output is mainly determined by basic needs and is therefore likely to be less sensitive to the deteriorating economic conditions.

While employment in the industry may decline slightly due to the downturn, it is expected to increase moderately within the next five years. Livestock farmers, skilled agricultural workers, shearers, farm overseers and finance associate professionals are expected to be the fastest growing occupations in the industry in the next five years.

Building and construction industry

Following 10 years of strong growth, activity is expected to decrease in the industry in 2009 and 2010 due to the economic downturn. The industry is expected to recover in the longer term due to underlying strong housing demand, government initiatives and the improvement of the global financial markets.

Employment in the industry is expected to decrease moderately in the next five years and return to its 2005-year level by 2014. In this time, employment of business and administration associate professionals, engineering, distribution and process managers, transport drivers, fabrication engineering and wood tradespersons is expected to increase most, relative to other occupations in the industry.

Electricity, gas and water industry

The outlook for the industry is positive for 2009 and 2010 due to stable demand conditions. The industry provides essential services and utilities for businesses and communities, therefore activity and employment is not expected to be significantly affected by the economic downturn.

Employment in the industry is expected to increase by around 5.5 per cent during 2009 and 2010. In the next five years, employment of engineering, distribution and process managers, engineering tradespersons, computer professionals and business associates is expected to increase most, relative to other occupations in the industry.

Health and community services industry

It is expected that activity will increase in the industry during 2009 and 2010 and it is not likely to be significantly affected by the economic downturn. The longer term outlook is also positive for the industry. Demographic changes predict increasing demand for health and community services. It is expected that because of the ageing population and the recent spike in births, demand for maternal health, childcare and aged care services will continue to rise.

Employment in the industry is expected to continue rising from 2009 onwards, by around 5.4 per cent in the next five years. Employment growth in the community services sector is expected to be higher than in the health sector. Personal care and nursing assistants, nurse managers, childcare workers and welfare and community workers are expected to be the fastest growing occupations in the industry in the next five years.

Transport and storage industry

Following a period of substantial growth, the industry has experienced some decline during the past quarters. The transport and storage industry provides services to every other sector in the economy, and the effects of the economic downturn have impacted on the industry. However, the longer term outlook is very solid for the industry.

Following a small decline around 2001, employment in the industry has steadily increased during the past 10 years. Employment is expected to continue to rise in the next five years at an annual average rate of 2.4 per cent. In the next five years, employment in the road transport sector is expected to increase the most, followed by rail transport. In this time, employment of transport managers, supply and distribution managers, transport and despatching clerks, and truck, delivery, bus and tram drivers is expected to increase most, relative to other occupations in the industry.

Industry training advisory bodies

The industry training advisory system provides advice on vocational education and training policy and industry priorities. A key element of the advisory system is the 16 industry training advisory bodies (ITABs) funded by the VSC, as well as national industry advisory bodies, whole-of-Victorian Government working groups and other industry stakeholders in the training system.

In 2008-09, the VSC:

- worked with the Department of Innovation, Industry and Regional Development on a number of initiatives under the Government's *Securing Jobs for Your Future – Skills for Victoria* policy to strengthen the role of ITABs, including the provision of new web-based skills and jobs outlook information for various vocational education and training audiences, the launch of the *Victorian Skills Pledge*, and revised arrangements for advice on industry skill needs
- encouraged ITABs to play a more active role in stimulating training demand from Victorian businesses, and to promote the opportunities available through the Government's *Skills for Growth* program to address workforce development and access accredited training
- reviewed the terms of the 2008-11 performance and funding agreements with ITABs to ensure they reflect new responsibilities under the *Securing Jobs for Your Future – Skills for Victoria* policy
- published new guidance materials on governance practices for ITABs to ensure they operate in line with the current expectations of government for the governance of publicly-funded organisations.

Strategy 2

Participation

Increase workforce participation by providing the right skilling opportunities for new entrants, existing workers facing industry change, and those who are unattached or marginally attached to the workforce

Delivered training

Looking at trends in VET delivery in Victoria over the past 10 years reveals that overall VET delivery (measured in student contact hours) has increased by 47 per cent since 1999. Industries experiencing the greatest growth over the 1999 to 2008 period consist of: transport and storage; wholesale retail and personal services; and community services and health. The only industry to experience a decline in VET delivery between 1999 and 2008 is general manufacturing – a reflection of the declining workforce in this industry over the past decade.

