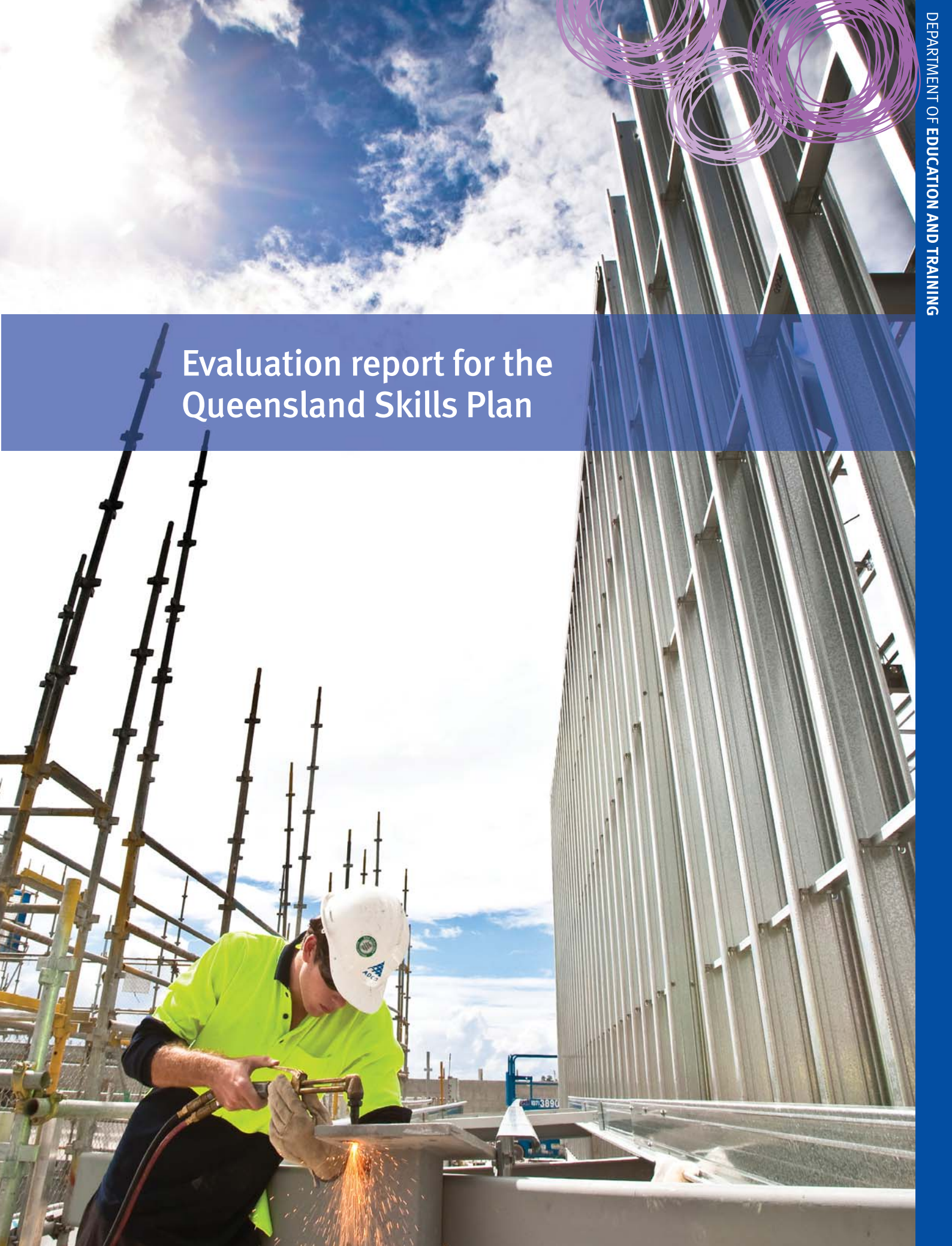


Evaluation report for the Queensland Skills Plan



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Glossary

Term	Explanation
Annual Hours Curriculum (AHCs)	AHC refers to the nominal hours attributed to a unit of competency within a training program. The nominal hours set usually reflect the hours required for an average student to successfully complete the unit of competency/module.
Apprenticeship	A system of training regulated by law or custom which combines on-the-job training and work experience with formal off-the-job training, while in paid employment.
Articulation	The arrangements that facilitate the movement or progression of students from one course to another, or from one education and training sector to another.
Australian Qualifications Framework (AQF)	A comprehensive nationally consistent framework incorporating all qualifications recognised in post-compulsory education throughout Australia. The framework at present identifies six levels in the vocational education and training sector: Certificate I, Certificate II, Certificate III, Certificate IV, Diploma and Advanced Diploma.
Australian Quality Training Framework (AQTF)	The nationally agreed recognition arrangements for the vocational education and training sector. The AQTF is based on a quality assured approach to the registration of training organisations seeking to deliver training, assess competency outcomes and issue AQF qualifications and Statements of Attainment, and ensures the recognition across Australia of training providers and the AQF qualifications and Statements of Attainment they issue.
Council of Australian Governments (COAG)	The peak inter-governmental forum in Australia, comprising the Prime Minister, state Premiers, territory Chief Ministers and the President of the Australian Local Government Association.
Credit transfer	The granting of status or credit by an institution or training organisation to students for modules (subjects) or units of competency completed at the same, or through another institution or training organisation.
Expected duration	The expected duration applies to apprenticeships only and is the amount of time it is reasonably expected an apprentice can become fully competent and achieve completion of their apprenticeship (this duration may be shorter than or equal to the nominal term).
National Centre for Vocational Education Research (NCVER)	Australia's principal provider of vocational education and training research and statistics.
National Partnership Agreement	An agreement between the Commonwealth and the states and territories to facilitate coordination, monitoring and delivery of strategies to improve service delivery.
Nominal term	The nominal term of an apprenticeship or traineeship is a period of time during which it is anticipated that the majority of apprentices or trainees can complete their apprenticeship or traineeship. The nominal term allows for determination of a nominal completion date of the apprenticeship or traineeship.
Positive Dreaming, Solid Futures	A strategy for achieving improved employment and training outcomes for Indigenous people as Queensland's contribution towards the COAG target of halving the gap in Indigenous employment outcomes within a decade.
Q2	A Queensland Government plan, Towards Q2: Tomorrow's Queensland, which sets targets and goals for the state in the areas of the economy, environment and lifestyle, education and skills, health and community.

Term	Explanation
Recognition of prior learning (RPL)	The recognition of competencies currently held, regardless of how, when or where the learning occurred. A person's skills and knowledge acquired through previous formal or informal education and training, work or life experience may be used to grant status of credit in a subject, module or unit of competency.
Registered training organisation (RTO)	An organisation registered to deliver and assess nationally recognised vocational education and training.
