

PLANNING AND REPORTING THE NATIONAL VET SYSTEM

THE VICTORIAN GOVERNMENT VET PLAN 2006-2008

The *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce* sets out the terms and conditions of the Australian Government funding appropriated under its new vocational education and training legislation, the *Skilling Australia's Workforce Act 2005*.¹ The Agreement recognises that a shared commitment of the Australian, State and Territory governments is essential to maintain an effective national training system that will deliver high quality, nationally consistent training outcomes for industry, communities and individuals;² and will build on the achievements of the last decade that established the foundations of an industry-led national training system.³

The Agreement provides the basis for planning and reporting for the VET Sector in 2005-08, and will be underpinned by the Bilateral Agreements which detail the State-specific elements of the *Commonwealth-State Agreement for Skilling Australia's Workforce*. Under the Agreement, States and Territories are accountable for submitting a VET Plan and for delivering the planned outcomes of that Plan.⁴ VET Plans may be produced as a three year plan that is updated annually, and which meets the requirements of Clauses 24-26 of the Agreement, which includes:

- Plans to meet the statutory requirements of the *Skilling Australia's Workforce Act 2005*, including details of client advisory arrangements;
- Plans to meet the requirements of the Agreement, including meeting the objectives of the National Strategy, responding to the national priorities⁵ set by the legislation, achieving national targets and delivering against agreed key performance measures;
- Plans to meet the requirements of the Bilateral Agreement, including State-specific targets and performance measures;
- The distribution of total planned VET activity to be achieved annually by industry;
- The estimated number of New Apprenticeship commencements and New Apprentices in training;
- State/Territory Infrastructure Plan;
- Strategies to improve the participation of parents and older workers in training that would assist them to find employment; and
- Plans for expenditure of VET in Schools funding and how it relates to the six priority areas for action agreed by the Ministerial Council.

It is required that the reporting component of State/Territory VET Plans will include reporting against all matters that are covered in VET Plans and will not be reported in the Annual National Report, and will include reporting of compliance with statutory conditions set out in the *Skilling Australia's Workforce Act 2005*.⁶

Annual State/Territory VET Plans will be forwarded by States and Territories for consideration and recommendation by the Ministerial Council before approval by the Australian Government Minister.⁷

¹ Agreement Preamble Para 1 p1

² Agreement Preamble Para 2 p1

³ Agreement Preamble Para 5 p1

⁴ Agreement Clause 27

⁵ Agreement Clause 7

⁶ Agreement Clause 34 p 9

⁷ Agreement Clause 28

NATIONAL GOALS AND OBJECTIVES

1. States and Territories will describe their plans for the period of this Agreement to meet the objectives of 'Shaping our Future, Australia's National Strategy for vocational education and training 2004-10'. This may be a high-level summary of the detailed response to other components of the VET Plan. The objectives are:

Objectives	State/Territory Planning to achieve National Objectives
<p>Industry will have a highly skilled workforce to support strong performance in the global economy.</p>	<p>In 2002 the Minister for Education and Training, the Hon. Lynne Kosky MP, released a Ministerial Statement <i>Knowledge and Skills for the Innovation Economy</i>, which continues to provide a robust policy framework guiding the VET system in Victoria. Its focus on ensuring a strong network of TAFE providers, close links with firms and support for specialisation and innovation will continue to be developed. In 2005, Victoria completed an Inquiry into VET. The Inquiry has delivered a report that makes a set of recommendations that will enhance the implementation of the policy framework.</p> <p>The Ministerial statement foreshadowed that the VLESC would establish strategic directions and priorities for VET in Victoria. The VLESC subsequently endorsed a framework which targets government resources to priority training areas and is highly responsive to changes in the skill needs of Victorian industry. The priorities framework informs the purchasing of training delivery from both TAFE institutions and private providers throughout the period of this plan. It incorporates a research program, strategic dialogues with key stakeholders, a priority setting process and resource allocation mechanisms. It uses an evidence-based approach to:</p> <ul style="list-style-type: none"> • identify the nature and extent of industry and community training needs (i.e. priority training); • map those needs against the supply of publicly funded training in order to identify where there is over-supply and/or poor training outcomes (i.e. lower priority training); and • assess the capacity and develop strategies to realign lower priority training to high priority training <i>within</i> and <i>between</i> industry areas. <p>The Victorian Government will also further reprioritise its training purchases, to ensure that they clearly address the current and emerging skill needs of industries and the state government's priorities for the Victorian economy.</p>
<p>Employers and individuals will be at the centre of VET.</p>	<p>Victoria recognises that individuals and employers are at the centre of the VET system. To operate effectively within this system, they must be able to access quality information. Victoria acknowledges that there is a need to ensure that clients of the system can access standardised, comparable information on the performance of individual providers as well as the courses they offer. The Victorian VET system will continue to be responsive to the needs of individuals and industries, by being flexible in its response to managing involvement in the VET sector.</p> <p>Victoria will continue to receive advice on employer and individual training needs through its network of 17 Industry Training Advisory Bodies (ITABs). ITABs will continue to play a role in the development of a skilled and responsive workforce, by:</p>

- obtaining information on training needs and information from employers, employees and employer groups;
- building networks with key stakeholders including industry, training providers, community organisations and government departments;
- providing authoritative advice on industry training requirements including current and emerging skill development needs;
- moderating and validating VLESC research activities and outputs;
- promoting the training system to encourage industry participation;
- supporting national and State training policy directions; and
- contributing to the development and improvement of training products.

Local Learning and Employment Networks (LLENs) bring together education providers, industry, community organisations, individuals and government organisations to improve education, training and employment outcomes for young people in communities across Victoria.

Victoria will continue to consider student satisfaction surveys in meeting the needs of students. Customised programs at TAFE institutions and ACE providers will continue to cater for the needs of learners facing barriers to successful participation in training. These programs target a diverse range of learners including students with a disability, sole parents, disengaged youth and mature age learners.

<p>Communities and regions will be strengthened economically and socially through learning and employment.</p>	<p>Over the period of this plan, the Victorian Government will spend \$43 million increasing workforce skills in Provincial Victoria, under <i>Moving Forward</i> - the Victorian Government's \$502 million action plan for growth in Provincial, or regional, Victoria. The package includes \$15.5 million for new VET opportunities in high demand areas. Training delivery in regional Victoria is also supported by supplementation to the prices paid to regional TAFE institutions, and by a commitment that a minimum of 35% of the training purchased from private providers through the Priority Education and Training Program (PETP) will be in regional Victoria.</p> <p>The Victorian Government will provide an additional \$3.3 million over the next three years for targeted initiatives to skill up and secure work for disadvantaged job seekers in regional areas. The Victorian Government will work with industry, employers, councils, unions and community groups to develop and fund mechanisms for filling vacancies in two key industry sectors: manufacturing in western Victoria and transport and distribution in the north east. Disadvantaged job seekers will be able to access assistance with training, transport, mentoring, counselling and housing. This assistance will be tailored to give local job seekers the skills and abilities to secure ongoing employment.</p> <p>Research will be undertaken annually to assess the applicability of state-wide industry priorities across 13 regions in Victoria. This work is documented in a series of 13 annual Study Area reports and is the primary evidence base to inform training purchasing decisions for 2006-2008. These reports consider VLESC priorities within 4 metropolitan and 9 regional TAFE training delivery catchments across Victoria. The reports draw on advice from regional Reference Groups that include Local Learning and Employment Networks (LLENs), local industry and VET provider representatives.</p>
<p>Indigenous Australians will have skills for viable jobs and their learning culture will be shared.</p>	<p>Victoria will continue to develop the learning culture of Indigenous Victorians through the Wurreker Strategy. This strategy is a partnership between the Koorie community, represented by the Victorian Aboriginal Education Association Incorporated (VAEAI), the Victorian community represented by the Minister for Education and Training, and the Victorian training system represented by OTTE. The strategy aims to improve learning outcomes for Koories in TAFE by increasing access to education and training. It is managed by the VAEAI through Local Aboriginal Education Consultative Groups (LAECGs) and relationships with training organisations. Victoria has instituted a weighted training hour of 1.5 for Indigenous Australians and a variety of performance measures and strategies are contained within individual TAFE performance agreements.</p>

NATIONAL PRIORITIES

2. States and Territories will describe their plans for the period of this Agreement to meet the national priorities set out in the Commonwealth-State Agreement for Skilling Australia's Workforce 2005-08⁸, including the funding requirements⁹, agreed share of national targets¹⁰, and performance against national key performance measures¹¹. The National Priorities are:

Priority	State/Territory Planning to meet the National Priorities of the <i>Skilling Australia's Workforce Act 2005</i>
<p>A. Improving the system's responsiveness to rapid changes in demand for skills development and addressing skills shortages, especially in traditional trades and in emerging industries.</p>	<p>In Victoria, skill development priorities and resource allocation will continue to support key economic and social objectives, target skill shortages and gaps, and support restructuring, emerging industries and priority groups. The Victorian Government will further reprioritise its training purchases, to ensure that they clearly address the current and emerging skill needs of industries and the government's priorities for the Victorian economy. Through performance agreements, all TAFE institutions continue to regularly review their training plans and transfer resources to areas of high priority in line with the changing demands of industry and the local community. In order to address Priority A, the Office of Training and Tertiary Education (OTTE):</p> <ul style="list-style-type: none"> • encourages TAFE institutions to be increasingly flexible in their response to rapid changes in demand for skills development; • purchases training from private providers through Victoria's pre-apprenticeship, Apprenticeship Traineeship Training Program (ATTP) and Priority Education Training Program (PETP), therefore enabling an immediate response to local industry needs; and • focuses on addressing skill shortages in traditional trades by giving this area high priority status for the 2006-2008 funding cycle. <p>Victoria will continue to strengthen the VET system's capacity to more effectively respond to new and emerging skill needs via:</p> <ul style="list-style-type: none"> • the expansion of pre-apprenticeship arrangements to address the needs of industries facing skill shortages. In 2005, an additional \$12.5 million (over four years) has been allocated to allow an additional 1600 people to undergo pre-apprenticeship training; • support and promotion of accelerated apprenticeships and reform of regulation consistent with the outcomes of the Victorian Inquiry into VET and the Council of Australian Governments Skills Working Group; • innovation funding for Group Training Organisations (GTOs) within the Joint Group Training Program to encourage new responses to skill shortages, including examination of the suitability of loadings to GTOs operating in rural areas. The strategic and systematic development of provider networks in priority

⁸ Agreement Clause 7

⁹ Agreement Clauses 35-47

¹⁰ Agreement Clauses 41, 42,43

¹¹ Agreement Clauses 44,45

	<p>industries, for example Advanced Technology Training Capability Alliance (ATTCA), the Bioskills Network and Heritage Trades Network;</p> <ul style="list-style-type: none"> • the extension and expansion of Specialist Centres into priority areas; and • building the system's capacity through research into new and emerging skills, for example in transport, distribution and logistics, application of small scale technologies, sustainable building training in apprenticeships programs and rural health services.
<p>B. Delivering improved outcomes for employers, individuals and communities.</p>	<p>The Victorian Government is committed to providing facilities and resources that will deliver improved outcomes for individuals, employers and communities. These improved outcomes will consist of:</p> <ul style="list-style-type: none"> • improving individuals' skill development to increase their employment opportunities; • generating employment opportunities, particularly for young people; • increasing opportunities for disadvantaged communities, particularly in regional and rural Victoria; • strengthening access and pathways for students through partnerships between TAFE and other education sectors; • promoting industry investment in training; and • increasing training opportunities for the existing workforce in priority industries. <p>Victoria will continue to support the development and implementation of innovative initiatives that enable improved outcomes for individuals, employers and communities, through access to high quality specialist training, including:</p> <ul style="list-style-type: none"> • identification of innovative best practice, products and methodologies and systemic dissemination of best practice; • the Innovation Fund offers TAFE institutions an opportunity to free up resources and undertake new initiatives in innovation, emerging skills and leveraged delivery; • development of specialist centres and association networks of training resources and programs that more effectively meet specialised training needs in industries and technologies; • support to broker relevant, customised training for industry through Specialist Centre and TAFEs; • building the capability, skills and knowledge, status and professionalism of the TAFE workforce through the activities of the TAFE Development Centre; and • maintaining its field officer structure to support quality delivery of apprenticeships and traineeships.

