

2001-02

ANNUAL REPORT

Victorian Learning and Employment Skills Commission

1 October 2002

The Hon. Lynne Kosky, MP
Minister for Education and Training
2 Treasury Place
East Melbourne Victoria 3002

Dear Minister

On behalf of the Victorian Learning and Employment Skills Commission (VLESC) I am pleased to submit the annual report for the year 2001–02, 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, 2001–02 has seen major developments in relation to post-compulsory education in the schools, technical and further education (TAFE) and adult community education (ACE) sectors including:

- the establishment of 31 Local Learning and Employment Networks (LLEN)
- the commencement of the Victorian Certificate of Applied Learning (VCAL) trial in January 2002
- the implementation of the Managed Individual Pathways (MIP) initiative in 2001.

In June 2002, your vocational education and training Ministerial Statement Knowledge & Skills for the Innovation Economy was released to reinvigorate the TAFE sector so that it can move forward and respond to the challenge of providing the necessary knowledge and skills for the innovation economy.

As well as having advised on the preparation of the Statement, the Commission looks forward to playing a lead role in its implementation including:


- developing a demand management strategy for apprenticeships and traineeships
- determining priorities for public expenditure on vocational education and training (VET) in an innovation economy
- specifying mechanisms to target resources to priority areas
- evaluating options for securing long-term sustainable financing arrangements for vocational education and training.

The TAFE system continued to grow strongly with registered training organisations providing approximately 486,000 students with almost 104 million student contact hours of vocational training and further education, an increase of 8 per cent on the 2000 delivery.

Additionally the Commission has now forged strong linkages with key stakeholder groups and the other statutory authorities, all of whom have a role to play in post-compulsory education and training.

I would like to take this opportunity to thank Paul Fennelly for his contribution to the Commission and welcome Timothy Piper.

Yours sincerely



Peter Laver
Chair

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Acronyms and abbreviations

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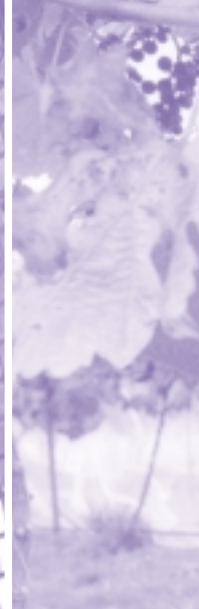
2001–02 AT A GLANCE



Post-compulsory education and training pathways

- 31 Local Learning and Employment Networks (LLENs) have been established to allow education and training providers, industry, community organisations, individuals and government to come together to focus on young people's education, training and employment needs and to improve outcomes for young people aged 15–19 years.
- The Managed Individual Pathways (MIP) initiative was implemented in 2001 and further expanded in 2002 to provide young people in government schools and providers with a plan to assist them in their transition from school, TAFE or the adult community education (ACE) sector to work, education and training, and to manage their own pathways.
- The trial of the new qualification, the Victorian Certificate of Applied Learning (VCAL), commenced in January 2002 with almost 450 students enrolled in 20 schools and two TAFE institutes across the State. Strong local partnerships have been established at each of these locations involving schools, TAFE institutes, ACE organisations and other training providers, employers, community organisations and the LLENs.
- Participation in the VET in Schools program continued to grow. In 2000, there were 21,171 enrolments in VCE VET programs. In 2001, this increased to 24,686. These numbers are expected to grow to over 27,000 in 2002. The number of programs has grown from three in 1994 to 32 in 2001. The number of secondary colleges providing programs has increased from 19 in 1994 to 453 in 2001.
- The Youth Pathways program was established in 2002 for a specific cohort of 'at risk' youth. The program combines and refocuses the Youth Allowance TAFE Entitlement and the MIP programs and includes a revised funding arrangement to support the program.
- There was continuing work on the development of Education Precincts in Ballarat, Gippsland and Maryborough. These precincts are designed to bring industry, TAFE, schools and ACE organisations together in innovative ways to expand the education and training opportunities available to communities.





Training and further education

- The Ministerial Statement, Knowledge & Skills for the Innovation Economy, was launched in June 2002, outlining future directions for vocational education and training in Victoria.
- Collectively, registered training organisations provided approximately 486,000 students with almost 104 million student contact hours of vocational training and further education, an increase of 8 per cent on the delivery in 2000.
- When personal enrichment programs are included, almost 107 million student contact hours were delivered to over 579,000 students, an increase of 8 per cent on the delivery in 2000.
- Government-funded delivery accounted for over 80.2 million of the total reported student contact hours, a 2.6 per cent increase on 2000. In 2001, TAFE institutes delivered over 63.4 million of the government-funded hours, an increase of 4 per cent on 2000. The remaining 16.8 million government-funded student contact hours were delivered by ACE and private registered training organisations.
- Over 76 million student contact hours were delivered in accordance with the Australian National Training Authority (ANTA) Agreement.
- There were 57,361 apprentice and trainee commencements by new employees in 2001, an increase of over 16 per cent on commencements in 2000.
- The number of new employees in training as apprentices or trainees increased by nearly 13 per cent to 82,786 and all apprentices and trainees in training increased by over 20 per cent to 111,803 in 2001. Strong growth continued from January to May 2002 with 24,714 new employees taking up an apprenticeship or traineeship with a total of 32,564 commencements.
- There were 90,425 new employees in training by the end of May 2002. When existing employees are included, this number increases to 123,658, 20 per cent more than in the first five months of 2001.
- There has been strong growth in the use of the TAFE Virtual Campus (TAFE VC) since July 2001. Students accessing the Virtual Campus increased from 11,000 in 2001 to over 21,000 in 2002.
- There were 1189 registered training organisations at June 2002.
- During 2001, 451 audits were undertaken to monitor the compliance of training organisations with the Australian Recognition Framework and government-funded training contracts.

Commission members Peter Laver and Rowena Allen at a VLESC forum, 20 June 2002



Peter Laver, Chair VLESC, with staff and student representatives from South West Institute of TAFE, Warrnambool as part of the consultations for the Role of TAFE report





Summary of financial results

The table on page 4 shows information on the Commission's financial results and financial position for 2001–02 and provides comparisons with the preceding four years.

The operating result for the 2001–02 financial year was a deficit of \$21.2 million, which contrasts with last year's \$12.1 million surplus.

There were no extraordinary items to report in 2001–02.

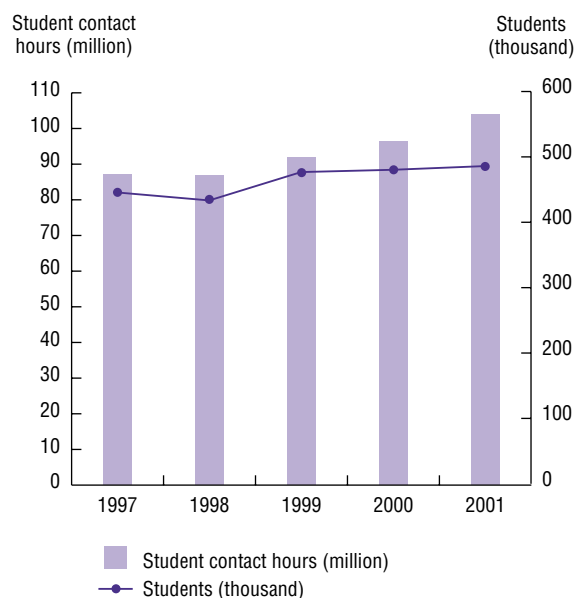
The Commission is not aware of any event subsequent to balance date that could have a material effect on the operations of the Commission in subsequent years.

Funds associated with LLENs are reported in the Department of Education & Training annual report.

- Seventy-one training packages were implemented, including the publication of the relevant implementation guides.
- Strategies were implemented to support the full implementation of the Australian Quality Training Framework (AQTF) from 1 July 2002 across all registered training organisations.

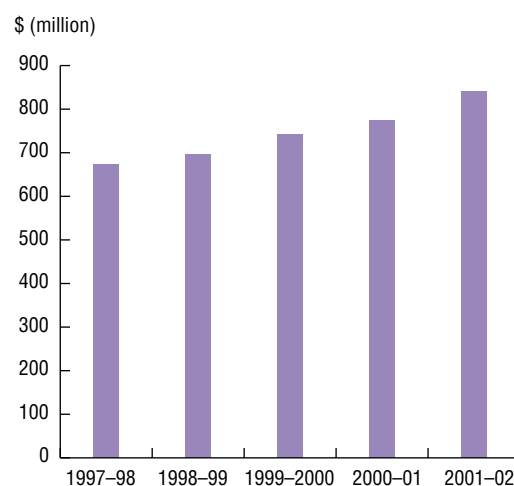
VET activity in the TAFE system, excluding hobby and personal enrichment, Victoria, 1997–2001

Student contact hours increased by 19.3 per cent in the five-year period 1997–2001.



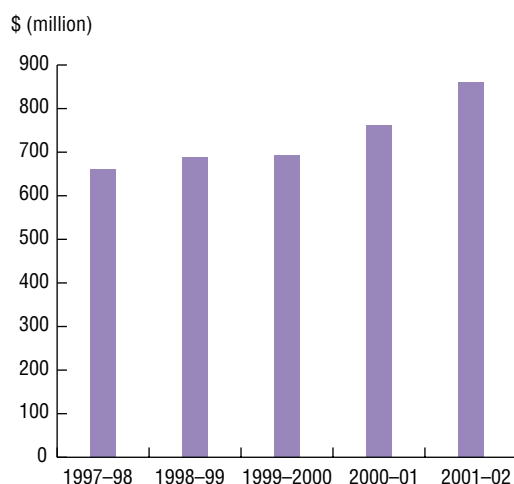
Source: Department of Education & Training

Revenue



Source: Department of Education & Training

Expenses



Source: Department of Education & Training



Summary financial information

	Notes	1997-98 \$ million	1998-99 \$ million	1999-2000 \$ million	2000-01 \$ million	2001-02 \$ million
Operating revenue						
Revenue from the State Government	1	423.9	453.0	478.3	530.4	569.3
Other revenue	2	248.7	244.2	263.3	243.2	271.0
Total operating revenue		672.6	697.2	741.6	773.6	840.3
Operating expenses	3	660.5	689.5	693.1	761.5	861.5
Operating surplus/(deficit)	4	12.1	7.7	48.5	12.1	(21.2)
Total assets	5	70.0	73.2	122.2	134.1	114.3
Total liabilities	6	8.1	3.7	4.1	4.0	5.4
Retained funds	7	61.8	69.5	118.0	130.1	108.9
Net cash inflow/(outflow)	8	8.1	(14.2)	45.5	14.7	(7.6)

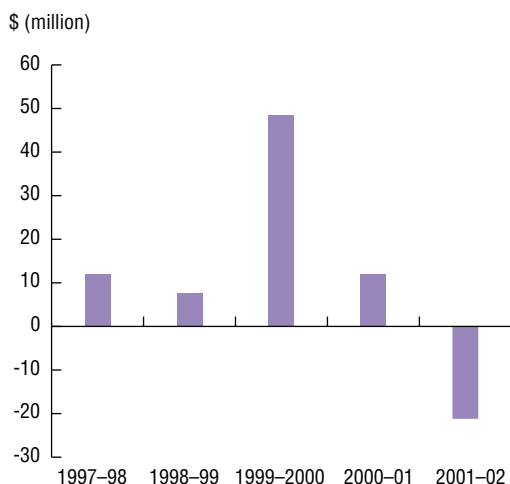
Notes (refer to 2001-02 figures only)

- Revenue from the State Government increased by \$38.9 million (7.3 per cent) between 2000-01 and 2001-02, reflecting additional funding by the Government for the VET sector, salary supplementation for enterprise bargaining agreement and new capital initiatives.
- Other revenue increased by \$27.8 million (11.4 per cent) partly due to increased Commonwealth/ANTA funding following the new ANTA funding agreement. There was also increase in capital funding but this was mainly a timing issue.
- Total operating expenses increased by \$100 million (13.1 per cent) between 2000-01 and 2001-02. The increased expenditure related to additional funding for TAFE institutes and TAFE divisions within universities for enterprise bargaining agreements and the additional growth funding to TAFE institutes and private providers under the new ANTA agreement. The expenses also include \$12.3 million worth of assets transfer to Deakin University, Commonwealth Scientific and Industrial Research Organisation (CSIRO), RMIT TAFE Division and the International Fibre Centre (IFC) for the establishment of centres of excellence in technical textiles and advanced wool products.

- An operating deficit of \$21.2 million has been recorded for 2001-02. This deficit has arisen because the Commission had to write off \$12.3 million as 'assets given free of charge' to CSIRO, Deakin University, RMIT University (TAFE Division) and IFC.
- Total assets decreased by \$19.8 million (14.8 per cent) between 2000-01 and 2001-02. The decrease was due mainly to the deficit recorded for the period.
- Total liabilities increased by \$1.4 million (35 per cent) between 2000-01 and 2001-02.
- The retained funds as at 30 June 2002 totalled \$108.9 million, which related to funds held in trust accounts for specific purposes. The retained funds are either committed or in process of being committed to projects in the 2002-03 financial year.
- Overall cash investments decreased, at the reporting date, by \$7.6 million over 30 June 2001. This is due to the increased expenditure for the period under review.

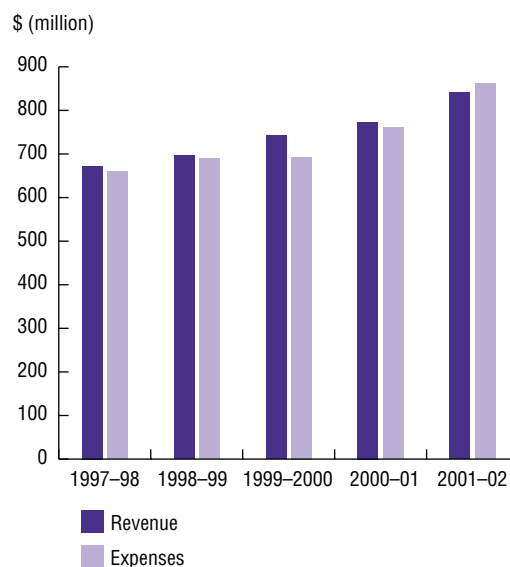
Source: Department of Education & Training

Operating result



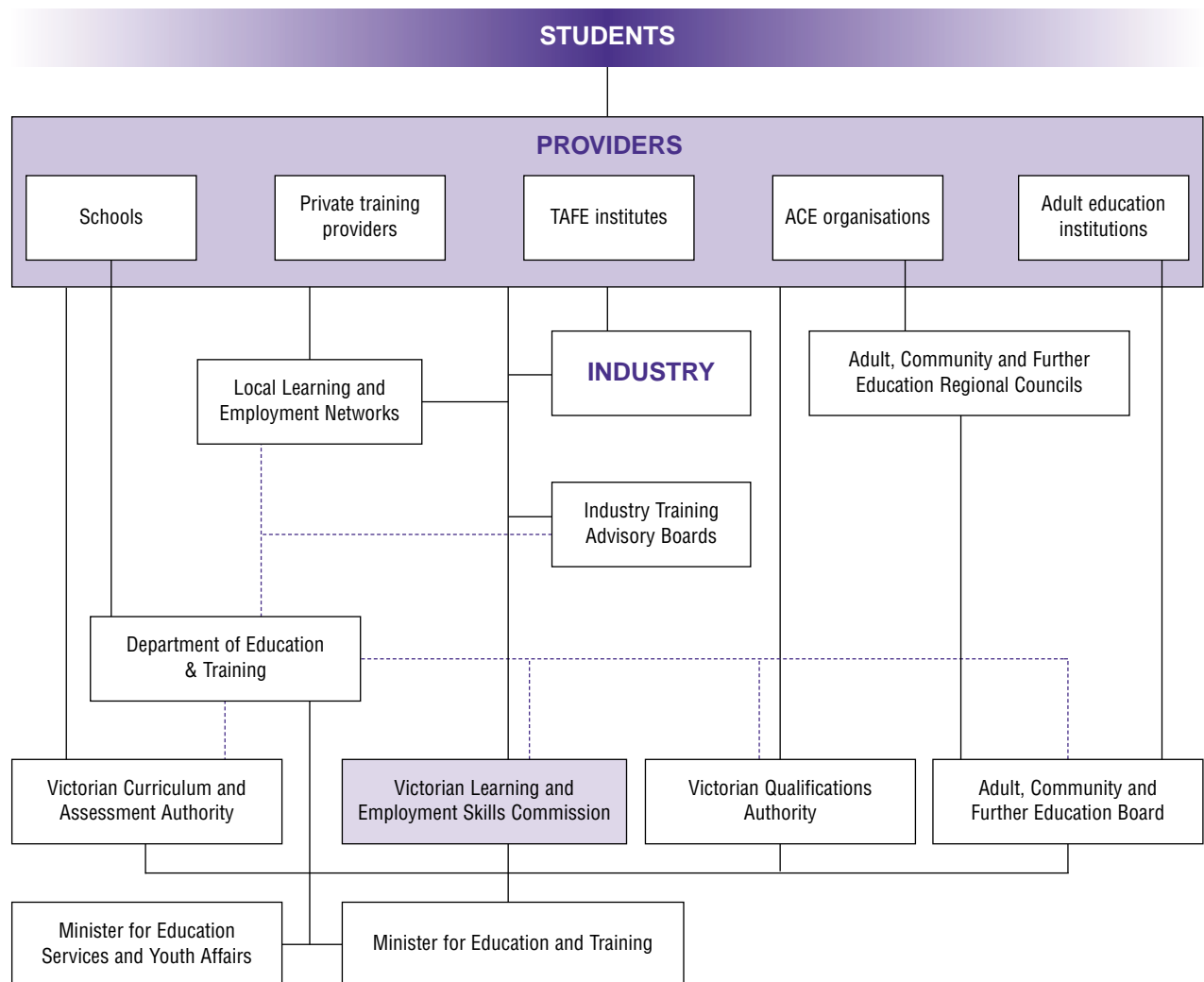
Source: Department of Education & Training

Revenue and expenses comparison



Source: Department of Education & Training

Organisation chart



The division of legislative and non-legislative responsibilities between the Minister for Education and Training and the Minister for Education Services and Youth Affairs is set out under the Administrative Arrangements Order which took effect on 6 August 2002.

About the Victorian Learning and Employment Skills Commission



Government goals for education and training

In recognition of the importance of education and training, in October 2000 the Premier announced goals and targets for the education system:

- to improve the standards of literacy and numeracy in primary schooling
- to increase the percentage of young people who complete Year 12 or the equivalent
- to increase the number of adults undertaking education and training and so increase the overall level of educational attainment and literacy levels in Victoria
- to increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low
- to make near-universal participation in post-school education the norm in our society.

Government targets for education and training

The Government established specific targets in relation to young people in Victoria in 2000.

- By 2010, 90 per cent will successfully complete Year 12 or its equivalent.
- By 2005, the percentage of young people aged 15–19 years in rural and regional Victoria engaged in education and training will rise by 6 per cent.
- By 2005, Victoria will be at or above national benchmark levels for reading, writing and numeracy as they apply to primary students.

In recognition of the challenges set by the goals and targets, actions encompassing additional investment, policy initiatives and the creation of a number of statutory authorities, including the Commission, have been undertaken.

Goals and targets were developed as an integrated set of outcomes and their achievement requires a concerted action by all components of the education and training system. Within the set of goals and targets, the Commission has a particular focus on the four goals and two targets that relate most directly to post-compulsory education and training.

Peter Laver, Chair VLESC, and Keith Gove, Manager VLESC Secretariat, at 20 June 2002 Commission meeting



Functions of the Commission

The Commission has a broad role of providing policy advice and direction to the Minister for Education and Training. Its functions are outlined in section 9 of the *Vocational Education and Training Act 1990*, amended in May 2001:

- (a) to advise the Minister about the development and implementation of the policy framework for post-compulsory education and training and employment in Victoria that will ensure high-quality services and programs are provided to meet the needs of industry, government and individuals
- (ab) to advise the Minister about statewide planning for post-compulsory education and training and employment
- (ac) to advise the Minister about emerging post-compulsory education and training requirements of government, industry, the community and individuals
- (ad) to advise on the planning for the integration of post-compulsory education and training with labour market programs
- (b) to advise the Minister about vocational education and training strategies to complement State and national economic and social development
- (c) to identify major vocational education and training issues and make recommendations to the Minister about those issues
- (d) to provide for the delivery of post-compulsory education and training in Victoria by education and training organisations registered under the *Victorian Qualifications Authority Act 2000*
- (da) to monitor the outcomes of post-compulsory education and training for the broad purposes of economic and regional development, community and individual development and social justice
- (db) to support the local learning and employment networks of providers and stakeholders in post-compulsory education and training programs and services
- (e) to promote research in relation to vocational education and training
- (f) to advise the Minister about curriculum in vocational education and training
- (g) to advise the Minister about the effective spending of money made available for vocational education and training
- (h) to advise the Minister about the provision of adult, community and further education in TAFE colleges
- (i) to advise the Minister on any other matter that the Minister refers to the Commission
- (j) to carry out any other function that is conferred on the Commission by this or any other Act.

