1. PURPOSE
To provide a summary of the key initiatives of the Victorian Government Skills Statement (*Maintaining the Advantage: Skilled Victorians*) and the recommendations of the Victorian Government VET Inquiry (*Inquiry into Vocational Education and Training*)

2. BACKGROUND
The Victorian Government Skills Statement was released by Premier Steve Bracks on 7th March. It is a response to the Victorian Government VET Inquiry which was released on 21st February. It includes a set of initiatives to encourage more young people into trades, provide working Victorians with a chance to update job skills and help business to match skills training to industry priorities.

The VET Inquiry had been commissioned by the Victorian Minister for Education and Training, the Honourable Lynne Kosky, in July 2005. The aim of the Inquiry was to suggest improvements to the Victorian VET system, so that it could play a greater role in helping the Victorian economy to meet current and emerging economic and social challenges. The VET Inquiry made 63 recommendations, a number of which have been directly addressed by the Skills Statement.

Both the Skills Statement and the VET Inquiry should be read in the context of the recent COAG Communiqué that established a national reform agenda for vocational education and training. The aspects of reforms most relevant to RMIT relate to improved pathways and ease of transition between school, study and work for young people and a focus on building adult workforce participation.

3. KEY ISSUES FOR RMIT
3.1 Skills Statement
The Skills Statement is a $241 million package of new investment in vocational education and training.

The following initiatives are of strategic relevance for RMIT. A full set of recommendations is included in the Appendix.

- Increased training opportunities for young people
  - $28.2 million for guaranteed completion of Y12 or equivalent qualification in schools or in TAFE for under 20 year olds over four years
  - $33.2 million for 4500 new pre-apprenticeships over four years
- Skills upgrade for existing workers and older people
  - $10.9 million for 1800 new places for 35-64 year olds without Y12 for Certificate III or above over four years
- $42.3 million for 3500 new places in Diplomas and Advanced Diplomas in skill shortage areas over four years (e.g. advanced manufacturing, construction and engineering, biotechnology)
- Provision for the training of up to 3000 existing workers under the apprenticeship scheme

- TAFE infrastructure development
  - $48 million over four years to upgrade equipment

- Development of Technical Education Centres (TEC)
  - $32.0 million over three years to establish TECs for secondary students linked to TAFE institutes. Initially four TECs to be established in Ballarat, Wangaratta, Heidelberg and Berwick. Establishment of further TECs has been mooted.

- Publication of performance data
  - Publication of performance data (completion rates, fees, student and employer satisfaction, graduate outcomes) on RMIT website by 2007. No additional funding will be provided to institutions to support this initiative.

3.2 VET Inquiry
The Inquiry recommendations support RMIT’s strategic directions in relation to VET.

A number of RMIT recommendations to the Inquiry have been incorporated into the report findings. These include the need for:
- high level apprenticeships and traineeships
- more appropriate funding models for VET in Schools
- the development of training ‘hubs’ by TAFE providers to provide vocational pathways in specialist areas.

The Inquiry notes the special role of dual sector universities in delivering the skills needed for higher productivity and participation in the workforce through a mix of higher and vocational education.

The recommendations also contain some areas of risk for RMIT:
- Loss of funding unless RMIT can demonstrate robust RPL processes and outcomes
- Proposed performance-based funding (e.g. student satisfaction) may place RMIT at risk unless it can demonstrate satisfactory student and employment outcomes.

4. Implications for RMIT Strategy and Profile
The strong commitment by Government to upgrading equipment in the TAFE sector provides and opportunity for RMIT to improve the quality of training infrastructure in our technology training areas (including trade apprenticeships and diploma/advanced diploma level programs). This will position RMIT more strongly to enter into partnerships with industry including group training and the schools sector (for example through the TECs) to strengthen pathways from school into apprenticeships and technician level programs. It also provides an opportunity to strengthen the provision of assessment and training services to existing workers.