School-based apprenticeships and traineeships (SATs)	Pathways for Year 10, 11 and 12 students combining senior studies, VET and employment.
Skills Formation Strategies (SFS)	A process of developing strategies designed in partnership with other government agencies, industry, regions and the community to help understand and address issues associated with skills and labour shortages.
Skilling Solutions Queensland (SSQ)	A training and career information service developed by the Queensland Government.
Technical and Further Education (TAFE)	TAFE provides a wide range of predominantly vocational tertiary education courses, mostly qualifying courses under the National Training System, Australian Qualifications Framework or Australian Quality Training Framework.
Trade Training Taskforce	Established in December 2008 by the Minister for Education and Training in response to the global financial crisis, the Taskforce brought together key industry and government stakeholders to develop and implement urgent measures that ensure apprentices and trainees in training, and those who have lost employment or are at risk of losing employment, are supported to complete their training.
Traineeship	A system of training regulated by law or custom which combines on-the-job training and work experience with formal off-the-job training, while in paid employment.
User Choice	The program used to fund apprenticeship and traineeship training, allowing employers and students to choose a registered training organisation that meets their needs.
Vocational education and training (VET)	Post-compulsory education and training which provides people with occupational or work-related knowledge and skills.

Acronyms

Acronym	Term
AQTF	Australian Quality Training Framework
COAG	Council of Australian Governments
DELTA	Direct Entry Level Training Administration
DET	Department of Education and Training
ICT	Information and communications technology
LNQ	Learning Network Queensland
NCVER	National Centre for Vocational Education Research
RPL	Recognition of prior learning
SATs	School-based Apprenticeships and Traineeships
STAC	State Training Agency Clearing House
SSQ	Skilling Solutions Queensland
SQW	Skilling Queenslanders for Work
TAFE	Technical and further education
VET	Vocational education and training

Executive summary

The *Queensland Skills Plan*, announced in 2006¹, was developed in response to Queensland's then booming economy, pressing skills demands and a tightening labour market. The research and consultation informing the development of the plan indicated that three key factors needed to be addressed in the Queensland vocational education and training (VET) system. These were improvements in:

- the VET system's responsiveness to the market
- the participation and success of VET students
- industry leadership and ownership in VET.

The purpose of the plan was to reform the Queensland VET system and programs to improve its alignment with industry needs, economic demands and individual aspirations. The *Queensland Skills Plan* was built around a framework with four key elements:

- a training system that works for Queensland
- training that works for industry and employers
- training that works for the trades
- training that works for individuals.

As economic circumstances continued to unfold, the *Queensland Skills Plan* was refreshed and relaunched as the *Queensland Skills Plan 2008*² as part of ongoing implementation of the reforms. Unless reference is made to a specific edition of the plan, the 2006 and 2008 documents are referred to collectively in this evaluation as the *Queensland Skills Plan*.

The reforms of the *Queensland Skills Plan* were based on the premises that Queensland's economic growth relies on its human capital stock, and that Queensland's formal education and training is critical to maintaining workforce participation, productivity and continuing economic growth. Formal education and training play a key role in increasing economic productivity – both of the individual, to improve their personal circumstances, and of the population more broadly.