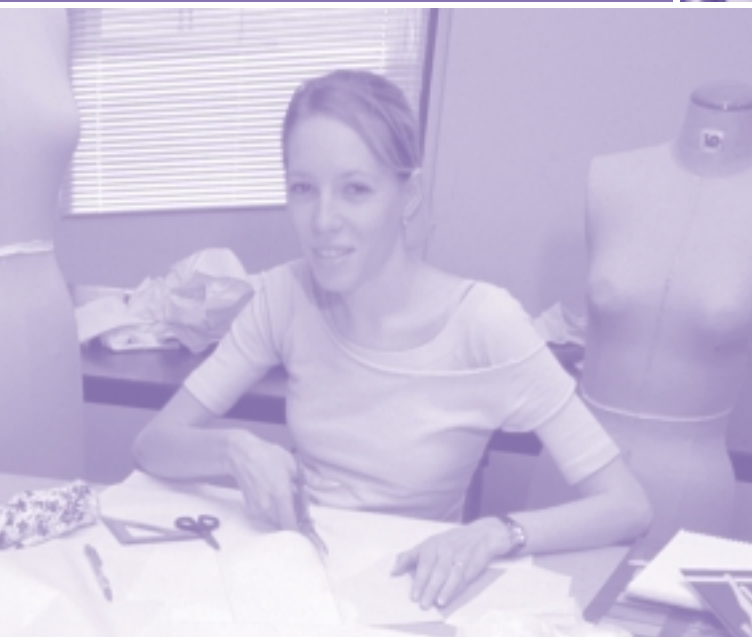
The Commission must:

- (a) have regard to the whole of the functions conferred on councils of TAFE colleges by or under this Act
- (b) establish systems to achieve cooperation between the Commission and the Adult, Community and Further Education Board in relation to, among other things, planning and curriculum development, accreditation, cross-crediting and linking of courses and recognition of prior learning for adult, community and further education
- (c) ensure that its actions are consistent with arrangements for the provision of adult, community and further education in Victoria
- (d) give effect to the adult, community and further education plan in carrying out its functions.

Functions of the Commission in relation to ANTA

- (1) The Commission is the State training agency for Victoria under the National Statement.
- (2) The functions of the Commission as the State training agency are:
 - (a) to provide data and advice to ANTA about the vocational education and training needs and priorities in Victoria and the funding implications of those needs and priorities
 - (b) to advise ANTA about:
 - (i) the development of vocational education and training policy
 - (ii) the development of a National Strategic Plan for vocational education and training
 - (c) to develop for ANTA a State Training Profile having regard to:
 - (i) the planning parameters set by the Ministerial Council referred to in the National Statement
 - (ii) the National Strategic Plan referred to in that Statement
 - (d) to ensure that vocational education and training in Victoria is managed and delivered having regard to the National Strategic Plan
 - (e) to provide annual vocational education and training performance reports to ANTA
 - (f) to perform any other function given to the Victorian State training agency under the National Statement
- (3) In this section 'vocational education and training' includes adult, community and further education.

The Commission provides funding for vocational education and training and regulates the Victorian apprenticeship and traineeship system.



The Commission has a particular focus on improving outcomes for young Victorians in their transition from school to further education and employment. In late 2000, the Ministerial Review of Post Compulsory Education and Training Pathways in Victoria found that the provision of post-compulsory education and training at that time was fragmented, pathways were unclear and participation and outcomes were uneven and poor by international standards. The Commission advises on policy and initiatives to improve post-compulsory pathways.

Together with the Adult, Community and Further Education Board, the Victorian Qualifications Authority, the Victorian Curriculum and Assessment Authority, the Victorian Schools Innovation Commission and the Department of Education & Training, the Commission works cooperatively to improve the education and training system to achieve the Government's goals and targets. The Commission also works collaboratively with the LLENs and the Industry Training Advisory Boards. All these bodies are funded by the Commission.

Goals of the Commission

To guide its work, the Commission has identified five goals:

- to develop policies and strategies to achieve the Government goals and targets for education and training, particularly through the expansion of pathways and qualifications to improve outcomes for young people
- to improve skills formation in strategically and economically important industries both for young persons and existing workers
- to promote and strengthen the public training system to develop the skills and knowledge required for Victoria to build communities and to become a knowledge-based economy
- to improve education and training outcomes and to encourage a culture of lifelong learning through partnerships and community building
- to monitor the outcomes of post-compulsory education and training to drive further improvement and maximise the return on the public investment.

Key relationships

The Commission:

- works closely with the Victorian Qualifications Authority and the Victorian Curriculum and Assessment Authority to advance the objective of seamless education
- supports the LLENs
- is the State training agency for the purposes of national vocational education and training arrangements and agreements (the ANTA Agreement) and continues a close working relationship with ANTA
- works with Victorian industry training advisory bodies to identify the skill requirements of Victorian industry



Commission members at the 3 June 2002 meeting

- supports and works with the Adult, Community and Further Education Board in relation to planning, curriculum development, linking of courses and recognition of prior learning to ensure that its actions are consistent with arrangements for the provision of adult, community and further education in Victoria.

The State Training System

As at June 2002, the State Training System included the Commission, 14 TAFE institutes, five TAFE divisions within universities, 1189 registered training organisations, and 20 industry advisory bodies. Over 400 secondary schools participated through the VET in Schools program.

The State Training System provides general education and skills training across all occupational levels. This includes:

- courses in basic literacy and numeracy
- basic preparation for work
- entry- or certificate-level training, including apprenticeships
- advanced vocational training, including training for para-professionals
- advanced technician and advanced post-initial training courses.

Collectively, registered training organisations provided approximately 486,000 students with almost 104 million student contact hours of training and further education (excluding non-VET activity). This is an increase of 8 per cent on the 2000 delivery.

Further details are provided in Appendix 1.

Executive support

The Commission is supported by a Secretariat that operates within the Office of Portfolio Integration as part of the Department of Education & Training. This Office has responsibility for cross-sectoral policy and strategic planning related to post-compulsory education and training, and for supporting the LLENs.

Commission members

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

Audit Committee

The Audit Committee consists of the Chair of the Commission and three other members. It meets regularly and operates within the guidelines of the *Financial Management Act 1994*.

The members of the Audit Committee are:

Peter Laver

Peter Kirby

Patricia Forward

Paul Fennelly (to December 2001)



Mr Peter Laver
Chair

Appointed 1 March 2001 –
29 February 2004

Mr Peter Laver is Chair of the Victorian Learning and Employment Skills Commission. Mr Laver worked for BHP and its subsidiaries from 1959, until retiring in 1998. He was BHP Minerals Environment, Safety and External Affairs Group General Manager and Senior Vice-President from 1995–98 as well as holding other general manager positions. He serves on a number of industry, employment and community boards, including as a Director of WorkPlacement, Chair of the Community Advisory Council and Chair, CSIRO Strategic Advisory Committee, Energy Sector, and Chair of the National Board for Education, Employment and Training.



Ms Rowena Allen

Appointed 1 March 2001 –
31 August 2002

Ms Rowena Allen is the CEO of Cutting Edge Youth Services – Uniting Care, an agency she established in the Goulburn Valley to work with disadvantaged and rurally isolated young people. Ms Allen has held positions in the area of community development and direct youth services with rural and metropolitan local governments, including the City of Greater Shepparton, City of Stonnington and City of Waverley. She is currently chair of the Goulburn Regional Youth Committee, a State Council member of the Youth Affairs Council of Victoria and a member of Minister John Thwaites' Advisory Committee on Gay and Lesbian Health. Active in the Uniting Church, Ms Allen has worked for the Social Justice Questions Committee and the Victorian Council of Churches on environment and unemployment projects, and has represented these bodies nationally and internationally through the Christian Conference (Network) of Asia.



Mr Neil Coulson

Appointed 23 October 2001 –
29 February 2004

In August 2001, Mr Neil Coulson was appointed Chief Executive Officer of the Victorian Employers' Chamber of Commerce and Industry, Australia's largest multi-industry business organisation with over 8000 members. During his six years there, Mr Coulson has performed a range of roles including Group General Manager of Policy and Strategy and General Manager of Business Services, and has had extensive experience in business management consulting. His background has focused on human resource management and industrial relations and he has worked in a variety of industries including heavy engineering construction, transport, local government and not-for-profit organisations.



Mr Paul Fennelly

Appointed 23 October 2001
Resigned December 2001

Mr Paul Fennelly was the Victorian Director of the Australian Industry Group, a position he commenced in January 2000. Prior to his appointment to the Commission, Mr Fennelly was the Queensland Director of the Australian Industry Group between 1993 and 1999, as well as National Director – Training Policy. Before this appointment, he held senior positions in Melbourne, Sydney and Geelong with the Metal Trades Industry Association and the Australian Industry Group. Mr Fennelly holds degrees in law and politics, as well as postgraduate qualifications in industrial relations and employment law.



Ms Patricia Forward

Appointed 1 March 2001 –
31 August 2002

Ms Patricia Forward has been federal TAFE president of the Australian Education Union since 1998. Presently, she is the Vice-President TAFE and Adult Provision, Australian Education Union, Victorian Branch. Previous positions include working at a variety of Victorian TAFE institutes and La Trobe and Monash universities, and with trade union and community groups in Victoria and Queensland.



Mr Stuart Hamilton AO

Appointed 1 March 2001 –
29 February 2004

Mr Stuart Hamilton was appointed Secretary, Department of Education, Employment and Training, Victoria, on 26 February 2001. He was Executive Director of the Australian Vice-Chancellors' Committee, the national representative organisation for Australia's universities, from 1996 to 2001. From 1993 to 1996 Mr Hamilton was Secretary to the Commonwealth Department of Environment, Sport and Territories and before that, from 1988 to 1993, Secretary to the Commonwealth Department of Health, Housing and Community Services. Mr Hamilton has held several Board appointments including the International Association of Universities, the Australian Qualifications Framework Advisory Board and the Australian Council for Educational Research.



Mr Leigh Hubbard

Appointed 1 March 2001 –
29 February 2004

Mr Leigh Hubbard is the Secretary of the Victorian Trades Hall Council, a position he was appointed to in May 1995. Previous to this Mr Hubbard was the Council's Research and Policy Officer, involved in the areas of economic policy, WorkCover, changes to the State industrial system and privatisation. Prior to his work with the Council, he was employed as an articled clerk then solicitor with the law firm Slater and Gordon. His earlier career experience includes employment in the aluminium and health industries and as an industrial officer with the Plumbers and Gasfitters Employees Union of Australia.



Mr Peter Kirby

Appointed 1 March 2001 –
29 February 2004

Mr Peter Kirby is Chair of the Adult, Community and Further Education Board. A former Secretary of the Department of Education, Employment and Training, he served in the British, Commonwealth and Victorian public services between 1956 and 1996. Chair of the 2000 Ministerial Review of Post Compulsory Education and Training Pathways in Victoria, Mr Kirby had leadership roles in TAFE and higher education in Victoria and South Australia in the 1980s. He is Chair of the Board of the National Centre for Vocational Education Research.



Mr Timothy Piper

Appointed 1 June 2002 –
29 February 2004

Mr Timothy Piper is Victorian Director of the Australian Industry Group. The Australian Industry Group is the largest industry body in Australia, representing some 11,000 companies employing more than one million people. Mr Piper is a barrister and solicitor who has had extensive business and industry experience and serves on a number of bodies that advise the Government. Mr Piper has also been involved in various training organisations. He holds an MBA and also sits on a number of community boards.



Professor Helen Praetz

Appointed 1 March 2001 –
29 February 2004

Professor Helen Praetz is Pro Vice-Chancellor (Teaching and Learning) and TAFE Director at RMIT. Professor Praetz has had more than 20 years' experience in education. She was a senior manager in the Department of Education and Dean, Faculty of Education and Training and Pro Vice-Chancellor (Higher Education) at RMIT. A professor of education, she has served on numerous boards and reviews dealing with post-compulsory education and training. She is Chair of the Victorian Qualifications Authority.

National linkages

The first ANTA Agreement to form a national vocational education and training system was signed in 1992 between the Commonwealth and the States. A key element was a commitment by the Commonwealth to provide significant growth funding for the system.

In June 2001, the ANTA Ministerial Council endorsed in principle a new agreement for the period 2001–03. The agreement sets out the objectives of the national system as well as the roles and responsibilities of the Council, the Commonwealth and State and Territory training agencies.

Under the agreement, the Commonwealth will maintain 2000 base-funding levels in real terms and provide indexed growth funding nationally of \$50 million in 2001, \$75 million in 2002 and \$100 million in 2003. Victoria will receive about 25 per cent of this growth funding.

States and Territories are required to increase their own funding to match additional Commonwealth funding. Additional funding already budgeted by the Victorian Government will meet this requirement. States and Territories will also be required to increase outputs commensurate with total additional funding and to meet specific growth targets for apprenticeships and traineeships.

Future directions for VLESC

In 2003, the Commission will be focusing on two major areas of work – the development of an overall policy framework for post-compulsory education and training and the issues referred by the Minister as part of the Ministerial Statement Knowledge & Skills for the Innovation Economy. The Commission will also play a role in providing advice to the Government on longer-term issues that require further consultation with stakeholders. A program of research will inform the Commission's advice.

Over the next year the Commission will develop and communicate its view on the implementation of a policy framework for post-compulsory education and training, as outlined in section 9 of the Vocational Education and Training Act. This will be done within the context of the Government's goals and targets and the Government's agreed approach to achieving them, build on achievements to date, and be closely linked with initiatives in the other stages of learning, as well as the Ministerial Statement.

The Commission is conscious that to fulfil this task it must engage closely with the training and further education and adult community education sectors, and with the schools sector that currently provides education and training to the majority of 15–19-year-olds in Victoria.

These issues will form the basis of the Commission's work program for 2002 and are designed to enhance its capacity to develop strategic priorities and appropriate policy to address skill, education and training needs in Victoria.

The Ministerial Statement, which was launched in June 2002, outlined the next steps in transforming Victoria's vocational education and training system from one designed for an industrially based economy to one that assists businesses to compete in the innovation economy, communities to develop, and individuals to gain the skills they need for the future.

The Ministerial Statement was informed by a number of research projects commissioned by the Commission and the Department of Education & Training. These projects identified priorities for further work, including a number of industry-specific case studies and the investigation of:

- the patterns and forms of skill needs of existing workers
- the mix of generic and specific skills required for effective participation in the workforce
- the training opportunities for young people in the manufacturing workforce.

In the Ministerial Statement, Minister Kosky referred the following issues to the Commission for more detailed advice in 2002:

- how to determine priorities for public expenditure on vocational education and training in an innovation economy
- how to develop a demand management strategy for apprenticeships and traineeships
- how to secure long-term sustainable financing arrangements for vocational education and training
- how to develop mechanisms to increase targeting resources to priority areas.

The Ministerial Statement acknowledged that the referred issues are complex and require wide discussion with all stakeholders. The Commission will bring this discussion together for consideration by the Government.

This work will be undertaken concurrently with, and will be informed by, Commonwealth and State work addressing education and training issues.



Highlights and achievements

2001–02



Post-compulsory education and training pathways

The term ‘post-compulsory pathways’ refers to programs, qualifications and settings aimed at encouraging all young people to carefully consider and negotiate their future pathways through school or other locations and beyond. Pathways are particularly valuable for students at risk of leaving school before the completion of Year 12 or its equivalent as they will assist them to engage more positively in education, training, employment or a combination of these.

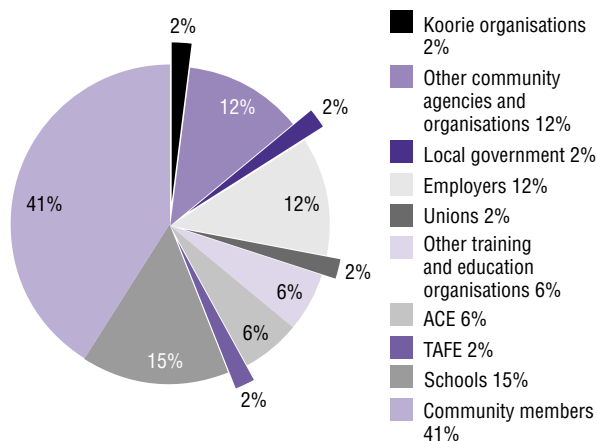
Over the past year, the Commission has approved a program of work comprising both policy development and specific initiatives for execution by the Department of Education & Training to further develop post-compulsory pathways.

Local Learning and Employment Networks

In 2001, LLENs were created to allow education and training providers, industry, community organisations, individuals and the Government to come together to focus on young people’s education, training and employment needs and to improve outcomes for young people aged 15–19. The LLENs also identify local issues that may require a statewide response. This advice is forwarded to the Commission for consideration.

There has been a wide level of support for developing locally based solutions through the LLEN initiative. This is clearly demonstrated in the following pie chart that shows the membership profile of the LLENs, which totalled 3400 in June 2002.

Total LLEN membership, 30 June 2002

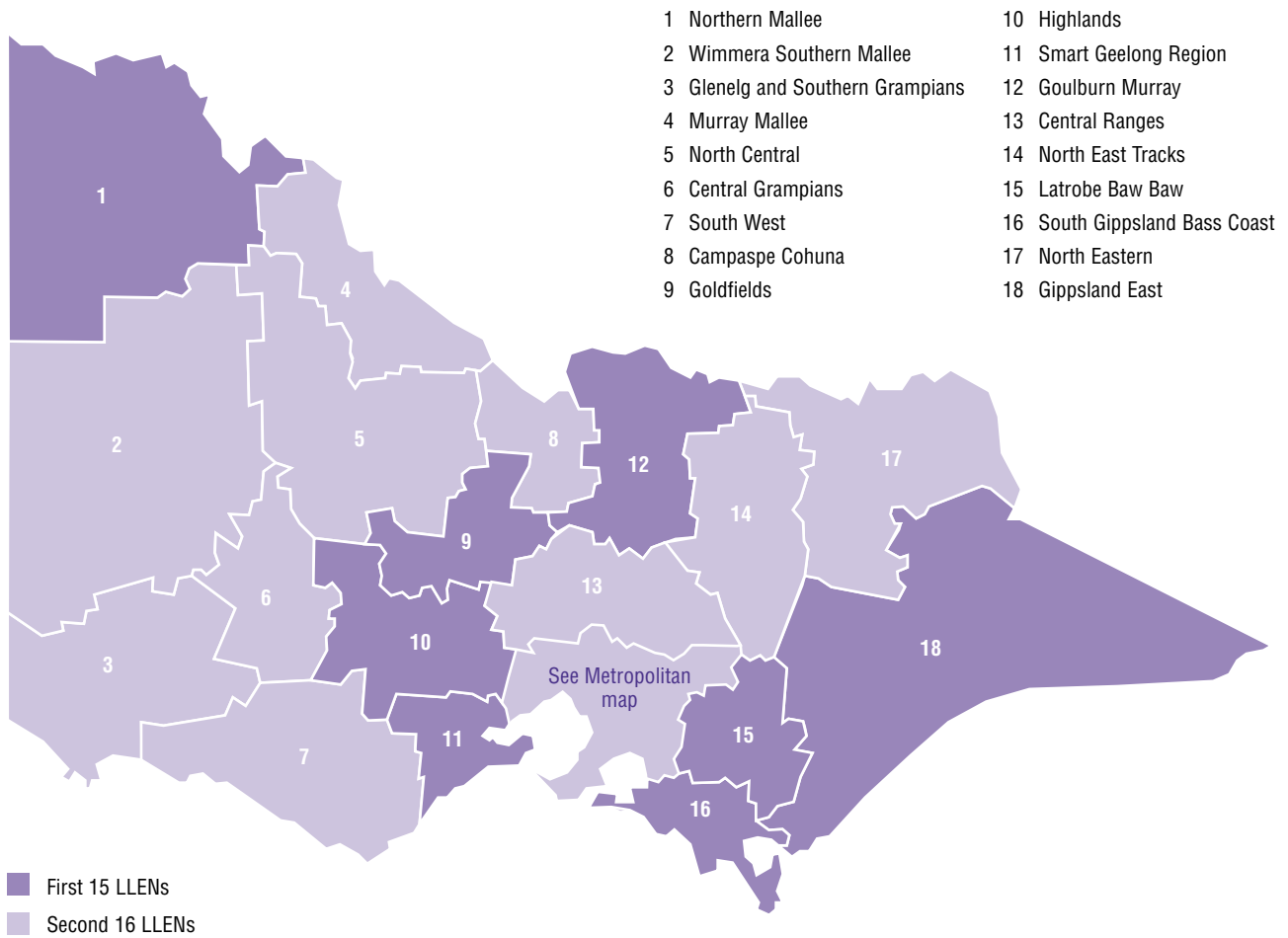


Source: Department of Education & Training

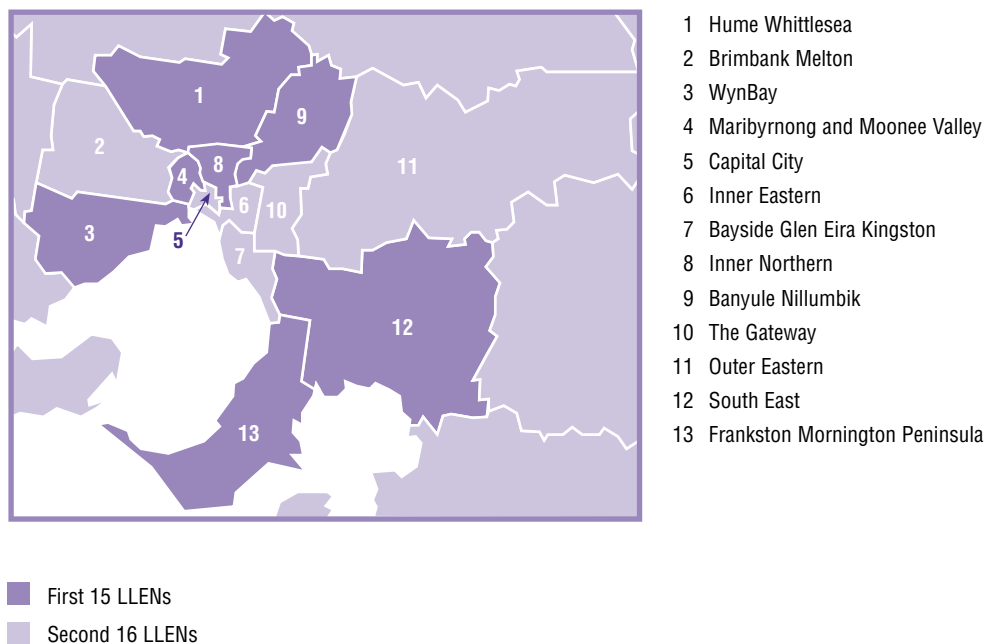
All 31 LLENs have now been established. The 15 LLENs that became operational during 2001 have undertaken local research and developed strategic and action plans focused on improving education and training outcomes for young people. The 16 LLENs that became operational during the first part of 2002 are also well advanced in this research and the identification of local initiatives.