	<p>Victoria will work cooperatively with the Australian Government to support the operations of Australian Technical Colleges to ensure that they contribute to the delivery of improved outcomes for employers, individuals and communities.</p>
<p>C. Improving quality</p>	<p>The Victorian Government has led national reforms that provide a quality-assurance system and high-quality training products. At the beginning of 2005 the Victorian Government released the <i>Review of Education and Training Legislation Discussion Paper</i>. The <i>White Paper</i> following the discussion paper, has committed the Government to establishing a new authority that will combine the registration and accreditation arrangements for all school education and training providers. It will also deliver a regulatory framework for school education and training provision based on modern quality assurance practices rather than traditional compliance. The Victorian Qualifications Authority (VQA) has also received and endorsed a report from the Allen Consulting Group, <i>Securing the Quality of Victoria's Education and Training</i>. The purpose of the report was to assist the Board to develop a broad high-level policy strategy for a single cross-sectoral quality assurance system for providers and course accreditation. Subsequently, the VQA commissioned PhillipsKPA Pty Ltd to review the VQA's registration of providers and audit functions with particular reference to their impact on teaching, learning and assessment. The recommendations arising from the report for a more outcome oriented audit program will be implemented from 2006.</p> <p>The Victorian report to the National Training Quality Council about the <i>Operations of the Australian Quality Training Framework in 2004</i> highlighted concerns about the quality of training plans for existing workers. To address these concerns, OTTE has initiated a project to improve the quality of training plans and to ensure employers and registered training organisations (RTOs) are aware of their responsibilities under the <i>Australian Quality Training Framework Standards for Registered Training Organisations</i> standards 9.3viii and ix and the <i>Vocational Educational and Training Act 1990</i>. The new proformas will be implemented from 2006.</p> <p>OTTE will continue to conduct ongoing professional development workshops for Training Recognition Consultants who assist organisations to meet the requirements for registration under the <i>Australian Quality Training Framework Standards for Registered Training Organisations</i>. OTTE will further link its apprenticeships regulation, purchasing and audit functions by monitoring high growth trends and enhancing investigation strategies. Support will be provided to undertake strategic industry audits, whilst also reviewing arrangements for training delivery to existing workers. Victoria will continue to improve systems to ensure that apprentices and trainees are enrolled in qualifications relevant to their employment and that quality training plans are in place and implemented.</p>
<p>D. Increasing participation and up-skilling mature age</p>	<p><i>Growing Victoria Together</i>, the overarching policy framework for Victoria, has the goal that to participate in the modern economy, more adult Victorians need to increase their skills through further education and training. VET</p>

workers.	<p>provides training for the existing workforce, pathways to higher education and is central to lifelong learning. In recent years, workforce ageing, technological change and major changes in the nature of work and the skills required for work have broadened the focus to the skill needs of existing and mature aged workers.</p> <p>2006-2008 TAFE Institution Performance Agreements include specific targets for growth in the delivery of training to persons aged 45-64 years of age. The Priority Education and Training Program (PETP) is directed to private RTOs for provision of training and assessment services for people who are not apprentices or trainees. The training is purchased in skill areas and regions, that have been identified as industry and/or Victorian Government priority areas. The Program reflects the Victorian Government's commitment to industry priorities, pre-employment initiatives and access to training opportunities for Koories, people with disabilities, and disengaged youth.</p> <p>The <i>Skill Up</i> program provides \$5 million from 2004 until June 2007, to retrain and support workers who are made redundant as a result of major industry downturns or workplace closure; a significant proportion of these participants are mature age workers.</p> <p>Specialist Centres and their associated networks will continue to identify opportunities for the training of existing workers, encourage companies and individuals to participate in those training opportunities and explore leveraging models to increase contributions to the cost of that training.</p>
E. Encouraging greater re-engagement in training by Australians who are not fully participating in the labour market.	<p>Adult Community Education organisations, through their annual delivery plans negotiated with Regional Councils of ACFE, will continue to focus on the priority groups of learners identified in the ACE Ministerial Statement: <i>Future Directions for Adult Community Education in Victoria</i>. This priority group includes Victorians who have few or low level qualifications, English is not their first language, need basic or further education to obtain a job, want training to commence or return to employment, or to change or retain their employment. The Priority and Education Training Program (PETP) reflects the Victorian Government's commitment to creating access to training opportunities for those not participating in the labour market, including learners with a disability, disengaged youth and indigenous Victorians.</p> <p>Over the period of the plan, \$2 million will be allocated recurrently to 18 TAFE institutions to improve access and outcomes for equity groups, in particular disabled learners, indigenous learners, sole parents, culturally and linguistically diverse (CALD) students and mature age learners. The <i>Youth Pathways Program (YPP)</i>¹² funds customised training and <i>Managed Individual Pathways (MIP)</i>¹³ which provides support for disengaged young</p>

¹² **Youth Pathways Program**

The Youth Pathways Program (YPP) targets young people aged 15 to 19 years old who are "disengaged" from education, training and employment. The program aims to re-engage these young people with learning, and to support them to develop a pathway to further education/training or employment. The program provides customized training and support to each eligible student with an outcome of gaining employment or entering further training and sustaining this for at least six months.

¹³ **Managed Individual Pathways**

	<p>people aged 15-19 years old, who have not completed Year 12. The program supports over 2,200 young people at TAFE and over 800 young people at ACE each year. The <i>Parents Returning to Work</i> (PRTW) program, introduced in 2003, supports parents who have been out of the workforce and caring for children, to undertake training. Funding of \$11 million over four years will provide over 9,900 grants to eligible parents wishing to re-enter the workforce. The grant can be used to undertake training, purchase materials or assist with childcare costs whilst participating in training.</p> <p>2006-2008 TAFE Institution Performance Agreements include specific targets for growth in the delivery of training to persons aged 45-64 years and persons younger than 25 years of age. It is proposed that in 2006 the planning framework will be augmented to include the development of a <i>Targeted Cohorts Model</i> that will address the needs of priority groups, in accordance with the Ministerial Statement, which include young people, unemployed and underemployed workers, people with disabilities, indigenous people and those in hard hit communities. This model will:</p> <ul style="list-style-type: none"> • provide the basis for establishing the share of publicly funded training for Adult, Community and Further Education delivered by TAFE providers (currently 16%); • identify the needs of priority groups that can be addressed in areas of supply that are consistent with industry need; and • identify the needs of priority groups that may be addressed in areas of supply that have previously been identified as low priority.
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STATE AND TERRITORY BI-LATERAL AGREEMENTS

3. *States and territories will describe their own plans and strategies to meet the requirements of their bilateral agreements, including targets and performance measures, including those described as Key Performance Measures and reported in the ANR:*

State/Priority Commitment	
<p>State/territory priorities: This section provides the opportunity for the State/Territory to indicate its priorities for vocational and technical education.</p>	<p><i>Growing Victoria Together</i> (GVT) is the overarching policy framework for Victoria that illustrates the Bracks Government's vision for the State. This vision is that by 2010, and beyond, Victoria will have a thriving economy, quality health and education, a healthy environment and caring communities that contribute to a vibrant democracy. GVT emphasises that to participate in the modern economy, more adult Victorians need to increase their skills through education and training. It sets the goal that by 2010, 90% of young people in Victoria will</p>

Managed Individual Pathways (MIPs) is a State Government funded program, designed to create pathways planning and support. MIPs is offered by every state secondary school as well as TAFE institutions and ACE providers. Models of delivery differ from school to school. MIPs support is a component of the YPP in TAFE institutions.

State/Priority Commitment	
	<p>successfully complete Year 12 or its educational equivalent. <i>A Vision for Victoria 2010 and Beyond</i> is the second tranche of GVT and it identifies high quality education and training for lifelong learning as a goal to increase the level of participation in VET of adults aged 25-64 years.</p> <p>Released in 2002, the Victorian Government's Ministerial Statement <i>Knowledge and Skills for the Innovation Economy</i>, provides a framework that continues to guide VET in Victoria. The Ministerial Statement fosters innovation and specialisation in the Victorian VET sector and acknowledges that the growth of Victorian industry depends on a workforce that is skilled to meet the emerging demands of new technology and industries. It has delivered a planning framework for purchasing training delivery that aims to target government resources to priority training areas and is highly responsive to changes in the skill needs of Victorian industry in the global economy. The Victorian Government will further re-prioritise its training purchases to ensure that they clearly address the current and emerging skill needs of industries and the government's priorities for the Victorian economy. Victoria's training delivery priorities, include:</p> <ul style="list-style-type: none"> ▪ reduced training delivered in 2 industry areas - Culture and Recreation (with maintenance of effort in Design and Koorie Art) and Tourism and Hospitality (excluding Cookery); ▪ increased training delivered in 6 high priority industry areas: <ul style="list-style-type: none"> Automotive (Retail, Service and Repair and Vehicle Manufacturing); Building and Construction (Civil Operations, General Construction and Plumbing Services); Business Services (Business Management, Finance, HR Management and Property Services); Metals and Engineering (Aerospace, Engineering and Mining); Transport and Storage (Transport and Storage and Distribution); and WRAPS (Wholesale, Retail and Hairdressing). ▪ maintenance of the current level of training delivered in the remaining industry areas; and ▪ a continued shift from low priority to high priority training within industry areas, for example from AQF levels 2 and 6 in Children's Services to the Diploma in Children's Services. <p><i>Future Directions for Adult Community Education in Victoria</i> is the Ministerial Statement that provides direction for community-based adult education across Victoria. This statement emphasises the need for a community-wide effort to continue Victoria's innovation economy and focuses on outcomes for Victorians who need support to undertake adult education and who experience ongoing disadvantage.</p>

State/Priority Commitment	
	<p>Over the period of this agreement, the Victorian Government will continue to deliver <i>Moving Forward</i> an action plan for growth in provincial Victoria. This package builds on the strength of regional economies and unlocks their potential for future growth. This package will also deliver new VET opportunities in high demand areas focusing on increasing workforce skills.</p>
<p>Engagement and Cooperation: This section provides the opportunity for the State/Territory and the Australian Government to set out how they will work together.</p>	<p>The Victorian Government and the Australian Government are able to work together by directly accessing state or national bodies as required. The governance structure of the Victorian VET system consists of the Victorian Learning and Employment Skills Commission (VLESC), the Adult, Community and Further Education (ACFE) Board, the Victorian Qualifications Authority (VQA) and the Office of Training and Tertiary Education (OTTE) of the Department of Education and Training (DET). The VLESC is the State Training Authority for Victoria under the Commonwealth-State Agreement. The role of the VLESC is to allocate funding and provide policy advice to Government on post compulsory education and training.</p> <p>Victoria has a number of mechanisms for engaging with industry, clients, providers and qualifications authorities. Throughout the period of this plan the VLESC will also consult on both a formal and informal basis with industry bodies, industry and Unions in order to engage in issues facing training.</p> <p>Victoria has 17 Industry Training Advisory Boards (ITABS). ITABS engage industry in research, planning and policy activity by:</p> <ul style="list-style-type: none"> ▪ promoting training; ▪ providing authoritative industry advice; ▪ developing training products; ▪ undertaking emerging skills research; and ▪ providing industry intelligence. <p>Local Learning and Employment Networks (LLENs) bring together education providers, industry, community organisations, individuals and government organisations to improve education, training and employment outcomes for young people in communities across Victoria.</p> <p>The Victorian Qualifications Authority (VQA) is the accreditation, certification and quality assurance authority for all post compulsory education except higher education. OTTE performs work under delegation from the VQA and is funded accordingly. The Secretary of DE&T sits on the Board of the VQA, and the Chair of the VQA Board sits on the VLESC.</p> <p>Memorandum of Understanding</p>

State/Priority Commitment	
	<p>Victoria works in partnership with the Commonwealth under a memorandum of understanding for the New Apprenticeship Centres. However, a revised memorandum of understanding is sought which will provide for:</p> <ul style="list-style-type: none"> ▪ an enhanced electronic interface between the Commonwealth and Victorian Government's databases for apprenticeship and traineeship contracts of training to be developed by during 2006. The enhanced interface is required to enable New Apprenticeships Centres to make status amendments to all current contracts of training; ▪ New Apprenticeships Centres to receive delegations from the VLESC on certain matters upon agreement by the VLESC; and ▪ Agreed Key Performance Indicators against which New Apprenticeships Centres performance in carrying out delegations can be assessed, and agreed actions where their performance is unsatisfactory.
<p>Strategic National Initiatives: (i) The State/Territory's participation in the Commonwealth-State Skills Shortage Initiative, including project details, industries/occupations that will be targeted and funding amounts;</p>	<p>(iii) In relation to skill shortages, Victoria will:</p> <ul style="list-style-type: none"> a. target training delivery to skill shortage areas identified by Victoria's planning framework and those that are on the Skills in Demand list of the Department of Employment and Workplace Relations (DEWR); b. further reprioritise resources for training delivery to ensure that they are targeted to the current and emerging skill needs of industries and the Victorian Government's priorities for the economy; c. focus on increasing pathways and engagement of: <ul style="list-style-type: none"> i. early school leavers and those at risk of leaving school early; ii. unemployed and underemployed people; and iii. existing and mature-aged workers, particularly those with low-level qualifications and those at risk of unemployment through industry adjustment. d. negotiate with industry parties, RTOs, employers and employees to implement competency based, rather than time-served, apprenticeships on an industry-by-industry basis. It is also necessary to link this to quality assurance arrangements that ensure competency is demonstrated to the satisfaction of both the RTO and employer; e. expand pre-apprenticeships to areas where they do not currently exist and where there are identified