In 2008, TAFE institutes and ACE and private registered training organisations provided approximately 530,000 students with 134.8 million student contact hours of training and further education (excluding non-VET activity). Of this total delivery, government-funded delivery accounted for approximately 87.4 million of the reported contact hours.

In 2008, TAFE institutes delivered 67.6 million government-funded student contact hours, with the remainder delivered by Adult and Community Education (ACE) organisations and private registered training organisations.

In 2008, there were 202,848 government-funded mature-age enrolments (persons aged 25-64 years) in vocational education and training in Victoria.

Of those enrolments, 134,073 attended TAFE institutes, 49,359 undertook vocational education and training through ACE organisations, while private registered training organisations accounted for 19,416 government-funded enrolments.

In 2008, there were 96,215 enrolments in higher level VET qualifications (Certificates V and VI) in Victoria. A total of 77,541 enrolments were at the Diploma level, while Advanced Diploma enrolments amounted to 18,674. TAFE institutes accounted for the vast majority of enrolments with 93,015 (almost 97 per cent). Enrolments in private registered training organisations and with ACE organisations for higher level qualifications accounted for 3.3 per cent of total higher level enrolments in 2008.

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A VET teacher and student at the Corio Bay Senior College, which delivers 14 VET certificate courses to 500 students on behalf of the Geelong North VET Cluster. For its innovative and supportive approach to VET, the cluster won the 2008 Victorian VET in Schools Excellence Award.

Enrolments in VET at higher qualification levels increased significantly in 2008, growing by almost 14 per cent over the previous year. Looking at trends over the past decade reveals that enrolments at higher levels contracted slightly over the 2004 to 2006 period, but grew strongly in 2007 and 2008. This is good news for Victoria as it aligns with policy directions of the Victorian Government to raise qualification profiles across the state. The greatest percentage growth in VET enrolments at higher qualification levels occurred in automotive (from a relatively small base), transport and storage, and electro-technology and communications in 2008.

Mid-level enrolments (Certificates III and IV) have been trending up over the past decade, growing by 55 per cent from 1999 to 2008. Students undertaking mid level training are a particularly important part of the training system, as a large proportion are in apprenticeships and traineeships – many of which are in skill shortage areas.

Examining trends in VET participation by young people reveals consistent growth over the past decade. Participation by students aged 15 to 19 increased by 54 per cent over the 1999 to 2008, while those aged 20 to 24 increased by 33 per cent over the same period. Industries experiencing the greatest growth in VET delivery among young people (15 to 24 year olds) in 2008 were building and construction, transport and storage, and electro-technology and communications.

Apprenticeships and traineeships

As at 30 June 2009, the overall number of apprentices and trainees was 120,004, and 95,661 of these received a government-funded training place.

During 2008-09, 72,154 apprentices and trainees commenced training. The building and construction industries (including plumbing and electrical), followed by the automotive industry and engineering industry, had the greatest number of apprentice commencements.

The wholesale, retail and personal services industries, followed by the business services and property industries had the greatest number of trainee commencements.

Of those commencing, 55,612 received a government-funded training place. There were 41,977 completions of which 22,656 were for apprentices and trainees who had been in receipt of a government-funded training place.

The global economic downturn impacted on apprenticeship commencements, particularly during the first six months of 2009. Overall, there was a 16 per cent decrease in apprentice commencements compared with 2007-08. Strategies implemented to improve apprentice retention are:

- an out-of-trade apprentice list to assist unemployed apprentices find another employer
- changes to TAFE delivery guidelines to allow unemployed apprentices to complete their qualification
- three apprentice retention projects – including a research project on expanding/enhancing pre-apprenticeships; materials and support for employers and apprentices; and additional support to help place out-of-trade apprentices.

The Victorian Skills Commission endorsed several significant reforms to apprenticeships policy and administration which were put into place from 1 January 2009:

- an independent sign-off by apprentices and employers to ensure that cancellations have been mutually agreed
- independent delegates to hear the small number of formal dispute proceedings between apprentices and their employers which occur each year
- a revised policy for part-time and school-based apprenticeships/traineeships that allows the minimum hours required for employment and training to be averaged over three periods of four months per annum, thereby enabling greater program flexibility and responsiveness.

Apprenticeship/Traineeship Completion Bonus Scheme

The Apprenticeship/Traineeship Completion Bonus Scheme provides an incentive for employers to encourage apprentices and trainees to complete their training. During the 2008-09 financial year, employers of 18,325 apprentices and trainees qualified for Completion Bonus payments under the scheme.