The LLENs have also played a role in supporting other statewide initiatives, including the piloting of the VCAL in their areas.

LLEN non-metropolitan membership, 30 June 2002



LLEN metropolitan membership, 30 June 2002





A website, Local Learning and Employment Network Statistics (LLENSTAT), catering specifically for the individual needs of LLENs, has been developed to support their activities. LLENSTAT provides the most recent actual and estimated data in four general areas: population base, economic base, learning and skills base, and workforce data. The information provided on this website enabled each of the LLENs to produce its local research, identifying the specific needs of young people and industry in the area. LLENSTAT was updated in early 2002 to encompass all 31 LLENs.

A formative evaluation of the first 15 LLENs was initiated in 2002. The results will assist the Commission to further develop the LLEN initiative.

Victorian Certificate of Applied Learning

One of the key findings of the Ministerial Review of Post Compulsory Education and Training Pathways in Victoria was that significant numbers of post-compulsory students felt constrained by the current education system because their individual learning, personal development and transition needs were not fully met by traditional approaches. As a result, more than 20 per cent of students did not finish Year 12, and many left school without the skills and qualifications needed for further education, training and work.

In late 2001, the Government announced that the Victorian Qualifications Authority would commence a trial in 2002 of a new post-compulsory qualification called the Victorian Certificate of Applied Learning (VCAL). VCAL is focused on applied learning and designed to improve the pathways for young people from school to work, further education and/or training.

The qualification is available at three levels and is framed around four compulsory curriculum strands with accredited units and modules in literacy and numeracy, industry-specific, work-related and personal development skills. Students who successfully complete the VCAL will receive a certificate together with a Statement of Results listing all units successfully completed.

The trial of the new qualification commenced in January 2002, with almost 450 students enrolled in 20 schools and two TAFE institutes across the State. Strong local partnerships have been established at each of these locations involving schools, TAFE institutes, ACE organisations and other training providers, employers, community organisations and LLENs. The trial project is being evaluated by Deakin University in 2002 to finalise the structure of the qualification for further rollout in 2003.

The 2002–03 State Budget committed \$47.7 million over four years to roll out the VCAL, in its first phase, in up to 200 government schools and 19 TAFE institutes in 2003.

The Commission played a role in bringing together stakeholders to discuss the introduction of the new qualification and to discuss issues that arose during the trial.

VET in Schools program

The VET in Schools program is an important part of the Government's strategy to expand programs and improve choice of pathways. It comprises two elements.

Firstly, VCE VET allows students to receive the VCE and a nationally recognised VET certificate. Secondly, school-based apprenticeships and traineeships mean that students can undertake a traineeship or apprenticeship while continuing their school education.

Right: The Executive Officers of the Maribyrnong/Moonee Valley and WynBay LLEN with Field Officer Jeremy Brewer

Middle: Rebecca Blakie is undertaking hospitality training as part of the VCAL at The Island, a work education and training unit attached to Collingwood College



The success of the VET in Schools program has been indicated by:

- an increase in the number of enrolments in VCE VET programs from 21,171 in 2000 to 24,686 in 2001
- a growth in the number of programs from three in 1994 to 32 in 2001
- a growth in the number of secondary schools providing programs from 19 in 1994 to 453 in 2001.

The successful outcomes of this program are best demonstrated through the VET in Schools destination survey, the latest report into the destinations of the VET in Schools 2000 cohort. The survey showed that 94 per cent of VCE VET students were either enrolled in further VET studies or university, or were an apprentice or trainee, or were in full-time work or part-time work six months after the completion of their school program.

The Commission has sought feedback on VCE VET during its discussion forums with stakeholders who have provided practical suggestions for the program's continued success.

School-based apprenticeships and traineeships

The Commission has adopted an action plan to increase the number of Victorian students participating in a traineeship or apprenticeship as part of their senior school program.

This program benefits young people by providing them with a nationally accredited vocational certificate as well as their VCAL or VCE. The action plan has set a target for the number of young people participating in this program to increase from 883 in 2001 to 3000 by 2005.

Managed Individual Pathways

The MIP initiative was implemented in 2001 to provide young people in government schools or with government providers with a plan to assist them in their transition from school, TAFE or the ACE sector to work, education and training and to manage their own pathways. It encouraged providers to take account of, and plan for, the needs of all students.

In 2001, 54 per cent of the Year 10-12 student cohort in government schools had a MIP plan. This exceeded the percentage target of 25 per cent. In 2002, it is expected that 60 per cent of all government school students will have a MIP plan, and that in 2003 all students in government schools will have a plan.

In 2001, the MIP program supported 1141 young people in TAFE institutes. The program enabled TAFE institutes to support and work intensively with 'at risk' young people, achieve positive outcomes and collaborate with the LLENs, youth agencies and local secondary colleges.

In 2001, in the ACE sector, the MIP program allowed ACE organisations to take on very early school leavers with low levels of literacy and numeracy and provide these students with more intensive assistance. Of the 1059 young people who were supported in the MIP program by the ACE sector, 55 per cent were early school leavers, 65 per cent were 17 years of age or less, 47 per cent had low literacy and numeracy and 17 per cent were involved with corrective or protective services.

In 2002, it is expected that 100 per cent of the students in the ACE sector and TAFE who are funded through the Youth Pathways program will have a plan. The following table shows the number of students who had a MIP at the end of 2001.

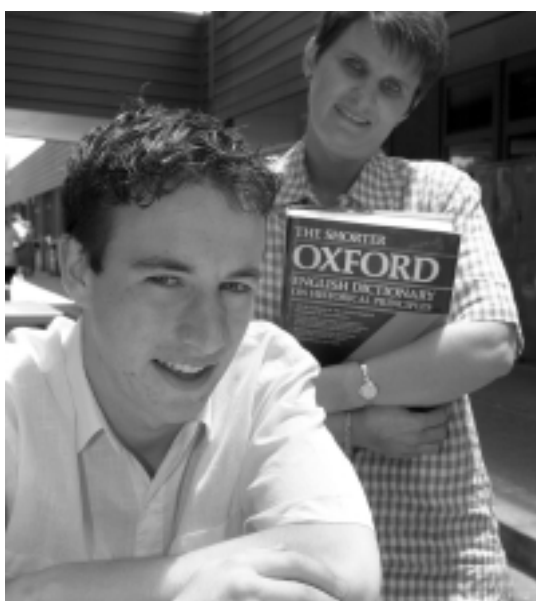
Educational sector	Program target	Actual numbers by the end of 2001
Schools	26,000	52,150
Adult community education	1,200	1,059
TAFE	1,000	1,141

Youth Pathways program in TAFE

The Youth Pathways program was established in 2002. The program combines and refocuses the Youth Allowance TAFE Entitlement and the MIP programs and includes a revised funding arrangement.

The aim of the Youth Pathways program is to provide training and support for a specific cohort of 'at risk' youth to achieve either an employment or a further training outcome that is tracked for at least six months after the completion of training.

The MIP program provides guidance and support to assist 15-19-year-olds in their transition from school to work, education and training





Each TAFE institute is required to provide training and support for a specified number of participants and deliver a minimum number of student contact hours as outlined in that institute's 2002 TAFE Performance Agreement.

The TAFE Entitlement program was developed to provide a training alternative for 16 and 17-year-olds who were required to participate in education or training in order to be eligible for the Commonwealth's Youth Allowance benefit.

VCE in TAFE and ACE pilot project

The VCE in TAFE and ACE pilot project makes the VCE available to school-age students in a range of settings, including TAFE institutes and ACE providers.

In 2001, pilot projects to deliver the VCE to early school leavers aged 15–17 years (who were not in full-time employment) were established in four TAFE institutes and two ACE Clusters. Each project targeted 20 early school leavers. The pilot was established as a two-year program and those students who commenced the project in 2001 were supported in 2002.

TAFE institutes and ACE providers reported that students responded very positively to the opportunity to study the VCE in a non-school setting. The pilot program enabled many to become re-engaged with education through Year 11 studies and the TAFE and ACE environments provided them with the opportunity to see and experience career options outside the VCE.

Students at BRACE, a non-profit, community-managed organisation operating in the Central Highlands Wimmera region. Established in Ballarat in 1973, BRACE has delivered a range of education, training and employment programs to thousands of people

Education Precincts

The Government has continued to support the development of Education Precincts in Ballarat, Gippsland and Maryborough. These precincts are designed to bring industry, TAFE, schools and ACE organisations together in innovative ways to expand the education and training opportunities available to communities.

The Ballarat Vocational Futures Learning Exchange provides students with greater accessibility to educational facilities and offers a sustainable basis for the education and training needs of the region. The University of Ballarat, the Adult, Community and Further Education Regional Council, Highlands LLEN, Ballarat Group Training, Ballarat Community Development Centre and Ballarat Secondary Schools VET Cluster are all partners in the exchange.

The Gippsland Education Precinct will provide a state-of-the-art facility where Central Gippsland TAFE, Gippsland Group Training Company, Monash University and Kurnai College can offer programs and innovative credit transfer arrangements for students. The final plan for the design of this precinct will be completed in October 2002.

Maryborough Community Education Precinct is being developed to promote lifelong learning opportunities in the local community. The aim is to develop a precinct in two phases. In the first phase schools will relocate to a single site. The precinct site will have the capacity, in the second phase, to integrate pre-schools, TAFE, adult community education and the University of the Third Age should they choose to do so.



All of these precincts are being developed with strong input from the local communities and education and training providers.

Commonwealth-State initiatives

While Victoria has implemented programs and strategies to assist young people to achieve improved educational outcomes, the Commonwealth is piloting a number of programs to provide career and transition support for young people.

A framework is being developed to provide a model of formal collaboration between the two levels of Government in relation to post-compulsory education and training, especially for young people. This will include cooperation to support the Commonwealth-funded Partnership Outreach Education Model pilots and the Careers and Transitions pilots.

Responding to advice from the LLENs, the Commission has recognised the need for state and national initiatives to be coordinated. A framework is being developed to provide a model of formal collaboration between the two levels of government in relation to post-compulsory education and training, especially for young people.

Additionally, structured workplace learning, including coordination through the Enterprise and Career Education Foundation, was funded by the Commonwealth Government.

Bus program pilots

During 2000-01, a panel established by the then Minister for Education and chaired by the then Parliamentary Secretary undertook a review of government-funded school bus services in order to improve the equity and fairness of the system, particularly for students in rural and regional Victoria.

In 2001, a number of LLENs, including the Highlands LLEN (Ballarat Region), highlighted access to transport as one of the major difficulties in increasing engagement of young people aged 15-19 in post-compulsory education and training. The Ballarat Free School Bus Access pilot program will be implemented in July 2002 and will provide additional funding to amend current school bus service provision in the area so that TAFE and ACE students are able to access spare seats on school buses. The pilot program will inform planning to extend the program in other regions. A taskforce of local educational and LLEN representatives has been established to manage the program.

The Pathways project

The Pathways project targeted 15-19-year-olds in areas of high need. The young people involved worked with individual pathways negotiators to improve their skills, assist them to make decisions in relation to their future

pathways, and improve their ability to access course and provider information in the community. Each participating young person developed a personal pathways plan.

The Pathways project commenced in August 2000 and was completed in June 2002. It consisted of 26 programs over two phases and assisted 1700 young people. In the first phase, the project operated in 12 areas of high need. In the second phase, 10 programs based on local government areas were conducted.

Four programs worked with young people who were not engaged in education from:

- Spanish-speaking backgrounds
- the Horn of Africa
- the Echuca Koorie community
- the City of Melbourne.

The lessons learned from the programs were disseminated to schools, TAFE institutes, government departments and agencies and informed the development of MIPs.

2002-03 outlook

In 2002-03, to further the post-compulsory education and training aim of greater educational outcomes for young people, it is expected:

- LLEN relationships with community stakeholders will be further reinforced and will facilitate and implement more local initiatives to assist young people's educational outcomes
- all students in government schools will have developed a MIP in consultation with a nominated responsible adult
- the movement of young people in post-compulsory education and training will be monitored five to six months after they leave a government school or Youth Pathways program funded in TAFE or adult community education
- VCAL will be expanded to up to 200 government schools and 19 TAFE institutes in 2003 and further VCALs will be developed and piloted to meet identified student needs
- block credit arrangements towards VCE VET and ACE qualifications will be introduced to improve access to VCE qualifications and support local innovation
- there will be an increase to 3000 by 2005 in the number of students accepting school-based apprenticeships and traineeships
- the Education Precincts in Ballarat, Gippsland and Maryborough will be further developed
- the Commission will provide more detailed advice to the Minister on those issues referred to in the Ministerial Statement and will prepare a policy framework for post-compulsory education and training.



Training and further education

Program provision

Collectively, registered training organisations provided approximately 486,000 students with almost 104 million student contact hours of vocational training and further education. This is an increase of 8 per cent on the 2000 delivery. When personal enrichment programs are included, almost 107 million student contact hours were delivered to over 579,000 students. The delivery represents an increase of 8 per cent on 2000.

Of this total delivery, government-funded delivery accounted for 80.2 million of the reported student contact hours, a 2.6 per cent increase on 2000. In 2001, TAFE institutes delivered over 63.4 million of the government-funded hours, an increase of nearly 4 per cent on 2000.

The remaining 16.8 million government-funded student contact hours were delivered by adult community education and private registered training organisations.

Over 76 million student contact hours of delivery were within the scope of activity covered by the ANTA Agreement.

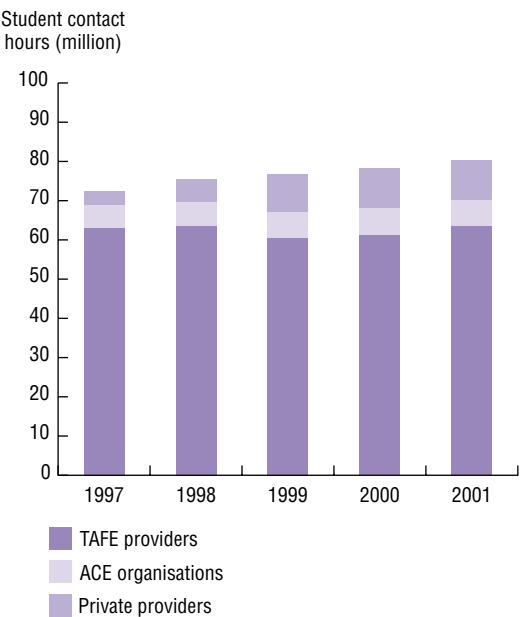
Notwithstanding growth in delivery, some industries and regions experienced skill shortages. Identified areas of skill shortage were addressed through the priority allocation of government funds for training.



RMIT (TAFE Division) Fashion/Textile student

Government-funded training and further education by provider type, Victoria, 1997–2001

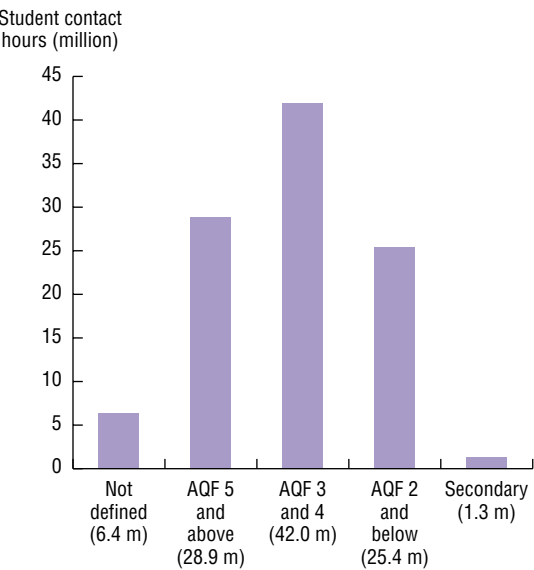
TAFE institutes remain the major provider of government-funded training and further education in Victoria.



Source: Department of Education & Training

Student contact hours of training and further education by AQF level, Victoria, 2001

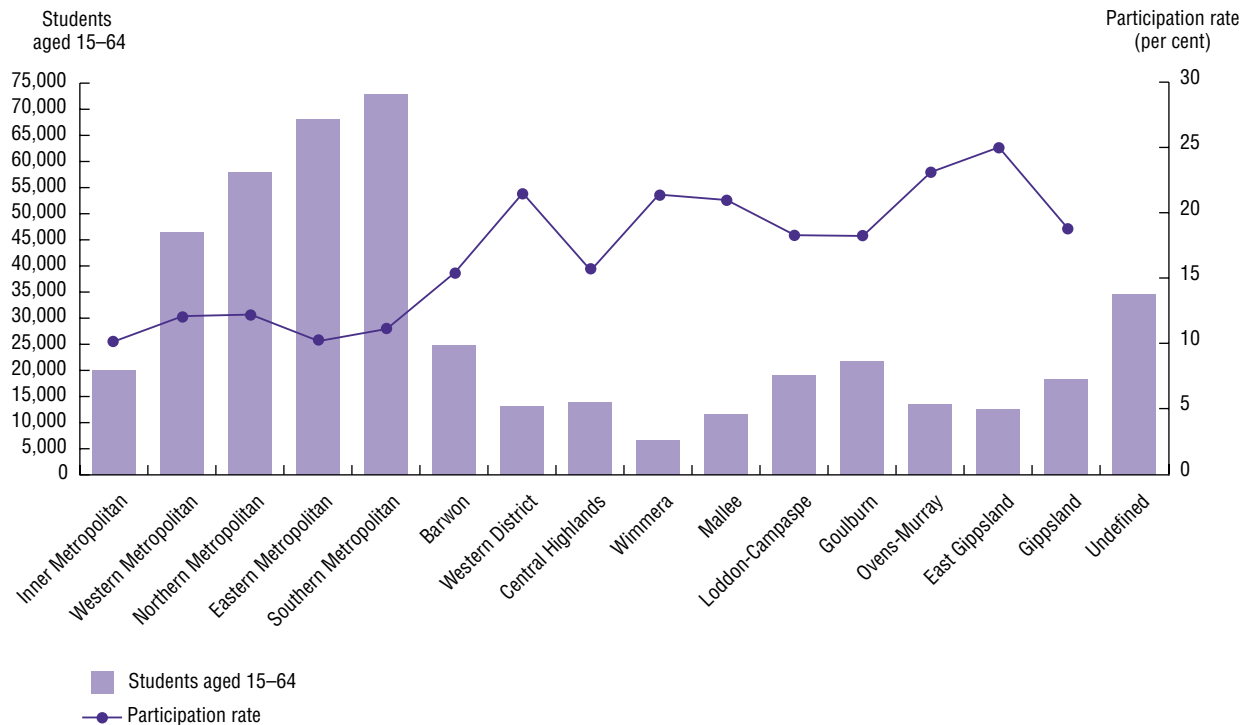
Of the total student contact hours provided, 40 per cent of student contact hours were delivered at AQF levels 3 and 4.