The *Queensland Skills Plan* reforms sought to address these key priorities of human capital and productivity through a policy framework that:

- supported a move from a supply driven training system to a system that can better respond to rapid changes in skills demands (a training system that works for Queensland)
- created new models for industry, training providers and government to work together to address skills shortages through a renewed focus on workforce development, rather than training as a sole solution (training that works for industry and employers)
- increased flexibility in the way apprenticeships and traineeships are structured, and the way training is funded, regulated and supported (training that works for the trades)
- provided customised training services that link individuals to actual jobs (training that works for individuals).

These system and program shifts were to support further reform directions by:

- continuing to provide for increasing the numbers of tradespeople in skills shortage areas through enhanced system reforms and improved arrangements to recognise the existing skills of workers (developing the skills of existing workers and apprentices).

1 Queensland Government (2006b)

2 Queensland Government (2008c)

This report represents the final evaluation of the *Queensland Skills Plan* and assesses its impact on the VET system in Queensland and on producing a highly skilled labour force to support productivity and economic growth. The findings of this evaluation will inform the next phase of reforms for the VET sector in Queensland.

The key findings of the evaluation are summarised in the sections following.

Improved VET system responsiveness to the market

The *Queensland Skills Plan* set out to improve the Queensland VET system by:

- reforming the TAFE system through: moving toward commercial governance; realigning functions, including establishing lead institutes and a trade and technical skills institute; enhancing TAFE product, delivery methods and staff capacity; and undertaking major capital works
- enhancing the capacity of the VET sector through: innovative purchasing models; reforming the User Choice program; and improving the skills of training sector staff
- customising training to workforce needs through: improving recognition of prior learning; improving the alignment of government-purchased training with industry needs and skills shortages; and increasing the use of flexible and innovative delivery methods.

The evaluation shows that Queensland TAFE institutes, and the VET system overall, have shifted substantially since the *Queensland Skills Plan* was launched. The evolving agility of the VET system to redirect funds and effort to mitigate the impact of the global financial crisis on apprenticeships points to improved responsiveness in responding to market circumstances. Competition is playing a greater role in determining training delivery, and better services and greater flexibility in VET delivery are evident.

TAFE, Queensland's public provider, has undergone significant change. Two TAFE institutes — Gold Coast and Southbank — have transitioned to more autonomous governance arrangements, providing the capacity to be more responsive and flexible in meeting customer needs, targeting new markets and improving training capacity.

TAFE realignment and amalgamations under the lead institute model introduced under the *Queensland Skills Plan*³ have provided for efficiencies within the system by consolidating efforts in such areas as product development, and by reorganising Brisbane metropolitan institutes to improve collaboration and maximise resource use. The lead institute model also enabled institutes to specialise their activities and tailor their training services to specific industry sectors. As part of the reforms, SkillsTech Australia was created as the specialist trade training institute, and Southbank Institute of Technology as the lead institute for technology, education, diploma and advanced diploma training.

These major reforms to TAFE governance arrangements have commenced a cultural shift within TAFE.

The task of modernising TAFE through a comprehensive seven-year capital works investment program is well underway, and will continue until 2012. To date, an extensive range of work has been undertaken in the refurbishment of existing buildings, new facility acquisition, and land and building disposal. A third party access policy has also been developed to support the use of public facilities by private training providers; however, there has been little demand for take-up.

3 See Appendix 1

The *Queensland Skills Plan* recognised that transforming TAFE was not only about bricks and mortar — delivering the training that individuals and employers want means using alternative delivery modes such as online and workplace-based training. Upgrades to TAFE’s information and communication technology (ICT) environment, and the integration of TAFE Open Learning and Learning Network Queensland, have provided TAFE students with up-to-date technology and flexible training delivery options, and expanded opportunities for training to regional and remote learners.

In addition to ensuring a robust and vibrant public provider, the *Queensland Skills Plan* was concerned with the overall capacity of the VET system, and the broader provider network, to meet the skills demands of industry and individuals. Reforms were aimed at increasing the capacity of quality private training providers, particularly those delivering apprenticeship training, through a new approach to training investment, based on sharper industry advice and streamlined purchasing, contractual and payment processes.

A new investment framework opened up more public funds in Queensland to competition, particularly through User Choice funding for apprenticeship and traineeship training and the National Partnership Agreement on the Productivity Places Program. Queensland has led the nation in contestable funds for a number of years, and in 2009 allocated a larger proportion of public VET funds through competitive mechanisms than any other state or territory other than Western Australia⁴ Correspondingly, Queensland has a large network of providers, with over 1400 active registered training providers — more than any other state or territory, and far more than its relative population share.⁵

Queensland’s most recent User Choice reforms and revised TAFE funding arrangements have improved the capacity of industry, employers, apprentices, trainees and students to influence where, when and how training is delivered and further supports the shift to a more demand driven system.

Students have been provided with more options in the VET sector through flexible and innovative delivery strategies, and partnerships between training providers and industry. It has also provided efficiencies for training providers and more responsive training for industry and individuals, and freed up training provider capacity.

Queensland training providers are increasingly using flexible delivery methods, and the state remains one of Australia’s strongest performers in providing individuals and workplaces with recognition of prior learning (RPL) processes.⁶

Skilling Solutions Queensland⁷ has been instrumental in improving the levels of recognition of prior learning delivered in Queensland. As well as offering information on training and career opportunities from its 16 customer service centres across Queensland the service helps customers identify their work skills and aligns those skills with a relevant formal qualification.