State/Priority Commitment	
<p>(ii) The State/Territory's funding contribution to the Joint Indigenous funding pool to improve outcomes for Indigenous Australians and its participation in the management of the fund.</p>	<p>skills shortages and increase the uptake and completion of apprenticeships during the period of this agreement; and</p> <p>f. encourage new responses to skills shortages through the innovation funding program for Group Training Organisations.</p> <p>Victoria will target industries to address skill shortages, including:</p> <p>Automotive Building and Construction Business Services Metals and Engineering Transport and Storage Wholesale, Retail and Personal Services</p> <p>(ii) As part of the 2005-2008 Commonwealth-State Training Funding Agreement, the Commonwealth is proposing a Joint Indigenous Funding Pool that includes an allocation of funding through a competitive tender process. Victoria will match the Australian Government funding of \$236,000. Victoria will use its current preferred provider processes to allocate funding through an expression of interest selection criteria to providers that are committed to improving outcomes for Indigenous clients, involving the Indigenous community in planning and supporting Indigenous staff involvement in training delivery and support services.</p>
<p>National Targets: Each State/Territory will meet its share of the national targets set out in the <i>2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce</i>. In meeting its share, the</p>	<p>Victoria will meet its share of the national targets set out in the 2005-2008 Commonwealth-State Agreement for Skilling Australia's Workforce. In meeting its share, Victoria will specify the base year 2003 for targets (i) and (ii) and (iv)-(vi) and the base year 2004 for target (iii) from which all its targets will be achieved. The targets for Victoria are as follows:</p> <p>Apprenticeship and Traineeship Targets</p>

State/Priority Commitment	
<p>State/Territory will specify the base year (either 2003 or 2004) from which all its targets will be achieved.</p>	<ul style="list-style-type: none"> (i) Additional New Apprentice commencements in skills shortages in traditional trades: <ul style="list-style-type: none"> (a) 2477 places; and (b) Victoria's target will be achieved from trade occupations, including: <ul style="list-style-type: none"> Engineering trades; Electrical/Electronics trades; Construction trades; and Automotive trades. <p>Victoria will continue to implement strategies to increase the number of New Apprenticeship commencements in traditional trades by 2477 over the life of the agreement. Traditional trades will be defined as occupations in the ASCO Group 4 classification. Any commencement in ASCO Group 4 Certificate III and above will contribute to this target.</p> (ii) Additional places in other areas of skills shortage: <ul style="list-style-type: none"> (a) 2477 places; and (b) Victoria's target will be achieved in occupations and qualifications, in: <ul style="list-style-type: none"> Building; Business; Health; Process Manufacturing; Engineering; Cookery; Transport and Storage; and Wholesale and Retail. <p>Victoria will continue to implement strategies to increase commencements in qualifications that are associated with skill shortage areas, as identified from the DEWR Skills in Demand list and the Victorian planning framework, by 2477 over the life of the Agreement. These places can be negotiated annually. In recognition of Victoria's effort to recruit and maintain people in other areas of skill shortage, enrolments in pre-apprentice programs will also count towards this target.</p>

State/Priority Commitment	
	<p>Age Targets</p> <p>(iii) Additional places for mature age people and/or youth:</p> <p>(a) 6440 places; and</p> <p>(b) Victoria is not considering a proportion of the target for mature age people and youth, as an aggregate approach to this target will be taken over the life of the agreement.</p> <p>Victoria will continue to work towards achieving growth in the total number students aged 15 to 24 years and/or 45-64 years over the life of the agreement.</p> <p>Disability Targets</p> <p>(iv) Additional places for people with a disability:</p> <p>(a) 2477 places.</p> <p>Victoria will continue to work towards increasing the number of people with a disability in VET by 2477 over the life of this agreement. Both participation and improved outcomes for people with a disability are a high priority for the Victorian Government.</p> <p>Indigenous Australians Targets</p> <p>(v) Additional places in regional locations for Indigenous Australians:</p> <p>(a) Victoria aims to maintain its current level of participation at one in four Indigenous Victorians participating in VET;</p> <p>(b) all ARIA regions for Victoria outside of Melbourne, Geelong and Melton will contribute to achieving the target; and</p> <p>(c) Victoria proposes to maintain its current level of Indigenous Victorian participation in VET by implementing the Wurreker Strategy. This strategy is a partnership between the Koorie community, represented by the Victorian Aboriginal Education Association Incorporated (VAEAI), the Victorian community represented by the Minister for Education and Training, and the Victorian training system represented by OTTE. The strategy aims to improve learning outcomes for Koories in TAFE by increasing access to education and training. It is managed by the VAEAI through Local Aboriginal Education Consultative Groups (LAECGs) and</p>

State/Priority Commitment	
	<p style="text-align: center;">relationships with training organisations.</p> <p>Victoria has no remote areas, but will continue to work towards additional training places for Indigenous Victorians in non-metropolitan Melbourne. The rate of participation is currently very high, with one in four adults participating in a VET program.</p> <ul style="list-style-type: none"> (vi) Increased participation by Indigenous Australians at higher qualification levels: <ul style="list-style-type: none"> (a) Victoria will continue to work towards 3% growth in the level of Indigenous Victorians participating at higher qualification levels at Certificate III and above; and (b) Victoria will continue to support participation of Indigenous Victorians at higher qualifications through the continued implementation of the Wurreeker strategy. In 2004, almost 40% of indigenous participation in VET was at Certificate III or above and Victoria aims to increase this.
<p>Performance Measures: The State/Territory will demonstrate continuous improvement in employer and student satisfaction over the life of this Agreement.</p>	<p>Victoria will demonstrate continuous improvement over the life of this Agreement through the following:</p> <ul style="list-style-type: none"> (i) an agreed benchmark of 78% for employer satisfaction to maintain or improve over the life of the Agreement is established as a base against the 2001 survey of employer views on VET; (ii) an agreed benchmark of 83% for student satisfaction to maintain or improve over the life of the Agreement is established as a base against the 2004 National Student Outcome Survey; (iii) strategies to improve completion rates and outcomes for mature age workers, include: <ul style="list-style-type: none"> a) a review of recognition of prior learning (RPL) resourcing arrangements to ensure that registered training organizations (RTOs) are adequately resourced to provide RPL and that resource allocation models do not provide a disincentive for RTOs to provide RPL; b) development of standardised RPL processes that are easily understood and endorsed by industries undertaken in conjunction with RTOs and ITABs; c) reduced durations of training for mature age workers; d) age targets will continue to be monitored in TAFE and ACE performance agreements; and e) mature age workers, particularly males over 45 years, will be targeted as one of the priority groups for Adult community education (ACE) delivery funding.

State/Priority Commitment	
	<p>(iv) strategies to improve outcomes for people with a disability include:</p> <ul style="list-style-type: none"> a) continued improvement through the implementation of the VET Disability Agenda which frames OTTE's approach to disability related projects. It sets out new directions in response to a changing policy context and the emerging needs of students with a disability. The Disability Agenda addresses the requirements of the Commonwealth strategy <i>Bridging Pathways - Blueprint for Implementation</i>. It responds to the introduction of the <i>Disability Discrimination Act</i> Education Standards, the Victorian Government's frameworks <i>A Fairer Victoria</i> and <i>Growing Victoria Together</i> and the State Disability Plan; b) provision of professional development in relation to disability awareness and compliance with the <i>Disability Discrimination Act</i>; c) provision of resources to develop and implement Disability Action Plans; d) provision of funding through recurrent allocations and a competitive tender to support innovative and responsive service delivery; e) bi-annual forums to enable providers to share issues and examples of good disability awareness practice, and create opportunities to initiate collaborations; and f) promotion of models of co-ordination among providers in the provision of technologies, resources and learning materials for people with a disability. <p>The performance measures for the strategies include the achievement of the national targets and the reporting of Victoria's performance in the Annual National Report.</p> <p>(v) strategies to improve outcomes for Indigenous Australians will derive from the Wurreker strategy and include:</p> <ul style="list-style-type: none"> • improved support through the provision of a weighted training hour; • maintenance of the partnership with the Victorian Aboriginal Education Association Incorporated (VAEAI); • set targets to be achieved in TAFE Institute performance agreements; • provision of funding to support delivery by Koorie RTOs;

State/Priority Commitment	
	<ul style="list-style-type: none"> • support for best practice models including establishment of TAFE Institute Koorie Advisory committees and LAECGs with TAFE Institutions; • provision of training and development at Indigenous Training Centres; • increased engagement by Wurreker brokers with the Koorie and wider community in their regions; • implementation of TAFE Institute Wurreker Plans; and • enhancement of the role of Koorie Liaison Officers in TAFE to: <ul style="list-style-type: none"> a) increase engagement by Koorie communities, particularly parents; b) increase participation in key stakeholder meetings; and c) increase participation by TAFE directors in Wurreker Regional Committees. <p>The performance measures for the strategies include the achievement of the national targets and the reporting of Victoria's performance in the Annual National Report.</p>

MEETING STATUTORY REQUIREMENTS

4. *States and Territories will describe their plans to meet the statutory requirements set out in the Commonwealth vocational education and training legislation, Skilling Australia's Workforce Act 2005, which includes:*

Requirement	State/Territory Planning
<p>Maximising choice for employers and new apprentices by complying with user choice policy, including</p> <ul style="list-style-type: none"> a) Arrangements to introduce genuine competition in the VET sector b) Arrangements to ensure employers 	<ul style="list-style-type: none"> a) Employers and their apprentices/trainees may engage any eligible RTO with the appropriate scope of registration to deliver the structured training associated with apprenticeships and traineeships. Victoria's user choice policy is transparent and communicated widely to RTOs, and employer and employee associations. Victoria has the flexibility to transfer resources into apprenticeship/traineeship training and re-allocate resources between RTOs. b) Employers and their apprentices/trainees will continue to have access to a range of RTOs and have a

Requirement	State/Territory Planning
<p>and new apprentices have greater choice and flexibility in relation to VET provider and method and location of training</p> <p>c) Participation in the establishment of a national unit price band for each apprenticeship or traineeship in the New Apprenticeships scheme</p> <p>d) Consultation with the State Training Authority and employer groups to decide which apprenticeships and traineeships, and which employers and new apprentices are eligible to receive user choice funding under the New Apprenticeships Scheme</p> <p>e) Increasing 5% each year, the proportion of apprenticeships and traineeships that are eligible for user choice funding under the New Apprenticeships scheme</p> <p>f) Developing a template in consultation with other States and the Commonwealth for a national contract that will apply to VET providers eligible to receive user choice funding under the New Apprenticeships scheme</p> <p>(Part 2, Division 2, Section 11, Clause 1-2)</p>	<p>choice of:</p> <ul style="list-style-type: none"> • timing of training delivery including training commencements; • delivery modes including flexible delivery; and • delivery location including workplace-based delivery. <p>c) Victoria will continue to implement unit price bands for the delivery of training programs and will continue to participate in the establishment of a national unit price band for each apprenticeship or traineeship.</p> <p>d) Victoria consults with its State Training Authority (which includes employer representatives) on user choice funding priorities. The development of funding priorities is the subject of extensive consultation with industry and RTOs and priorities are published and communicated to stakeholders. Victoria is testing the feasibility of a phased in new approach to user choice funding which ‘follows the apprentice or trainee’ to the chosen RTO. Instead of allocating annual entitlements to selected RTOs, this new approach follows the trainee to any RTO chosen by an employer. Victoria will continue to consult with the Commonwealth, employer and employee groups and industry associations to ensure any user choice model meets the needs of industry.</p> <p>e) Victoria is compliant with user choice and can:</p> <ul style="list-style-type: none"> • continue to ensure that all training package qualifications, endorsed by the VLESC based on industry advice, as suitable for apprenticeship/ traineeship pathways, are eligible for user choice funding; • continue to implement a policy of reducing impediments to apprenticeships/traineeships that attract user choice funding (subject to the user choice funding priorities identified above); and • expand the availability of user choice funding to categories of clients that do not currently attract public funding (subject to the user choice funding priorities identified above). <p>f) The National Quality Council which includes representation from States/Territories has agreed that DEST will develop a template by August 2006 for consideration by the NQC.</p>
<p>Workplace Reforms</p> <p>a) Giving TAFE institutions greater flexibility and capacity to respond to local industry and community needs within the context of the national requirements of the Skilling</p>	<p>a) Victoria will continue to develop policies that encourage and support TAFE institutions in their efforts to increase flexibility and capacity to address local industry and community needs, including management of resources according to local priorities to deliver relevant programs within the Commonwealth-State Agreement context, including:</p> <ul style="list-style-type: none"> • Specialist Centres;

