

SKILLS FIRST

Real training for real jobs



Education
and Training

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A MESSAGE FROM THE MINISTER FOR TRAINING AND SKILLS



Victoria's economy is rapidly changing, and it's crucial that we provide certainty by investing in the skills of our people – and those skills must lead to jobs.

Our vision for Victoria's training system is to grow our economy and ensure our workforce leads the nation and takes its place in the Education State.

A strong and stable training system with robust TAFEs is fundamental to building industry capability and developing Victoria's current and future workforce. Skilling Victorians will ultimately lead to improved productivity, greater investment, stronger economic activity, increased innovation and more jobs.

The Andrews Labor Government inherited a training system where TAFE confidence had plummeted, campuses were being closed and some institutes were on the brink of financial collapse.

Quality training providers were being undermined. Thousands of Victorians weren't getting the training the Government paid for and student confidence was at an all time low with many courses never leading to jobs.

Since being elected, the Andrews Labor Government has worked tirelessly to restore trust in our training and TAFE system.

We promised change, and we are overhauling the system with the introduction of *Skills First* from January 2017.

Skills First remains a contestable system in which high quality public and private training will be delivered in a much more managed way.

Skills First secures the future of TAFEs, which will be at the centre of the reformed system.

It's also about making sure real training leads to real jobs.

We will prioritise courses that are most likely to get people into high-skilled, well-paid work.

It means high quality training that students and industry can trust.

It's a real voice for industry and a brighter future for students who will be able to access better quality training aligned to workforce needs – regardless of where they live.

Skills First also represents a major effort to boost training and jobs in regional Victoria.

We promised to restore trust, confidence and pride in Victoria's training and TAFE system in order to create more jobs in the Education State – and through *Skills First* we'll get it done.

The Hon Steve Herbert MP

Minister for Training and Skills



Work-related training for people with disabilities: Box Hill TAFE works with disability organisation Nadrasca to provide a range of courses, including fork-lift driving, administration and inventory management.

SKILLS FIRST: THE NEED FOR REFORM

The growth of Victoria's industries and economy is not possible without a highly skilled workforce. The skills, knowledge and spirit of our people are essential to creating the Education State in Victoria. The days when we could rely on a narrow range of industries or products to generate jobs and keep our economy strong are over.

As we transition from a traditional manufacturing to a high-tech knowledge-based economy, our workforce needs to be more adaptable and flexible than ever. But in past years a lack of quality control, TAFE funding cuts, poor student information and a failure to recognise the specific needs of regional and rural areas had damaged the training and TAFE system in Victoria and nationally.

The independent VET Funding Review led by Bruce Mackenzie and the external Review of Quality Assurance both recommended the system be reformed to better protect the interests of students, support improved training quality, and give employers and industry confidence in the skills and expertise of our workforce.

WHAT WE'VE ALREADY DONE

Restoring TAFE

- ✓ \$320 million TAFE Rescue Fund.
- ✓ TAFE Back to Work Fund, creating almost 10,000 new jobs and more than 7,000 apprenticeships and traineeships.
- ✓ Re-opened TAFE campuses across the state.

Improving quality

- ✓ \$9 million quality blitz on dodgy providers.
- ✓ New quality controls implemented.
- ✓ Direct feedback from more than 300,000 students and employers.

Working with industry

- ✓ The first Victorian Skills Commissioner and a \$14 million Industry Engagement Framework.
- ✓ \$16 million for Skills and Jobs Centres to link job seekers with employers.

Focused on students and addressing disadvantage

- ✓ \$20 million Reconnect program to help vulnerable early school leavers.

Strengthening apprenticeships

- ✓ Mandatory 10 per cent of apprenticeships on major Government projects.
- ✓ \$9.3 million to support 17,000 apprentices and trainees through Group Training Organisations.
- ✓ Half price vehicle registrations for apprentice tradies.

A NEW LILYDALE CAMPUS

The Andrews Labor Government has already restored training to many areas in the state, including the Yarra Ranges where Box Hill Institute's Lakeside Campus at Lilydale opened in early 2016.

Closed under the previous Coalition Government, the new campus – a partnership with Deakin University and William Angliss Institute – has trained more than 700 students in its first six months.

The campus teaches traditional trades, including plumbing, carpentry, specialist electrical, horticulture and landscaping.

It also offers higher education courses including early childhood education and biotechnology, and is home to a Biosecurity Centre of Excellence and industry research. There is also an integrated childcare centre.