To support the capacity building of training sector staff, the Queensland VET Development Centre was established to support and maintain a highly capable, responsive and flexible workforce. These measures complemented TAFE’s new strategies around the attraction, recruitment and retention of training staff. It is acknowledged that a continued commitment over the longer term will be required to further increase the capacity of the whole VET sector workforce to deliver on client expectations.

4 See Table 5

5 Department of Education and Training

6 Steering Committee for the Review of Government Service Provision (2011)

7 Skilling Solutions Queensland is a statewide training and career service providing information and referrals to registered training organisations that conduct recognition of prior learning <<http://www.skillingsolutions.qld.gov.au/index.html>>

Industry leadership and ownership of skilling strategies

The *Queensland Skills Plan* set out to improve training for industry and employers by:

- establishing a suite of industry-led mechanisms to: improve and integrate the industry advice that informs purchasing; foster greater industry ownership of, and investment in, skilling; and enhance school–industry engagement
- supporting skills development for small business through Small Business Solutions
- promoting the value of recruiting and retaining mature age workers through the Experience Pays Awareness Strategy.

One of the early successes of the *Queensland Skills Plan* was a strengthened industry engagement model, which replaced the former Industry Training Advisory Body structure. This transition is a significant change to the VET system in Queensland over this period. Queensland now has a range of industry-led arrangements, including centres of excellence, skills alliances, industry–government skilling partnerships, direct engagement arrangements and skills formation strategies.⁸

An independent review of industry engagement activities undertaken in 2010⁹ recognised that the new model of industry engagement was providing the government with more refined, accurate and strategic industry advice on skills needs.

Significantly, the review found that Queensland’s industry engagement bodies were increasingly becoming involved in driving workplace productivity improvements. It also found that Queensland was leading Australia in terms of investing in priority areas for the economy and society, with its industry engagement bodies providing a strong base on which to build a more demand-driven system.

A number of industries and communities have recognised the value of working collaboratively through the skills formation strategy framework, which enables industry sectors or regions to address workforce development through a process of identifying solutions to recruitment, retention and training issues. A number of skills formation strategies have continued successfully after seed funding from the department ceased.¹⁰

Queensland’s levels of employer engagement and satisfaction with the VET system have improved since 2005, which is an indicator that employers are using the VET system more and that it is increasingly meeting their skilling needs.¹¹

National data collections indicate that industry investment in VET in Queensland continues to be lower than other states and territories, specifically New South Wales and Victoria.¹² However, a range of brokerage models that have been developed between government and the new industry engagement bodies are generating significant industry investment into skilling solutions, as measured by departmental contract records. Similarly, the National Partnership Agreement on the Productivity Places Program is supporting increased industry investment in training.

The new models of industry engagement introduced under the *Queensland Skills Plan* have had a positive impact on engaging industry with the VET system, improving strategic advice and collaboration on workforce development solutions, and creating greater industry ownership of, and leadership in, skills development.

8 See Appendix 2

9 Escalier Consulting (2010)

10 For a complete list of skill formation strategies see Appendix 2

11 NCVET (2009)

12 NCVET (2010b)

The new skills commission, Skills Queensland, provides a pivotal opportunity to build on the strengths of the existing industry engagement arrangements. Skills Queensland is designed to lead the Queensland VET system at a strategic level, and will incorporate industry intelligence and skills needs directly into the process of VET investment, with a focus on increasing industry investment in skills.

Other key actions to support industry and employer needs have been undertaken as part of the *Queensland Skills Plan*. Small Business Solutions has been successfully established, and has provided workforce development services to 1900 businesses since its launch in 2007.

The Experience Pays Awareness Strategy was undertaken to encourage employers to retain and hire older workers, although the campaign had limited sustained success. While workers are staying longer in employment, this is due to a number of factors, and is highly likely to have been influenced by the impact on superannuation from the 2008 global financial crisis. The number of mature age students in VET training decreased from 59 000 in 2005 to 52 000 in 2009.

Trade training

The *Queensland Skills Plan* set out to make training work better for trades by:

- supporting apprentices and employers through: increasing trade training places by 17 000; subsidising training for workers supervising apprentices; shortening apprenticeship durations; revitalising pre-trade training; expanding TradeBiz; establishing the apprenticeship hotline; increasing apprentice travel allowances; expanding Train to Retain; establishing the Trade Training Taskforce; and reviewing group training organisation arrangements.

Of all the education sectors, the VET sector has the most direct link to the labour market. By definition, VET provides people with occupational or work-related knowledge and skills. Therefore, the state of the economy and labour market has a direct impact on VET participation, particularly on apprenticeships, which are characterised by a contract of training with an employer.

Prior to the global financial crisis of 2008, the apprentice in-training figures indicated Queensland was well on the way to meeting the 17 000 additional trade training places target set by the *Queensland Skills Plan*. The impact of the global financial crisis on apprentice recruitment slowed progress towards this target. Despite the fact that additional trade training places have been made available, a dramatic reduction in commencements in 2009, resulting from the global financial crisis, has been reflected in the number of apprentices in training.