5. Next Steps
The Skills Statement will be further processed through the VET Committee of the Boards and discussions within Portfolios. These discussions will influence the upcoming Profile dialogue and development of the Academic Plan.

OTTE intends to have one on one discussions with TAFE providers over April to explore the implications and opportunities for each provider. This discussion will roll into the dialogue process leading to the 2007 Performance Agreement variation.
5. Recommendations
VCEM to note the initiatives of the Skills Statement and recommendations of the VET Inquiry and the Next Step Actions and discuss priorities for RMIT in responding.

6. FOR MORE INFORMATION


<table>
<thead>
<tr>
<th>Skills Statement Initiative</th>
<th>Comment</th>
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<tr>
<td><strong>$28.2 million over four years to provide a guaranteed place in TAFE institutions or other providers for students aged under 20 to complete Year 12 or equivalent qualification</strong></td>
<td>This guarantee relates to the estimated 6,200 students without Year 12 qualifications in Victoria. However, it is unclear how many additional (if any) places will be funded through the initiative.</td>
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<tr>
<td><strong>$33.2 million over four years for 4,500 new pre-apprenticeships in engineering, automotive, electrical and electronic engineering, building and construction, cookery, childcare and aged care</strong></td>
<td>RMIT currently delivers pre-apprenticeship programs in engineering, electrical and electronic engineering.</td>
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<tr>
<td><strong>$10.9 million over four years for 1,800 new places for 35–64 year olds for Certificate III and above who do not have a Year 12 and above qualification.</strong></td>
<td>Funding initiative which aligns with equity programs and OTTE targets for priority learners (44+) at RMIT.</td>
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<tr>
<td><strong>$42.3 million over four years to fund 3,500 new places in high level qualifications in areas of skill shortage (e.g. construction and engineering).</strong></td>
<td>High level qualifications refer to diplomas and advanced diplomas. RMIT strategy supports this focus on high level qualification.</td>
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<tr>
<td><strong>$48.0 million over four years to improve TAFE equipment to align with industry standards</strong></td>
<td>No further detail about this initiative has been provided.</td>
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<td><strong>$32.0 million over three years to establish Technical Education Centres (TECs) for senior secondary students linked to TAFE institutes</strong></td>
<td>The location of the first four TECs will be in Ballarat, Wangaratta, Heidelberg and Berwick. The Heidelberg TEC will be linked to Northlands Secondary College and NMIT.</td>
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<td><strong>$3.7 million over two years for three new specialist centres in building and construction, ICT and automotive design.</strong></td>
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<td><strong>Other funded initiatives worth $43.19 million include:</strong></td>
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| • assisting Victorian businesses with workforce planning  
• establishment of 13 Skills Stores to provide vocational advice to individual learners (e.g. in shopping malls)  
• information campaign to promote VET and careers in manufacturing  
• apprentice support field officers industry skills advisers in high priority areas.                                                                 |                                                                                                                                                                                                                            |
Unfunded initiatives include:

- working with industry to shorten completion times for apprenticeships
- publication of performance data (completion rates, fees, employment and education outcomes, and satisfaction rates) on RTO websites by 2007

These two initiatives relate to Recommendations 5 and 2 in the VET Inquiry.

- Shortening completion times will require the Government to negotiate around quality issues with industry. There may be longer term implications around RPL and curriculum design for RMIT.
- No resources have been allocated in the Skills Statement to support this initiative despite such a recommendation by the VET Inquiry. This means RMIT may need to consider how to resource publication of the data by 2007.