From 2017, it will also be home to the new Yarra Ranges Tech School, under the Andrews Labor Government's \$128 million Tech Schools initiative.



SKILLS FIRST

From January 2017, Victoria's training and TAFE system will be overhauled. A new approach to training will be implemented, setting a high benchmark for training quality, and supporting the courses that are most likely to lead to employment.

Skills First is a commitment to a contestable, but more managed training and TAFE system, where providers who have satisfied new rigorous standards will get government funding to provide high quality, industry relevant training to students.

Through *Skills First* the Government will ensure industry has a clearer voice in which courses are funded, students will get real training that leads to real jobs and public money will be well spent.

GROWTH SECTORS WILL GET SKILLED WORKERS

Skills First will ensure Victoria can provide the skilled workers needed for the six sectors primed for major job growth: medical technology and pharmaceuticals, new energy technology, food and fibre, transport, defence and construction technology, international education and professional services.

It will also produce the skilled workers we need to support the Government's record number of infrastructure projects, including the Melbourne Metro Rail Project and the Level Crossing Removal Project.

RESPONSIVE FUNDING

The Government will continue to invest \$1.2 billion annually in the training and workforce development of Victorians. Funding will continue to be contestable and support the delivery of responsive and relevant training, but with much closer management of the system.

This will be complemented by new targeted funding streams, including a supplementary funding stream for TAFEs, a new Workforce Training Innovation Fund, a High Needs Learners Fund and the Regional and Specialist Training Fund.

OUR COMMITMENT TO RESTORING TAFES

TAFEs are the engine room for Victorian jobs, delivering around 70 per cent of all apprenticeships and retraining Victorians with skills to help them transition to new jobs. Under *Skills First*, TAFEs will be recognised and supported in this critical role.

The capacity of TAFEs to meet the needs of their communities will be restored with funding each year to recognise their distinct role as the public provider supporting learners of all ages and abilities, no matter where they live.

A SYSTEM SUPPORTING QUALITY PROVIDERS

The days of low quality, dodgy trainers intent on exploiting the system and undermining the viability of quality public and private providers are over. Private providers will be able to focus their business plans on delivering great training rather than worrying about poor quality, low cost competitors and their bottom line. *Skills First* will ensure quality providers can successfully compete to meet the needs of students, industry and the economy.



Ange Vourdoumpas: hopeful for the future.

RETRAINING AFTER A LIFE IN THE AUTO INDUSTRY

Ange Vourdoumpas felt scared and uncertain about his future when his employer of 21 years, car parts manufacturer Chassis Brakes, announced it would close in 2017, as part of the auto industry downturn.

"I thought the skills I had didn't apply in other companies because manufacturing is shrinking," the production worker said.

But through the South Eastern Automotive Transition Program, a Government program supporting companies undergoing change, Ange has received advice, counselling and guidance – and the confidence to enrol in studies likely to lead to a new career.

Bendigo Kangan Institute ran a skills recognition program with the firm's employees. It led to Ange completing a Certificate IV in Logistics – and boosting his hopes for the future.

A COMMITMENT TO QUALITY

Through the introduction of *Skills First*, funding subsidies will reflect the real cost of qualifications and ensure high quality training meets the needs of industry and employers. New and more accountable contracts will ensure that Government funds are well spent.

INDUSTRY AT THE FOREFRONT

A new Workforce Training Innovation Fund will provide funding for new training programs and products, projects or initiatives. This will include specialised curriculum development and applied research that develops new skills where there are identified gaps for new, emerging and priority sectors. The fund will support strong partnerships between industry, TAFEs, dual sector universities and high quality training providers.

SUPPORTING JOBS IN OUR REGIONS

Training to meet the unique skills needs of regional areas and specialised training will be supported through an initial \$30 million in funds for 2017.

The Regional and Specialist Training Fund will ensure there is training in regions and industries where the current system lacks the ability to meet the needs of local businesses.

RECONNECTING VICTORIANS

An initial \$20 million in funds for 2017 will support high needs learners who need extra help and encouragement in education and training. The Reconnect program will be extended to the end of 2017, supporting an extra 3,300 students.

SKILLS FIRST: WHAT'S NEW?



STRONG TAFES: CENTRAL TO TRAINING IN VICTORIA

The Government recognises the distinct role TAFEs have, as public providers who partner with industry and Government on key economic priorities, lead the training system in excellence and innovation, provide essential life skills and support services, and help disadvantaged students and communities.