Concurrently, the success of a range of other *Queensland Skills Plan* strategies introduced to encourage early apprentice completions and shortened apprenticeships has also contributed to the slower growth in numbers in training. These initiatives included the provision of improved support to apprentices, trainees and their employers, increased travel and accommodation allowances, the establishment of a statewide apprenticeships hotline, the implementation of strategies to reduce workplace harassment and bullying, and the formation of a new brokering service through Skilling Solutions Queensland centres, to link individuals with suitable apprenticeships.

While the target additional trade places were not all taken up, the system-wide reforms instigated under the *Queensland Skills Plan*, particularly the new model for the User Choice program (2010-2015), have provided the foundations for the VET sector to shift towards a more demand driven system that will have a greater capacity to respond to changed industry and client needs.

When the effects of the economic downturn began to be felt in Australia, Queensland redirected \$20 million from *Queensland Skills Plan* initiatives to support a package to protect apprentice and trainee

jobs. Part of this redirection of funds enabled new Pre-Apprenticeship Skilling Pathway programs to be introduced, as well as an Out-of-Trade Register. The department worked with its industry partners – Construction Skills Queensland, Manufacturing Skills Queensland and Energy Skills Queensland – to provide a case management service to link out-of-trade apprentices with employers. Group Training Australia – Queensland and Northern Territory Inc. also provided a case management service to link apprentices and trainees with employers.

Queensland's ability to maintain apprentice completion rates at a steady level, despite the economic downturn, can be attributed to the apprentice and trainee safety net package, and a significant commitment by Queensland employers to support apprentices through difficult times.

Queensland continues to lead the nation in school-based apprenticeships, training 52.1 per cent of Australia's school-based apprentices and trainees.

Opportunities for skilling and work

The *Queensland Skills Plan* set out to make training work better for individuals by:

- delivering training for higher levels skilled jobs through: increasing the number of Certificate IV and above places by 14 000; introducing graduate certificate and diploma courses in VET; and increasing access to integrated degree and diploma programs
- maximising participation of disadvantaged learners through: the Skilling Queenslanders for Work program; an Indigenous Employment and Training Strategy; the disability skilling action plan; and increasing emphasis on higher level training for disadvantaged clients.

Queensland's overall VET participation rate continues to lag behind the national VET participation rate. In 2009, it was 1.7 percentage points below the national rate.¹³ However, despite the relatively low VET participation rate in Queensland, students who are coming to the system are more successful than in previous years, particularly in higher level training. Queensland also has the highest proportion of students at Certificate III and above in Australia.¹⁴

The *Queensland Skills Plan* set targets to increase the number of higher level (Certificate IV and above) training places by 14 000 by 2010. While student participation in the higher level qualifications was initially lower than anticipated, traction was gained, particularly during 2008–09, and the 14 000 additional places target was achieved by the end of December 2010.¹⁵

In addition to increased numbers in training at the higher level, student success rates at the higher level have increased by 17 per cent since 2004–05. Increased student success at these higher levels means that there are more students completing longer qualifications. This is reflected in the annual hour curriculum output across the VET system, which has increased from an average of 189 hours per student in 2004 to 218.7 hours per student in 2008.¹⁶

The VET system has successfully refocused training activity at the higher level. While Certificate I and II programs were supported under the *Queensland Skills Plan*, the focus was clearly on higher level qualifications, and on foundation level qualifications (Certificate I and II) that provided genuine pathways to higher level qualifications.

Relative to other states and territories, Queensland still has poor participation rates for its Indigenous people, non-English speakers, people with a disability and those located in regional

13 See Table 11

14 Steering Committee for the Review of Government Service Provision (2011)

15 See Table 10

16 Australian Government (2009)

and remote areas.¹⁷ However, the proportional VET participation rate within Queensland increases with remoteness, and while Indigenous participation remained relatively low in Queensland, it is proportionally higher than for non-Indigenous people.

The disability skilling action plan, implemented as part of the *Queensland Skills Plan*, has increased the engagement of people with a disability with VET over time. Participation rates for this group have grown, but remain proportionally low, and post-training employment outcomes are yet to gain parity with the VET student population overall.¹⁸

The whole-of-government Indigenous employment and training strategy — Positive Dreaming, Solid Futures — was released in 2008 as an initiative of the *Queensland Skills Plan*. It has provided a blueprint for improving training and employment outcomes for Indigenous people and contributing to closing the gap between Indigenous and non-Indigenous people in educational and employment outcomes.

Some good progress has been made against the priorities set in Positive Dreaming, Solid Futures, in skilling individuals for work, maximising employment opportunities through strategic alliances with industry, particularly in the mining sector, and better aligning employment support and training. However, it was identified that there is a need to shift focus away from delivering separate Indigenous programs towards an outcomes-based case management approach involving community-based solutions in partnership with individuals, schools, community, industry and other parties.