Source: Department of Education & Training

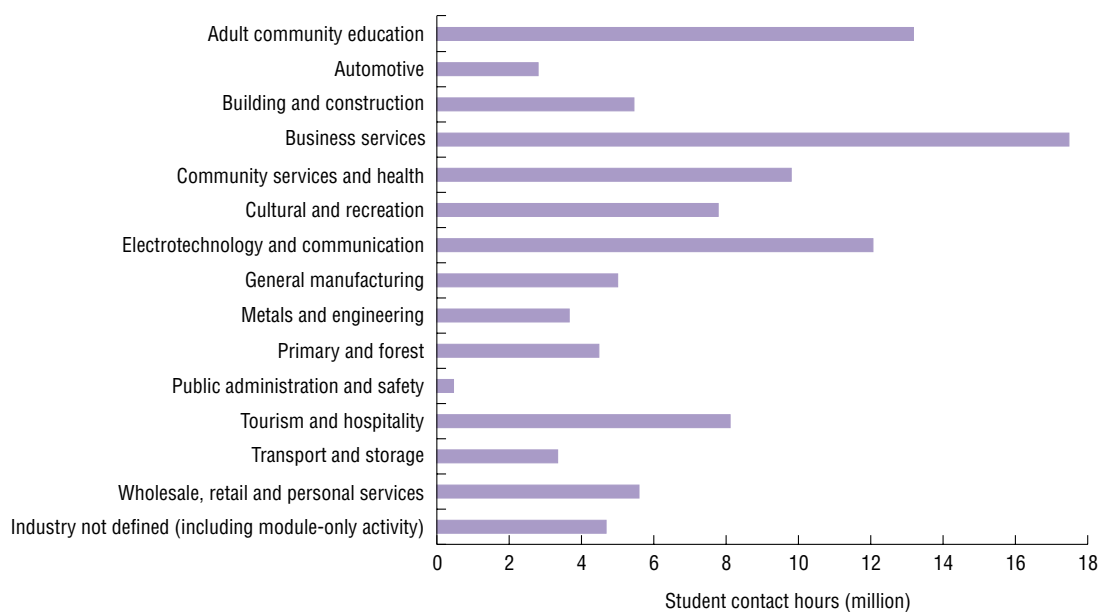
The following graph indicates the participation of persons aged 15–64 in training and further education programs by geographic region in Victoria.

Participation of persons aged 15-64 in training and further education programs by Victorian regions, 2001



Source: Department of Education & Training

Delivery by industry sector, 2001



Source: Department of Education & Training



Purchasing arrangements

TAFE institute profiles

TAFE institute profiles detail the training to be purchased by the Government from TAFE institutes on an annual basis. Over \$510 million worth of training was purchased through the profile process in 2001–02. The profiles included minimum provisions for total training delivery, training in apprenticeships and traineeships, training for Koories, training in correctional settings, and training related to Government policies that address statewide and regional industry skill shortages and community needs.

The profile arrangements also included targets negotiated with individual TAFE institutes to:

- increase the number of 15–19-year-old students enrolled (who have left school) compared to that achieved in 2000
- ensure that the module completion rate for Koorie students was at least 67 per cent if the rate was 58 per cent or above in 2000
- improve the module completion rate for Koorie students by at least 10 per cent if the rate was 57 per cent or below in 2000.

TAFE institutes also have the flexibility to shift financial resources to meet local community and industry demand for training.

Apprenticeship and Traineeship program

The Apprenticeship and Traineeship program provides funding to private registered training organisations under the User Choice arrangements that apply to apprentices and trainees. In 2001–02, \$58.6 million was budgeted for training delivery by these providers.

Each eligible private registered training organisation that sought to participate in this program received an allocation of government-funded apprentice/trainee commencements. Providers that had been previously funded under the program and had achieved 100 per cent of their entitlement were offered an annualised increase of 50 per cent above that entitlement. Providers that had not previously been involved in the program were offered a maximum entitlement of 40 commencements.

Through this process, offers were made to 362 providers (an increase of 55 per cent over the previous contract period). From the 362 offers, 302 providers were contracted to deliver government-funded training under the program.

Priority Education and Training program

The Priority Education and Training program is designed to enhance the skills base essential to the continued growth and development of regional and metropolitan Victoria by targeting funding to priority industry sectors and client groups.

In 2001, \$19.5 million was allocated to the Priority Education and Training program, and more than 2.4 million student contact hours were delivered through more than 15,000 course enrolments.

In 2002, \$14.5 million was allocated under this program and more than 2800 individual applications were received from 219 registered training organisations.

As a result of the application process, more than 150 registered training organisations are currently contracted to participate in the program in 2002. Priority areas for purchasing training include nursing, people with disabilities, Koories, pre-employment and further education programs, and training to meet industry priorities.

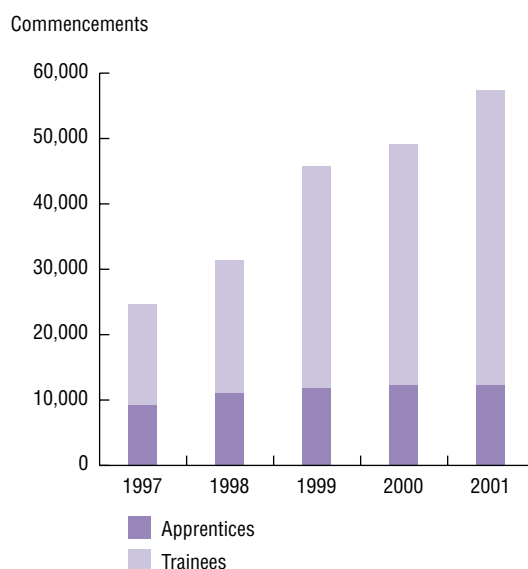
Apprenticeships and traineeships delivery

There was further strong growth in apprenticeships and traineeships in Victoria in 2001. By the end of 2001, the number of new employees commencing apprenticeships and traineeships increased by over 16 per cent to 57,361 and the total commencements by all employees increased by over 20 per cent to 76,862.

Completions of apprenticeships and traineeships by new employees increased by over 25 per cent to 21,511. Total completions increased by 18 per cent to 24,950.

The number of new employees in training as apprentices or trainees increased by nearly 13 per cent to 82,786 and all apprentices and trainees in training increased to 111,803.

Apprenticeship and traineeship commencements, Victoria, 1997–01



Source: Department of Education & Training

Growth continued in 2002. Almost 24,714 new employees took on an apprenticeship or traineeship between January and May 2002. In total, there were 32,564 commencements in this period. The number of new employees in training in May 2002 was 90,425 or almost 13 per cent higher than in May 2001. When existing employees are included, the number in training increases to 123,658, an increase of 20 per cent compared to the same period in 2001.

A number of measures supported increased apprenticeship and traineeship opportunities.

- The Private Sector Skills Development program and the Youth Employment Incentive Scheme conducted by the Employment Services Division achieved their target outcomes in areas of skills shortages and the provision of support for long-term unemployed or disadvantaged young people. Applications for these programs were not sought after January 2002. The Government Youth Employment Scheme and Go for IT programs met their targets.
- Apprenticeship and traineeship pathways were implemented for all endorsed national training packages.
- Two project officers were funded to support the development of apprenticeship opportunities in the building and construction industries, with particular emphasis on skills shortages trades such as bricklaying and plastering.
- Two pilots in the Gippsland region were funded to establish networks that support increased participation in school-based apprenticeships and traineeships.

Management and regulation of apprenticeship and traineeship programs

Victoria continues to successfully manage record numbers of apprenticeships and traineeships (over 120,000 in training across the year in review, the highest of any State in Australia) with a highly efficient apprenticeship administration system. This has been possible due to the streamlining and continuous improvement of business processes and the maintenance of high-quality stakeholder relationships with new apprenticeships centres, group training organisations and registered training organisations. The administration is supported by a small, professional team of Apprenticeship Field Officers.

Approved training schemes

The Commission established over 150 additional apprenticeship and traineeship pathways during the year. Most of these pathways offered qualifications based on the national training packages. These pathways covered industry sectors including Automotive Manufacturing and Retail Services; Forest and Forest Products; Public Safety; Rail Operations; Sport and Recreation; Music;

Wholesale Operations; Electrotechnology; Engineering; Metalliferous Mining; Black Coal; Financial Services; Film, Television, Radio and Multimedia; Business; Rural Operations and Maritime. Enterprise-based pathways included airline industry qualifications for Qantas.

Fresh Start

The Fresh Start program continued to address reported instances of workplace violence or harassment against apprentices and trainees. All Victorian apprentices and trainees received the 'Know Your Rights' card at the beginning of their training. WorkCover has also been pro-active in publicising workplace violence issues. The combined efforts of government authorities has reduced the incidence of workplace violence, though many issues of harassment continue to be reported.

Occupational licensing

A national licensing review was established by ANTA. Victoria was one of two states represented on the steering group for the review.

The report of the review was endorsed by the May 2002 meeting of the ANTA Ministerial Council. The review recommended that the needs of occupational licensing bodies should be addressed when training packages are being developed. It further recommended that occupational licensing bodies recognise the attainment of vocational education and training qualifications and competencies as being the requirement for practising an occupation and for the development of nationally consistent licensing arrangements across jurisdictions.

Victoria has made progress in implementing this recommendation. Licensing bodies are actively involved in the development of training packages and in the conduct of strategic industry audits. It is expected that substantial work will continue in this area over the coming year.

Quality in apprenticeships and traineeships

The Department of Education & Training continued the implementation of the recommendations of the Independent Review of the Quality of Training in Victoria's Apprenticeship and Traineeship System. The majority of these recommendations have now been incorporated into systems and processes within the areas of apprenticeship policy and administration, contracted training delivery, provider registration and audit.

Measures included introduction of a national Apprenticeship/Traineeship Training Contract, further training of Apprenticeship Field Officers, a review of Approved Training Scheme content, and a review of the minimum hours requirements for part-time and school-based apprenticeships/traineeships.



Other initiatives included:

- further improvement of the Department of Education & Training's apprenticeship and traineeship database to improve access for registered training organisations
- preparation for the linkage of State and Commonwealth apprenticeship databases
- preparation of information products including one on the Commission's dispute hearing process
- consultations on the desirable future role and functions of New Apprenticeships Centres.

Projects undertaken during the year included the delivery of a communication strategy to roll out new national standards for registered training organisations, professional development for registered training organisations and Apprenticeship Field Officers, an audit program to identify the risks of conflict of interest where organisations perform multiple roles, and funding the initial round of Partnerships for Quality projects.

The final major project, now nearing completion, is to develop a set of quantitative and qualitative performance measures that can, over time, provide an assurance that the broad objectives of a more balanced apprenticeship and traineeship system are being achieved.

Group training

There were 8700 apprentices and trainees employed by group training organisations at 30 June 2001. Twenty-three group training organisations that were funded under joint Commonwealth-State funding arrangements employed 7900 of these apprentices and trainees.

The nationally agreed funding arrangements relating payments to employment, progression and completion outcomes were continued. Additional funding was provided for outcomes in the areas of clients under-represented in education and training, skill shortages and school-based and rural and remote apprentices and trainees.

The Commonwealth and Victorian governments contributed \$5.07 million for the joint funding of group training companies during the year. Of that, \$80,000 was also provided to the umbrella organisation for group training companies for a project to provide training to member company field officers in occupational health and safety to ensure the ongoing safety of their apprentices and trainees. An allocation of \$6000 was provided to VICTEC Group Training to develop an industry-driven model to address the barriers to women wishing to enter electrotechnology apprenticeships.

ANTA undertook a national review of group training operations in 2001 that involved an extensive consultation process across all States and Territories and the relevant stakeholders. In May 2002, the ANTA Ministerial Council adopted the review recommendations, including the development of a vision for group training, development of a national framework and standards for recognition of companies, and an evaluation of the current funding arrangements.

Victorian University of Technology (TAFE Division) Beauty Studies (left) and Animal Studies (right)



Apprenticeship and traineeship research initiatives

The Commission endorsed a research project, Effectiveness of Time Requirements for Quality Learning for Apprentices and Trainees, to investigate the educational merit of the 15-hour mandatory minimum weekly time requirements for part-time apprenticeships and traineeships.

The project also investigated implementation methods for a recommendation contained in the report of the Independent Review of the Quality of Training in Victoria's Apprenticeship and Traineeship System relating to off-the-job training at Certificate I and II levels.

Further education

In Victoria, further education programs include Adult English as a Second Language and Adult Literacy and Basic Education programs, Adult VCE and General Preparatory programs. Further education can be defined as adult education that provides the basic educational foundations necessary for employment, retraining, further study and other forms of participation. The *Vocational Education Act 1991* defines further education as 'that part of technical and further education which is not vocational education and training and which is not provided or offered by a university or autonomous college'.

Further education offers adults the opportunity to complete the equivalent of a full secondary education when, for a variety of reasons, they have not done so. Further education also supports and enables people to return to study, training or employment by assisting them to develop foundation and generic skills needed for these pursuits.

Government funding for these programs is allocated through the TAFE institutes profile process, the Priority Education and Training program and the Adult, Community and Further Education Board.

Further education programs are responsive to individual demand and represented over 12 per cent of government-funded training and further education for 2001. In 2001, over 13 million student contact hours of further education were delivered in Victoria from all funding sources, and over nine million student contact hours of further education were delivered from funds managed by the State Government.

Training and further education opportunities

Victorian industry training advisory bodies implemented strategies to increase industry's participation in training including:

- statewide and regional industry forums on training and its benefits

- further development of linkages between industry and TAFE training providers
- marketing training to both industry and students in areas of skill shortages
- promotion of VET in Schools programs to industry and local enterprises
- leveraged training arrangements to attract an industry contribution to training
- initial registration audits and confirmation of registration audits for private registered training organisations, which included input from industry personnel.

Small Business Development program

An allocation of \$1 million was made to fund selected registered training organisations to deliver innovative training programs to small businesses by fostering strong linkages between providers and business at the local level.

Marketing of training and further education opportunities

- TAFE VC Open Day 2002 was attended by 230 teachers and administrative support staff.
- The Youth Employment Link commenced in July 2001 to provide a single point of contact for young people seeking employment information and assistance. The Link consists of a website and a telephone help-line service. Young people are referred to appropriate organisations and services providing information on careers, wages and conditions, contracts of employment, apprenticeships and traineeships, occupational health and safety and employment opportunities.
- Victorian statewide employment programs (Youth Employment Scheme, Youth Employment Incentive Scheme, Community Jobs program, Community Business Employment program, Public Sector Skills Development program) continued to generate increased investment in training and opportunities for young and unemployed Victorians.
- Flexible Learning Week, an annual event to celebrate and promote flexible learning in the TAFE system, was conducted successfully.
- The TAFE VC provided 24-hour access for teachers, employers and learners to TAFE online delivery and course information.
- Flexible Learning Networks, cooperatives of education providers, worked to provide enhanced opportunities for lifelong learning and increased participation, especially for groups that are under-represented in formal training.
- The Victorian Training Awards recognised excellence in training.
- The Work Skills Australia competition celebrated achievements in training across Australia.



- Improved client information services were developed including:
 - comprehensive web-based information for training providers, students and employers on registered training organisations, TAFE institutes, training packages and other courses
 - *Short Courses Victoria*, a web-based course information directory, providing up-to-date information on adult education courses
 - apprenticeship and traineeship information delivery through publications, liaison between stakeholders and an information program for all commencing apprentices and trainees
 - the Training Support Network website, an interactive information service on training package implementation in Victoria
 - *Success – Showcasing Excellence in Vocational Education and Training*, a web-based and print-format newsletter for the State Training System
 - a new web-based information service, titled *Newsbriefs*.

As in other years, a number of publications were produced and widely disseminated including:

- the *TAFE Courses Directory*
- *Victorian Implementation Guides for Training Packages*
- *Victorian Labour Market Report* (monthly until January 2002)
- *Improved Apprentice and Trainee Selection for Small Business Report* (January 2002)
- *ICT Strategic Planning Guide: A Guide for Strategic Planning for TAFE Institutes* (March 2002)
- *Training Packages @ Work* newsletters
- *Information Guide for Private Registered Training Organisations*: for the 2001 government-funded training program
- *Apprenticeships/Traineeships in Victoria*: 26 individual booklets incorporating all industry areas that provide advice on apprenticeships for employers and employees
- *Making the Most of Your Training*: tips and ideas for apprentices and trainees
- *Know Your Rights and Responsibilities*: a booklet for employers and apprentices.

TAFE institute infrastructure

ICT infrastructure investment

Funding of \$102.9 million over three years was allocated to improve information and communication technology (ICT) infrastructure in the State Training System including:

- \$19 million for broad-band information and communication technology delivery infrastructure in TAFE institutes

- the establishment of training facilities to support industries across Victoria, including building, viticulture, forestry and environmental management
- the development of research and education facilities in regional Victoria
- improved science, information technology and laboratory facilities for TAFE institutes
- the development of flexible learning facilities throughout Victoria.

Capital planning

In September 2001, the Department of Education & Training completed the Strategic Infrastructure Management Plan for the Victorian TAFE sector for the period 2002–04. The plan describes the investment processes linked to capital resource planning in addition to providing the vision, direction and priorities for the management of training assets for this period.

The plan considers issues such as building investment requirements, asset performance levels, modernisation and facilities maintenance as well as the need to rationalise the existing asset base to best meet the future demands of the Victorian community.

The principal priority in the plan is the modernisation of targeted facilities. This will enable a further reorganisation of TAFE delivery in Victoria and optimise the capital costs of delivery. This approach will also reduce the current maintenance backlog.

This activity is being supported by the establishment of a facilities management information system. The system will feature a database related to individual institute facilities, their condition and compliance with building regulations.

New projects

The 2001–02 Victorian budget allocated \$16.7 million for projects at four TAFE institutes including an Automotive Centre of Excellence for Kangan Batman, Stage 2 of the Cyber Centre at William Angliss, a Food Technology and Koorie Centre for Wodonga and a Primary Industries production facility at Northern Melbourne.

New ANTA-funded projects announced for construction commencement in 2002 included a new multi-level building at Box Hill Institute, a replacement Business Services Centre and Community Education centre at Bonbeach, refurbishment of the Moorabbin campus of Holmesglen Institute, Stage 2A of South West Institute of TAFE, Warrnambool campus (incorporating environmental sustainability enhancements), flexible delivery classrooms at the Warragul campus of Central Gippsland and a Science and Technology Centre at the Werribee campus of Victoria University of Technology.