Under *Skills First*, TAFEs and dual sector universities will be at the centre of the training system, setting quality benchmarks, fostering the skills students need to be job-ready, and driving productivity improvements across Victoria. Under our vision, TAFEs will be:

A benchmark for quality and a trusted adviser to Government: delivering the training needed to drive key Victorian priorities.

Centres of Excellence: competing on a global stage by partnering with industry to ensure productivity, innovation and the skills students need to get a job. A number of TAFEs already host Centres of Excellence, which provide leadership, best practices, research, support and training. The Government will continue to support industry-specific Centres of Excellence.



Help is at hand: job seekers receive free assistance.

SKILLS AND JOBS CENTRES: A ONE-STOP-SHOP FOR STUDENTS

Victoria's TAFEs are now home to Skills and Jobs Centres – the first port-of-call for students looking to start training,

workers needing to reskill or retrain, and employers seeking to meet workforce needs.

These one-stop-shops offer a range of support services for individuals and businesses including apprenticeship and traineeships advice, referral to providers offering welfare support and financial advice, job search skills and resumé preparation assistance, and help with career and training plans.

I came down to Box Hill Skills and Jobs Centre to see where I could start, what I could do to make changes. Within 10 minutes they had me sorted. The support and encouragement was amazing.

Carmel, mature-age job seeker.



Job-ready: students undertaking a Certificate III in Health Services Assistance can take their place in Victoria's hospitals after training.



Skills First will encourage innovation in training.

Providing more than just training: addressing the training and support needs of students to ensure they are work-ready graduates, providing a campus experience with support and other essential services, and helping disadvantaged and high needs students who might otherwise slip through the cracks.

Pivotal in regional communities: continuing their links with local businesses, and knowing what skills employers seek. Last year, almost half of all regional students went to TAFE for their training.

Students benefit from being able to study close to home, while TAFEs help boost local economies by providing a steady flow of trained graduates.

Leaders in international education: working collaboratively, Government will enhance TAFEs' global reach and support an expansion in international education. Global demand for training is expected to grow significantly, especially the delivery of training offshore. An increased profile in international education will assist in improving the revenue base for TAFEs.



Learning on the job: Bombardier employees will undertake training through Chisholm TAFE at its Dandenong headquarters.

GOVERNMENT PARTNERS WITH INDUSTRY AND TAFE TO DELIVER ON ITS TRANSPORT PRIORITIES

The Andrews Labor Government has brought Chisholm Institute and industry together to ensure there are sufficient skilled workers to help complete two key transport priorities: the removal of level crossings and upgrading the rail system.

Chisholm has partnered with rail manufacturer Bombardier Transportation to train up to 300 trades-based employees at Bombardier's manufacturing hub in Dandenong.

The nationally accredited training is improving employee capability in manufacturing, engineering and asset life maintenance.

Chisholm CEO Maria Peters says the partnership ensures employees can improve their skills and develop their careers.

"The partnership has been designed for Bombardier to further develop career pathways for each of their business units, providing every employee a prospect for career progression and long-term employment within the engineering, manufacturing and maintenance functions of the business."

Chisholm is also partnering with Lendlease, CPB Contractors and Aurecon to lead the training of the Caulfield to Dandenong Level Crossing Removal project under the New Employment Exchange Training (NEXT) initiative.

The training will cover apprentices and trainees (10 per cent of the workforce), retrenched workers and unemployed youth. Some of the project's existing workforce will be upskilled.

PARTNERING WITH INDUSTRY: GROWING SKILLS THAT LEAD TO JOBS

Under *Skills First*, there will be even stronger links between training and industry.

Through substantial consultation during the Mackenzie Review, the work of the Victorian Skills Commissioner and surveys of over 100,000 employers, the Government understands what industry needs, what is working and what isn't.

The **Workforce Training Innovation Fund** will foster partnerships between industry, TAFEs and other training providers to work together to drive innovative collaboration through new qualifications, approaches to the delivery of training and curriculum development. Initial funding of **\$40 million** will be provided for 2017.

Through a new Industry Engagement Framework, industry will also have a greater voice. The framework will determine which training courses receive Government funding, with a new funded course list being developed to better align with industry training needs.

It is vital Victoria's current and future industries are equipped with employees who have the skills to support continued productivity and economic prosperity, and that business and employers have confidence in the training system and the qualifications of their future employees.