Despite the challenges for disadvantaged learners, Skilling Queenslanders for Work has continued to achieve good outcomes for those disadvantaged in the labour market. This initiative is exceeding targets and achieving long-term sustainable employment outcomes. It has increased its investment in Indigenous support through the expansion of the statewide network of Indigenous Employment and Training Support Officers and Indigenous Employment and Training Managers.¹⁹ A critical feature of Skilling Queenslanders for Work has been its ability to quickly respond to emerging needs as part of whole-of-government strategic responses.

A skilled labour force in Queensland

The overarching goal of the *Queensland Skills Plan* was to realign the Queensland VET system, and its policies, programs and functions, to produce a highly skilled workforce by providing a better medium and long-term match between the stock of skills and workers and the current and future needs of Queensland businesses, employers and industry.

At the core of the *Queensland Skills Plan* was the need to address skills shortages, build the skills of Queenslanders to meet the economic needs of industry, and improve individuals' capacity to participate in the workforce. The ultimate goal was a highly skilled labour force to underpin sustained economic, employment and productivity growth in Queensland.

The reforms instigated under the *Queensland Skills Plan* have resulted in a significant shift in the VET system in Queensland. While the policy imperatives and economic conditions that drove the development of the *Queensland Skills Plan* may have changed, there has been real development in the capacity of the VET system to become increasingly flexible and responsive in addressing individual and industry needs as economic circumstances change.

17 Steering Committee for the Review of Government Service Provision (2011)

18 Queensland Government (2009b)

19 Queensland Government (2009d)

National measures suggest that Queensland has increased its stock of VET skills since the *Queensland Skills Plan* was implemented.²⁰

The other key measure is whether the *Queensland Skills Plan* addressed skills shortages, which would be indicated by a decrease in the incidence of skills shortages. Despite the complexities and difficulties in categorising and measuring skills shortages, recent research undertaken by the department concluded that apparent skills shortages in Queensland have been greatly reduced over the period.²¹ However, while the incidence of skills shortages is lower, which can be partly attributed to an expansion in training targeting industry shortage areas, the significant impact that the global financial crisis had on this outcome by reducing skills demand in some key areas must be acknowledged.

Future directions

As Queensland and Australia continue to recover from the global financial crisis and the 2011 natural disasters, skills shortages are likely to re-emerge as a priority of industry and government policy. While it is possible that the Council of Australian Governments may streamline its reform agenda, it is likely that skills and qualifications, through their relationship with productivity, will continue to be a reform priority. Skills development will continue to be a key policy driver to improve Queensland's and Australia's productivity, and contribute to future economic prosperity and individual opportunity.

Industry leadership will remain a critical determinant of future success. It is anticipated that the establishment of the new skills commission, Skills Queensland, will further enhance industry ownership of, and influence over, the Queensland VET system into the future.

There is likely to be renewed policy focus on equity and social inclusion, including a focus on foundation skills for youth and for older workers at risk of disengagement from the workforce. As the working age population declines relative to other age cohorts, policies of inclusion and whole-of-life learning will be essential if Queensland and Australia are to boost workforce participation rates to maintain productivity levels.

A new policy framework for the Queensland VET system will build on the solid foundations provided by the *Queensland Skills Plan*.

²⁰ Steering Committee for the Review of Government Service Provision (2010) and (2011)

²¹ See Appendix 4

Introduction

1.1 Background

The *Queensland Skills Plan* had its genesis in the economic and policy environment of the early 2000s, when the pressures of fast economic growth and demographic change brought the role of VET in developing skilled human capital to the forefront of state economic policy.

It is now widely recognised that Queensland's economy is globally exposed and must adapt to global economic factors. Before the global financial crisis of 2008, Queensland's economy had shown signs of deepening as a result of population growth and infrastructure investment. While the global demand for commodities means the resources sector will continue to play an important role in Queensland's growth, performance across a range of other sectors such as business services, manufacturing, construction, wholesale and retail trade indicates the economy is gaining breadth over time.

Today's dynamic labour market means that, regardless of whether Queensland is facing boom or downturn, qualifications and skills remain a passport for individuals to improved jobs and earning potential, and a key driver of productivity growth for industry. The broad-based nature of the Queensland economy requires a diversity of skills and the capacity for people to move between sectors.

Factors such as skills-based technological change, the globalisation of marketplaces, the transition to a low carbon economy, growth in the knowledge economy and an ageing workforce continue to have far-reaching implications for the labour market. These factors present an ongoing challenge to the education and training sectors in terms of meeting the needs and aspirations of industry and individuals.

The *Queensland Skills Plan* was released in 2006 when Queensland was experiencing the tightest labour market in 30 years as a result of strong employment growth. The emergence of skills and labour shortages as a crucial policy issue shaped the focus of the *Queensland Skills Plan* on developing new approaches to skills recruitment, development and retention. Since that time, the policy environment has continued to change rapidly.

Eighteen months after the *Queensland Skills Plan* was released, labour shortages became more pronounced as Queensland's unemployment rate dropped to an historic low of 3.6 per cent, despite a record labour force participation of 66.9 per cent. This situation exacerbated the skills shortages already being experienced across the state.