Employers of a further 318 apprentices and trainees of not-for-profit group training organisations were eligible for the bonus under the Group Training Employment Support Scheme.

The Completion Bonus Scheme will be continued for 2009-10 and will include a new Early Completion Bonus component.

Apprentice Trade Bonus

The Apprentice Trade Bonus was introduced in the 2005-06 State Budget. The program provides financial support to assist apprentices to complete their apprenticeships. The timing of these payments is planned to lessen the high number of apprenticeship cancellations that occur between the end of the three-month probationary period and the 12-month point of an apprenticeship.

During the 2008-09 financial year, 15,812 apprentices were eligible for \$250 payments at the six-month point and 14,459 apprentices became eligible for the further 12-month \$250 payment.

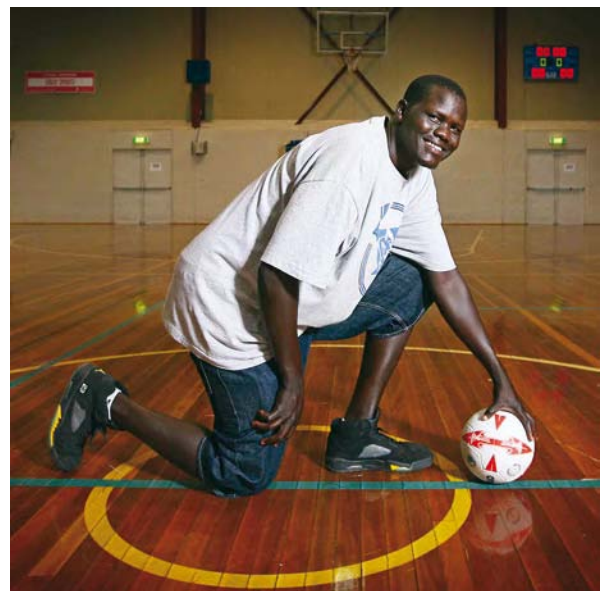
Apprenticeship/Traineeship Training program

The Apprenticeship/Traineeship Training program provides funding for private registered training organisations (RTOs) to train apprentices and trainees. The program gives people the opportunity to engage in employment while receiving formal training towards a nationally recognised qualification.

In 2009, 216 private RTOs were contracted to commence the provision of training to over 22,000 apprentices/trainees, including Jobs for Young People placements in local government – a program administered by the Department of Planning and Community Development.

In 2009, a further 1,000 places are reserved for school-based apprentices and trainees.

Dandenong trainee Matter Machar, winner of the Victorian Training Awards 2008 Trainee of the Year for his dedication to Dandenong's multicultural youth. At the subsequent national awards, Mr Machar also won 2008 Australian Trainee of the Year.



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Priority Education and Training program

The Priority Education and Training program funds private RTOs to provide training that complements local public provision in industries and regions that have been identified as government priorities. This program is for students who are not apprentices or trainees.

Through this program, more than two million student contact hours of training were delivered in 2008 by 104 private RTOs. In 2009, 70 private RTOs were contracted to participate in the program.

Vocational pathways within schools

VSC Strategy 2 includes a focus on young people, to continue to increase Year 12 or equivalent completion rates for young people, and improve their transition to training, and to re-engage through education, training or employment young people who have left education and training without a qualification.

Education in Victoria is compulsory until the age of 16. Research shows that young people who are engaged with schooling until Year 12 have better long-term employment, economic and social outcomes. For this reason, the government has committed to a target of 90 per cent of young people completing Year 12 or its equivalent by 2010.

To encourage young people to stay in school, and to enable them to complete a senior secondary certificate, post-compulsory pathways have been expanded and include a strong focus on vocational curriculum options.

Most young people complete their Year 12 qualification while at school, however, a smaller proportion undertakes senior secondary study in the TAFE and ACE sectors.

In 2008, 155,878 students were enrolled in at least one unit of the VCE (includes VCE VET) across all providers. These students were enrolled in 634 providers, including 337 Government, 89 Catholic and 148 Independent schools, 52 adult VCE providers, seven other providers and one single Languages Other Than English (LOTE) provider.

To encourage young people to stay in school and to enable them to complete a senior secondary certificate, post-compulsory pathways have been expanded and include a strong focus on vocational curriculum options.