VICTORIAN SKILLS COMMISSIONER

Victorian Skills Commissioner, Neil Coulson, was appointed by the Andrews Labor Government to work with industry, employers, unions and government to ensure Victorians get the skills industry needs.

Supported by the Commissioner, the Government has established a new \$14 million Industry Engagement Framework.

The Commissioner will work with industry to advise Government on the funded courses that are of greatest value to the Victorian economy and have a close link to job outcomes.

The new framework will be a critical input into *Skills First*.

The investment in skills will be most effective when industry and workforce needs are better aligned to Government funded training to ensure productivity and job growth.



MBA's 2015 student of the year, David Vastbinder, undertook a wide range of studies, including a carpentry apprenticeship, a Business Skills for Apprentices course, a Diploma in Building and Construction and the Master Builders Green Living course.

INDUSTRY LEADS TRAINING FOR REAL JOBS

Behind both of the new housing estates popping up on the city's fringes and the renovations going on in your neighbourhood, there is an industry training system that ensures Victoria's builders are thoroughly and reliably trained.

The Master Builders Association (MBA) has been a Registered Training Organisation since 1994. In 2015 it delivered more than 140,000 hours of training, helped almost 140 builders to become registered and reached nearly 60,000 apprentices and school students through industry-focused expos and workshops.

A reputable and reliable building industry is essential to Victoria's economy, where the

population is growing rapidly and the demand for housing and commercial building is ever increasing.

The MBA offers training from Certificate III to Diploma level across all the industry's needs, including building, project management, safety, finance, estimation and sustainability.

A COMMITMENT TO HIGH QUALITY TRAINING

Victoria is leading the nation in its commitment to providing high quality training.

Under *Skills First* the substantial Government funding available under the contestable system will be better managed through a stronger approach to contracts and compliance.

New measures will be introduced, including a quality assessment for training providers and rigorous new training contracts with improved accountability requirements, guaranteeing value for money in taxpayer-funded training.

Skills First funding contracts will be better aligned to workforce needs. They will also include:

- Penalties that can be applied to providers who fail to properly assess every student's suitability for their course.
- The ability to publish results of student and employer satisfaction surveys.
- New requirements to improve the quality of online and workplace-based training.
- Requirements that training providers using brokers must disclose brokering arrangements on their websites.



Educating for the future: providing hands-on training for childcare workers ensures students are job-ready, as well as guaranteeing Victoria's childcare centres have well-trained staff.

PUTTING STUDENTS FIRST: SUPPORTING ALL VICTORIANS

Skills First focuses on protecting the needs of students to ensure the training they receive is high quality and work-relevant, and maximises their employment prospects.

The Government believes training plays a critical role in addressing disadvantage and promoting equity, and regardless of age, background or postcode, there should be opportunities for all Victorians to train for a brighter future. The improved system includes targeted funding streams to guarantee training in regional areas and niche occupations, and for high needs learners.

SECURING REGIONAL JOBS

Rural and regional industries benefit from locally trained workers, and TAFEs are significant community assets. But in many regional areas, students must move away to get the skills they need for a job.

To better enable students in rural and regional communities to access local training that meets their needs, we will introduce targeted funding for training providers. In 2017, an initial **\$30 million** in funds will be available for regional and specialist training.

Training in niche occupations, particularly in regional and emerging markets, will be funded through the **Regional and Specialist Training Fund**, ensuring the training and TAFE system is responding to the Victorian economy's current and future needs.



Improved outcome: Jacob Cooke-Harrison turned his life around through an apprenticeship.

TRAINING LEADS TO REAL JOBS FOR REGIONAL VICTORIA

Through a four-year apprenticeship as a painter, indigenous Horsham man Jacob Cooke-Harrison has changed the trajectory of his life.

The Wotjobaluk man says completing an apprenticeship was challenging but it has improved his life: "I was the first one in my family to get a full-time job. Having a full-time job meant I had ongoing work and money."

After leaving school in Year 10, Cooke-Harrison was lost and unsure how to move his life forward: "I was at a crossroads and hanging out with the wrong people. I moved out of home and in with my girlfriend."

Fortunately, his partner's sister and brother-in-law had a painting business and they offered him work experience and then an apprenticeship through Skillinvest. The time adrift after leaving school had sapped his confidence but his boss got him painting straight away. "I thought I was pretty good at it and I enjoyed it," he said.

He later worked with Horsham painter and decorator Matt Cross, with his apprenticeship overseen by the Murray Mallee Training Company (MMTC), whose core business is

the employment, training and monitoring of apprentices across Victoria's north-west.