<table>
<thead>
<tr>
<th>VET Inquiry Recommendation</th>
<th>Comment</th>
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<tbody>
<tr>
<td><strong>1. Skills shortages</strong></td>
<td>OTTE will publish updated priority information over the coming months.</td>
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<tr>
<td>Confirmation of existing government and industry priority areas, including school-leavers, unemployed and underemployed, and existing and mature-age workers</td>
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<tr>
<td><strong>2. Information for clients</strong></td>
<td>Details of the new requirements still to be determined.</td>
</tr>
<tr>
<td>RTOs to publish standardised performance information (eg. student and employer satisfaction) as a condition of registration. This information must be made available on RTO’s web-sites by 2007.</td>
<td>Resource implications for RMIT may include new ways of collecting, publishing and reporting data.</td>
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<tr>
<td><strong>3. Quality assurance</strong></td>
<td>This may change how RMIT collects data, with possible resource implications.</td>
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<td>Victorian Qualifications Authority (VQA) to increase focus on the quality of organisational outputs when registering and auditing training providers</td>
<td>RMIT’s Quality Unit, ARG and Academic Portfolios will need to understand the policy shifts and implications for registration.</td>
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<td><strong>4. VET in Schools</strong></td>
<td>Opportunity exists for RMIT to promote its design/advanced manufacturing ‘hub’</td>
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<td>A major push to develop vocational training in schools through:</td>
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- increased provision in priority industries
- affordable student fees
- better pathways into TAFE
- more opportunities for year 10 students (15-16 year olds)

(Building 55) as a best practice model to engage schools with vocational education.

Opportunity exists to participate in review of funding arrangements to remove current participation barriers for students accessing VET in Schools at RMIT, particularly in high cost training areas such as design and engineering.

Opportunity exists to work closely with relevant authorities to sequence VET in schools units as credits into apprenticeships and traineeships.

5. Apprenticeship and Traineeships

Competency-based rather than time-based apprenticeships in order to shorten training periods without compromising standards.

Better completion rates for apprentices and trainees

The Victorian Government to lobby the Commonwealth to provide employer incentives to promote the high level apprenticeships and traineeships (Diploma and Advanced Diploma).

An expansion of pre-apprenticeships to areas of industry skill shortages

DE&T to investigate accelerated apprenticeship model for existing workers with relevant prior learning

Opportunity exists to develop demonstration projects in conjunction with stakeholders. Key issue will be maintenance of OHS standards.

Scope exists to improve RMIT's support, administrative and audit systems to improve completion rates.

RMIT should position itself to work closely with Government to develop high level trade qualifications. Resource implications may include curriculum development and improved administrative systems.

RMIT could consider development of new pre-apprentice programs where there is demonstrated demand in areas of skill shortages.

RMIT to ensure it has programs to support older apprentices and to identify appropriate teaching and learning strategies to support this cohort.

6. Traineeships

Traineeships to be prioritised to:
- People under 25 years

RMIT to ensure that programs are targeted to these cohorts. Resource implications include possible tailoring of curriculum.
<table>
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<tr>
<th>Topic</th>
<th>Details</th>
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<tr>
<td>Long-term unemployed</td>
<td>Opportunity exists for RMIT to leverage additional funding for RPL and gap training activities.</td>
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<tr>
<td>Culturally and Linguistically Diverse (CALD) and new migrants/refugees</td>
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<td>Indigenous Australians</td>
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<td>Savings to be redirected to Recognition of Prior Learning (RPL) and gap training services for existing and mature-age workers.</td>
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<td>7. Recognition of Prior Learning</td>
<td>Recognition of Prior Learning (RPL) to be made available to all VET students and be adequately resourced by DE&amp;T.</td>
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<td>Government funding to be tied to RPL outcomes.</td>
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<td>This requires RMIT to develop a comprehensive approach to RPL.</td>
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<td></td>
<td>RMIT risks losing government funding unless it develops robust RPL systems for VET students. Resource implications include the development of promotional material, curriculum development and professional development.</td>
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<tr>
<td>8. Resourcing VET</td>
<td>Victorian Government to trial an outcomes-based funding model for publicly funded VET</td>
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<td></td>
<td>No details available about proposed funding model. Resource implications likely to include new reporting and compliance frameworks.</td>
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