TAFE capital works projects

Projects completed in 2001–02

State-funded projects

- Upgrade of Building H for Business Studies at the McCrae Street campus of the Bendigo Regional Institute of TAFE (\$0.8 million)
- Purpose-built permanent facility to replace existing relocatable campus at the Wonthaggi campus of the Chisholm Institute of TAFE (\$1.5 million)
- Nursing and Hairdressing facility at the Frankston campus of the Chisholm Institute of TAFE (\$2.7 million)
- Replacement and expansion of Art and Design at the Frankston campus of the Chisholm Institute of TAFE (\$1.6 million)
- Purchase of a new timber harvester for the East Gippsland Institute of TAFE (\$0.5 million)
- Refurbishment and upgrade of Building 1 (administration and general purpose classrooms) at the Bairnsdale campus of the East Gippsland Institute of TAFE (\$0.9 million)
- Redevelopment of engineering workshops at the Mildura campus of the Sunraysia Institute of TAFE (\$1.7 million)
- Refurbishment of Buildings L, M, K (Plumbing and Ceramics) at the School of Mines campus of the University of Ballarat (\$1.5 million)
- Stage one of refurbishment of the Beanland Building (general purpose classrooms and computer laboratories) at the Footscray Nicholson campus of the Victoria University of Technology (\$1.4 million)
- Multimedia facility at the Sunshine campus of the Victoria University of Technology (\$6.6 million)
- Establishment of a Cyber Centre at the William Angliss Institute of TAFE (\$1.4 million)

ANTA-funded projects

- Refurbishment of Building PH (general purpose classrooms and administration) at the Prahran campus of the Swinburne University of Technology (\$6.1 million)

Projects under construction

State-funded projects

- Construction of a new purpose-built facility for Hospitality, Computing, Business and General Studies at the Echuca campus of the Bendigo Regional Institute of TAFE (\$3.7 million)
- Refurbishment of various buildings at the Newborough campus of the Central Gippsland Institute of TAFE (\$4.98 million)
- Refurbishment of the City campus of the Centre for Adult Education (\$4.0 million)

- Planning of new and replacement facilities at various campuses of the Chisholm Institute of TAFE (\$1.9 million)
- Refurbishment of Building 7 (Koorie Educational Centre) at the Bairnsdale campus of the East Gippsland Institute of TAFE (\$0.5 million)
- Refurbishment of Building 4 to establish a facility to cater for students with disabilities at the Chadstone campus of the Holmesglen Institute of TAFE (\$0.6 million)
- Refurbishment of Learning Centres at Box Hill and Springvale for the Adult Multicultural Education Services (\$2.1 million)
- Establishment of Malcolm Creek Learning Centre for the Kangan Batman Institute of TAFE (\$1.6 million)
- Establishment of a Roofing Industry Technical Training Centre at the Epping campus of the Northern Melbourne Institute of TAFE (\$0.59 million)
- Establishment of the Australian College of Wine at Aradale and Yarra Glen for the Northern Melbourne Institute of TAFE (\$7.4 million)
- Stage two of refurbishment of the Beanland Building (general purpose classrooms and computer laboratories) at the Footscray Nicholson campus of the Victoria University of Technology (\$1.2 million)
- Relocation of library and refurbishment for the Wodonga Institute of TAFE (\$2.8 million)

ANTA-funded projects

- Relocation of the Centre for Building from Moorabool Street campus to Boundary Road campus site for the Gordon Institute of TAFE (\$6.6 million)
- Establishment of a new transport, warehousing and distribution facility for the Kangan Batman Institute of TAFE (\$3.8 million)
- Refurbishment of former Fairfield Hospital site for the establishment of a TAFE campus of the Northern Melbourne Institute of TAFE after the property purchase was funded by the Government (\$14.5 million)
- Asset refurbishment at the Preston campus of the Northern Melbourne Institute of TAFE (\$4.0 million)
- Refurbishment of Building 51 and the provision of facilities for dental technology programs to be relocated to the proposed Dental Hospital development for the Royal Melbourne Institute of Technology (\$8.6 million)
- Refurbishment of Building 56 to deliver engineering technology programs for the Royal Melbourne Institute of Technology (\$4.98 million)
- Redevelopment of the Warrnambool campus, stage one, of the South West Institute of TAFE (\$7.5 million)
- Redevelopment of the Warrnambool campus, stage two, of the South West Institute of TAFE (\$6.3 million)



Facilities management

The Department of Education & Training developed a new facility management system during the year. The first stage commenced with a tender being let for the development of an asset management inventory and the operation of supporting bureau services. The progressive implementation of the inventory will promote more effective planning of TAFE services across Victoria.

Work has been undertaken to collect and standardise building plans as the initial step in the migration of data to the new system.

Planning

Ministerial Statement Knowledge & Skills for the Innovation Economy

In June 2002, the Government released a comprehensive plan for addressing the future skill requirements for Victoria. The Ministerial Statement Knowledge & Skills for the Innovation Economy sets out the future directions for the Victorian vocational education and training system.

The Ministerial Statement draws on and complements the program of activities and policies across the Government, within the Growing Victoria Together framework, to support the development of Victoria as an innovation economy.

The Ministerial Statement will reposition Victoria's VET system to support the achievement of the Government's goals and targets for education. It will also support the Government's commitment to building a competitive, innovative and connected business environment.

It outlines the next steps to take in transforming the VET system from one that relates to an industrially based economy to one that assists firms to compete in the innovation economy and assists communities and individuals to gain the skills they need for the future.

The next key steps are to:

- reinvigorate TAFE so that it has a highly skilled workforce to provide innovative and relevant training for firms, and for students preparing for active citizenship in the innovation economy
- develop new VET products to meet the generic skill needs of individuals and firms, to meet new and emerging skill needs, to value local customised responses and to improve learning pathways
- implement a coordinated development of lifelong learning by linking vocational education and training – and the benefits of its close association with industry – to adult community education, schools and universities.

New approaches to planning

The Commission purchases advice on the training needs of industry from a network of 20 industry training advisory bodies. Each body provides an annual training plan that contains information on significant developments, issues and trends in the industry and industry's regional priorities for training. This advice is a major source of industry information for vocational education and training planning in Victoria, both at statewide and local levels.

Changes in technology and the organisation of work are driving changes in the skills needed by Victoria's industry, and therefore in the training required by the workforce.

A comprehensive understanding of industry skill and training needs across the State is required, especially for new and emerging industries. Victoria's capacity to provide a high-quality skills formation system is dependent on high-quality advice on the short, medium and long-term skill needs of industry.

Accordingly, the Commission is undertaking a review of the mechanisms by which industry advice on skills formation needs is provided in Victoria. A report is expected in August 2002.

The Commission will also play a key role in providing further advice to the Government on longer-term issues that require further consultation with stakeholders. The Minister has referred the issues of how to determine priorities for public expenditure on vocational education and training in an innovation economy and how to secure long-term sustainable financing arrangements for vocational education and training to the Commission.

In 2002, the Commission will develop an approach to establishing priorities for vocational education and training through quantitative analysis of industry training needs, based on a range of information sources. The approach will ensure that resources are targeted to maximise benefits for the State. The Commission will provide advice on how to determine priorities for public expenditure that:

- ensures a sufficient flow of new and replacement workers to address future skill shortages resulting from structural change in the economy and from an ageing workforce
- overcomes skill gaps and upgrades the skills of the existing workforce to boost productivity and support industry restructuring
- recognises future skill needs in key areas including biotechnology, advanced manufacturing, design, aerospace, ICT and environmental technologies
- recognises the skill sets needed for new and emerging industries and for innovation and knowledge creation in industry
- recognises the skill needs of priority groups including young people, unemployed and under-employed workers, people with disabilities, Indigenous people and those in economically depressed communities.

National arrangements

The key national planning documents are the national strategy, annual national priorities and VET (TAFE) plans.

The Australian National Strategy for Vocational Education and Training 1998–2003, *A Bridge to the Future*, sets out five objectives for vocational education and training:

- equipping Australians for the world of work
- enhancing mobility in the training market
- achieving equitable outcomes in vocational education and training
- increasing investment in training
- maximising the value of public VET expenditure.

Each year, the ANTA Ministerial Council endorses national priorities for TAFE. The priorities for 2001–02 were:

- to ensure a quality national training system that provides value for money
- to promote industry commitment to skills development
- to value individuals as learners
- to support VET professionalism
- to support regional development.

The 2001 and 2002 TAFE plans for Victoria outlined the actions leading to the achievement of these national priorities and related key result areas. The 2001 and 2002 TAFE plans detailed activity by course level and industry grouping.

National planning project

Focus on the Future is a national scenario-planning project funded from the ANTA national projects budget and managed by the Office of Training and Tertiary Education in Victoria.

The project was completed in 2001. The final report contains a scenario-planning manual, an environmental analysis, three scenarios of the future and a discussion about the challenges and opportunities for the future of VET planning processes.

The scenarios developed by this project, and the key issues they highlight, are intended to assist planners and decision-makers throughout Australia. They provide a resource for national discussions about the future of the vocational education and training sector and a tool to test and refine planning and policy decisions.

VET planning and research network

The network brings together planners and researchers from across the broad vocational education and training sector. Membership is drawn from TAFE institutes, other registered training organisations and group training companies, Victorian Industry Training Advisory Boards, Adult, Community and Further Education

Regional Councils and LLENs. Network meetings provide opportunities for sharing ideas, strategies and professional development activities.

The network conducts four forums per year to present results of key research projects and canvass ideas and opinions on policy and planning issues for the sector. Major themes this year have been pathways from school to work for young people and the changing nature of work.

The network's activities are aimed at building the capacity of the State Training System for high-quality research and strategic planning.

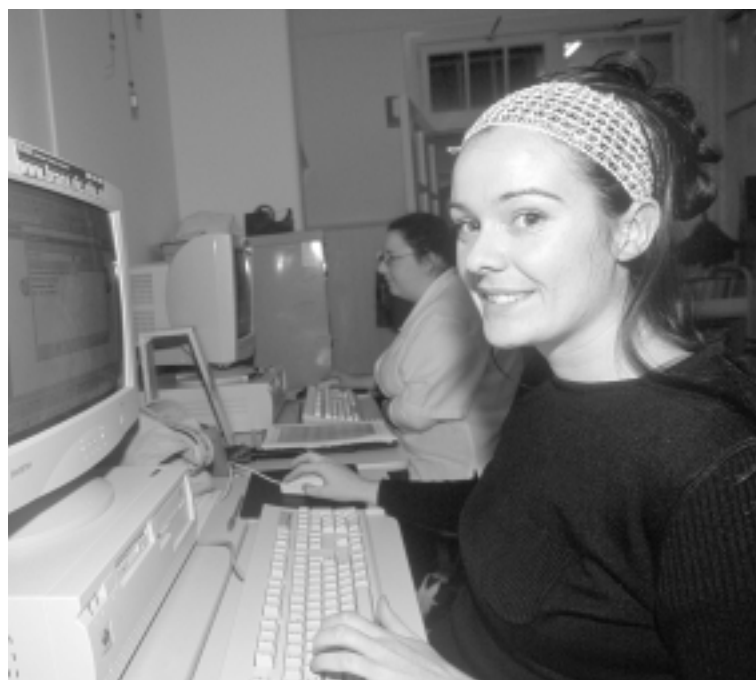
Planning for further education

The Adult, Community and Further Education Board and the Commission are jointly responsible for the planning of further education in Victoria.

During the year, they continued to address the priorities identified in the further education plan that was developed and endorsed in 2000 by the State Training Board (now a function of the Commission). The plan examines the current and future context for further education demand and delivery in Victoria and provides a strategic framework for the future.

The strategic directions identified in the plan promote cooperative planning and delivery arrangements between organisations in order to meet the needs of clients in their local community, consistent with the recommendations of the Ministerial Review of Post Compulsory Education and Training Pathways in Victoria.

Students in Certificate II Business – Office Administration at BRACE in Ballarat





Innovation in teaching and learning

VET products for the innovation economy

The innovation economy requires providers of vocational education and training to move beyond standard training products and to take a new approach to design, development and delivery by engaging with new clients, customising their products more effectively and broadening the range of courses and qualifications available. The Ministerial Statement calls for the development of new vocational education and training products to meet the generic skill needs of individuals and firms, to meet new and emerging skill needs, to value local customised responses and to improve learning pathways.

Key initiatives outlined in the Ministerial Statement include:

- working with national training packages to incorporate generic skills and to broaden and enrich the training outcomes they specify
- creating new courses and qualifications with an explicit focus on generic skills development either integrated with the delivery of industry-specific competencies or with other vocational programs
- including high-level generic skills such as design and innovative thinking in additional qualifications and through work-based training
- developing more flexible approaches to the delivery of training packages to customise training to the needs of a diverse client base
- delivering higher-level and advanced training products and services to meet the skill needs for emerging occupations
- tracking clients effectively through post-compulsory pathways
- developing educational precincts based on partnerships between education providers and industry sectors.

To implement this reform agenda, the Government will:

- establish three Innovation Funds of \$10 million each for TAFE institutes to trial new initiatives in innovation, emerging skills and industries, and leveraged flexible delivery
- provide \$5 million in seed funding for specialist centres, initially in health services, manufacturing, food processing, building, environmental design, hospitality and services to small- to medium-sized enterprises. Submissions for these centres will be taken from registered training organisations, adult education institutions and TAFE institutes
- provide \$4 million over two years for specialist design centres, as part of a \$9.2 million allocation to develop Victoria's design capabilities. The first centres will be in digital design and automotive/aerospace design

- allow TAFE institutes to offer degrees in niche areas such as viticulture, aquaculture, information technology and biotechnology.

Training packages

Training packages describe the skills and knowledge needed to achieve a qualification. The standards that underpin the qualification specify the skills and knowledge necessary to work effectively in particular industries.

ANTA funds the development of training packages through national industry training advisory bodies. States and Territories are consulted and provide advice to ANTA as part of the development and endorsement process. State and Territory ministers responsible for vocational education and training endorse each training package, generally for a period of three years, following agreement by the National Training Quality Council.

Victoria has implemented 71 training packages, including the publication of the relevant implementation guides. Seven of the training packages are owned privately by individual enterprises and have been developed to meet the specific training needs of their employees. Further information on training packages is available at <http://www.anta.gov.au>.

Victoria is contracted by ANTA to develop training package implementation guides for national use. The guides address issues such as transition arrangements, relationships between existing curriculum and new qualifications, apprenticeship and traineeship pathways, and the nominal duration of units and qualifications.

Developed by the Department of Education & Training, in consultation with key stakeholders, the guides are distributed nationally for use by each State and Territory. Victoria has published 89 guides and ten are currently being developed. More information on the guides is available on the Department of Education & Training's website at <http://www.otte.vic.gov.au> through the training packages link.

Six initiatives will further assist registered training organisations in implementing training packages in metropolitan and regional Victoria:

- *Purchasing Guide and Additional Delivery Advice*
- funding support for teacher networks
- a training package advisory service managed by the curriculum maintenance managers
- significant redevelopment in 2002 of the Curriculum Resource Centre website to include new teacher resources and information. The website is titled Training Support Network and is located at <http://www.otte.vic.gov.au>.

Training Packages endorsed 1 July 2001 – 30 June 2002

Training package code and title		Status	Endorsement date
THH02	Hospitality (Revised)	Review	23 January 2002
WRR02	Retail (Revised)	Review	30 January 2002
FPP01	Pulp and Paper (Revised)	Review	2 November 2001
CSC01	Correctional Services (Revised)	Revised	29 November 2001
RUH98	Horticulture	Addition	27 September 2001
THT02	Tourism (Revised)	Review	23 January 2002
PMB01	Plastics, Rubber and Cable Making (Revised)	Review	30 January 2002
NWP01	Utilities – Water Industry	Revised	21 September 2001
PRS98	Asset Security – Use of Firearms and Defensive Tactics	Extension	21 December 2001
ICA99	Information Technology	Enhancements	24 October 2001
	– Addition of eBusiness	Addition	8 March 2002
AUR99	Automotive Retail, Service and Repair	Addition	27 July 2001
	– Addition of After Market Sector	Addition	14 January 2002
	– Addition of Heavy Vehicle	Addition	4 February 2002
LGA00	Local Government – Addition of Operational Works	Addition	11 December 2001
PUA00	Public Safety – Fire Sector	Extension	21 December 2001
BSB01	Business Services	New	17 August 2001
	– Addition of eBusiness	Addition	8 March 2002
TDM01	Maritime	New	29 August 2001
HLT02	Health – Phase 1 Client/Patient Service	New	11 December 2002
WRP02	Community Pharmacy	New	4 February 2002
WRS02	Funeral Services	New	11 February 2002

Source: Department of Education & Training

- enhanced training options for young people to undertake training package qualifications by identifying post-compulsory training pathways for those who have disengaged from traditional schooling, and to identify barriers to implementing those options
- VETASSESS developed 200 units demonstrating best-practice approaches to assessment. These are available online across the following industries: Automotive, Electrotechnology, General Construction, Horticulture, Hospitality, Information Technology and Metals and Engineering.

A full list of training packages implemented in Victoria is available online at <<http://www.otte.vic.gov.au>>.

New training packages endorsed during the year are outlined in the table above.

International education

The delivery of education and training services to overseas markets continues to increase Victoria's fee-for-service revenue and export growth. In Victoria there are 109 registered training organisations, including 19 TAFE institutes, approved to deliver training to overseas students. A total of 750 courses are offered to an increasing number of overseas, full-fee-paying students. Victoria's growing international reputation generated increased interest from international delegates seeking to understand more about Victoria's vocational education and training system.

International Training Australia, representing the Victorian TAFE sector in pursuing larger international projects, also grew substantially during 2001. Overseas contract work now totals in excess of \$60 million and, during the past 12 months, involved over 55 TAFE personnel in international project work.

Victorian providers continue to implement changes to ensure their compliance with the introduction of the Federal Government's *Education Services for Overseas Students Act 2000*. The Commonwealth Department of Immigration, Multicultural and Indigenous Affairs and the Department of Education, Science and Training were responsive to some providers' concerns about certain elements of the Act. Victorian providers remain positive about the benefits the Act will have in assuring service quality and strengthening Australia's reputation internationally.

The Department of Education & Training continues to support the development of Victoria's international participation through:

- active involvement in Victoria's TAFE International Network, the peak body representing Victorian TAFE institutes seeking to recruit international students
- production and distribution of publications introducing and promoting Victoria's quality education and training system
- involvement and representation in student recruitment forums held internationally



- development of international relationships through the hosting of delegations, the coordination of study tour programs and the establishment of government-to-government memoranda of understanding
- cooperation with and active support for International Training Australia, which pursues international project opportunities for Victoria's TAFE system
- involvement in international marketing activities, including those sponsored by Australia Education International and the Department of Education & Training.

Professional development in the State Training System

The Ministerial Statement outlines the Government's commitment to transform the TAFE institute workforce. It acknowledges the central role of TAFE staff as knowledge workers whose skills will be vital to ensuring that TAFE institutes are able to contribute to the development of an innovation economy. The Statement outlines the need for educators and managers in TAFE institutes to take a leading role in the creation of new knowledge through design, research and development activities and to meet the future skills development priorities of a post-industrial economy.

Additional funding will be made available over three years to support the further development of the TAFE skills profile, raise professional standards and manage the TAFE workforce more strategically.

Consistent with this approach, in 2002 the Department of Education & Training established a new advisory mechanism, the TAFE Institute Workforce Working Party, to promote strategic workforce management across TAFE. This working party represents all the major industry parties and has provided additional impetus to the development of a new strategic framework for professional development across the sector. A centre will be established to promote the professional standing of leaders, educators and workers in TAFE institutes.

A new strategic workforce development function was established to focus on projects of statewide significance. During the year, over \$6 million was committed to statewide programs to support professional development in the State Training System, a figure that excludes the additional investment made by providers and staff.

Sunraysia Institute of TAFE became the first public TAFE provider to be awarded the international Investor in People award for its people management strategies and practice.

Other significant activities during 2001–02 included:

- \$1.25 million in professional development grants for 135 projects involving 1900 TAFE teachers and support staff to upgrade flexible learning skills related to the Australian Flexible Learning strategy (LearnScope 2002), including participation in the national Virtual Learning Community program

- \$2 million in professional development grants to TAFE institutes to meet key staff development needs especially in relation to teaching and learning. Just over 7000 TAFE staff participated in professional development activities.

Managing diversity

The Managing Diversity policy framework applies to all government-funded providers and other agencies of the State Training System. Through the framework for managing diversity, providers have developed practices to improve outcomes and employment prospects for disadvantaged groups and people living in rural and remote areas.

Koories

The Wurreker strategy is being progressively implemented. Wurreker is designed to ensure that Koorie communities are involved in decisions about the planning and delivery of training and that TAFE delivery and support services respect Koorie culture and value the needs of individual Koorie students.

Supporting initiatives included an information card on TAFE for Koories, a Good Governance Guide for Koorie organisations and a Koorie website.

The Victorian Aboriginal Education Association Inc. was funded to provide advice on Koorie training needs, develop an annual training plan and to promote Indigenous training in Victoria.

Funds were provided to support the employment of fourteen Koorie liaison officers in TAFE institutes.

Approximately \$12 million was allocated to support Koorie-specific training delivery and enrolments of Koories in mainstream training. Funds were also provided for additional support services for Indigenous learners in training and further education programs.

Student participating in an English comprehension and reading skills class at North Melbourne Language and Literacy (Certificate in Spoken and Written English, Level I)



People with disabilities

Funding of \$1.7 million was allocated through the Disability Support Fund to assist TAFE institutes to meet their obligations under the *Disability Discrimination Act 1992*.

Advice was provided by industry training bodies on training needs of specific target groups including women, Koories and people with disabilities.

Funding was allocated through the Priority Education Training program to resource the delivery by private providers of accredited training for people with a disability.

Women

Specific initiatives to improve women's access to training and further education included:

- development and dissemination of strategies to improve training and employment opportunities for women, with particular focus on regional locations
- reporting on the ongoing implementation of Valuing Victoria's Women: Forward Plan 2000-2003, which details strategies to be undertaken across and between Departments
- funding to the Access Training and Employment Centre to provide advice on training needs and opportunities for women, particularly in emerging and non-traditional industries.

Participating in a multicultural society

The training needs of Victoria's multicultural society were met through:

- the implementation of Managing Diversity Plans for government-funded training, to promote improved participation of clients from diverse language and cultural backgrounds

- the delivery of courses in languages other than English and the provision of English as a second language courses
- improving access to new learning opportunities through the TAFE VC.