MMTC's trainer visited Cooke-Harrison at work each six weeks to check his workbooks and to make sure he was on the right track. He has now completed his apprenticeship, with a Certificate III in Painting and Decorating and began his own business in April.

The newly qualified painter says, so far, he's found there's plenty of work around Horsham: "When people build a new house, they want to move in when it's finished – not have to paint it themselves. So that means lots of work for qualified painters and decorators as there are always new houses being built."

HIGH NEEDS LEARNERS

At times, people need some extra support and assistance to get back on the road to success. Young people in particular may need a helping hand to ensure positive outcomes. The Andrews Labor Government has committed **\$200 million** from the TAFE Rescue Fund for **Community Service Funding** to help deliver a broad range of support services to disadvantaged students. A further **\$20 million** has been provided for the **Reconnect** program, which funds TAFEs and Learn Locals to provide wrap-around services, such as extra literacy, health and accommodation support. In 2017, Reconnect will be expanded to an additional 3300 students, helping them access the necessary support to engage in training.

SUPPORTING LEARN LOCALS

Learn Locals are community-based organisations. They include not-for-profits and neighbourhood houses that deliver community based-training. They provide skills and training with a focus on individual needs and tailored programs for students, including older people, people with special needs and those from diverse cultural backgrounds.

Under *Skills First*, Learn Locals will be eligible to receive funding to build on their important role in providing training to their local communities, through the extension of the Reconnect program.

LEARN LOCAL QUALITY PARTNERSHIPS

The Andrews Labor Government is committed to working in partnership with the Adult, Community and Further Education Board. We recognise how crucial Learn Locals are to communities across the breadth of Victoria, often providing opportunities to some of the most disadvantaged. We have already introduced restricted contracts of 200 training places, particularly to meet the needs of smaller Learn Locals.

From 2017, as part of *Skills First*, \$1.5 million will be made available to establish Learn Local Quality Partnerships, which will assist with administration and free up Learn Locals to do what they do best – teach.



Hope for the future: Maddi Lynch's daughter Amelia inspires her to keep studying.

COMMUNITY SERVICE FUNDING

Maddi Lynch is one of 14 young mothers carving a new future for themselves and their children through Bendigo TAFE's Victorian Certificate of Applied Learning (VCAL) Young Mums program.

The program, created as part of a \$2.8 million Community Service Funding package from the Government to Bendigo Kangan Institute, supports teenage mothers to continue with their education.

Seventeen-year-old Maddi began her Intermediate VCAL classes when she was 20 weeks pregnant and now attends with her baby daughter, Amelia. "I enjoy the course for a variety of reasons, including the support from teachers, the hands-on activities as well as the help I receive in class," she says.

After initially dropping out of school in Year 8, Maddi now sees education as key to the future she envisages for herself and baby Amelia.

"The program is really important to me as I want to eventually complete my Year 12 equivalent VCAL senior level and work towards becoming a hairdresser."

NEXT STEPS

Since coming to office, the Andrews Labor Government has been strengthening and restoring key planks of our training system – stronger TAFEs, better quality and more industry involvement. Full implementation of our reform program will take time, but *Skills First* will ensure a system of best practice.

- From September 2016, training providers will be invited to apply for new funding contracts.
- The new funding contracts will be based on a new funded course list better aligned to workforce needs, comprising courses with strong job outcomes, including apprenticeships and high-value traineeships and courses linked to government priorities.
- Revised subsidy rates, based on the cost to deliver quality training, will be applied to the funded course list.
- Targeted funding streams will be progressively opened for applications from late 2016 in preparation for the 2017 training year.
- New quality control trials will begin in 2017, testing mandated course duration, better online delivery, and ensuring units are linked to employment opportunities.

- Work is underway to improve the outcomes of Vocational Education and Training in Schools (VETiS).


Details of the changes will soon be communicated to TAFEs and training providers to ensure the sector can properly prepare for the 2017 training year.

Continuous engagement with industry will occur throughout 2017.

Promoting training and TAFE pathways for students will be a focus of 2017.

For students, employers and industry, a new and better-managed training system will lead to jobs, productivity and a stronger economy for all Victorians.

For information about *Skills First* visit:
www.skillsfirst.vic.gov.au



Giving the young a strong future: Skills First will ensure young people have access to a reliable and jobs-focused training and TAFE system.



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