Julie Hurrell, Teaching and Learning Advisor with Swinburne TAFE, winners of the 2008 Victorian Training Awards Training Initiative of the Year for the Swinburne Employability Skills Passport initiative.

Victorian Certificate of Applied Learning

The Victorian Certificate of Applied Learning (VCAL) is a hands-on option for Years 11 and 12 students, offering practical work-related experience and learning. It is available in both government and non-government schools and also through TAFE and Adult and Community Education (ACE) organisations. The government allocated approximately \$12 million in 2008-09 to support VCAL. This funding was used for VCAL coordinators in government schools, TAFEs and ACE organisations of VCAL, to subsidise VCAL coordination in Catholic schools and to support VCAL quality assurance and professional development for all providers. This investment has underpinned further growth in enrolments and the positive study and employment outcomes the program provides. In 2008, there were 15,641 VCAL certificate enrolments across all sectors, and 423 providers.

VET in schools

Vocational Education and Training in Schools (VETiS), including school-based apprenticeships and traineeships, comprises nationally recognised VET certificates which can be undertaken by senior secondary students as part of VCE or VCAL.

VETiS is designed to expand opportunities and pathways for senior secondary students and improve post-compulsory educational outcomes in line with the government's goals and targets for education. They also contribute to addressing industry skill needs.

VETiS is typically delivered through partnerships between schools, industry and training providers, and provides opportunities for students to participate in workplace learning.

The take up of VETiS is constantly growing across all sectors, with student participation numbers increasing from 40,764 in 2007 to 43,489 in 2008. From 1999 to 2008, participation by students aged 15 to 19 years increased by 54 per cent, while those aged 20 to 24 increased by 33 per cent. Industries in 2008 experiencing the greatest growth in VET delivery among 15-24 year olds were building and construction, transport and storage, and electro-technology and communications.

The Department of Education and Early Childhood Development (DEECD) recently completed a regional planning and clustering process to better support VETiS and VCAL provision in all regions. Project outcomes included: better planning and coordination of VETiS and VCAL provision; support for improved pathways outcomes to post-school VET destinations and employment; and the facilitation of school-based apprenticeships and traineeships expansion, particularly in the trade areas.

School-based apprenticeships and traineeships

Apprenticeship and traineeship pathways for senior school students continued to expand. In 2008, there were 9,263 (an increase of 2,323 students from the 2007 total of 6,940) students in government and non-government schools in apprenticeships or traineeships. These were undertaken as part of a program of studies that combined the Victorian Certificate of Education (VCE) or the Victorian Certificate of Applied Learning (VCAL) with a nationally accredited training certificate and employment.

Young people in VET

In 2008, just over 74,000 young people aged 15 to 19 years undertook vocational education and training in government-funded programs in TAFE institutes, ACE organisations and private registered training organisations.

These programs provide opportunities for early school leavers to continue in education and improve their career and employment options.

Students also have the opportunity to undertake their senior secondary qualification through either a TAFE institute or an ACE organisation. In 2008, there were almost 3,900 students aged 15 to 19 years enrolled in senior secondary certificates with a TAFE or ACE organisation.



Kerrie-Lyn Young is Reception and Student Services Manager at East Gippsland TAFE and the VET Client Service/Support Excellence winner at the 2008 Victorian Training Awards.

Technical Education Centres

In 2006, \$32 million was allocated to build four Technical Education Centres (TECs) at Wangaratta, Ballarat, Berwick and Heidelberg, helping to create effective pathways to employment or further training for young people who have not completed Year 12 or its vocational equivalent.

The TECs are based in TAFE institutes and provide access to expertise and industry-standard facilities. They also provide simulated work environments and strong links with local industry to support delivery of vocational education in priority industry areas for young people.

Two TECs are delivering programs in temporary facilities. Program delivery will commence at Heidelberg when construction of the TEC is complete towards the end of 2009.

In Term 2 this year, the Berwick TEC opened the doors of its new state-of-the-art facility to students. The construction of the other TEC facilities is within the overall project time lines, with some delays due to site issues. The TEC initiative has been well received and a number of communities have expressed interest in the establishment of further TECs.

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Rosebud student and youth worker Lauren Johansson, winner of the Victorian Training Awards 2008 Vocational Student of the Year.