Skilling Victoria

Towards a Learning Society: The Flexible Learning strategy for Victorian TAFE and Skilling Victoria for the Information Age are two strategies designed to ensure Victorians are equipped with the skills appropriate to a knowledge-based economy. These strategies support providers to enhance their delivery options and meet Government goals and targets for education, with a particular focus on young people, rural and regional Victoria and universal participation in post-school education and training.

Flexible Learning strategy

The Flexible Learning strategy is located at the learning technologies website at <<http://www.otte.vic.gov.au/learningtechnologies>>. The goals of the Flexible Learning strategy are to:

- develop widespread technological literacy and encourage lifelong learning
- provide effective relevant and accessible vocational learning options to all Victorians
- ensure Victorian TAFE and ACE personnel are equipped to realise the potential of online learning.

The following initiatives have been implemented to achieve these goals.

Northern Melbourne Institute of TAFE Viticulture Studies student



RMIT (TAFE Division) Fashion/Textile student





TAFE VC

The TAFE VC provides information and a learning environment to students, teachers and employers who either wish to study via the Internet or access information about the TAFE and ACE sectors in Victoria.

In 2001, the TAFE VC won the Yahoo!, Australia and New Zealand 'Pick of the Year' education site.

There has been strong growth in the use of the TAFE VC since July 2001. The number of providers using this platform for delivery of training programs increased from 71 in 2001 to 85 in 2002. Students accessing the TAFE VC as registered users increased from 11,000 in 2001 to over 21,000 in 2002, while the modules and units being delivered grew from approximately 1000 in 2001 to over 2200 in 2002.

TAFE VC Open Days provided information and professional development for TAFE and ACE teachers and administrative support staff.

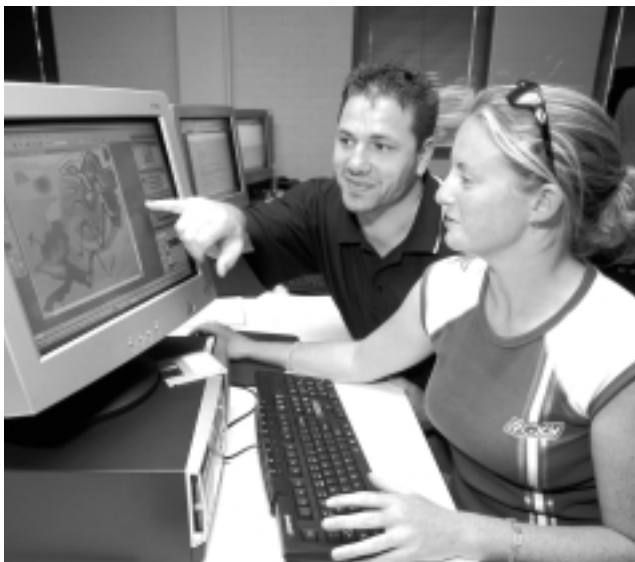
Online content development

Victoria is the national project manager for the Online Product Development Review and Evaluation initiative funded by ANTA under the Australian Flexible Learning Framework. This included the development of Series 4 Toolboxes (\$4.3 million) and Online Equity Toolboxes (\$1 million).

Over \$1 million of State funding was provided to develop educational content to support online delivery. This content is made available free for use by all Victorian registered training organisations.

Online programs are available for over 400 competencies from 24 fields of study, developed by Victoria, using State funds.

RMIT (TAFE Division) Printing Studies



ICT infrastructure funding

In 2001–02, \$6.8 million was allocated to TAFE institutes to improve the bandwidth and electronic services provided to staff and students and to upgrade the ICT infrastructure to deliver core administrative and educational applications across campuses.

Notebook computers for teachers

A total of 1682 notebook computers (at a cost of \$4.3 million) were distributed to TAFE teachers. The notebook computers were provided to create a more flexible technology infrastructure for use both on and off campus.

Flexible Learning Networks

Flexible Learning Networks are cooperatives of education providers working at a community level to provide flexible options for lifelong learning through the TAFE VC. Flexible Learning Networks provide a supportive learning environment, particularly for disadvantaged groups. In 2001–02, 11 Flexible Learning Networks were funded. Training organisations formed partnerships with community providers, industry groups and enterprises across metropolitan and rural and regional Victoria. Learners without a home computer can access the Internet at Flexible Learning Network access points, including ACE organisations, libraries and TAFE institutes.

TAFE Frontiers

TAFE Frontiers was funded to work with training providers to increase flexibility in the provision of TAFE programs in Victoria. It provided services and products to support and develop flexible learning, including online delivery by training providers. Services provided included strategic planning, promotion, research, professional development and evaluation. The products included online and multimedia learning resources, print resources and a resource database.

Flexible Learning Week

Flexible Learning Week is an annual event where registered training organisations promote and celebrate their achievements in the development and implementation of flexible learning options for their learners. Events were held in metropolitan and rural and regional areas, with many activities conducted online via the TAFE VC.

Performance measurement and evaluation

Data about the use and impact of flexible and online learning was collected and analysed through a performance measurement framework. Results were compared with baseline data collected in 2000 and the most significant change was found to be an improved understanding of the application of online technologies in TAFE institutes.

National new learning technology projects

Victoria has a lead role in the implementation of the Australian Flexible Learning Framework 2000-04, which aims to develop flexible and online learning nationally. The Victorian secretariat provides executive support to the group, coordinates the national implementation of flexible learning and manages individual projects within the Framework.

Projects managed by Victoria include Framework Management Services, the Communication and Adoption project and the evaluation of the Australian Flexible Learning Framework.

Further details of the Framework and specific projects can be found at <<http://flexiblelearning.net.au>>.

Professional development initiatives

In 2002, a three-year strategy was developed to strengthen TAFE teachers' ICT skills. The program is based on Government targets for increasing the ICT skills of TAFE teachers described in *Skilling Victoria for the Information Age and Towards a Learning Society: The Flexible Learning strategy for Victorian TAFE*. In addition, the ICT Literacy and Fluency grant and LearnScope grants assist organisations to address the skill requirements of the *Skilling Victoria for the Information Age* strategy.

The program combines the delivery of funded professional development and a trainer program designed to strengthen institute capacity and commitment to the in-house delivery of professional development to all teachers. These initiatives are supported by flexible learning managers who are funded to work with staff in their own institutes.

In 2002, the Notebook Computers for TAFE Teachers Professional Development program was a key strategy in achieving ICT literacy and fluency targets.

Flexible learning managers

Each TAFE institute has received seed funding for a flexible learning manager to assist them to increase their ICT capability.

Quality assurance

Implementation of the Australian Quality Training Framework

The AQTF was developed by the National Training Quality Council of the ANTA Board in conjunction with States and Territories, the Commonwealth and industry and was endorsed by the ANTA Ministerial Council in June 2001. The AQTF includes two sets of standards that underpin the national quality arrangements for the vocational education and training sector:

- the standards for registered training organisations strengthen the requirements for registered training organisations to support the improvement of training practice and the credibility of organisations
- the standards for State and Territory Registering/Course Accrediting Bodies strengthen and clarify the audit processes used by State Government agencies and support a national approach to the registration and audit of registered training organisations.

The Victorian Qualifications Authority has responsibility under the *Victorian Qualifications Authority Act 2000* for the registration of training organisations to deliver nationally recognised training. The Authority has delegated its registration function to the relevant officers in the Office of Training and Tertiary Education.

Although the Commission is not directly responsible for the registration of training organisations under the AQTF, it has a leading role in monitoring the quality of training outcomes. The processes that underpin the registration and compliance monitoring of training organisations under the AQTF are the primary quality assurance mechanism for the State Training System.

The Department of Education & Training has been working towards the full implementation of the AQTF from 1 July 2002.

This work has involved:

- the development and distribution of information materials to all registered training organisations
- workshops on the AQTF for intending and existing registered training organisations
- training of all auditors to the Australian Standard AS3911.2
- professional development support for key stakeholders
- a review of internal business processes against the AQTF standards for registering bodies
- the implementation of a risk management approach to auditing.

As one element of this work, the Department of Education & Training has assisted TAFE providers to meet their AQTF compliance obligations, with an emphasis on standards relating to the delivery and assessment of training. The key element of this strategy has been the development, with the Victorian TAFE Association, of a compliance guide for TAFE institutes. Work also commenced on a compliance guide for schools that are registered training organisations.

Delegates of the Victorian Qualifications Authority are required to comply with the standards for State and Territory Registering/Course Accrediting Bodies from 1 July 2002. In order to ensure its compliance by 1 July 2002, the Department of Education & Training underwent an internal audit in June 2002. The audit team included a representative from the Queensland regulatory authority to incorporate an element of peer review and a representative of the Victorian Qualifications Authority.



System for training and recognition

The final phase of the system for training and recognition was implemented in September 2001. This provides for further enhancement of business processes, including applications by training organisations for registration, maintenance of historic data on registered training organisations, and data and systems management.

Risk assessment

In managing its annual audit program, the Department of Education & Training developed a risk management strategy, which includes nationally identified key risk areas. These risk areas include:

- high number and/or seriousness of verified complaints against registered training organisations
- apprenticeships/traineeships delivered by exclusive pathways
- priority interface areas as defined by State and Territory authorities, which may include providers in receipt of government funds, unsatisfactory Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) returns and/or particular courses and qualifications.

Strategic industry audits

The Department of Education & Training continued to implement the strategic industry audit program to assess the quality of training delivery and assessment systems at an industry level.

The audits adopt an integrated approach to identify compliance and quality issues in particular industry sectors. They also provide a basis for systematic improvements in training.

A strategic audit on training in the transport and distribution industry was completed as well as audits on the delivery of training in child-care and aged care, which are part of the community services and health industries. Training experts in these industries participated in the audits to identify best practice across each sector and assist in improving the quality of training.

Compliance audits

During 2001, 451 audits were undertaken to monitor the compliance of training organisations with the Australian Recognition Framework and government-funded training contracts. The level of overall compliance was generally high.

During the year, there was a focus on auditor training for the AQTF. Two workshops were held for auditors to demonstrate competence in the AS3911.2 Standards for Auditing. To date 59 participants have successfully completed the auditor training and further workshops are planned for the remainder of 2002.

Complaints and grievances

The Department of Education & Training investigates written complaints and grievances against registered training organisations within the jurisdiction of the Victorian Qualifications Authority. During 2001, over 100 complaints were investigated.

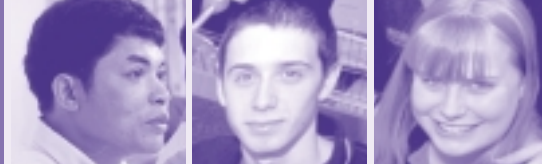
The Department adopts a case management approach to all complaints and acts in accordance with established policies and procedures. A complaint may be dealt with by conducting an investigation or by a special audit. The Department monitors the effectiveness of any action taken in a response to a grievance and takes further action as required. All parties to a grievance are advised in writing of the investigation outcomes. During 2001, complaints covered quality of training delivery and assessment, disputes about fees and charges, and the accuracy of marketing and promotional materials.

Financial report

2001–02



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Statement of financial performance

for the year ended 30 June 2002

	Notes	2001–2002 \$'000	2000–2001 \$'000
Revenue from ordinary activities			
Grant revenue	2(a)(i)	819,478	732,308
Specific-purpose revenue	2(a)(ii)	15,327	32,121
Other revenue	2(b)	5,494	9,215
		840,299	773,644
Expenses from ordinary activities			
Administrative expenses		11,831	10,937
Board expenses		48	109
Provider grants		780,225	698,822
Specific-purpose and trust payments		55,752	50,310
Depreciation and amortisation	1(f) & 3	688	714
Employee entitlements	3 & 14	638	76
Resources provided free of charge		12,354	522
Written-down value of assets disposed		–	38
		861,536	761,528
Result from ordinary activities and net result for the reporting period		(21,237)	12,116
Total changes in equity other than those resulting from transactions with owners as owners	7(b) & (c)	(21,237)	12,116

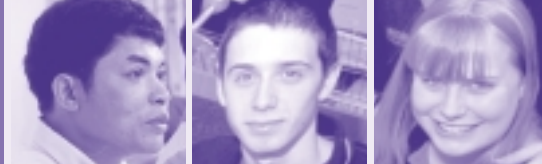
The above statement of financial performance should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2002

	Notes	2001-2002 \$'000	2000-2001 \$'000
Current assets			
Cash assets	16(b)	96,936	104,520
Receivables		2,931	3,821
Work in progress	5	12,656	24,564
Total current assets		112,523	132,905
Non-current assets			
Property, plant and equipment	4	1,759	1,231
Total non-current assets		1,759	1,231
Total assets		114,282	134,136
Current liabilities			
Payables	6	1,869	602
Provisions for employee entitlements	14(a)	1,030	851
Total current liabilities		2,899	1,453
Non-current liabilities			
Provisions for employee entitlements	14(a)	2,461	2,520
Total non-current liabilities		2,461	2,520
Total liabilities		5,360	3,973
Net assets		108,922	130,163
Equity			
Contributed capital	7(a)	25,652	—
Accumulated surplus	7(b)	83,270	130,163
Total equity		108,922	130,163

The above statement of financial position should be read in conjunction with the accompanying notes.



Statement of cash flows

for the year ended 30 June 2002

	Notes	2001–2002 \$'000	2000–2001 \$'000
Cash flows from operating activities			
Receipts from Government		819,478	732,308
Receipts from other entities		16,564	34,347
GST recovered		1,086	771
Interest received		5,355	5,281
Payments to suppliers and employees		(22,786)	(11,874)
Payments to service providers		(825,616)	(744,562)
Net cash inflow/(outflow) from operating activities	16(a)	(5,919)	16,271
Cash flows from investing activities			
Payment for property, plant and equipment		(1,665)	(1,617)
Net cash inflow/(outflow) from investing activities		(1,665)	(1,617)
Net increase/(decrease) in cash held		(7,584)	14,654
Cash at beginning of financial year		104,520	89,866
Cash at end of financial year	16(b)	96,936	104,520

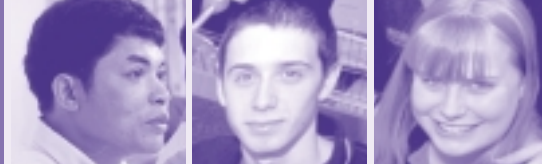
The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

for the year ended 30 June 2002

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Note 1 Summary of significant accounting policies

This general-purpose financial report has been prepared in accordance with the *Financial Management Act 1994*, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is prepared in accordance with the historical-cost convention. Long-service leave is measured at net present value. The accounting policies adopted, and the classification and presentation of items, are consistent with those of the previous year, except where a change is required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View, or an alternative accounting policy as permitted by an Australian Accounting Standard, is adopted to improve the relevance and reliability of the financial report. Where practicable, comparative amounts are presented and classified on a basis consistent with the current year.

(a) Reporting entity

The Victorian Learning and Employment Skills Commission (encompassing the functions then performed by the former State Training Board until 28 February 2001) is a Statutory Authority under the *Vocational Education and Training Act 1990* and as amended by the *Victorian Qualifications Authority Act 2001*. The Commission reports separately to the Parliament through the Minister for Education and Training.

(b) Cash

For purposes of the statement of cash flows, cash includes short-term deposits that are readily convertible to cash and are subject to an insignificant risk of changes in value.

(c) Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, or in other cases, to the nearest dollar.

(d) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(e) Revenue recognition

Grants over which the Commission gains control during a reporting period are recognised as revenues of that reporting period consistent with Australian Accounting Standard AAS 15, 'Revenue' and other relevant accounting concepts and pronouncements and views. 'Control' arises

on the earlier event of receipt or notification of eligibility for grants by relevant authorities. Interest revenues are recognised as they accrue.

(f) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over its expected useful life to the Commission. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Computers and peripherals	3 years
Furniture, fittings and office equipment	5–10 years

(g) Receivables

All debts are recognised at the amounts receivable and they are due for settlement within 30 days of recognition.

(h) Leased non-current assets

At reporting date:

- no assets subject to a finance lease were held
- no incentives had been received on entering into operating leases
- no surplus leased space existed under non-cancellable operating leases.

Operating lease payments are charged to the statement of financial performance in the periods in which they are incurred as this represents the pattern of benefits derived from the leased assets.

(i) Non-current assets constructed by the Commission

At reporting date there were assets that had been constructed by the Commission. These assets relate to a Management Information System and outlays spent for and on behalf of the International Fibre Centre.

(j) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Commission prior to the end of the financial year and are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Goods and services tax (GST) systems changes

Cost incurred to update existing systems or to design, develop and implement new systems to deal with the GST are charged as expenses as incurred, except where they result in an enhancement of future economic benefits, then they are recognised as an asset.

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the

cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28, 'Statement of Cash Flows'.

(l) Investments

Investments are brought to account at cost.

(m) Employee entitlements

(i) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) Long-service leave

A liability for long-service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

The amount charged to the statement of financial performance in respect of superannuation represents the contribution by the Commission to the superannuation fund. Refer to note 14.

(n) Contributed capital

Consistent with UIG Abstract 38, 'Contributions by Owners Made to Wholly-Owned Public Sector Entities', appropriations for additions to net assets have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributed capital.

In previous reporting periods up to 30 June 2001, the following items were usually recognised as revenues and expenses in the statement of financial performance:

- assets received and provided free of charge from other public sector entities
- grants paid to and received from other public sector entities for capital purposes.

For the reporting period ending 30 June 2002, such transactions between wholly owned public sector entities are now recognised in the statement of financial position as adjustments to net assets in the general government sector, where in substance, they satisfy the definition of a contribution by owner.

This change in accounting policy for transfers of assets and liabilities is in compliance with the accounting requirements of Urgent Issues Group Abstract 38, 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and the Accounting and Financial Reporting Bulletin No. 39, 'Accounting for Contributed Capital'.

(o) Change in accounting policy

For the reporting period ending 30 June 2002, the Commission was deemed to have accumulated surpluses of \$25,656,482 as the opening balance for contributed capital. This accounting treatment is to comply with Urgent Issues Group Abstract 38, 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and Accounting and Financial Reporting Bulletins No.39, 'Accounting for Contributed Capital' and No.40, 'Establishment of Opening Balances and Formal Designation for Contributed Capital'. The change in accounting policy has resulted in the recognition in the statement of financial position, as at 1 July 2001, of opening balances of \$25.656 million as contributed capital (1 July 2000 - \$0) and of \$104.507 million for the accumulated surplus (1 July 2000 - \$118.047 million).

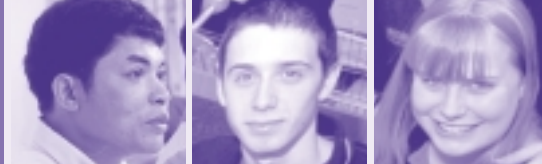
(p) Resources provided free of charge

Contributions of resources and resources provided free of charge are recognised at their cost value in the reporting period. These relate to the allocation of cost held in the work in progress for the establishment of the International Fibre Centre (see note 5).

The Government, after extensive consultation, has decided to establish two new centres of excellence in Technical Textiles and Advanced Wool Products in Geelong, Victoria, aimed at stimulating advanced training, education, research and product development in Textile, Clothing and Footwear industries.

