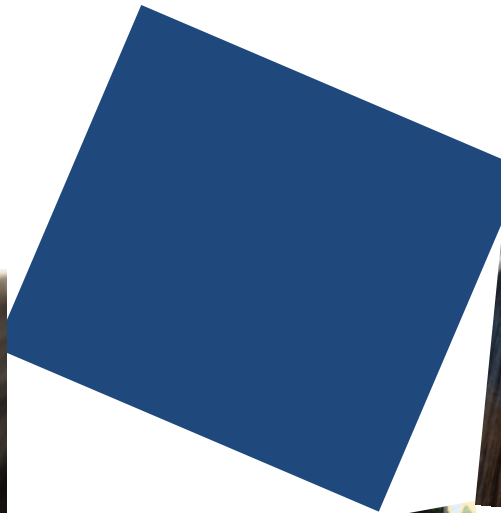


2012-13 PAEC Presentation

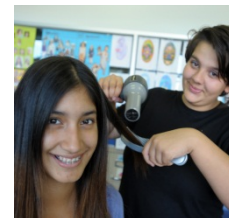
The Hon. Peter Hall MLC
Minister for Higher Education and Skills



2012-13 Budget

The 2012-13 Budget continues a high level of public investment in training and ensures funding returns to a sustainable level

<i>Output funding</i>	\$1033.4 million over 4 years
<i>Asset funding</i>	\$25.0 million TEI



Growth in Training Delivery



Pre skills-reform
~ \$800m a year

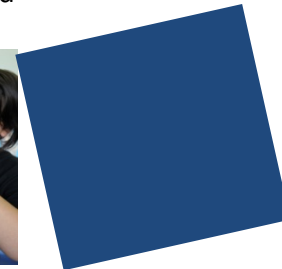


Original forecast provision 2011-12
~ \$900m
Expected expenditure 2011-12
~\$1.3bn



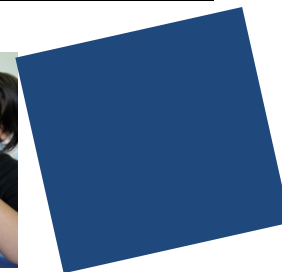
Future provision 2012-13+
~\$1.2 bn

* Note: 2011-12 and 2012-13 figures are estimates only. No definitive level of expenditure can be given due to the demand driven nature of the system.

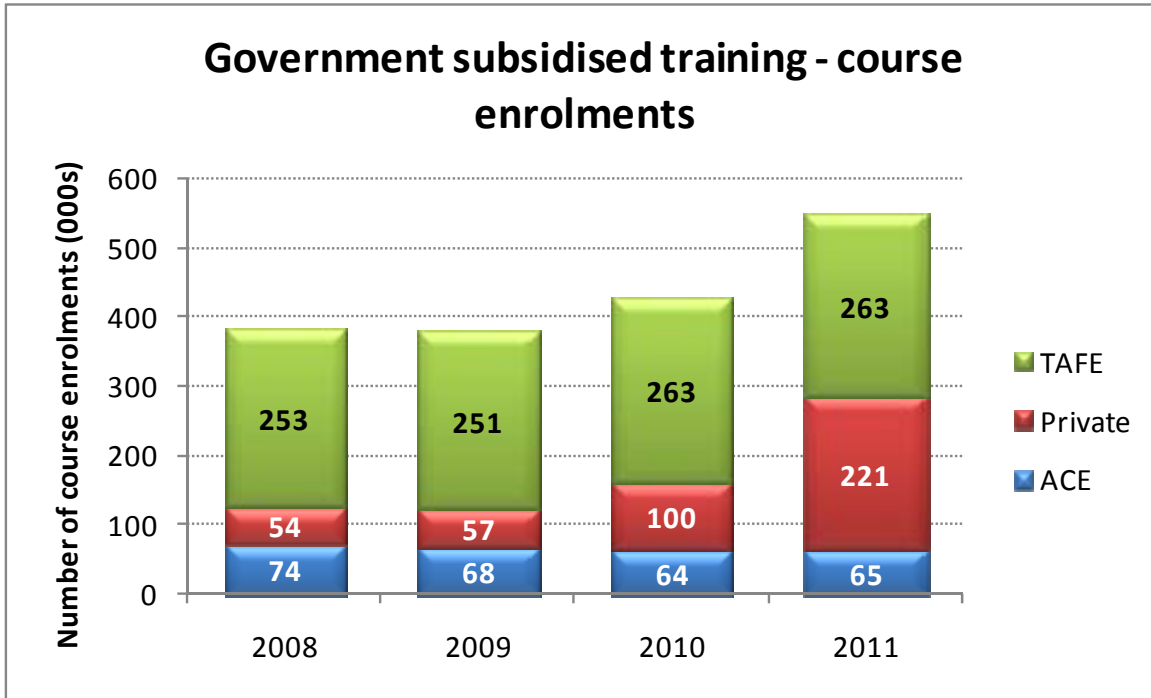


Examples of growth in Government subsidised training

Qualification	2008 enrolments	2011 enrolments
Certificate II in Customer Contact	74	1727
Certificate IV in Fitness	188	3863
Certificate IV in Mental Health	213	663
Certificate III in Aged Care	3218	6618
Certificate III in Plumbing	4174	5601