Requirement	State/Territory Planning
<p>Australia's Workforce Agreement</p> <p>b) Ensuring TAFE institutions introduce more flexible employment arrangements by offering Australian workplace agreements to staff where possible, or other individual agreements where this is not possible</p> <p>c) Supporting stronger leadership and authority for directors of TAFE Institutions, including in relation to recruitment and remuneration of employees</p> <p>d) Implementing fair and transparent performance management scheme in TAFE institutions that rewards high performance (including through performance pay) and manages underperformance</p> <p>e) Providing capacity for TAFE institutions to retain revenue and generate increased revenue through partnerships with industry and sponsorship arrangements</p> <p>f) Providing capacity for TAFE institutions to develop entrepreneurial and commercially oriented business plans</p> <p>g) Ensuring TAFE institutions' workplace agreements, policies and practices are consistent with the freedom of association principles contained in the <i>Workplace Relations Act 1996</i> In particular TAFE institutions must neither encourage nor discourage trade</p>	<ul style="list-style-type: none"> • Specialist Networks involving TAFE Institutions delivering in similar specialisations; • the Innovation Fund; • professional development grants including those focussing on application of design principles to the development of Teaching and Learning materials; and • e-grants supporting capability development in e-learning, e-delivery and e-business will contribute to the development of flexibility and capacity of TAFE. <p>b) Consistent with the <i>Skilling Australia's Workforce Act 2005</i> Victorian TAFE Institutions may offer AWAs.</p> <p>c) The Victorian TAFE system is the most devolved in Australia. Victorian TAFE institutions have been established as highly devolved bodies since 1 July 1993. TAFE councils have full responsibility for all employment matters, including professional development, recruitment and remuneration. As part of the Government's vision for a reinvigorated public TAFE system, it has established a TAFE Development Centre, which will continue to build staff skills, support effective recruitment, and focus on high quality people development for Victoria's TAFE Institutions.</p> <p>d) As highly devolved employers, Victorian TAFE institutions are continuing to develop and enhance implemented, comprehensive and transparent performance management and development systems that enable clear monitoring of individual accountabilities. These performance management systems reward high performance and are used to implement salary progression.</p> <p>e) Victorian TAFE institutions generate the highest level of fee for service revenue in Australia. Of the \$534 million collected nationally as fee for service revenue in 2004, Victorian institutions raised \$266 million. Victoria has a leveraging policy in place. Leveraging of profile funds should be restricted to areas that can be demonstrated to clearly align with government priorities, including priority industries and cohorts. Leveraging may only be used as part of a strategy to increase private investment in training to generate higher overall commercial return, not as an ongoing government subsidy for the cost of training. Where a long-term partnership has been negotiated between an institution and an enterprise, the enterprise contribution should progressively increase to a payment equivalent to full cost recovery by the third year of the partnership. Institutions must comply with the Victorian Government's competitive neutrality policy.</p>

Requirement	State/Territory Planning
union membership. (Part 2, Division 2 Section 12, Clause 1-4)	f) Victorian TAFE institutions will continue to have in place strategic and operational management plans. In addition they are also required to identify and assess financial and operational risks that face institutions. Specialist centres and their associated networks will develop and implement business plans that focus on the development of customised services and products that meet specific industry needs on a commercial basis. g) The <i>Workplace Relations Act 1996</i> applies to Victorian TAFE institutions and their policies and practices are required to comply with the freedom of association principles contained in that Act.
Implement training that is based on competence rather than length of training a. Acting to remove any barriers included in State awards b. Contributing to the achievement of a consistent national system of occupational licensing requirements (Part 2, Division 2 Section 13)	a) Victoria will continue to maintain its fully flexible arrangements for completions of apprenticeships/traineeships and continues to support the development of more pre-apprenticeship courses linked to accelerated apprenticeships. Victoria's investment of \$12.5 million in pre-apprenticeship training, over the life of this plan, demonstrates the Victorian Government's ongoing commitment to addressing skill needs. No barriers exist in State Awards and the Commonwealth industrial relations system applies. b) Victoria will continue to advocate to occupational licensing bodies for the reform of time based licensing systems.
Increase utilisation of publicly funded training infrastructure a. Ensure that publicly funded VET premises are available, on a commercial basis, for purposes that do not conflict with the providers' VET purposes (Part 2, Division 2 Section 14)	When the user choice policy was first introduced in 1998, Victoria put in place a policy of third party access. Over the period of this VET plan, third party access will continue to occur on a full commercial reimbursement basis. Registered private and public training organisations are able to access publicly funded VET infrastructure where: <ul style="list-style-type: none"> • this right of access enables the training needs of employers and employees to be better met; • duplication of existing infrastructure would be uneconomical; and • denial of access would unduly restrict entry to the market, limiting contestability and competition. Victorian TAFE Institutions will continue to utilise VET infrastructure assets to maximum capacity. Reporting requirements have been introduced to measure the commercial usage of government owned VET assets.
Payments for capital expenditure a. Ensure that financial assistance paid to the State under the <i>Skilling Australia's Workforce Act 2005</i> for the purposes of capital expenditure on vocational education and training is spent for those	Victoria has processes in place to ensure that capital funding provided by the Commonwealth Government, is spent for the purposes for which it was intended. Annual acquittal statements are provided by TAFE Institutions to ensure compliance with this requirement.

Requirement	State/Territory Planning
<p>purposes (Part 2, Division 2 Section 15)</p>	
<p>Role of State Training Authorities Ensure the maintenance of a State Training Authority that:</p> <p>a. Participates in the preparation of the annual VET Plan; and b. Provides advice to the State Minister with responsibility for VET, including decisions about eligibility for user choice funding (Part 2, Division 2 Section 16)</p>	<p>The Victorian state training authority is the Victorian Learning and Employment Skills Commission (VLESC), a statutory authority established in 2001 under the amended Vocational Education and Training Act 1990.</p> <p>Within its broad advisory role to Government on post-compulsory education, training and employment, the VLESC:</p> <ul style="list-style-type: none"> • executes responsibility for the State training system; • provides funding for training and further education; • regulates the apprenticeship and traineeship system; • monitors the outcomes of post-compulsory education and training • supports the Local Learning and Employment Networks (LLENs); • approves the final annual VET Plan; • advises the Minister for Education and Training; and • approves user choice arrangements.
<p>Advice about vocational education and training a. Ensure that client advisory arrangements ensure the views of all students, including disadvantaged and isolated students are considered in making decisions relating to VET delivery (Part 2, Division 2 Section 17)</p>	<p>The ACE Ministerial Statement <i>Future Directions for Adult Community Education in Victoria</i> ensures through the ACFE Board that community learning partnerships exist between community-based adult education organisations and other community organisations, primarily through regional councils. These partnerships aim to address the learning outcomes for the community, including learners who are disadvantaged and isolated.</p> <p>The Equity Research Centre is an advisory body that provides high quality advice and policy analysis on issues relating to the achievement of VET delivery in accordance with equity objectives. LLENs will continue to provide advice on the needs of young people at risk to inform VLESC priorities for publicly funded VET. Study Area Research continues to determine local training priorities and examines student participation in training across 13 delivery catchments. The VAEAI will continue to provide planning advice to the Victorian Government on the training needs of the Victorian indigenous community. VAEAI also takes responsibility for supporting the implementation of the Wurreeker strategy through participation by Local Aboriginal Education Consultative Groups, Wurreeker Regional Committees and Wurreeker Brokers.</p>
<p>Overseas students a. Ensure that payments received are</p>	<p>All VET providers may only use funds to deliver training within the State of Victoria to Australian citizens, permanent residents of Australia, East Timorese asylum seekers and Temporary Protection Visa</p>

Requirement	State/Territory Planning
not used for providing VET to overseas students (Part 2, Division 2 Section 18)	holders.
Recreational pursuits a. Ensure that payments received are not used for providing education or training for private recreational pursuits or hobbies (Part 2, Division 2 Section 19)	All VET providers are required to ensure that the services are provided according to the requirements of the accredited course or endorsed national training package.

OTHER REQUIREMENTS

5. *States and Territories may have other negotiated arrangements that need to be included in their VET Plans. These may include:*

Requirement	State/Territory Planning
Negotiated agreements re activity levels	Victoria will deliver at least 69.8 million student contact hours each year of the agreement through TAFE, private providers and ACE providers. We will continue to realign priorities for training within industries, shifting from low priority to high priority training delivery.
Additional funding	Victoria does not anticipate receiving any additional funding as no other jurisdiction has indicated that it has failed to provide some, or all, of the additional State-sourced funding of the matching requirement and the level of additional activity to be achieved.
Other	
Use of AVETMISS	Victoria will continue to provide reporting of training activity in accordance with the national statistical standard.

Strategic Infrastructure Plan: 2005 – 2008

State or Territory:	Victoria
Key Contact for Plan:	Dom Valeri, Facilities Unit Manager
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CONTENTS

EXECUTIVE SUMMARY	<u>27</u>
STRATEGIC TRAINING DIRECTIONS.....	<u>30</u>
CURRENT ENVIRONMENT.....	<u>31</u>
Policies.....	<u>31</u>
Existing Assets.....	<u>34</u>
Non-Public Assets.....	<u>36</u>
FUTURE INFRASTRUCTURE PLANS	<u>37</u>
Planning Process	<u>37</u>
Physical Infrastructure Strategy	<u>38</u>
IT Infrastructure Strategy	<u>39</u>
Maintenance Management Strategy.....	<u>39</u>
Acquisition and Disposal Strategy	<u>40</u>
Leasing Strategy.....	<u>40</u>
Equipment Strategy	<u>40</u>
Collaborative Partnerships and Innovation	<u>40</u>
Non-Public Provider Strategy	<u>41</u>
TRAINING PROJECTS INVOLVING AUSTRALIAN GOVERNMENT FUNDING	<u>42</u>
MAINTENANCE BACKLOG	<u>44</u>
EXPENDITURE	<u>44</u>
UTILISATION	<u>44</u>
BUDGET IMPLICATIONS.....	<u>44</u>
PERFORMANCE MEASURES	<u>46</u>

EXECUTIVE SUMMARY

The Strategic Infrastructure Plan (SIP) outlines the investment approach to planning and managing the capital infrastructure resource for the Victorian vocational education and training (VET) sector. The SIP builds on the vision, strategic directions and priorities announced by the Victorian Minister for Education and Training, Lynne Kosky, MP in the Ministerial statement *Knowledge and Skills for the Innovation Economy*. The SIP specifically considers:

- Government policy;
- building investment requirements;
- asset performance levels;
- modernisation and maintenance of facilities; and
- rationalisation of the existing asset base to meet the future demands for VET in Victoria.

In 2005, Victoria maintained an approach to capital infrastructure management that is consistent with the future directions for skilling Victoria by implementing a rigorous approval process in the selection and procurement of capital infrastructure projects. This approach has resulted in better allocation of capital resources to the VET sector for projects linked to the Government's strategic directions for capital investment in skilling Victoria.

A major initiative in revitalising the VET sector has been the investment in updating TAFE teaching equipment and improving the capital building stock. An investment of approximately \$40 million was approved in 2005 towards bringing TAFE teaching equipment in the VET sector up to industry standard. The Victorian Government contributed \$20 million towards building maintenance and environmental sustainability features across the TAFE Asset Portfolio. Maintaining and sustaining Government-owned assets will continue to be a priority into the future so that stakeholders have facilities that are adequate to meet their ongoing needs.

The SIP has been updated with a view to responding to the State and Australian Governments' directions to improve opportunities for students to access VET in priority areas. It takes into consideration trends in the training market, client needs, and the products and services to be delivered in the VET sector.

Accordingly, investment in capital infrastructure has been, and will be, assigned to projects that:

- achieve a maximum return on investment with a payback period clearly identified. This also involves the evaluation of capital infrastructure proposals to identify under-utilised, underperforming or surplus assets;

- **demonstrate innovation in training delivery, foster emerging skills and focus on priority training, in partnership with business and industry sectors;**
- **involve and address the needs of other training providers, community groups, schools, business and industry clients;**
- **integrate information and communications with workforce development requirements; and**
- **demonstrate the relationship of individual proposals with the long-term strategic planning for the VET sector and the vision, strategic directions and priorities of the Government.**

The Facilities Management Information System for TAFE (FMIST) is central to decisions on investment in capital infrastructure. The FMIST features a database that records and provides intelligence on individual TAFE institute facilities, their condition, utilisation and compliance with building regulations (refer to page 11 for further information).