For this purpose plant and machinery have been handed over to these facilities and the cost (accumulated in the work-in-progress) totalling \$12,353,591 has been expensed as 'assets given free of charge' as follows:

	2001-2002 \$
CSIRO	6,786,420
Deakin University	1,794,818
International Fibre Centre	3,494,415
RMIT (TAFE) Division	277,938
Total resources provided free of charge	12,353,591



Note 2 Revenue from ordinary activities

(a) Revenue from operating activities

	2001–2002 \$'000	2000–2001 \$'000
(i) Grants revenue		
State Government grants		
Recurrent	529,024	505,449
Grants for capital works	40,249	24,913
	569,273	530,362
Commonwealth/ANTA grants		
Recurrent	204,151	173,928
Grants for capital works	46,054	28,018
	250,205	201,946
Total grants revenue	819,478	732,308
(ii) Specific-purpose revenue		
The following projects have been recognised as revenue for which specific expenditure outcomes are prescribed.		
Commonwealth/ANTA Projects		
Indigenous education	1,758	633
Professional development	–	1,778
Group training	2,496	2,148
Industry planning advice	1,821	1,856
Online learning	4,701	8,427
National consistency projects and framework	805	1,098
Other	1,753	1,428
	13,334	17,368
State Government projects		
Common Youth Allowance and TAFE Training Entitlement	24	7,476
Nursing training	–	5,227
Digital design precinct	100	–
Aged care	–	418
Other	1,869	1,632
	1,993	14,753
Total specific-purpose revenue	15,327	32,121
Total revenue from operating activities	834,805	764,429

(b) Revenue from non-operating activities

Interest and other revenue		
Interest	5,261	5,155
Other	233	4,060
Total	5,494	9,215
Total revenue from ordinary activities	840,299	773,644

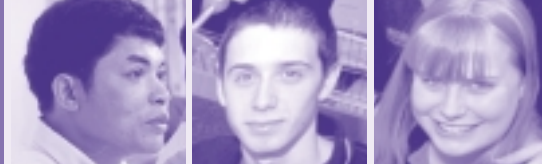
Note 3 Result for the reporting period

	2001-2002 \$'000	2000-2001 \$'000
Net expenses		
Result from ordinary activities includes the following net expenses:		
Expenses		
Depreciation		
Furniture, fittings and office equipment	33	34
Computers and peripherals	655	680
Total depreciation	688	714
Other provisions		
Employee entitlements	638	76
Total other provisions	638	76
Rental expense relating to operating leases		
Minimum lease payments	246	210
Total rental expense relating to operating leases	246	210

Note 4 Property, plant and equipment

	2001-2002 \$'000	2000-2001 \$'000
Computers and peripheral equipment		
At cost	3,339	2,328
Less: Accumulated depreciation	(1,649)	(1,192)
	1,690	1,136
Office equipment and furniture		
At cost	200	196
Less: Accumulated depreciation	(131)	(101)
	69	95
Total property, plant and equipment	1,759	1,231

	Computers and peripheral equipment \$'000	Office equipment and furniture \$'000	Total \$'000
Reconciliations			
2001-2002			
Carrying amount at start of year	1,136	95	1,231
Additions	1,213	7	1,220
Disposals	(4)	—	(4)
Depreciation and amortisation	(655)	(33)	(688)
Carrying amount at end of year	1,690	69	1,759
2000-2001			
Carrying amount at start of year	1,165	119	1,284
Adjustment to depreciation	—	—	—
Additions	683	16	699
Disposals	(32)	(6)	(38)
Depreciation and amortisation	(680)	(34)	(714)
Carrying amount at end of year	1,136	95	1,231



Note 5 Work in progress

- (i) The cost of establishing the International Fibre Centre accumulated in the work in progress to date has been \$23,752,757 and includes \$11,030,702 for buildings, \$9,047,072 for plant and machinery and \$3,674,983 for oncosts. From the work in progress \$12,353,591 has been transferred as 'assets given free of charge' to participating institutions (see note 1(p)). The remaining balance of \$11,399,166 representing the cost of the buildings will be expensed as assets given free of charge to acquiring entities in due course.
- (ii) The Commission is in the process of developing a system to record 'registered training organisations' and their relationship to recognised courses and delivery output on a nationwide basis. The cost incurred to date is \$56,210.
- (iii) The Commission is in the process of developing a Facility Management Information System for TAFE institutes and the cost to date is \$428,409.
- (iv) Two multipurpose training facilities for the Indigenous community are being constructed and the cost to date is \$772,412.

Note 6 Payables

	2001–2002 \$'000	2000–2001 \$'000
Trade creditors	1146	244
Other creditors	723	358
	1,869	602

Note 7 Equity and movements in equity

	2001–2002 \$'000	2000–2001 \$'000
(a) Contributed capital		
Balance at the beginning of the reporting period:		
Deemed contributed capital – opening balance*	25,656	–
Disposal of (net) assets not recognised in the statement of financial performance	(4)	–
Balance as at 30 June	25,652	–
(b) Accumulated surplus		
Balance at the beginning of the reporting period	130,163	118,047
Deemed contributed capital (transferred to contributed capital)*	(25,656)	–
Adjusted opening balance at the beginning of the reporting period	104,507	118,047
Net surplus/(deficit) for the reporting period	(21,237)	12,116
Balance as at 30 June	83,270	130,163
Total Equity	108,922	130,163
(c) Movements in equity		
Total equity at the beginning of the financial year	130,163	118,047
Disposal of (net) assets not recognised in the statement of financial performance	(4)	–
Total changes in equity recognised in the statement of financial performance	(21,237)	12,116
Total equity at the end of the financial year	108,922	130,163

* Refer to Note 1(o).

Note 8 Financial instruments

(a) Interest rate risk exposure

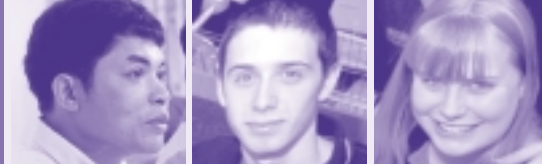
The Commission's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

2001-2002	Floating interest \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	1-5 years \$'000	Over 5 years \$'000		
Financial assets						
Cash assets	96,936	-	-	-	-	96,936
Receivables	-	-	-	-	2,931	2,931
	96,936	-	-	-	2,931	99,867
Weighted average interest rate	4.59%					
Financial liabilities						
Creditors and accruals	-	-	-	-	1,869	1,869
	-	-	-	-	1,869	1,869
Net financial assets (liabilities)	96,936	-	-	-	1,062	97,998
Weighted average interest rate	4.59%					
2000-2001	Floating interest \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	1-5 years \$'000	Over 5 years \$'000		
Financial assets						
Cash assets	104,520	-	-	-	-	104,520
Receivables	-	-	-	-	3,821	3,821
	104,520	-	-	-	3,821	108,341
Weighted average interest rate	5.95%					
Financial liabilities						
Creditors and accruals	-	-	-	-	602	602
	-	-	-	-	602	602
Net financial assets (liabilities)	104,520	-	-	-	3,219	107,739
Weighted average interest rate	5.95%					

(b) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Commission approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.



Note 8 Financial instruments (continued)

(c) The carrying amounts and net fair values of financial assets and liabilities at reporting date

	2001–2002		2000–2001	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
On-balance sheet financial instruments				
Financial assets				
Cash	2,581	2,581	2,673	2,673
Receivables	2,931	2,931	3,821	3,821
Investments	94,355	94,355	101,847	101,847
Non-traded financial assets	99,867	99,867	108,341	108,341
Financial liabilities				
Trade creditors	1,869	1,869	602	602
Non-traded financial liabilities	1,869	1,869	602	602

Note 9 Ministers and Accountable Officers

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period for the categories shown:

Responsible Minister

The Hon. Lynne Kosky, MP
Minister for Education and Training

Commission/(Board) Members

Mr Peter Laver (Chair)
Mr Neil Coulson (from 01/10/2001)
Mr Leigh Hubbard
Mr Paul Fennelly (until 31/12/2001)
Mr Ross Oakley (until 02/08/2001)
Ms Patricia Forward
Ms Rowena Allen
Mr Stuart Hamilton
Professor Helen Praetz
Mr Peter Kirby
Mr Timothy Piper (from 01/06/2002)

Accountable Officer

Mr Stuart Hamilton

Mr Stuart Hamilton, as Secretary of the Department of Education & Training has responsibility for the disbursement of grants to the Commission. The amount of grants made by the Department to the Commission for 2001–02 was \$569,273,294.

Mr Hamilton's remuneration was paid by the Department and reported in the annual financial statements of the Department.

Note 9 Ministers and Accountable Officers (continued)

Commission Members' remuneration

The remuneration/emolument received or receivable by members of the Commission as members of the Commission totalled:

2001-2002	2000-2001
\$121,815*	\$107,610

* From 1 July 2002 the Department of Education & Training pays the Commission Members' remuneration.

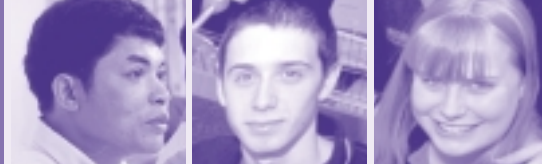
The number of members of the Commission with remuneration/emolument that fell within the following bands were:

Band	2001-2002	2000-2001
\$0-\$9,999	0	0
\$10,000-\$19,999	8	11
\$20,000-\$29,999	0	0
\$30,000-\$39,999	1	2
Total	9	13

Note 10 Remuneration of executives

The number of Executive Officers (excluding the Accountable Officer) whose remuneration exceeded \$100,000 during the reporting period is shown below in their relevant income bands. Total remuneration includes long-service leave payments and bonuses paid at the end of contracts. Base remuneration is exclusive of these items.

Income range	Total remuneration		Base remuneration	
	2001-2002 No	2000-2001 No	2001-2002 No	2000-2001 No.
\$50,000-\$59,999	-	-	-	-
\$60,000-\$69,999	-	-	1	-
\$70,000-\$79,999	-	-	-	-
\$80,000-\$89,999	-	-	-	-
\$90,000-\$99,999	-	-	-	-
\$100,000-\$109,999	1	-	1	3
\$110,000-\$119,999	1	4	4	2
\$120,000-\$129,999	4	-	2	3
\$130,000-\$139,999	1	3	-	-
\$140,000-\$149,999	-	1	1	-
\$150,000-\$159,999	2	-	-	-
\$160,000-\$169,999	-	-	-	-
\$170,000-\$179,999	-	-	-	1
\$180,000-\$189,999	-	-	-	-
\$190,000-\$199,999	-	1	-	-
Total officers	9	9	9	9
Total remuneration (\$'000)	1,166	1,199	1,031	1,100



Note 11 Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Commission's annual financial statement

Paid as at 30 June

Payable at 30 June and provided

2001–2002 \$	2000–2001 \$
–	–
38,500	36,300
38,500	36,300

Note 12 Contingent liabilities

The Commission has no known contingent liabilities at the reporting date.

Note 13 Commitments for expenditure

(a) Operating lease commitments

Commitments in relation to contracted leases for which no liabilities have been recognised.

Payable within one year

Payable later than one year but not later than 5 years

Payable later than 5 years

2001–2002 \$'000	2000–2001 \$'000
148	119
32	327
–	–
180	446

These commitments refer to the leases the Commission has entered into for motor vehicles and photocopiers.

(b) Capital expenditure commitments

The Commission has outstanding commitments for capital expenditure totalling \$22,561,000 as at 30 June 2002 (as at 30 June 2001, \$34,388,000). These projects are funded from State and Commonwealth/ANTA funds.

Note 14 Employee entitlements

(a) Provision for employee entitlements

Current

Annual leave

Long-service leave

Total current

Non-current

Long-service leave

Executive bonus scheme

Total non-current

Aggregate carrying amount of provisions

2001–2002 \$'000	2000–2001 \$'000
768	606
262	245
1,030	851
2,461	2,305
–	215
2,461	2,520
3,491	3,371

Note 14 Employee entitlements (continued)

(b) Superannuation

All employees of the Commission are entitled to benefits on retirement, disability or death from the Government Employees Superannuation Fund. This Fund provides defined lump sum benefits based on years of service and final average salary.

Government Employees Superannuation Fund

The employees are members of at least one of the of the following public sector superannuation schemes (State Superannuation Fund) administered by the Government Superannuation Office (GSO):

- Revised and New Schemes of GSO
- State Employees Retirement Benefit Fund
- VicSuper Scheme.

Employer contributions to the fund at retirement vary depending upon the scheme to which the employee contributed. To date they have been met from the Consolidated Revenue. Benefits payable under the State Superannuation Fund are as follows:

Revised Scheme

Any person completing 30 years of service and aged 55 is eligible for approximately 53 per cent of the final average salary as a pension. They also have the option of taking 50 or 100 per cent of the pension as a lump sum.

New Scheme

Retirement benefits from the New Scheme vary according to employee contributions.

Contribution	Benefit
Nil	10 per cent of the final average salary X years contributed
3 per cent of salary	16 per cent of the final average salary X years contributed
5 per cent of salary	20 per cent of the final average salary X years contributed
7 per cent of salary	24 per cent of the final average salary X years contributed (for prescribed class members or for catch-up purposes only)

VicSuper Scheme

From 1 January 1994 VicSuper came into operation for all staff employed on or after that date. The contribution for this scheme in 2001-02 was 8 per cent of salary per annum.

Executive staff members under employment contracts, in accordance with the *Public Sector Management Act 1992*, have the option to leave the State scheme and join other superannuation funds.

Unfunded liabilities associated with the State Superannuation Revised and New Schemes are assumed by the Department of Treasury and Finance. There are no unfunded liabilities associated with VicSuper funds, as this is an accumulation scheme.

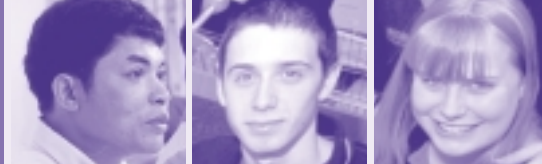
Contributions

The superannuation contributions for the reporting period are included as part of salaries and associated costs in the statement of financial performance of the Commission.

The name and details of major superannuation funds and contributions made by the Commission are as follows:

Fund	Contribution paid 2001-2002 \$	Contribution paid 2000-2001 \$	Contribution outstanding 2001-2002 \$	Contribution outstanding 2000-2001 \$
State Superannuation Fund	715,034	631,971	63,889	16,862
State Employees Retirement Benefit	15,413	14,250	1,388	380
VicSuper	247,900	215,765	—	5,758
Private	574	192	—	5
Total	978,921	862,178	65,277	23,005
Number of employees	165	151		

The bases for contributions are determined by the various schemes.



Note 15 Events occurring after reporting date

The Commission is not aware of any event, subsequent to reporting date, that will have a material effect on its operations over subsequent years.

Note 16 Cash flow reconciliation

(a) Reconciliation of results from ordinary activities to net cash flow from operating activities

	2001–2002 \$'000	2000–2001 \$'000
Results from ordinary activities	(21,237)	12,116
Depreciation and amortisation	688	714
Loss on disposal of property plant and equipment	–	38
Increase/(decrease) in payables	1,267	(182)
(Increase)/decrease in receivables	890	(1,511)
Increase/(decrease) in recreation leave provision	162	24
Increase/(decrease) in long-service leave provision	172	(19)
Increase/(decrease) in bonus payable	(215)	–
(Increase)/decrease in work in progress	–	5,091
Resources provided free of charge	12,354	–
Net cash inflow from operating activities	(5,919)	16,271

(b) Reconciliation of cash

	2001–2002 \$'000	2000–2001 \$'000
Cash at bank	2,581	2,673
Term deposits	94,355	101,847
Total cash balance	96,936	104,520



ACCOUNTABLE OFFICER'S DECLARATION

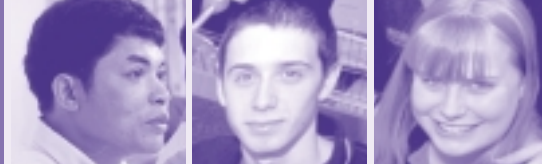
We certify that the accompanying financial statements for the Victorian Learning and Employment Skills Commission have been prepared in accordance with Part 9 of the Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2002 and financial position of the Victorian Learning and Employment Skills Commission as at 30 June 2002.

We are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

PETER LAVER
Commission Member
Victorian Learning and Employment Skills Commission
Date: 23/9/2002

STUART HAMILTON
Accountable Officer
Victorian Learning and Employment Skills Commission
Date: 20/9/2002



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Victorian Learning and Employment Skills Commission

Audit Scope

The accompanying financial report of the Victorian Learning and Employment Skills Commission for the financial year ended 30 June 2002, comprising a statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Commission are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and the Members of the Commission as required by the *Audit Act 1994*.

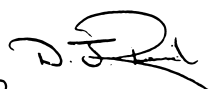
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Commission's financial position, financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.


Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Victorian Learning and Employment Skills Commission as at 30 June 2002, its financial performance and cash flows for the year then ended.

MELBOURNE
23 September 2002


R. J.W. CAMERON
Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

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Years of Auditing in the Public Interest

Appendices 2001–02



Appendix 1: The State Training System

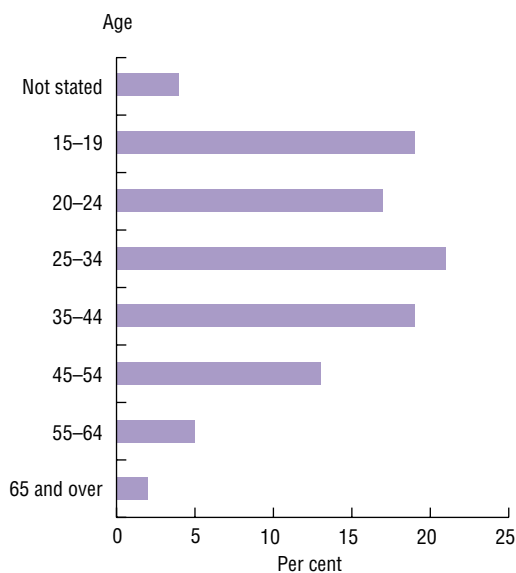
As at June 2002, the State Training System included the Commission, 14 TAFE institutes, five TAFE divisions within universities, 1189 registered training organisations, and 20 industry advisory bodies. Over 400 secondary schools participated through the VET in Schools program.

The State Training System provides general education and skills training across all occupational levels.

Collectively, registered training organisations provided approximately 486,000 students with almost 104 million student contact hours of training and further education (excluding non-VET activity). This is an increase of 8 per cent on the 2000 delivery.

An age profile of students participating in the State Training System is detailed in the graph opposite.

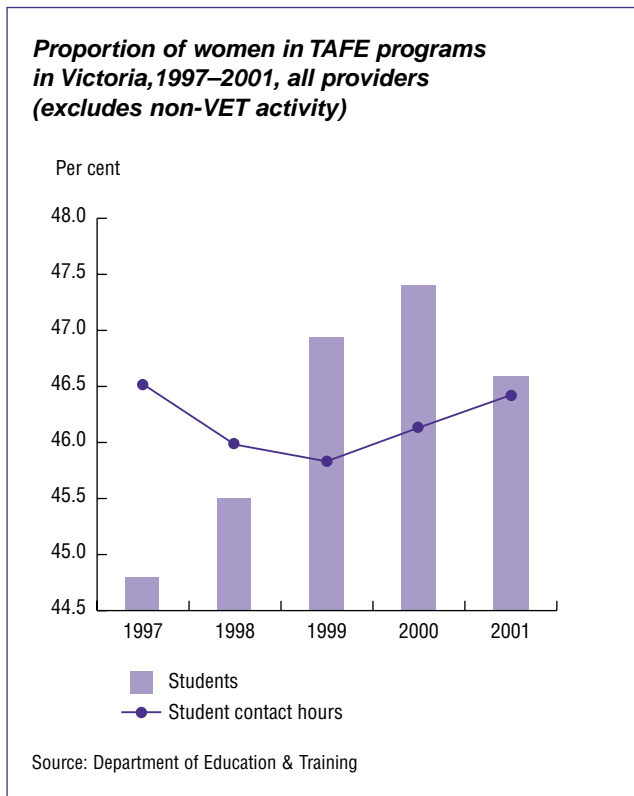
Age profile of participants in TAFE in Victoria, 2001 (excludes non-VET activity)



Source: Department of Education & Training



The proportion of women in TAFE programs in the Victorian State Training System, and the proportion of delivery of training delivered to women, is indicated in the graph below.



TAFE institutes

As at 30 June 2002, the Victorian TAFE institute network comprised 14 TAFE institutes and five TAFE divisions in universities. All institutes are funded by the Government to provide training and further education.

TAFE institutes and multi-sector TAFE providers at 30 June 2002 were:

- Bendigo Regional Institute of TAFE
- Box Hill Institute of TAFE
- Central Gippsland Institute of TAFE
- Chisholm Institute of TAFE
- East Gippsland Institute of TAFE
- Gordon Institute of TAFE
- Goulburn Ovens Institute of TAFE
- Holmesglen Institute of TAFE
- Kangan Batman Institute of TAFE
- Northern Melbourne Institute of TAFE
- Royal Melbourne Institute of Technology (TAFE Division)
- South West Institute of TAFE

- Sunraysia Institute of TAFE
- Swinburne University of Technology (TAFE Division)
- University of Ballarat (TAFE Division)
- University of Melbourne – Institute of Land and Food Resources (TAFE Division)
- Victoria University of Technology (TAFE Division)
- William Angliss Institute of TAFE
- Wodonga Institute of TAFE.

In 2001, the Victorian TAFE network delivered over 80 million student contact hours for nearly 330,000 students undertaking VET programs. This represented over 80 per cent of the total vocational education and training in the State Training System.

TAFE institutes provide personal enrichment and general education programs as well as skills training across basic pre-vocational courses to advanced vocational education and training. Government funds are allocated for courses at all levels, except personal enrichment courses.

TAFE institutes provide skills training across the following occupational levels:

- operative/clerical
- trades
- professional/para-professional.

Courses include:

- basic literacy and numeracy
- basic preparation for work
- entry- or certificate-level training, including apprenticeships
- advanced vocational training, including training for para-professionals
- advanced technician and advanced post-initial training.