Queensland Skills Plan 2008 was released to refine the response to the new challenges arising from the continued strength of the Queensland economy and record levels of infrastructure investment. It continued the work of the *Queensland Skills Plan 2006*, while drawing together its actions and strategies. It was released before the impacts of the global financial crisis were felt in Australia, and was based on the high growth rates and very strong skills demand then in evidence.

When the full impact of the global financial crisis reached Australia in 2008, an immediate consequence was job losses. At the federal level, the government instigated a comprehensive stimulus package to create and retain jobs and stimulate the Australian economy. The stimulus package included a series of assistance measures to reinvigorate skills training, especially for young people and those disadvantaged in the market. The package recognised that skills and skilling solutions are vital components of economic recovery.

In Queensland, the government delivered its own multi-pronged attack on unemployment with a package of employment protection measures to complement the federal stimulus package. As a result of the work started by the *Queensland Skills Plan*, the Department of Education and Training (DET) was able to respond quickly to the downturn by working with industry to deliver the apprentice and trainee safety net package via the Trade Training Taskforce. This safety net package required a redirection of \$20 million to support a range of strategies focused on:

- maintaining apprentice commencement levels
- early intervention to retain apprentices
- assisting apprentices whose apprenticeships have been cancelled
- upskilling recently completed apprentices.

Today, the convergence of a recovering economy, continued government infrastructure investment and major private sector development projects means the demand for skilled labour continues to be a driving force. This is exacerbated by continued growth in interstate net migration, particularly as the baby boomer generation moves into retirement en masse, placing added pressure on housing, infrastructure and health, community and aged care services.

The implementation of the *Queensland Skills Plan* has been a critical part of developing agility in Queensland's VET system, and the evaluation of the plan will inform the way in which the Queensland VET sector will respond to the challenges of the future.

1.2 Purpose and design of the evaluation

The purpose of the evaluation was to assess the impact of the *Queensland Skills Plan* on the VET system in terms of:

- improved system responsiveness to the market
- increased participation and achievements by industry and individuals in VET outcomes
- increased sector and industry leadership and ownership in a greater array of skilling strategies.

The evaluation also assessed the impact of these outcomes on producing a highly skilled labour force, which can underpin sustained economic, employment and productivity growth in Queensland and inform future policy and service delivery for VET in Queensland.

The overall evaluation process was guided by the framework that was developed for the *Queensland Skills Plan* using an established method of program logic.

In fulfilling the purposes of the evaluation, the following six core questions were addressed:

- To what extent have the *Queensland Skills Plan's* structural and systemic reforms improved:
 - the capacity of Queensland's training providers to deliver training in demand
 - the effectiveness and efficiency of Queensland's VET sector outputs?
- To what extent has the *Queensland Skills Plan* generated opportunities for Queenslanders, including the most disadvantaged in the labour market, to participate in skilling and work?
- To what extent have the *Queensland Skills Plan* reforms improved the quantum and the quality of trade training in Queensland?
- To what extent has the skills profile of the workforce in Queensland's industries, including specific growth sectors, improved?
- What are the key learnings we can elicit from the implementation of the *Queensland Skills Plan*?
- What emerging issues will influence future skilling strategies in Queensland?

The evaluation was based on an internal assessment of a range of quantitative and qualitative data derived from:

- internal and external data sources
- internal reports
- reviews of various aspects of the *Queensland Skills Plan* undertaken by DET, the Department of Employment, Economic Development and Innovation (DEEDI) and independent consultants.

The extensive nature of the *Queensland Skills Plan* and its objectives has necessitated the drawing of evidence from across the full breadth of VET sector activities. While outputs can be, and are, reported as part of the evaluation, a simple correlation of actions and impacts is not readily accessible or useful. The evaluation therefore draws its conclusions based on the performance of the whole system, and identifies areas where improvements are evident, as well as those where intended impacts are not apparent and therefore further work is required.

VET system responsiveness to the market

Key achievements

- Southbank Institute of Technology and Gold Coast Institute of TAFE provide Commonwealth VET FEE-HELP courses as statutory authorities.
- Efficiencies and greater consistency in product and service delivery have been achieved across TAFE through the establishment of lead institutes in key industry sectors and training delivery areas.
- Training is being delivered in contemporary, industry-standard facilities as a result of the injection of an extensive \$194 million capital works program for TAFE.
- TAFE has become more responsive to the needs of business and industry, and TAFE commercial revenue has grown from \$129.5 million in 2005 to \$225.5 million in 2010.
- More than 40 agreements are in place between TAFE institutes and private providers, especially in specialist areas such as civil engineering and construction, the national broadband network rollout and maritime training.
- In 2010, all TAFE institutes achieved more than 80 per cent overall student satisfaction.
- Queensland continues to be one of the forerunners in the nation in relation to contestable funds, allocating 23.9 per cent of government funds on a competitive basis, and has more active registered training providers and training delivery locations than any other state or territory.
- Queensland training providers are increasingly using flexible delivery methods, and the state remains one of Australia's strongest performers in providing individuals and workplaces with RPL processes. Enrolments involving RPL increased from fewer than 2000 in 2004 to more than 8000 in 2009.
- Skilling Solutions Queensland has offered information on training and career opportunities from its 16 customer service centres across Queensland, and received a gold award for customer service at the trans-Tasman 2009 International Customer Service Awards.
- The Training Queensland Customer Centre has provided free advice, support and referral services to more than one million clients since 2006.
- National Centre for Vocational Education and Research (NCVER) surveys show that the majority of students and employers are satisfied with VET services and products in Queensland.