STRATEGIC TRAINING DIRECTIONS

The national VET system is a partnership between the Australian Government and States and Territories. Whilst the Australian Government sets the national policy agenda it is shaped by the States, the Territories and industry. Victoria is responsible for its VET sector.

Planning for VET in Victoria is managed by the Office of Training and Tertiary Education (OTTE) in the Department of Education & Training (DET), having regard to DET policies and strategic directions and Victorian Government policy settings. There are five strategic directions that are relevant to VET capital infrastructure planning and allocation. They are:

- to have an educated and highly skilled workforce;
- to be a leader in knowledge creation and innovation;
- to have a sound business environment and infrastructure base;
- that VET is integrated and networked locally; and
- that VET has high levels of enterprise formation and business growth.

The implications of these directions for strategic asset planning are identified and explained in the following key issues and strategies.

Key Issues for the Period 2005 - 2008

- Ensure capital resources align with Government policy settings and strategic directions.
- Encourage specialisation and innovation in the VET sector to produce a training system focussed on providing stakeholders with relevant training that meets industry needs and expectations, and delivers skills relevant to the workplace.
- Continue to improve building maintenance quality to ensure public infrastructure is environmentally sustainable.
- Continue to strengthen Victoria's education and training infrastructure.
- Shape and maintain the TAFE physical environment to meet the needs of learners.
- Ensure that the Victorian TAFE system has a balanced asset portfolio that matches the long-term sustainability of the training market.
- Refine the integrated approach to the planning and allocation of resources for VET capital infrastructure.

Key Strategies for the Period 2005 - 2008

- Develop a long-term works program that addresses the training priorities of the VET sector.
- Integrate capital resourcing initiatives with planning priorities for the VET sector.
- Manage the asset portfolio of the VET sector.
- Establish Key Performance Indicators for TAFE capital.
- Dispose of assets that are excess to the VET sector.

- Develop a State-wide TAFE Information Communication and Technology (ICT) strategy.
- Enhance the Facilities Management Information System for TAFE.
- Maintain effective communication with key stakeholders.
- Improve TAFE institute user knowledge and benefits on asset management principles, processes, data collection and analysis.

CURRENT ENVIRONMENT

Policies

Victorian Government policy that may impact on the management of assets is as follows:

Government Policy Framework

Growing Victoria Together (GVT) is the overarching policy framework for Victoria that balances economic, social and environmental goals. It states that, to participate in the modern economy, more adult Victorians need to increase their skills through further education and training. GVT is a ten year vision to 2011 that articulates what is important to Victorians, and the priorities the Government has set to build a better society.

A Vision for Victoria 2010 and Beyond is the refreshed edition of this vision and identifies high quality education and training for lifelong learning as one of ten areas in which the Government will have further strengthened its performance by 2010.

Government policy supports an environment for innovation and continued economic growth through significant investment in infrastructure, including ICT capabilities. This investment ensures that Victorians have access to appropriate and well-equipped VET facilities through lifelong learning to meet the challenges of an innovation economy in a growth environment.

Education Goals and Targets

Having identified lifelong learning as a key priority, the Government has set specific goals related to education and training. They include:

- improve participation and achievement in education and training;
- provide better links between schools, business and communities; and
- expand opportunities for training and lifelong learning all through life.

The specific targets relevant to the VET sector are:

- by 2010, 90% of young people in Victoria will successfully complete Year 12 or its educational equivalent; and
- the level of participation in VET of adults aged 25-64 years will increase.

Commitment to Public TAFE infrastructure

Spending on infrastructure is in accordance with Victoria's commitment to match Australian Government funding for the VET sector. This resource allocation adequately supports a training system in growth mode with benefits to the community and to industry. Of particular relevance are the Victorian Government's commitments to:

- improving the quality of public infrastructure by increasing annual allocations to building maintenance and making public infrastructure environmentally sustainable;
- improving individual skill development to increase employment opportunities;
- generating employment opportunities, particularly for young people;
- increasing opportunities for disadvantaged communities, particularly in regional and rural Victoria;
- strengthening access and pathways for learners through partnerships between TAFE and other education sectors;
- promoting industry investment in training; and
- increasing training opportunities for the existing workforce in priority industries.

The Victorian Government's commitment to a strong public training system, and resultant requirement for extensive public TAFE infrastructure, is demonstrated by its *Knowledge and Skills for the Innovation Economy* statement that:

- recognises that the growth of Victorian industry depends on a workforce that is skilled to meet the needs of new technology and emerging industries;
- creates initiatives to foster innovation and specialisation in the VET sector;
- creates opportunities for TAFE institutes to trial new initiatives in innovation, emerging skills and in industries;
- establishes a capacity for TAFE institutes to specialise through the establishment of specialist centres of excellence in key industries and skill areas;
- allows TAFE institutes to offer vocational degrees;
- improves the relevance and delivery strategies of VET services; and
- foreshadows a range of strategies to improve the resourcing of the VET sector.

The Victorian Government's spending on infrastructure also takes into account changes in training delivery in the VET sector, including:

- the need for ICT infrastructure, workplace training and flexible and customised learning pathways;
- the need for facilities to better meet a broadening of apprenticeships to include non-trade based apprenticeships, and to reflect the extent of "off-the-job" and "on-the-job" training; and
- national training packages that enable clients to customise and modularise training, requiring more flexible facilities.

The 2005 - 06 Victorian Budget emphasised the Government's on-going commitment to training delivery in the VET sector by allocating:

- \$12 million for specialist teaching equipment (third year of funding) to enable TAFE institutes to keep pace with new and emerging technology changes, and better align teaching equipment to industry standards to ensure that students are well prepared for the workplace.

- \$9 million over three years to extend the Building and Construction Centre at the Gordon Institute of TAFE.
- \$90 million over four years to boost recurrent funding for innovative training programs for Victorians, targeted towards young people, mature age students and people with disabilities;
- \$3 million to establish a campus for the Adult Multicultural Education Services at Noble Park; and
- \$3.75 million to establish a Community Education Centre at Avondale Heights.

Skilling Victoria

Victoria is building a workforce that is able to respond to the current rapid advances in technology occurring globally. The driving force to meet the needs of the workforce is reflected in the following capacities being achieved. They include:

Providing ICT Facilities and Capabilities – Connecting Victoria

ICT is transforming the way training is delivered. If Victoria is to benefit from the opportunities derived from the innovation economy, it is essential to progressively develop modern ICT facilities across the State. Victoria is completing a State-wide ICT grid that will connect the VET sector to a high speed bandwidth network capable of meeting the business needs of individual VET providers.

Enhancing the Learning Environment

OTTE is working towards improving the quality, accessibility, appropriateness and community focus of facilities in the VET sector. The Victorian Government is committing new funds for:

- modernisation and upgrade projects at TAFE institutes to ensure that training facilities underpin new skills development;
- new teaching equipment to ensure students are trained on industry standard state-of-the-art equipment; and
- leading-edge technology tools and facilities in the VET sector.

In support of the Government's funding commitment, OTTE:

- maintains a strategic planning focus on capital development;
- encourages each TAFE institute to develop their own specific strategic facility plan;
- undertakes annual reviews and updates of TAFE institute facility plans to critically assess the need for capital assets;
- integrates planning into a VET sector-wide asset management strategy;
- improves information and financial management systems to enable full output costing;
- refines the framework for appropriate modernisation and maintenance activities and their performance measurement; and
- takes a lead role to ensure condition and compliance audits for all TAFE institutes are undertaken.

Existing Assets

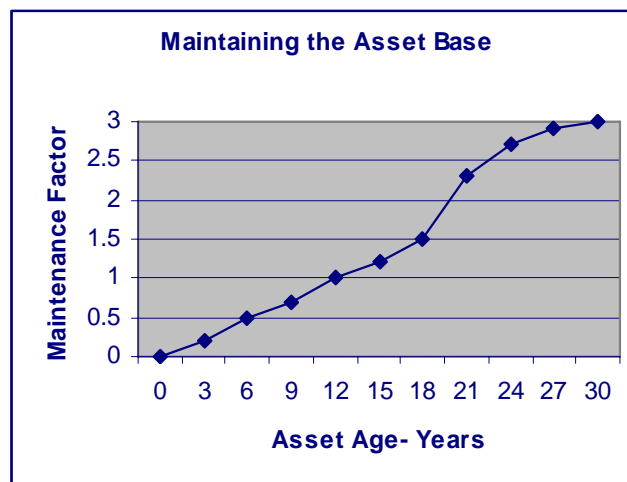
General

In 2005, the TAFE building stock in Victoria decreased slightly owing to the decommissioning of part of the Collingwood campus of the Northern Melbourne Institute of TAFE, and the sale of the former Swan Hill campus of the Sunraysia Institute of TAFE.

The total portfolio of TAFE building stock is currently over 1043 substantial buildings on 96 campuses, located at 14 TAFE institutes and 4 TAFE divisions of universities. The TAFE Asset Portfolio represents a building stock worth approximately \$2.1 billion. The condition of this building stock varies considerably as the age of the TAFE Asset Portfolio ranges from new buildings to those over 100 years old. The average age of the building stock is approximately 23 years.

OTTE provides an increasing annual allocation towards facility maintenance expenditure to fix physical infrastructure so that the asset achieves its expected physical life. This includes cyclical compliance, essential and discretionary maintenance.

This graph shows the comparative cost required to maintain assets as they age.



Buildings

An analysis of the total gross floor area of the 1043 TAFE institute buildings is over 1 million square metres. This area is made up of general purpose and specialist training facilities, as well as administrative support and ancillary spaces. The recorded useable floor area is estimated at approximately 850,000 square metres. TAFE institute buildings can accommodate a designed student capacity (student places) of more than 83,500 at any one time.

These facilities serve the diverse training needs of 22 industry groups however, where appropriate, student training is conducted in the workplace. The total current replacement value of buildings, site-works and services in 2004 was conservatively estimated at over \$2.1 billion.

The VET sector has made a major commitment since 1992 to ICT and associated networking infrastructure as a means of providing flexible and cost-effective delivery to new and existing

education and training markets. There are two major projects in construction where fibre optic cabling is being laid in country Victoria to ensure connectivity to high speed bandwidth for VET provision.

Land

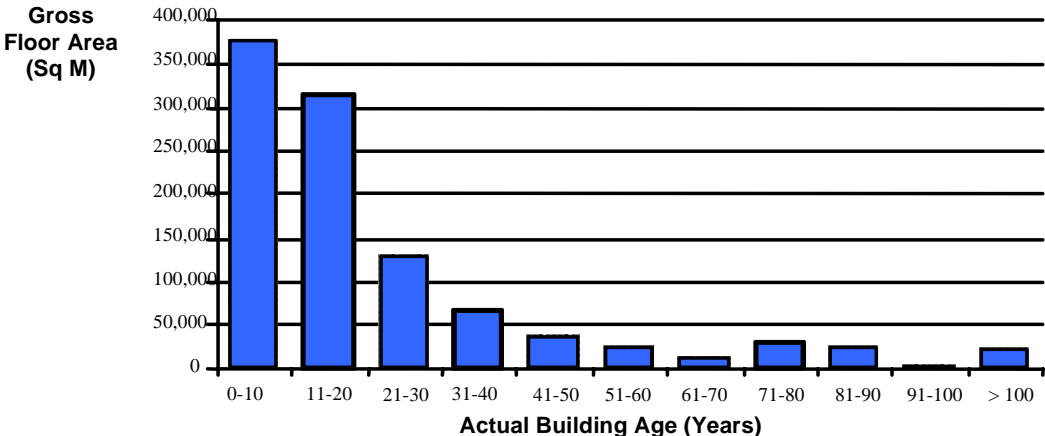
The total land area that supports the existing Victorian VET portfolio is more than 571 hectares with an estimated value of \$462.8 million. However, the current land holding is larger than required and a number of site rationalisation processes are in place to dispose of surplus land. This surplus land is progressively being sold off. Funds from the sale of assets are reinvested in the VET sector.

Plant and Equipment

TAFE plant and equipment includes all individual items of teaching, administration and maintenance equipment, including computers, together with all loose furniture with a written down value over \$1,000.

Age Profile

During 2005 no discernable movement occurred in the age profile of TAFE building stock. The analysis of the average recorded age of TAFE building stock, weighted by gross floor area, was approximately 23 years, with 41% of all buildings, and 34% of the total floor area over 20 years old. This chart illustrates the recorded age of TAFE building stock.



Facilities Management Information System

The FMIST maintains a State-wide inventory of TAFE sites and buildings. The database is an important repository of TAFE asset information to assist with planning and strategic decision-making in relation to the TAFE Asset Portfolio. It relies on TAFE institutes to keep the database up-to date and has been designed with management control the responsibility of individual TAFE institutes.