Courses are accredited under the AQF. A qualification is granted to a student who completes the relevant award course. Students who partially complete a course, or who complete a short course, receive a Statement of Result or Statement of Attainment as their record of achievement.

Such arrangements are consistent with the major role of TAFE institutes in providing part-time award courses, stand-alone modules and short, non-award courses.

Seven TAFE institutes act as curriculum maintenance managers. These institutes play an important role in reviewing training packages, updating and reviewing curriculum and providing advice on curriculum for their industry sectors.

Curriculum maintenance managers and areas of responsibility

Curriculum maintenance manager	Area of responsibility
Alan Daniel, Chisholm Institute	Business Industries Business, Public Administration, IT, Property Services, Public Safety
Jane Clancy, Holmesglen Institute	Building and Construction Building, Construction and Furnishing
Trevor Lange, Chisholm Institute (Frankston)	General Manufacturing Process Manufacturing, Food, Printing, Textile, Clothing and Footwear
George Thompson, Box Hill Institute George Adda, Box Hill Institute Paul Harrington, Kangan Batman Institute	Engineering Industries Engineering Electrical and Electronics Automotive
Mary O'Callaghan, Swinburne University of Technology (TAFE)	Human Services Arts, Recreation, Entertainment, Community Services and Health
Tess Demediuk, Victoria University	Service Industries Wholesale, Retail and Personal Services, General Studies, Tourism and Hospitality, Transport
Gay Gallagher, Northern Melbourne Institute	Primary Industries Agriculture and Horticulture, Fishing, Forest, Racing

Source: Department of Education & Training

Governance

Under the *Vocational Education and Training Act 1990*, TAFE institutes are self-governing. Each of Victoria's TAFE institutes has distinct characteristics that reflect its local community and industry base, its size and region and the nature of the courses it offers.

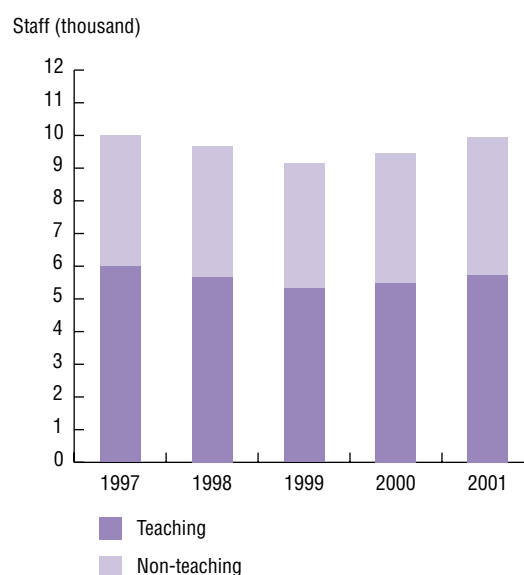
Each year, TAFE institutes enter into performance agreements with the Commission. These performance agreements commit them to deliver specific programs, achieve certain targets and comply with system-wide policies.

A full report on the activities of each TAFE institute is contained in its own annual report.

Teaching and non-teaching staff in TAFE institutes

Teaching and non-teaching staff in TAFE institutes have increased over 2000-01 as indicated in the graph opposite.

Teaching and non-teaching staff in TAFE institutes, Victoria, 1997-2001



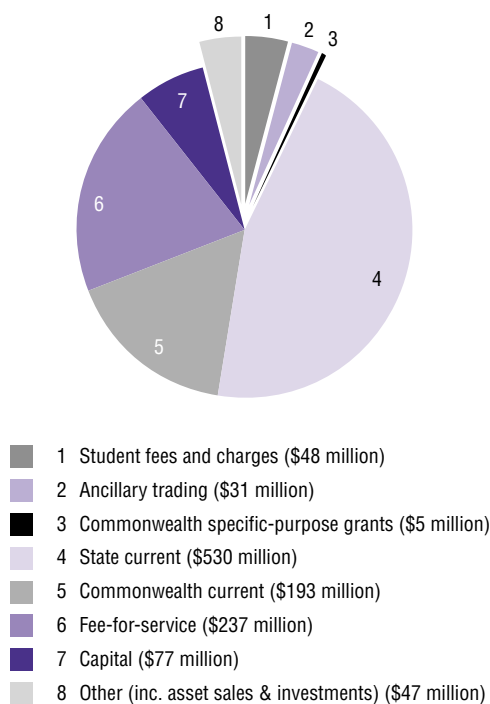
Source: Department of Education & Training



Sources of TAFE institute funding

TAFE institutes, in keeping with their client focus, complement their government-funded provision with services purchased by industry. Such training is designed to meet individual needs, the needs of enterprises and industry and the requirements of lifelong learning in the workplace. TAFE institutes are increasingly customising their products and services, including flexible delivery to meet the needs of their clients.

Sources of TAFE institute funding, Victoria, 2001



Source: Department of Education & Training

Other registered training organisations

There are 1189 registered training organisations. They include community providers, commercial business colleges, secondary colleges, enterprises delivering training to their own staff and industry-based providers. Registered training organisations provided 16.8 million government-funded student contact hours of training and further education in 2001 for over 115,000 students.

Industry training advisory boards

Victoria has a network of 20 industry training advisory boards that provide advice to the Government on industry training priorities for vocational education and training. The boards are also responsible for promoting the National Training Framework to industry.

The Victorian industry training advisory boards include 13 statutory Industry Training Boards, two special-purpose Industry Training Boards and five Industry Advisory Boards.

Industry Training Boards

- Automotive Industry Training Board
- Business Services, Finance and Property Industry Training Board
- Community Services and Health Industry Training Board
- Cultural and Recreation Industry Training Board
- Electrotechnology, Printing, Information and Communications Industry Training Board
- Engineering Industry Training Board
- Food Industry Training Board
- Furnishing Industry Training Board
- Primary Industry Training Board
- Process Manufacturing Industry Training Board
- Tourism and Hospitality Industry Training Board
- Transport and Distribution Industry Training Board
- Wholesale, Retail and Personal Services Industry Training Board

Special-purpose Industry Training Boards

- Access Training and Employment Centre
- Victorian Aboriginal Education Association Inc.

Industry Advisory Boards

- Australian Light Manufacturing Industry Training Advisory Board
- Textile, Clothing, Footwear and Leather Industry Advisory Board
- Forests and Forest Products Employment Skills Company
- Victorian Racing Club
- Victorian Water Industry Association

Appendix 2: Operational support

Office of Portfolio Integration

Director, Jenny Samms

2 Treasury Place
East Melbourne Victoria 3002
PO Box 266D
Melbourne Victoria 3001
Telephone (03) 9637 2000
Facsimile (03) 9637 2700

The Office of Portfolio Integration leads and coordinates strategic performance management within the Department of Education & Training; advises on strategic directions and policy; links budget strategy and resource allocation to the Department's strategic planning; and uses performance measures and evaluations to assess the effectiveness of initiatives and for forward planning. It also ensures coordinated executive services and support to Ministers and senior executives, including advice on inter-governmental and inter-agency issues.

In relation to the Commission, the Office of Portfolio Integration has lead responsibility for cross-sectoral policy and strategic planning related to post-compulsory education and training; leads significant change projects with a focus on cross-sectoral projects; supports the development of statewide networks and provides a secretariat to the Commission.

There are four Divisions within the Office of Portfolio Integration that provide major support to the Commission.

External and Inter-governmental Relations Division

General Manager, Debbie King

The External and Inter-governmental Relations Division advises on inter-government and inter-agency relationships, coordinates executive services and support to Ministers and senior officers, and coordinates legal advice and support.

Cross Sectoral Policy and Projects Division

General Manager, Howard Kelly

The Cross Sectoral Policy and Projects Division leads significant and selected change projects across the Department of Education & Training, focusing on cross-sectoral projects that bring teams together to develop programs and initiatives. The Division fosters an integrated approach to post-compulsory policy and pathways and is responsible for the development and support of the LLENs. It also provides secretariat support for the Commission.

Manager, VLESC Secretariat, Rhonda Day
(to May 2002) then Keith Gove

Strategic Policy and Resources Division

General Manager, John Sullivan

The Strategic Policy and Resources Division advises on strategic directions and policy for education and training; develops and coordinates budget strategy; advises on the most effective allocation of resources to achieve Departmental objectives; and links the work of the Division through a strategic performance management approach to planning, reporting and review.

Communications Division

General Manager, Jan Trehwella

The Communications Division ensures that the position of the Department of Education & Training and the Minister is clearly and effectively communicated across the Department, Government and public forums.

Office of Training and Tertiary Education

Responsibility for employment services was transferred to the Department of Innovation, Industry and Regional Development in March 2002.

Director, Kim Bannikoff

2 Treasury Place
East Melbourne Victoria 3002
PO Box 266D
Melbourne Victoria 3001
Telephone (03) 9637 2000
Facsimile (03) 9637 2450

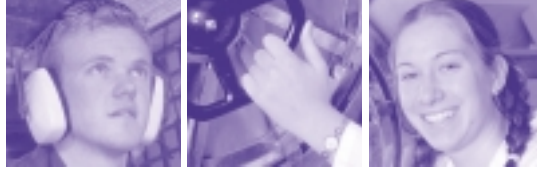
The Office of Training and Tertiary Education is responsible for overseeing the administration and coordination of programs for the provision of training and further education; adult, community and further education and tertiary education in Victoria.

In relation to the Commission, the Office has responsibility for all matters relating to the Commission as the State Training Agency, for adult community education and for tertiary education.

Policy and Planning Division

General Manager, Philip Clarke

The Policy and Planning Division is responsible for policy development, strategic planning, research, developing and maintaining a three- to five-year state training strategy plan, coordinating Commonwealth-State relations and industry planning, including purchasing priorities, and research and performance monitoring.



Learning, Teaching and Innovation Division

General Manager, Chris Kotur

The Learning, Teaching and Innovation Division is responsible for programs and strategies related to strengthening and supporting teaching and learning in the Victorian training sector. This includes innovation and design-based approaches to developing and implementing curriculum, including training packages, information and communication technology initiatives, professional development and human resource development, and strategies to support the needs of particular groups in the community.

Vocational Education and Training Division

General Manager, Patricia Neden

The Vocational Education and Training Division is responsible for system development, regulation and the financial management of Victoria's State Training System, including the management of programs for apprentices and trainees.

Quality Assurance and Review Division

General Manager, Lynn Glover

The Quality Assurance and Review Division is responsible for:

- the recognition of registered training organisations under delegation from the Victorian Qualifications Authority and under the AQTF
- the recognition of registered training organisations to deliver training to overseas students under the *Education Services to Overseas Students Act 2000*
- the ongoing performance monitoring of organisations
- participation in annual reviews of performance as part of the ANTA Performance Agreement.

Adult, Community and Further Education Division

General Manager, Sue Christophers

The Adult, Community and Further Education Division is responsible for supporting the work of the Adult, Community and Further Education Board and administering adult, community and further education policies and programs across Victoria.

Employment Division

Executive Director, Kerry Angwin

Employment Programs Division
Department of Innovation, Industry and
Regional Development
55 Collins St
Melbourne Victoria 3001

Responsibility for employment services was transferred in early 2002 from the Department of Education & Training to the newly created Department of Innovation, Industry and Regional Development.

The Employment Division is responsible for providing employment services to Government and targeted employment programs for the Victorian community.

Higher Education Division

Director, Terry Stokes

The Higher Education Division is responsible for policy development and advice, State input to Commonwealth planning processes, regulation of private higher education providers and liaison with universities.

Resource Centre

Manager, Peter Ring

Information/Library service
3rd floor, 2 Treasury Place
East Melbourne Victoria 3002
Telephone (03) 9637 2000
Facsimile (03) 9637 2460

Office of School Education

Director, Michael White

33 St Andrews Place
East Melbourne Victoria 3002
Telephone (03) 9637 2000
Facsimile (03) 9637 2120

Appendix 3: Freedom of Information

Publication requirements

The information required to be published pursuant to section 7 of the *Freedom of Information Act 1982* follows, except for information required by that section, but which is published elsewhere in this report.

Queries about the availability of and charges for other material prepared under Part II of the Freedom of Information Act should be directed to the authorised officer. The authorised officer of the VLESC is:

Mr Neil Morrow
Manager, Freedom of Information
Department of Education & Training
GPO Box 4367
Melbourne Victoria 3001
Telephone (03) 9637 2670

Categories of documents

The following are the general categories of documents maintained by the Office of Training and Tertiary Education on behalf of the Commission.

Correspondence, administrative and policy documents
Paper records are maintained on registered files.

Minutes, agendas and papers

Paper records of agendas, agenda papers and confirmed minutes of meetings are maintained in registered files.
An index of outcomes is also maintained.

Personnel documents

Paper records on remuneration and appointments for the Commission members are maintained in registered files.

Accounting records

Accounting records are maintained on a computerised accounting system. The records deal with general ledger entries, accounts payable, payroll and other accounting functions. Paper records are also kept as registered files.

Freedom of Information arrangements

Access to records

All requests for access to records held by agencies are dealt with by the authorised officer. Applicants seeking access to a document held by agencies should attempt to specify the topic of interest rather than the file series in which the applicant considers the document might exist. Assistance in specifying the topic is available from the authorised officer.

Form of request for access

Applicants are required by the Freedom of Information Act to submit applications requesting access to documents in writing. No form of application is specified. A letter that clearly describes the document(s) sought is sufficient. The letter should specify that the application is a request made under the Act and should not form part of a letter on another subject. The applicant should provide the following information:

- name
- address
- telephone number (where applicant can be contacted during business hours)
- details of document(s) requested
- the form of access required, that is copies of documents, inspection of file
- other (specify).

Correction of personal information

A request for correction or amendment of information about a person that is contained in a document held by the agency must be made in writing. It should specify particulars of how and why the person making the request believes the information to be incorrect, incomplete, misleading or out of date. It should also specify the amendments they wish to have made.

Charges

An application fee of twenty dollars is required unless evidence of hardship is provided. Applicants are advised that other charges may be made in respect of requests for access to documents.

Appeals

Applicants may appeal against a decision made in response to requests for access to documents, for the amendments of records or against the cost levied for allowing access to documents. Information about the appropriate avenue of appeal will be conveyed to the applicant in the letter advising of the initial decision. Applicants are advised to consult Part VI of the Freedom of Information Act for further information about appeal rights.

Summary

Principal Officer VLESC Chair, Peter Laver

Authorised Officer Neil Morrow

No requests were made of the Commission under the Freedom of Information Act during the period 1 July 2001 to 30 June 2002.



Appendix 4: Other statutory reporting requirements

Compliance with the *Building Act 1993*

As part of its service provision mandate, the Department of Education & Training is committed to providing safe and secure buildings for all Department-owned and operated facilities. A critical part of this commitment is the development of a Building Compliance Assessment strategy for all facilities for which the Department has a responsibility, including TAFE institutes.

The Minister for Finance Guideline 'Standards for Publicly Owned Buildings' (November 1994) requires that all government departments and funded agencies comply with the following:

- new buildings conform to the *Building Act 1993* and other statutory obligations
- other buildings are brought up to a standard 'such that they are safe and fit to occupy'.

In order to comply with the above it was necessary to undertake Standards Assessments for nominated facilities.

Standards Assessments are mandatory legislative requirements aimed at ensuring safety and fitness for occupancy. An agreed benchmark was developed specifying the required areas of compliance for Department-controlled facilities, including TAFE institutes. This is in the form of a performance-based guideline and checklist.

All facilities for which the Department of Education & Training is responsible will be audited by suitably qualified contractors in accordance with the new guideline. A report will be generated indicating areas of non-compliance. Identified works will be costed and priorities established for future works.

National Competition policy

Under the relevant provisions of the *Vocational Education and Training Act 1990*, a function of the Commission is to provide for the delivery of post-compulsory education and training by registered organisations. The Act restricts competition in that providers need to be registered in order to deliver accredited courses.

Human resources

The Department of Education & Training covers matters relating to staffing, workforce data, the application of merit and equity principles and occupational health and safety. (See the Human Resources section in the Department of Education & Training's annual report 2001–02).

Consultancies and major contracts

Details of consultants engaged by the Victorian Learning and Employment Skills Commission in 2001–02 are shown in the table below.

The Commission did not enter into contracts greater than \$10 million in value during 2001–02.

Additional information

Consistent with the requirements of the *Financial Management Act 1994*, material has been prepared on the following topics not addressed in this report:

- publications produced by the Commission or the Office of Training and Tertiary Education
- shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- declarations of pecuniary interests
- changes in prices, fees, charges, rates and levies
- major external reviews carried out on the entity
- overseas visits undertaken
- occupational health and safety assessments and measures
- industrial relations issues
- major promotions undertaken by the entity
- major committees sponsored by the entity
- research and development activities undertaken by the entity.

Enquiries regarding details of this information should be made to the Commission's Secretariat (telephone (03) 9637 3784).

Consultancies in excess of \$100,000

Consultant	Particulars	Total fees incurred in 2001–02	Future commitments
Australian Centre for Industrial Relations Research and Training	Renewing the Capacity for Skill Formation: the Challenge for Victorian Manufacturing Report	\$144,000	–

Consultancies less than \$100,000

Consultant	Particulars	Total fees incurred in 2001–02
Kaye Schofield and Associates	Development of the VLESC Operational Plan	\$22,000
Peter Noonan Consultancy Pty Ltd	Role of TAFE report	\$43,478

Appendix 5: Index of compliance

The annual report of the Commission is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance. This index facilitates identification of the Commission's compliance with the Directions of the Minister for Finance by listing references to disclosures in this financial report.

Report of operations

Clause	Disclosure	Page
Charter and purpose		
9.1.3 (i) (a)	Manner of establishment and Ministers	7
9.1.3 (i) (b)	Objectives, functions, powers and duties	6–9
9.1.3 (i) (c)	Name and range of services provided	6–9
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9.1.3 (i) (d) (i)	Name of Chief Executive Officer	10
9.1.3 (i) (d) (ii)	Names of senior office holders and brief description of responsibility	59–60
9.1.3 (i) (d) (iii)	Organisational structure	5
Financial and other information		
9.1.3 (i) (e)	Statement of workforce data and merit and equity	62
9.1.3 (ii) (a)	Summary of the financial results for the year	3–4
9.1.3 (ii) (b)	Significant changes in financial position during the year	3–4
9.1.3 (ii) (c)	Operational and budgetary objectives and performance against objectives	14–36
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Financial statements

Clause	Disclosure	Page
Basis of preparation and other compliance details		
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9.2.3 (ii) (c)	Other material revenue, including disposal of non-current assets	44
9.2.3 (ii) (e)	Depreciation	45
9.2.3 (ii) (f)	Bad and doubtful debts	n/a
9.2.3 (ii) (g)	Financing costs	n/a
9.2.3 (ii) (h)	Net increment or decrement on revaluation recognised in the statement of financial performance	n/a
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9.2.3 (iii) (a) (iv)	Other assets, including prepayments	39
9.2.3 (iii) (a) (v)	Investments	39
9.2.3 (iii) (a) (vi)	Property, plant and equipment	39, 45
9.2.3 (iii) (a) (vii)	Intangible assets	n/a
9.2.3 (iii) (b) (i)	Overdrafts	n/a
9.2.3 (iii) (b) (ii)	Other loans	n/a
9.2.3 (iii) (b) (iii)	Trade and other creditors	39, 46
9.2.3 (iii) (b) (iv)	Finance lease charges	n/a
9.2.3 (iii) (b) (v)	Provisions, including employee entitlements	39, 50
9.2.3 (iii) (c) (i) (ii)	Contributed capital	43, 46
9.2.3 (iii) (d) (i) (iv)	Reserves, and transfers to and from reserves	n/a
Statement of cash flows		
9.2.2 (i) (c)	Statement of cash flows during the year	40, 52
Other disclosures in notes to the financial statements		
9.2.3 (iv) (a)	Liability secured by a charge over assets	n/a
9.2.3 (iv) (b)	Contingent liabilities	50
9.2.3 (iv) (c)	Commitments for expenditure	50
9.2.3 (iv) (d)	Government grants received or receivable	44
9.2.3 (iv) (e)	Employee superannuation funds	51
9.2.3 (iv) (f)	Assets received without adequate consideration	n/a
9.4	Responsible person-related disclosures	48–9



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Acronyms and abbreviations

AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard
ACE	Adult community education
ANTA	Australian National Training Authority
ICT	Information and communication technology
IT	Information technology
LLEN(s)	Local Learning and Employment Network(s)
LLENSTAT	Local Learning and Employment Network Statistics
MIP	Managed Individual Pathways
TAFE	Training and further education
TAFE VC	Training and further education virtual campus
VCAL	Victorian Certificate of Applied Learning
VCE	Victorian Certificate of Education
VET	Vocational education and training
VLESC	Victorian Learning and Employment Skills Commission

2001-02



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