The former Australian Technical Colleges (ATCs) at Geelong, Bendigo and Gippsland are now operating as TECs as part of the operations of the Gordon Institute of TAFE, Bendigo Regional Institute of TAFE and East Gippsland Institute of TAFE respectively. The Gippsland ATC will also become a TEC at the East Gippsland Institute of TAFE during 2009. Each new TEC will build on the work of the ATC initiative to provide a high standard of learning for young people wishing to complete their senior secondary certificate while undertaking trade training.

Cross-sectoral initiatives

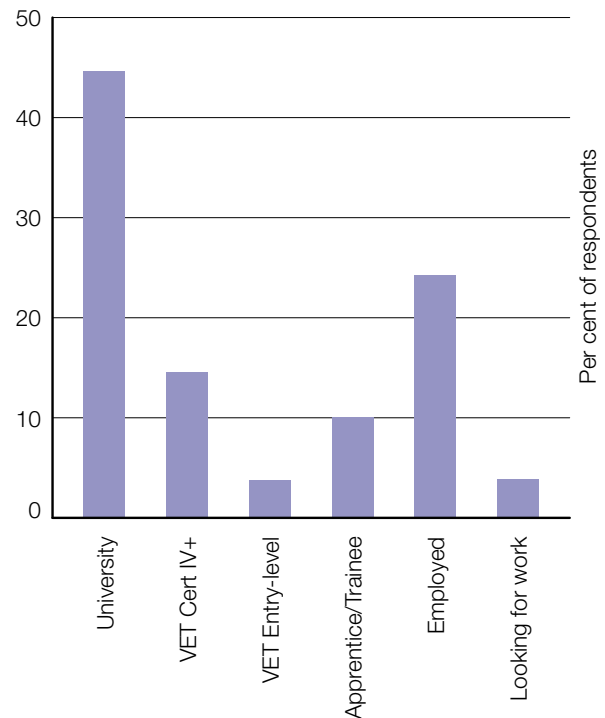
On Track

The *On Track* survey investigates the destinations of Year 12 or equivalent completers, and early leavers from all providers, six months after they leave. The *On Track* data is published each year, and celebrates the broad range of outcomes that providers create for students. In addition, the data contributes to a better understanding by parents, students, schools and destination providers of the possibilities and challenges involved in the transition from school to work, further education or training. At the time of survey, assistance and advice is offered to those students not in education, training or full-time employment.

The 2009 Year 12 completers *On Track* survey interviewed over 36,000 students and found that 72 per cent of young people who completed Year 12 in 2008 were in some form of education or training. Another 12 per cent were employed full or part time, 12 per cent deferred university places and four per cent were looking for work.

Key findings include an increase in the percentage of students from low socio-economic backgrounds enrolling in university, and a decrease in students undertaking apprenticeships or traineeships. This fell from 9.8 per cent in 2008 to 8.0 per cent in 2009. There was a slight increase in the percentage of students looking for work, reflecting the impact of economic conditions on the youth employment market. The trend towards increasing deferrals has continued, with students from regional Victoria significantly more likely to defer than their metropolitan counterparts.

Main destinations of school completers 2008



Local Learning and Employment Networks

The Commission has a legislative role to support local learning and employment networks. The Department of Education and Early Childhood Development (DEECD) manages the Local Learning and Employment Network (LLEN) initiative. Until December 2008, LLEN funding agreements were with the VSC. From January 2009, agreements are directly with DEECD. However, LLENs continue to provide policy advice to the VSC, where relevant, regarding post-compulsory education issues and the transition from school to work and/or further study.

The LLEN initiative has a crucial role to play in continuing progress towards the government's Year 12 or equivalent completion target. The focus of LLENs is on improving education and training outcomes for young people aged 15 to 19 years, with a particular emphasis on those at risk of not completing Year 12 or its equivalent.

Within this broad focus, the LLEN role includes:

- facilitating and supporting a range of initiatives, and developing partnerships and collaboration with and across stakeholders to provide better pathways and support for young people
- undertaking local strategic planning
- providing local advice on state-wide policy and program issues
- serving as an active platform for joining up government initiatives with local education and training systems.

During 2008, the statewide network of 31 LLENs brokered 168 partnerships that involved over 3,000 organisational stakeholders, comprising schools, TAFE and ACE providers, industry and community organisations. By working with stakeholders to develop broader education and training programs and pathways, and to support young people to take up these options, LLENs reported positive contributions to the outcomes of over 44,000 young people. This number included over 4,500 young people who were re-engaged with education or training.