A bureau service is operational and supports the maintenance and updating function for the inventory and ensures that TAFE institutes have access to a responsive and updated system.

Following the initial loading of data, a process of data quality management and refining has occurred to ensure that there is a high degree of acceptance of its accuracy. A heritage module to the FMIST has been developed. This module records heritage details of TAFE institutes' assets and includes information such as planning overlays, indigenous cultural sites and other details that may apply to institute assets. By linking this information into FMIST, TAFE institutes will be able to take into account any restrictions on planning that may apply when physical changes are proposed for a facility.

A further enhancement under consideration is a land titles module. This module, when developed, will record all land holdings, including title details.

Under-utilised Floor Area

Better use of TAFE assets and facilities can be made, and plans are in place to increase the levels of building utilisation to their maximum capacity. OTTE is working with TAFE institutes to measure asset utilisation and, where required, take steps to improve the use of Government assets. This may involve reaching agreement with third parties to lease space at commercial rates at times when TAFE institutes do not require the use of assets.

There is a total excess gross floor area of around 160,000 square metres spread across 477 buildings.

Non-Public Assets

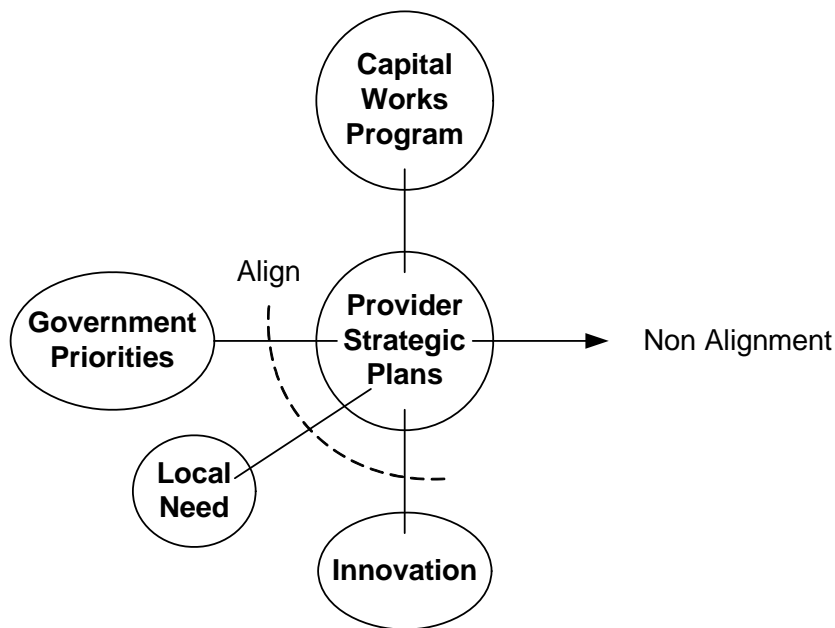
Non-publicly owned VET facilities in Victoria include industry-based skill centres, Adult Community and Further Education Centres, and Indigenous Training Centres.

Furthermore, there are more than 250 registered training organisations providing Government-funded training in Victoria. Much of this training is being provided "on-site" by trainers travelling to workplaces to deliver training and conduct assessments.

FUTURE INFRASTRUCTURE PLANS

Planning Process

OTTE's process for managing VET capital infrastructure is summarised in the planning model below.



The planning model takes into consideration the strategic direction of the VET sector. Providers can choose to align or not to align with Government priorities. Government funding for infrastructure will only be provided when VET provider proposals align with Government priorities.

Key Criteria for VET Asset Planning

In the VET sector, the need for assets is directly linked to the provision of training delivery and assessment services. VET service delivery conforms to the strategic directions of the sector. Existing assets and planned acquisitions are therefore aligned with service delivery priorities and strategies so that assets support services in the most appropriate, efficient and effective way. Accordingly, among the criteria considered in asset planning are:

- Demand for Training

Whether the planned acquisition meets client, industry, community needs, and whether labour market training needs have been analysed and the requirement for future service levels predicted. Demographic data including population trends, census information and growth patterns indicate the need for the service provision.

- Innovative Training

Whether the proposal meets a need for specialised training in key industry areas and develops VET products for new and emerging industries. New learning technologies may be involved to assist businesses to compete in the innovation economy.

- Return on Investment

Return on investment is measured in a number of ways. Operating, recurrent and capital costs are considered. Whether existing infrastructure may be used, or access to existing facilities, or whether alternative or more efficient arrangements may be used to deliver the training. The on-going demand for the training is considered, as well as its long-term viability.

Physical Infrastructure Strategy

A TAFE infrastructure strategy has been implemented by OTTE which, in addition to reducing the present maintenance backlog so as to provide greatly improved environmental conditions for learners in the VET sector, is appropriate to:

- asset upgrades;
- prioritising projects;
- investment in new assets;
- asset disposals; and
- asset management process developments and improvements.

In addition, the TAFE infrastructure strategy will:

- provide appropriate levels of accommodation and equipment to support the size, distribution and nature of demand for education and training;
- establish an appropriate balance of investment in buildings and technology infrastructure, with an asset portfolio that most effectively and efficiently meets service delivery requirements within available resource limits;
- develop asset performance measures to demonstrate that assets are used efficiently in supporting service delivery;
- ensure environmental quality standards and equal opportunity requirements are met in the provision of educational and training facilities;
- contain a strategy to manage risk so as to minimise the chance of an unexpected event adversely affecting service delivery;
- eliminate occupational health and safety concerns;
- work towards having all facilities and equipment complying with appropriate building and environmental acts and regulations;
- consider co-location and integration where appropriate; and
- establish cost effective building projects.

Existing Key Strategies

The TAFE infrastructure strategy also supports structural and organisational changes within the VET sector, and periodic policy shifts by the Victorian Government and by OTTE. For example, the Government has embarked on implementing inner-city transit hubs to increase public use of State infrastructure and, where possible, increase a TAFE presence closer to transport centres. Initiatives arising from these decisions will eventually appear in infrastructure programs for funding and development.

IT Infrastructure Strategy

Investment in ICT and multimedia constitutes a shift away from traditional asset deployment to deliver training and conduct assessment services in the VET sector. The use of ICT to deliver TAFE programs flexibly reduces existing levels of demand for traditional asset types. The proportion of the asset base represented by traditional assets types is therefore reducing, and the trend is expected to continue.

Investment in new technology to deliver TAFE programs largely occurs at the level of TAFE institutes in meeting the increasing demand for flexible and responsive training solutions. New learning technologies address the objectives of:

- ensuring that training programs are relevant to the technological skill needs of industry and the community;
- improving TAFE access for regionally remote students, and students with disabilities;
- providing 24-hour access to TAFE programs;
- improving access to non-Victorian training markets;
- improving teaching and learning effectiveness for students; and
- increasing the cost-effectiveness of TAFE program delivery.

Computer-based plant and equipment is a volatile asset, requiring constant updating to ensure that it keeps abreast of evolving need and technological capability. The effective life of computer equipment in TAFE institutes is between three and four years. Increasing the quantity of computer equipment in TAFE institutes has the effect of increasing the cost of modernising the total asset stock held by institutes.

The connectivity requirements of TAFE institutes continually increase. There is a growing requirement to implement high speed fibre optic links between TAFE campuses to enable new technologies to be fully effective.

Maintenance Management Strategy

Victoria has a comprehensive Building Maintenance Policy for the management of assets within the TAFE sector.

TAFE institutes are required to report on how the annual allocation of maintenance funding has been spent to reduce the maintenance backlog. Currently, the maintenance backlog is approximately \$80 million. Periodically, TAFE institutes are provided with once-off grants to reduce the maintenance backlog.

Acquisition and Disposal Strategy

Capital investments are targeted so that the State-wide asset base can be progressively rationalised, incorporating asset disposals, to better reflect current and future needs.

TAFE institutes are encouraged to master-plan their facilities with a view to rationalising asset requirements and identifying opportunities for the disposal of surplus and poorly performing land, buildings and equipment.

Proceeds from the sale of property assets become an offset to the total capital investment program.

Leasing Strategy

Victoria has a policy that discourages the leasing of floor space for Government use. Leased facilities are generally not purpose-built for VET provision and, it is for this reason, a strategy to discourage the practice of leasing assets is in place. Nevertheless, TAFE institutes are free to lease additional floor space using their own funds.

There are 1,050 square metres of Government-funded leased floor area. Where leased assets still exist from long-standing arrangements, OTTE is progressively replacing these facilities with owned assets, particularly where long-term demand is required. Leased Government land is confined to three TAFE institutes. The amount of leased land is approximately 45 hectares.

Equipment Strategy

The Victorian Government has a benchmark to contribute 15% of capital infrastructure towards equipment renewal.

TAFE institutes are encouraged to obtain best value when renewing equipment. Consortia of institutes are formed to purchase like equipment so as to maximise the purchasing power of institutes. A key determinant in selecting a supplier is based on best value-for-money in meeting the service delivery objective.

Collaborative Partnerships and Innovation

In terms of collaborative partnerships, individual TAFE institutes make business decisions and reach agreements about access by third parties to teaching facilities and space in Government-owned premises.

In addition, in partnership with businesses and industry sectors, individual TAFE institutes are developing new approaches to learner-focussed flexible delivery and work to transform business workforces. TAFE institutes, through infrastructure planning, are encouraged to introduce innovative practices in training delivery, develop new learning environments, and implement innovative learning technologies.

A number of specific projects involving collaborative partnerships have been concluded. These include:

- Northern Melbourne Institute of TAFE, Fairfield Campus, a build, own, operate and transfer scheme for student accommodation; and
- Kangan Batman Institute of TAFE, Docklands Campus, a public partnership is being formed for future stage development of the automotive site.

In regard to innovation projects, Victoria has established two projects where Government funding has been provided to provide high-speed fibre optic links to campuses of the University of Ballarat and to the East Gippsland Institute of TAFE. The projects will enable broadband ICT capacity to be available to students in remote areas.

A further initiative is the implementation of new telephony services to five TAFE institutes with Voice over Internet Protocol (VoIP). As well as providing cost savings, this technology is providing significant gains in communication between teachers and students. For example, it has given casual and sessional teachers access to facilities such as voicemail and email integration so that they may be more readily contacted by their students.

Non-Public Provider Strategy

It is current Victorian Government policy to consider using private investment to support public infrastructure. This policy involves market testing to determine whether private companies, either individually or in partnership, can be used to deliver more efficient services than through traditional means.

TRAINING PROJECTS INVOLVING AUSTRALIAN GOVERNMENT FUNDING

Project Name	Project Description & Purpose	Estimated or Actual Start Date	Estimated or Actual Complet'n Date	Federal Electorate	Funding Details				Contact Details of S/T Program Manager & Proponents
					Total (\$ 000)	A/G's Cont. (\$ 000)	S/T Cont. (\$ 000)	Other Cont. (\$ 000)	
Commenced Projects									
Chisholm Institute of TAFE	Dandenong - Language & Access	November 2004	March 2006	Holt	9,600	9,600			Dom Valeri – OTTE, 9637-2794 Andrew Hudson – Chisholm TAFE – 9212-5259
Bendigo Regional Institute of TAFE	Bendigo - Wine Industry Training Centre	December 2004	February 2006	Bendigo	3,600	3,600			Dom Valeri – OTTE, 9637-2794 Bruce Baehnisch – Bendigo TAFE – 5434-1594
East Gippsland Institute of TAFE	Bairnsdale - Auto & Building Studies / Refurb Hospitality Building 5	January 2005	April 2006	Gippsland	3,840	3,840			Dom Valeri – OTTE, 9637-2794 Peter Quilligan – East Gippsland TAFE – 5152 - 0708
Holmesglen Institute of TAFE	Waverley - Horticulture Redevelopment	January 2005	December 2006	Bruce	9,960	9,960			Dom Valeri – OTTE, 9637-2794 David Duggan – Holmesglen TAFE – 9564-1501
Chisholm Institute of TAFE	Dandenong - Centre for Integrated Engineering & Science	April 2006	June 2007	Holt	13,100	13,100			Dom Valeri – OTTE, 9637-2794 Andrew Hudson – Chisholm TAFE – 9212-5259
Victoria University (TAFE)	Footscray/Sunshine - Consolidation of Engineering Studies	January 2006	June 2007	Gellibrand/ Maribyrnong	13,600	13,600			Dom Valeri – OTTE, 9637-2794 Gary Carter – Victoria University – 9919-4044
William Angliss Institute of TAFE	Melbourne - New Unit Kitchens	January 2006	April 2006	Melbourne	1,200	1,200			Dom Valeri – OTTE, 9637-2794 Kevin Ainsworth – William Angliss TAFE – 9606-2200
All TAFE - Equipment Upgrade	All TAFE - Equipment Upgrade	January 2006	December 2006	Various	31,800	14,800	17,000		Dom Valeri – OTTE, 9637-2794

					Funding Details				
Broadband Connectivity	East Gippsland - Campus connectivity (Bairnsdale to Lakes Entrance)	August 2005	April 2006	Gippsland	1,083	783	100	200	Dom Valeri – OTTE, 9637-2794 Peter Quilligan – East Gippsland TAFE – 5152-0708
Broadband Connectivity	Uni of Ballarat - Ballarat to Horsham optic fibre	February 2006	June 2006	Ballarat	1,340	700		640	Dom Valeri – OTTE, 9637-2794 Jeff Dowsley – Uni Ballarat – 5327-9571
Planned projects									
All TAFE - Equipment Upgrade	All TAFE - Equipment Upgrade	January 2007	December 2007	Various	TBC	14,800	TBC		Dom Valeri – OTTE, 9637-2794
All TAFE - Equipment Upgrade	All TAFE - Equipment Upgrade	January 2008	December 2008	Various	TBC	14,800	TBC		Dom Valeri – OTTE, 9637-2794
All TAFE	Shift in Training Priorities	Late 2006	Mid 2007	Various	3,000	3,000			Dom Valeri – OTTE, 9637-2794
Planning Projects.	Box Hill Institute of TAFE – Whitehorse Campus Upgrade, East Gippsland Institute of TAFE – Port of Sale development and Wodonga Institute of TAFE – Hospitality Extension	TBC	TBC	Various	TBC	TBC	TBC		Dom Valeri – OTTE, 9637 2794

MAINTENANCE BACKLOG

As referred to previously, the maintenance backlog of TAFE assets is approximately \$80 million. This backlog is monitored periodically and TAFE institutes are required to report annually how the maintenance backlog is being reduced. A standard format has been developed for this reporting purpose and every TAFE institute is required to keep their register up-to-date.