Much of this enrolment growth has been driven by the expansion of non-TAFE RTOs



In 2011, around 560 training providers delivered Government subsidised accredited training in Victoria – almost 200 more than in 2008



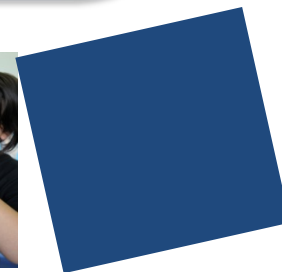
TAFE and non-TAFE RTOs deliver different types of training

Public - TAFE Institutes

- A wider range of training.
- Strong focus on training in the trades – 15 per cent of TAFE enrolments are by apprentices
- Strong focus on foundation skills – 15 per cent of TAFE enrolments are in Foundation courses
- 30 per cent of training in 2011 in courses identified as specialist or in shortage

Private - Registered Training Providers

- A narrower range of courses
- Most are classroom based – areas like management, retail, business
- Small focus on trades training - 4 per cent of private enrolments are by apprentices
- Small focus on foundation skills - 2 per cent of enrolments are in Foundation courses
- 20 per cent of training in 2011 in courses identified as specialist or in shortage



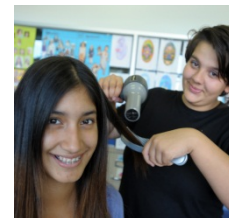
The challenges of managing this growing market



Ensuring the **quality** of training providers



Ensuring the relevance of training –
maximising public benefit



Ensuring the Quality of Training Providers

Higher expectations of training providers

- Improved contract standards for improved financial assessment
- Providers to demonstrate capability to deliver quality courses
- New requirements for upfront disclosure of fees / performance
- Development of a voluntary Provider Code of Conduct

Stronger monitoring and compliance checks

Stronger investigative and monitoring of providers through:

- a new VET market monitoring unit; and
- peer review mechanisms

Real consumer choice

- Roll out of a one-stop-shop training website for employers and students
- Trialling new quality metrics, including industry ratings and industry-moderated assessment



Ensuring the Relevance of Training – maximising public benefit via better targeted subsidies

Changes

- Five subsidy bands created based on assessment of public value of courses e.g. value to the economy and cost of training delivery
- Government subsidies range from below \$2 per hour to \$12.50 per hour
- New market monitoring unit will monitor subsidy levels and advise Government on their appropriateness

Impacts

- All apprenticeship subsidies have increased
- Over half of all courses fall into the two highest funded bands, attracting a subsidy at \$7.50 per hour or greater
- 21 per cent of courses (> 220 courses) have a higher subsidy than the current small TAFE rate
- A further 150 courses remain largely unchanged, with subsidy rates within 5% of current levels
- In 2011, TAFEs accounted for 82% of delivery in the highest funding band



Ensuring the Relevance of Training – maximising public benefit via closer industry engagement; improved information; and targeted support

New model for industry engagement

More direct relationships between employers and training providers

Better Information

- One-stop-shop website
- Electronic Marketplace, and
- Regional Market Facilitation Managers

A stronger, direct Industry voice

Industry advisory arrangements will transition to a direct consultation model

Supporting critical and niche skills needs

New \$6 million a year Industry Transition and Specialist Training Initiative to address critical skills needs and respond to large-scale company closures



Maintaining Opportunity

Continued and expanded access to subsidised training under the **Victorian Training Guarantee:**

Additional assistance
through subsidy loadings for:

Low socio-economic status
young people

Indigenous Victorians

Regional students

Strengthening pathways into training:

- Expanded entitlement for those whose highest qualification is VCE / VCAL
- Continuation of funding for pre-accredited training
- “Zero fee” training for recent care leavers

Low-income students studying up to Certificate IV will **continue to access concession fees**

VET FEE HELP loans will continue to be available



Summary

VET is being refocused on investment in areas of greatest value

Significant reform has been required to ensure a sustainable, high quality VET system

Capital investment will target Regional TAFE infrastructure