Strategy 3

Capacity and capability

Ensure system and provider capability to meet productivity and participation needs

Improving learner access

Providers across the state training system continue to develop and implement inclusive practices to ensure the provision of vocational education and training to disadvantaged learners within the community in order to build individual skills and quality employment outcomes.

Skill Up

Skill Up is a rapid response program to retrain and support workers of all ages who are made redundant as a result of a major industry downturn or workplace closure, and so improve their employment prospects. An application for Skill Up support can be made by an appropriate representative of the affected company, a relevant union, or a TAFE institute on behalf of a group of redundant workers. The program is provided through participant Victorian TAFE institutes to manage delivery of accredited vocational and education and training.

Where a redundancy is deemed eligible, the nominated TAFE institute takes the lead and retrenched workers are provided with vocational counseling and support, plus up to 80 hours of training exempt from fees, which, depending on the worker's choice of training, will be delivered by either public or private providers in metropolitan Melbourne or regional Victoria.



Reservoir mature-age student and youth worker Linda Bamblett, winner of the Victorian Training Awards 2008 Koorie Student of the Year.

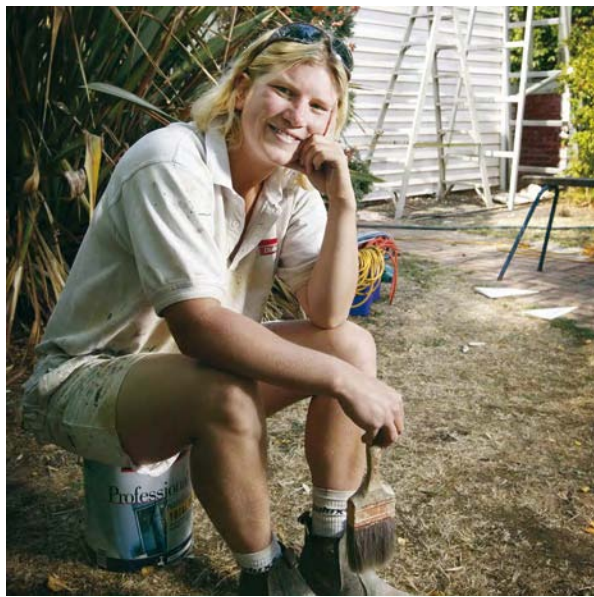
Across 2008-09, funding was made available to 5,834 retrenched workers for whom an application was approved for support.

Specialist provider networks

In 2008-09, specialist provider networks were operating in a number of key VET areas. The areas include biotechnology, competitive manufacturing, energy, transport, distribution and logistics, food and meat processing, and fibre and textiles.

The fibre and textiles network, known as the Fibre and Textiles Provider Network, is convened by Kangan Batman Institute of TAFE, and includes Box Hill, Chisholm and Gordon Institutes of TAFE, Swinburne University of Technology (TAFE), and TexSkill, a specialist textile training provider established by the industry. The International Fibre Centre provided funding support for the network, and in 2008-09 the network provided training and related support for a range of fibre and textile companies. In 2008-09, the International Fibre Centre also commissioned the National Centre for Sustainability to establish a network, known as the Sustainable Enterprise Network, to deliver training addressing 'sustainability' issues in fibre and textile companies in Victoria. This training will be delivered within a 'lean and green' framework, and training will be delivered through the Sustainable Enterprise Network in 2009-10.

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Ballarat apprentice painter and decorator, Lucinda Brundell, winner of the Victorian Training Awards 2008 Apprentice of the Year.

Each of the networks is increasingly focusing on the delivery of enterprise-based training to companies. In most cases, this includes the delivery of nationally accredited training, and specialised short courses, and customised company-specific training aimed at meeting individual and company performance needs, and agreed enterprise performance targets.

Transforming the VET workforce

The TAFE Development Centre is responsible for promoting the development and raising the professional standing of people working in the Victorian vocational education and training sector.

In 2008-09, the Victorian Government provided over \$3.0 million to the centre to support a variety of core professional development programs for the staff of TAFE institutes. Core programs undertaken by the centre in 2008-09 included an Industry Skills Scheme, Teaching Fellowships, a Professional Learning series, a Leadership scheme for all categories of TAFE staff, a Teaching and Learning Excellence program, a Capability Building in the TAFE Teaching Workforce program, Specialist Scholarships for non-teaching staff, a Workforce Capability and Innovation program, a Human Resources Initiatives program, a Coaching and Mentoring scheme, a Research Projects program, Alumni programs, and a Careers in TAFE project.