Periodic audits are carried out by OTTE to ensure TAFE institutes are expending the funding grant for maintenance purposes.

EXPENDITURE

Expenditure of Australian Government Capital Infrastructure funding is tracked and monitored on a regular basis. Performance of projects is tightly scrutinised and project control meetings are held monthly on all significant projects. Strategies are put in place to alleviate under-performing projects. This is designed to ensure the annual Australian Government Capital grant is fully expended.

UTILISATION

TAFE institutes are required, as part of their performance agreements with OTTE, to report on asset utilisation of Government-owned property. This is in recognition that asset utilisation could be improved. Not all TAFE assets are fully utilised and, where necessary, OTTE encourages TAFE institutes to divest themselves of poorly performing assets.

BUDGET IMPLICATIONS

The building portfolio in the TAFE sector is progressively ageing. The gap between the age of the capital asset base and the investment in maintaining this asset base is therefore growing.

To maintain the building portfolio and, in turn, maintain its functionality through regular upgrades and replacement of buildings and equipment, the funding mix of the available capital resource is progressively shifting. The table which follows demonstrates how Victoria will address the future investment allocation of capital. The effect of this initiative will be to build less and concentrate more on maintaining assets. This will have the effect of reducing the maintenance backlog. This would effectively reduce the annual capital backlog to zero within ten years.

Total funds required for plant and equipment, including computers, over the planning period are \$19.8 million. This figure includes the Australian Government Equipment Grant (\$14.8 million) but it has also been supplemented in recent years by additional State funds of \$5 million per annum to address the perceived deficit in depreciation funding for plant and equipment. A further grant of \$12 million has been made available from State funds to supplement the \$19.8 million.

Annual provisions for plant and equipment as well as land purchases have been included in the investment program.

ASSET MANAGEMENT 40% Allocation	TEACHING EQUIPMENT 15% Allocation	DEVELOPMENTS 45% Allocation	ASSET DISPOSAL
<ul style="list-style-type: none"> ▪ More than 66% of the existing building stock is over 10 years old. ▪ This percentage will increase without corrective action. ▪ Building maintenance costs increase with age peaking at 30 years. ▪ Asset management planning includes maintenance, repairs and minor works which address safety standards. 	<ul style="list-style-type: none"> ▪ Teaching equipment must be upgraded on a three year basis to ensure students are trained on equipment that is to industry standard. 	<ul style="list-style-type: none"> ▪ Projects in this category will include system expansion, new replacement of substandard assets. ▪ Property acquisition. ▪ New construction. ▪ Refurbishment and replacement. ▪ New equipment. ▪ Investment in new technologies, multi media and interactive training delivery. 	<ul style="list-style-type: none"> ▪ Surplus properties to be sold and proceeds reinvested in VET. ▪ Incentives for providers to identify poorly performing or surplus assets.

PERFORMANCE MEASURES

Victoria has a number of performance measures it uses to ensure that its expenditure on capital funding is being utilised to its maximum effect, and to measure how well the management of assets is supporting training service delivery. Some of these are:

- facility meets needs of stakeholders and matches its strategy;
- facility is compliant with all requirements mandated by legislation and Government policy;
- functionality and operational capability of facility to ensure user requirements and specifications are met;
- funding for facility in accordance with budget;
- whether facility reduces maintenance requirements and backlog;
- utilisation of facility, productivity enhancement (primarily training delivery and assessment) and ease of use;
- environmental sustainability of facility;
- project milestones are met;
- project completed on time and within budget allocation;
- degree to which intended benefits of facility are actually realised;
- degree of stakeholder satisfaction with outcome; and
- evaluation of project upon completion of facility.

VET in SCHOOLS EXPENDITURE PLAN

7. States and Territories will describe their plans for the expenditure of VET in schools funding and how it relates to the six principles for action agreed by the Ministerial Council.

The 2006 VET in Schools funding allocations are based on VET enrolments, the relative costs of the program and includes a rural weighting for VET students enrolled in rural secondary colleges. All Victorian Curriculum and Assessment Authority endorsed VET in VCE programs and VET certificates that are eligible for Block Credit are grouped into four bands based on the relative TAFE recovery price for each program.

No funding is available for qualifications at the Certificate I level. In addition, funding will not be provided for qualifications at the Certificate II level for Information Technology/Computers, any Certificates in General Education and generalist programs such as Certificate II in ESL (Vocational Purposes), Certificate II in ESL Access and Certificate II in Science for Adults. These programs are within the capacity of the school to deliver.

The following arrangements support the achievement of a mix of the national priority areas for VET in Schools, in accordance with the Principles and Guidelines for Improving Outcomes for Vocational Education and Training (VET) in Schools 2005-2008. The areas are:

- the establishment of VET in Schools by schools not previously involved in the delivery of VET in Schools;
- expanding the range and spread of VET in Schools courses offered across industry sectors by schools already involved in the delivery of VET in Schools;
- the establishment of VET in Schools courses in new industry areas and in industry areas currently not well subscribed in VET in Schools;
- increasing participation in VET in Schools by particular student groups that are difficult to reach and/or service, for example, improving access for students in rural and remote areas and for educationally disadvantaged students including Indigenous students and students with a disability;
- developing strategies to maintain quality standards in VET in Schools including professional development;
- increasing participation in School-Based New Apprenticeships or other trades related vocational courses which respond to skills shortages; and
- addressing areas of skills shortage.

In 2006, the VET in Schools funding will be included as a stand alone item in the Student Resource Package (SRP). Payments to schools will be made on a quarterly basis through the Student Resource Package. These funds represent a contribution towards the costs associated with the delivery of VET programs for VCE and VCAL students. As in previous years, schools are expected to contribute to the costs of these programs from their SRP.

The VET in Schools funding is available to support VET in Schools delivery where schools are either purchasing all or part of the delivery, or where they are themselves delivering all or part of the VET program. The allocated VET funding can be used for a range of purposes such as:

- a contribution towards the purchase of delivery from an external Registered Training Organisation;
- costs associated with the coordination of VET in Schools programs in schools;
- a contribution towards teacher professional development and training;
- costs associated with registering as an RTO;
- program planning;
- purchase of curriculum materials;
- costs associated with the transition to training packages;

- structured workplace learning coordination; and
- developing links with industry.

In situations where an external provider delivers a significant proportion of a VET program (VCE VET or VCAL), the following conditions need to be met to ensure that the school will receive its full SRP budget allocation and if appropriate, VET in Schools funding.

- The units delivered by an external provider are an agreed part of the student's full time workload.
- The school has a signed memorandum of understanding with an external provider for the delivery of the student's program.
- The school has contractual arrangements in place with its external providers that show that the VCE VET or VCAL studies are funded from the Student Resource Package and/or VET in Schools funding allocations and the external provision is under fee for service arrangements. These arrangements should clearly specify charges, roles and responsibilities.

The use of VET in Schools funding through the SRP will be underpinned by the Victorian Essential Learning Standards (VELS) and Schools Accountability and Improvement Framework (SAIF).

- The **SAIF**, being validated in schools during 2005 for full implementation in 2006, defines three broad areas of student outcomes:
 - Student learning;
 - Student pathways and transitions; and
 - Student engagement and well being.

In meeting their own goals and targets in these three key areas, schools will be delivering outcomes that are consistent with the priority areas for action for VET in Schools. Student learning outcomes in the post-compulsory years will continue to be defined as achievement in VCE, VCAL, and VET in Schools (including School Based New Apprenticeships).

- **The Victorian Certificate of Applied Learning (VCAL)** is a recognised senior secondary qualification with vocational outcomes. Students who successfully complete the VCAL receive a fully accredited senior secondary school qualification. VCAL broadens the options available to all students in Years 11 and 12 in Victoria and is designed for students whose needs are not met by the traditional Victorian Certificate of Education (VCE). The majority of VCAL completers take up an apprenticeship/traineeship, continue their education at TAFE or go straight into the workforce after completing Year 12. VCAL enrolments continue to grow at an average 15 per cent per year.
- **Block Credit** arrangements for VET in Schools programs offer more options to students, including courses in new industry areas and in industry areas currently not well subscribed in VET in Schools. These arrangements provide students with credit towards their secondary school certificate for completion of units of competence in VET qualifications at AQF II level and above that are not included in the suite of approved VET in the VCE programs.
- New **VET in the VCE** programs approved for 2006 include courses in skill shortage areas such as *Automotive Technology, Conservation and Land Management and Plastics*.
- Schools with no previous funded VET enrolments which will have funded VET enrolments in 2006 will be allocated a base funding approved on application. This measure aims to encourage the establishment of VET in Schools by schools not previously involved in the delivery of VET in Schools programs.

- Local Learning and Employment Networks (LLENs) broker partnerships across education and training providers and other stakeholders including industry and local government to improve education, training and employment outcomes for young people. They provide a valuable source of information on local industry skill needs and employment opportunities for young people. Schools are encouraged to maintain a dialogue with their local LLEN on the application of their VET in Schools funds.
- The VELS provide a new approach to organising the school curriculum, which emphasises an understanding of, and learning to act effectively in the real world. The VET in Schools initiative is consistent with this approach and has proven to be effective in maintaining student engagement in the later years of schooling.

VET in Schools programs comprise nationally recognised VET certificates undertaken by senior secondary students as part of their Victorian Certificate of Education or the Victorian Certificate of Applied Learning. These programs are based on National Training Packages and/or nationally accredited VET courses listed on the National Training Information Service (NTIS) <http://www.ntis.gov.au/> database as appropriate.

Annual VET Plans for 2006 - 08

Information Requirements

Cover Sheet

The spreadsheets in this workbook contain templates associated with the required information as part of the Annual VET Plans for 2006 - 2008. States and Territories should fill out these templates and return them to DEST as part of their VET Plan.

"Traditional trades" are as listed in the DEWR National and State Skill Shortage Lists Australia - 2004

"Student" – is a course enrolment; the minimum for a student (that is a training place, previously termed an "enrolment" on the State VET Plan) is an enrolment in a module or competency in a relevant qualification.

Information should be entered into cells that are not shaded. The totals will update automatically. Cells that are shaded have been protected and you will not be able to change these cells.

Your State or Territory share of Additional National Targets is shown on the worksheet called Targets. Simply find the appropriate target for your State or Territory and place it in the cells marked with an asterisk. Copy and Paste functions may be used.

Include your name and contact details on this sheet in the space provided. Then return the workbook together with your Annual VET Plan via email to Bernard Page [bernard.page@dest.gov.au].

Please complete this section first so that your selections will appear in the appropriate places in the tables.

Name:	<input type="text"/>
Position:	<input type="text"/>
State/Territory:	<input type="text" value="Victoria"/>
Contact Phone number:	<input type="text"/>
Email address:	<input type="text"/>
Base Year: 2003 or 2004	<input type="text" value="2003"/>
Mature Age - 40-64 or 45-64	<input type="text" value="40-64"/>
Date Prepared:	<input type="text"/>

Please contact Bernard Page {bernard.page@dest.gov.au} if you have any problems.