In 2008-09, for the first time the centre commenced the delivery of programs and services to Adult Community and Further Education providers. The centre also undertook initial work towards the development of a fee-for-service program to extend the centre's client base to the wider VET sector, through the provision of services and programs that address the wider VET system's professional development needs.

In 2008-09, the centre implemented two initiatives from *Securing Jobs for Your Future – Skills for Victoria* to boost the TAFE workforce:

- *Industry experts as teachers* – encourages people with recent industry experience to make a transition to part-time vocational education and training, while still working in industry
- *Broadening the skills of teachers* – ensures that TAFE staff are skilled in reaching new learners by making available an accredited qualification in Assessment of Informal Learning as an addition to existing qualifications.

Specialist Centres

In 2008-09, 21 centres were engaging industry in specialised training programs appropriate to the needs of their sector. Specialist Centres develop and deliver specialist training to priority industries and provide the technological capabilities needed to drive effective competition in the innovation economy. Centres work closely with individual enterprises and sectors to identify and deliver specific training that addresses current and emerging technological and business development requirements.

Innovation Fund

The Innovation Fund was established to enable TAFE institutes to trial new initiatives in innovation and flexible delivery. Twenty-eight initiatives, funded for a total of \$4.54 million, were incorporated into TAFE Performance Agreements for 2008 and included projects to develop workforce training for existing workers. A further 34 initiatives, including initiatives such as the Box Hill Institute of TAFE *Industry skills needs and partnerships* and the University of Ballarat (TAFE Division) *Sustainable skills for a sustainable future*, for a total of \$3.86 million, were included in TAFE Performance Agreements for 2009.

The annual Innovation Showcase event was enhanced in 2009 by the ministerial launch of a publication, *Building Skill – Securing the Future*, which presented case studies on innovative TAFE-industry partnerships that have been genuinely collaborative, mutually beneficial and resulted in improved competitiveness for the employer.

Industry Skills Advisers

The Ministerial Statement, *Maintaining the Advantage: Skilled Victorians*, promotes the delivery of training, particularly higher level skills, in small to medium enterprises and provides for \$2 million over two years for Industry Skills Advisers (ISA) in six sub-industries within priority industries for Victoria. ISAs were appointed in advanced manufacturing, competitive manufacturing, logistics and supply chain management, packaging technologies, scientific and medical equipment instrumentation and environmental industries in early 2007.

The ISA program, which concluded in March 2009, resulted in the ISAs successfully engaging with over 850 companies across Victoria, resulting in a strong demand for training from enterprises. Training programs brokered by the ISAs were undertaken by more than 2,500 employees.

Apprenticeship Field Officers

Apprenticeship Field Officers (AFOs) perform a key role in advising apprentices, trainees and their employers about training issues and resolving issues that arise in the workplace.

Throughout 2008-09, all 33 AFOs have been involved in implementing and refining operational guidelines and processes developed over the previous 12 months. AFO processes enable complaints to be investigated consistent with the Department of Innovation, Industry and Regional Development (DIIRD) values and the Charter of Human Rights and Responsibilities.

During 2008-09, AFOs and a supporting telephone advisory service continued to deliver high-quality services focusing on customer service and improved outcomes for employers, apprentices and trainees. During the year, AFOs provided additional support for employers and apprentices and trainees affected by the economic slowdown and those impacted by the Victorian bushfires.

Skills Stores

Skills Stores provide an access point to the vocational education and training system. They help individuals update or improve their qualifications. Skills Stores provide free advice to individuals about their current skills and a personal referral to a registered training organisation for skills recognition against a national qualification. They assist employers to develop their business by identifying workforce training options, and can also provide school careers advisers with training information.



Melinda Stephens from Mansfield Secondary College, winner of the Victorian Training Awards 2008 School-based Apprentice of the Year. At the national awards, Miss Stephens also won 2008 Australian School-based Apprentice of the Year.

Since mid 2007, Skills Stores have been operating in community locations across metropolitan and regional Victoria. Several new stores opened six months earlier than planned to bring services to rural communities affected by drought. The thirteenth, and final, Skills Store opened in July 2008.

In 2008-09, the Skills Stores received more than 23,000 enquiries, with over 70 per cent of clients referred for a recognition of prior learning (RPL) assessment, generating over 9,000 completed RPL assessments for individuals.

New and Emerging Skills Research

The impetus for New and Emerging Skills Research is to work with TAFE institutes and other registered training organisations to research emerging skill areas and identify training solutions.