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Annual VET Plans for 2006 - 08

National Targets for Additional Places: Target Area by States and Territories

			NSW	VIC	QLD	SA	WA	TAS	NT	ACT	TOTAL
Based on Population Share 15-64 years as at June 2004:			33.26%	24.77%	19.37%	7.52%	10.00%	2.34%	1.04%	1.71%	100.00%
Ref*	Target Areas	Additional Target Places	No	No	No	No	No	No	No	No	No
41 (i)	New Apprentice commencements in skill shortage areas in traditional trade areas (AQF III and IV) <i>See Table 3</i>	10,000	3,326	2,477	1,937	752	1,000	234	104	171	10,000
41 (ii)	Training Places in other skill shortage areas <i>See Table 4</i>	10,000	3,326	2,477	1,937	752	1,000	234	104	171	10,000
41 (iii)	Training Places for mature age people and/or youth <i>See Table 4</i>	26,000	8,647	6,440	5,035	1,956	2,600	608	270	443	26,000
41 (1v)	People with a Disability <i>See Table 4</i>	10,000	3,326	2,477	1,937	752	1,000	234	104	171	10,000

Note: * Ref refers to the relevant clause in the Agreement 2005-2008

Annual VET Plans for 2006 - 08

Table1: Annual Hours Curriculum (AHC) by Industry Areas

Victoria	Base Year	2005		2006			2007			2008		
	2004 a)	Planned	Actual	Planned	Revised	Actual	Planned	Revised	Actual	Planned	Revised	Actual
	Hrs ('000,000s)	Hrs ('000,000s)		Hrs ('000,000s)			Hrs ('000,000s)			Hrs ('000,000s)		
Category A												
Arts, Entertainment, Sports & Rec	6.048	6.218		4.638			3.855			3.051		
Automotive	1.937	1.991		2.003			2.101			2.192		
Building and Construction	4.337	4.459		5.477			5.751			6.003		
Communications	0.543	0.558		0.304			0.305			0.305		
Community Services, Health & Ed	7.562	7.775		7.831			7.864			7.865		
Engineering and Mining	2.570	2.642		2.703			2.840			2.966		
Finance, Banking & Insurance	1.538	1.581		1.016			1.020			1.020		
Food Processing	1.577	1.621		1.065			1.070			1.070		
Primary Industry	3.464	3.561		3.339			3.353			3.353		
Process Manufacturing	0.491	0.505		0.243			0.244			0.245		
Sales and Personal Service	3.969	4.081		5.318			5.586			5.833		
TCF and Furnishings	1.372	1.411		1.154			1.159			1.160		
Tourism and Hospitality	5.353	5.503		3.912			3.327			2.724		
Transport and Storage	1.136	1.168		1.526			1.602			1.673		
Utilities	3.221	3.312		3.373			3.387			3.388		
Category B												
Business and Clerical	9.499	9.766		13.470			14.150			14.775		
Computing	3.800	3.907		2.435			2.445			2.445		
Science, Technical and other	0.705	0.725		2.262			2.271			2.272		
Category C												
General Education and Training	8.103	8.331		8.317			8.353			8.354		
Unallocated	2.575	2.647		1.674			1.681			1.681		
Total	69.800	71.762		72.059			72.364			72.375		
Adjusted 2004 Base b)	70.752											
Indicative Annual Targets c)		71.762		72.059			72.364			72.375		
										2005	to	2008
										Planned	Revised	Actual
Total Over Life of Agreement (for 2005, Actual total used in Revised 2005-2008 total).										288.561		288.561
Actual over the Life of the Agreement to be no less than the Target				Target AHC:			288.561	Difference:			288.561	-288.561

- a) From the 2004 VET Plan (2005 for NSW, SA)
- b) Adjusted for end-date, RPL, and Nominal Hours
- c) Figures linked to Derivation of Activity Target calculator

Comments:

Annual VET Plans for 2006 - 08

Table 2: Students by Industry Areas

Victoria	Base Year	2006			2007			2008			
	2004	Planned	Revised	Actual	Planned	Revised	Actual	Planned	Revised	Actual	
	No	No	No	No	No	No	No	No	No	No	
Category A											
Arts, Entertainment, Sports & Rec	15,323	13,203			10,972			8,684			
Automotive	6,586	7,820			8,206			8,560			
Building and Construction	17,396	18,629			19,561			20,419			
Communications	1,169	999			1,003			1,003			
Community Services, Health & Ed	29,222	34,054			34,198			34,203			
Engineering and Mining	9,850	12,626			13,265			13,854			
Finance, Banking & Insurance	4,567	3,972			3,989			3,989			
Food Processing	4,371	3,602			3,617			3,618			
Primary Industry	18,614	13,785			13,843			13,845			
Process Manufacturing	1,782	1,329			1,335			1,335			
Sales and Personal Service	22,306	29,839			31,346			32,732			
TCF and Furnishings	4,929	5,084			5,105			5,106			
Tourism and Hospitality	21,974	20,173			17,153			14,045			
Transport and Storage	11,620	12,844			13,490			14,084			
Utilities	9,294	8,582			8,619			8,620			
Category B											
Business and Clerical	50,112	54,709			57,469			60,009			
Computing	7,339	6,716			6,744			6,745			
Science, Technical and other	13,446	13,287			13,343			13,345			
Category C											
General Education and Training	39,057	39,628			39,796			39,801			
Unallocated											
Total	288,957	300,880			303,054			303,999			
								2006	to	2008	
								Planned	Revised	Actual	
Total Over Life of Agreement								907,933			

Comments:

Annual VET Plans for 2006 - 08

Table 3 Base Year Data for Information

	Base Year	Base Year
Victoria	2003	2004
New Apprentices - In Training (March)	No	No
New Apprentices In Training from the NCVET data from Base Year	129,300	129,700
New Apprentices - Commencements		
User Choice Places	95,500	79,400
School Based New Apprentices	360	2,650
New Apprentices In Group Training	5,840	6,090
Total New Apprentices	95,500	79,400
User Choice places as proportion Percentage Change over Base Year	100.00%	100.00%
Number of Qualifications available under User Choice		
Available Under User Choice	100%	100%
Available as New Apprenticeships	100%	100%
Available Under User Choice as proportion Percentage Change over Base Year	100.0%	100.0%

Annual VET Plans for 2006 - 08

Table 4 Base Year Data for Information

Victoria	Base Year	Base Year
	2003	2004
	No	No
VET in Schools students	29,900	33,000
Indigenous Australians #		
In regional and remote locations	1,954	2,070
In higher level qualifications (AQFIII and above)	1,605	1,530
Age Target Groups #		
Young people (15-19yrs)	67,750	69,090
Young people (20-24 yrs)	59,960	58,100
Mature Age	84,058	79,019
Total in above age groups	211,768	206,209
Planned over the Life of the Agreement to be no less than the Target		
People with a Disability #	18,920	20,080
Total in above target group	18,920	20,080
Planned over the Life of the Agreement to be no less than the Target		

Comments:

Source: People with a Disability State and Territory (NCVER) 2004 ANR page 169 Table B8

Source column 1: MCEETYA. Source: 2004 ANR Page 169 Table B8

Source: NCVER 2005

Data from Annual National Report for Base Year.

Annual VET Plans for 2006 - 08

Table 4: Students by Target Area

Victoria	Base Year	2005		2006		2007		2008		2005 -2008		
	2003 No	Plan No	Actual No	Plan No	Actual No	Plan No	Actual No	Plan No	Actual No	No	Plan No	Actual No
VET in Schools students	29,900	33,000		33,000		33,000		33,000		132,000		
Indigenous Australians #												
In regional and remote locations	1,954	1,980		1,980		1,980		1,980		7,920		
Increase over Base Year		26	1,954	26	1,954	26	1,954	26	1,954	104	7,816	
Planned over the Life of the Agreement to be no less than the Target		Regional and Remote Target					76	Difference:		28	7,892	
In higher level qualifications (AQFIII and above)	1,605	1,620		1,620		1,620		1,620		6,480		
Increase over Base Year		15	1,605	15	1,605	15	1,605	15	1,605	60	6,420	
Planned over the Life of the Agreement to be no less than the Target		In Higher Level qualifications						Difference:		60	6,420	
Age Target Groups #												
Young people (15-19yrs)	69,090	69,090		69,809		69,809		69,809		278,518		
Young people (20-24 yrs)	58,100	58,100		58,705		58,705		58,705		234,214		
Mature Age 40-64	79,019	79,019		79,842		79,842		79,842		318,544		
Total in above age groups	206,209	206,209		208,356		208,356		208,356		831,276		
Increase over Base Year			206,209	2,147	206,209	2,147	206,209	2,147	206,209	6,440	824,836	
Planned over the Life of the Agreement to be no less than the Target		Age Group Target					6,440	Difference:		0	831,276	
People with a Disability #	18,920	18,920		19,746		19,746		19,746		78,157		
Increase over Base Year			18,920	826	18,920	826	18,920	826	18,920	2,477	78,680	
Planned over the Life of the Agreement to be no less than the Target		People with a Disability Target					2,477	Difference:		0	78,157	
Students in Skill Shortage Areas other than Traditional Trades												
ASCO Code or Course Code	Agreed Industry or Qualification											
	Building & construction	6,904	6,904	7,042	7,042	7,042	7,042	7,042	7,042	28,030		
	Health	8,434	8,434	8,603	8,603	8,603	8,603	8,603	8,603	34,242		
	Engineering & Mining	8,258	8,258	8,423	8,423	8,423	8,423	8,423	8,423	33,527		
	Process Manufacturing	1,887	1,887	1,925	1,925	1,925	1,925	1,925	1,925	7,661		
	Retail	939	939	958	958	958	958	958	958	3,812		
	Tourism & Hospitality	2,716	2,716	2,770	2,770	2,770	2,770	2,770	2,770	11,027		
	Transport & Storage	2,855	2,855	2,912	2,912	2,912	2,912	2,912	2,912	11,591		
	Business & Clerical	9,298	9,298	9,484	9,484	9,484	9,484	9,484	9,484	37,750		
Please insert lines above this one if necessary												
Total Skill Shortage Areas other than Trad'l Trades		41,291	41,291	42,117	42,117	42,117	42,117	42,117	42,117	167,641		
Increase over Base Year			41,291	826	41,291	826	41,291	826	41,291	2,477	165,164	
Planned over the Life of the Agreement to be no less than the Target		Add'l Skill Shortage Areas other than Traditional Trades Target					2,477	Difference:		0	167,641	

Comments:

Skills shortages: Victoria will provide a Courses Master List to the NCVET that maps Qualification to Industry Group to Industry Sector to substantiate the delivery of Skills Shortage Areas other than Traditional Trades
Indigenous: Over 1 in 4 indigenous persons participates in VET in Victoria. An increase of 3 % over the base year is planned. Indigenous higher level is measured by course enrolments. Regional boundary changes in Victoria may cause variations to planned numbers.

Data from Annual National Report for Base Year.

Annual VET Plans for 2006 - 08

Table 5: VET Funding

Victoria	Base Year	2005		2006		2007		2008	
	2004	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total Expenditure									
VET Recurrent									
Australian Government sourced recurrent	220.084	232.724		240.137		248.141		251.887	
State-sourced Recurrent expenditure	577.410	584.529		606.840		626.995		647.000	
Total VET Recurrent	797.494	817.253		846.977		875.136		898.887	
Contestable Funds									
Competitive Tendering	12.500	12.810		13.276		13.717		14.089	
User Choice	181.000	185.485		192.231		198.622		204.012	
Total Contestable Funds	193.500	198.294		205.506		212.339		218.101	
Total New Apprenticeship allocation	181.000	185.485		192.231		198.622		204.012	
User Choice allocation	181.000	185.485		192.231		198.622		204.012	
User Choice \$s - percentage of total	100.0%	100.0%	#DIV/0!	100.0%	#DIV/0!	100.0%	#DIV/0!	100.0%	#DIV/0!
User Choice \$s - percentage change on base year		2.5%	-100.00%	6.2%	-100.00%	9.7%	-100.00%	12.7%	-100.00%
User Choice proportion - percentage change on base year			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!

Comments:

- a) Australian Government sourced recurrent funding is linked from the Funding Allocation model, as per MINCO 18 Nov 2005, by DEST.
It includes the Historic Base, Growth and Australians Working Together (AWT) under the Vocational Education and Training Funding Act (VETFA) combined with the Additional Funding (\$215m) under the Skilling Australia's Workforce (SAW) Agreement for 2005-2008.
- b) State sourced recurrent figures are as calculated from base figures with the addition of matching funds as required by the 2005-2008 Agreement. These are also linked from the Funding Allocation model.
- All other figures are to be provided by each State or Territory.