A feasibility study into the establishment of an energy efficiency centre, to be known as the Electrical Energy Efficiency and Climate Change Industry Innovation Centre (EECCIC) was commissioned in 2008-09. The study is being undertaken by the Electrical Trades Union, a registered training organisation, to produce a concept design for the use of the proposed centre as a training facility, and at the same time give a practical demonstration of the potential energy efficiency of a 'green building'.

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A study, *Assessing the Demand for Training in Lean and Green Construction*, to be undertaken by Holmesglen Institute of TAFE, will assess the demand for 'lean and green' training in the construction industry, and the feasibility of adapting the Competitive Manufacturing Training Package and selected competencies from other training packages for this purpose. The findings will then be tested in a pilot training program in a major construction company.

2008 Victorian Training Awards

The Victorian Training Awards is an annual event that showcases and rewards excellence in the VET sector. Attended by 1,000 guests each year, this prestigious event provides a beneficial interface where industry and the VET sector celebrate outstanding achievements by individuals and organisations.

In 2008, four winners of the Victorian Training Awards went on to win at the 2008 Australian Training Awards, namely:

- Apprentice (Trainee) – Matter Machar
- School-based Apprentice – Melinda Stephens
- Large Training Provider – Wodonga TAFE
- Australian Flexible Learning Framework – Innovative Business Award – Swinburne University of Technology (TAFE Division)

For its commitment to training and development and proactive partnerships in the Goulburn Ovens region, Ridley AgriProducts won the 2008 Victorian Employer of the Year Award.



Strategy 4 Investment

Increase investment in skills development in a fair and effective way

Financing skill development

1 July 2009, marked the introduction of the *Securing Jobs for Your Future* initiative and with it a new funding structure for the VET sector. Any organisation delivering government-funded training at the Diploma and Advanced Diploma level will receive payment for the training delivered, based on evidence of delivery and in line with the rates published by the government.

Fee-for-service activity

In addition to their government-funded delivery, TAFE institutes and ACE organisations delivered 41 million and 2.8 million student contact hours, respectively, of fee-for-service vocational and further education in 2008. Private registered training organisations (RTOs) that receive government funding report their fee-for-service activity to Skills Victoria. In 2008, a reported 3.6 million student contact hours were delivered by private RTOs in fee-for-service activity.

Of the total reported fee-for-service activity in 2008, 21.6 million student contact hours were delivered to full fee-paying overseas students (consists of both on-shore and off-shore students) and a further 25.8 million student contact hours were delivered to full fee-paying domestic students.

In addition to VET activity, 2.5 million student contact hours were delivered in personal enrichment programs (classified as non-VET activity), accounting for 115,000 course enrolments in 2008.

Fee-for-service VET activity in Victoria has been trending up over the last decade, growing by 219 per cent from 1999 to 2008. In terms of share, fee-for-service delivery accounted for 35 per cent of all student contact hours delivered in 2008 compared to just 16 per cent share in 1999. The rapid growth in fee-for-service activity is being driven by an increase in overseas students studying in Victoria, students studying off-shore at a Victorian VET provider and full fee-paying domestic students.

Strategy 5 Governance

Ensure effective and accountable governance for the skills development system, and its effective links to other components of the broader workforce development system

Research, evaluation and monitoring

Research, evaluation and monitoring activities included: consideration of 2008 Outcomes Monitoring report; pilot initiatives on access to funded traineeships for existing employees; research projects on the education and training needs of mature-age workers; and a framework to monitor training activity and the impact of skills reforms.

Governance and stakeholder engagement

In April 2009, the VSC held a successful industry forum to engage enterprises in identifying industry concerns and opportunities from skills reform.

Following the launch of *Securing Jobs for Your Future – Skills for Victoria*, senior Skills Victoria staff conducted group briefings to key interest groups outlining the skills reforms. Between August 2008 and July 2009, information sessions have been held for stakeholders to ensure understanding of the policy and readiness for implementation. The VSC also strengthened its understanding of industry engagement ‘good practice’ through case studies.



Equine veterinary nursing trainer with Goulburn Ovens TAFE, Robyn Richards, won the Victorian Training Awards 2008 Teacher/Trainer of the Year.



Lara-based Sweeney Todd Waste Disposal combines formal VET training and extensive on-the-job training with such success that it won the 2008 Victorian Small Business of the Year Award.