2.1 Queensland Skills Plan key actions and strategies

The *Queensland Skills Plan* set out to improve the Queensland VET system by:

- reforming the TAFE system through: moving toward commercial governance; realigning functions, including establishing lead institutes and a trade and technical skills institute; enhancing TAFE product, delivery methods and staff capacity; and undertaking major capital works
- enhancing the capacity of the VET sector through: innovative purchasing models; reforming the User Choice program; and improving the skills of training sector staff
- customising training to workforce needs through: improving recognition of prior learning; improving the alignment of government-purchased training with industry needs and skills shortages; and increasing the use of flexible and innovative delivery methods.

A key action to reform the Queensland public provider, TAFE Queensland, was to move towards a more commercial governance model. The Southbank Institute of Technology (SBIT) and the Gold Coast Institute of TAFE (GCIT) were established as the first Queensland TAFE institutes with statutory authority status. Other structural changes included the establishment of a trade and technical skills institute, SkillsTech Australia, institute amalgamations, and the designation of some TAFEs as lead institutes in specialist subject areas to gain efficiency and strengthen product development and services. These structural and systemic changes were complemented by a seven-year capital investment program in TAFE facilities.

Fundamental changes were made to the User Choice program to increase the number of training providers, including private providers, and their capacity to deliver apprenticeship training. A policy to promote third party access to TAFE facilities was introduced and there was a commitment given that regulation of training providers would strike the right balance between reducing risks to students and relieving administrative burdens on training providers. The *Queensland Skills Plan* also aimed to improve professional development in the VET sector, and to develop better collaborative partnerships with industry and private providers.

These actions, as well as the development of new purchasing models, were intended to improve the capacity, effectiveness and efficiency of the VET system in Queensland, and better meet the needs of industry and the aspiration of students.

2.2 Findings

2.2.1 TAFE reform and modernisation

Statutory institutes

Creating statutory TAFE institutes was seen as a means to unlock previously untapped potential within TAFE institutes by providing for more responsiveness, flexibility and autonomy in meeting customer needs, targeting new markets and improving training capacity. The model was also seen as providing a better opportunity to create financially sustainable organisations with the capacity to reinvest surpluses at the institute level into staff and training facilities.

DET commissioned PricewaterhouseCoopers to develop a commercial governance model and implementation process to transition TAFE institutes to statutory authorities. As part of this work, transition conditions were recommended to prepare institutes for the conversion to a commercial governance model. These transition conditions were based on strategic business planning, workforce planning and development, commercial financial management, and an understanding of customers and markets.

In April 2008, Southbank Institute of Technology transitioned to statutory institute status, followed by Gold Coast Institute TAFE in July 2008.

Both institutes have performed strongly, with student satisfaction surveys indicating improvements of 7 percentage points and 4 percentage points respectively following transition to statutory authorities. An internal post-start-up review of the Gold Coast Institute of TAFE Board and the Southbank Institute of Technology Board was undertaken in March 2010. The review identified that both statutory TAFE institutes were performing satisfactorily in relation to financial and non-financial performance targets, with both contributing towards the state's effort in delivering Certificate III and above training. The review also identified a number of areas for operational improvement for the statutory institutes and departmental business units.

Brisbane North Institute of TAFE and Metropolitan South Institute of TAFE met the preconditions for statutory status in early 2009, and began operating under a semi-commercialised business model in July 2010.

Establishment as statutory authorities has enabled those institutes to access the Australian Government's income-contingent loans scheme, VET FEE-HELP. Southbank Institute of Technology and Gold Coast Institute of TAFE became approved VET FEE-HELP providers during 2010. In 2010, VET FEE-HELP was available for full fee paying students undertaking diploma, advanced diploma, vocational graduate certificate and vocational graduate diploma courses under certain conditions. Early indications are that access to VET FEE-HELP has the potential to foster student demand for higher level VET, because it defers the tuition fee rather than requiring up-front payment.

Southbank Institute of Technology currently has over 40 courses offered with FEE-HELP. Approximately 700 students took up the FEE-HELP option from the first semester FEE-HELP was on offer, compared to 200 students that paid their fees up front. To date, approximately 65 per cent of eligible students take up the FEE-HELP option for payment of their fees.

At the Gold Coast Institute of TAFE, the Diploma of Nursing is the first program to be offered with VET FEE-HELP. Student interest in using VET FEE-HELP is growing, with 88 per cent of students in the latest full-time offering of this program taking it up.

Whilst the statutory TAFE authority model is considered to be effective if an institute has sufficient capacity to operate independently and be financially viable, a range of issues remain with the model including staff and asset ownership and availability of working capital. Such issues need to be considered when determining future governance arrangements for TAFE institutes.

SkillsTech Australia, lead institutes and the regional model

TAFE Queensland was restructured and reorganised around a lead institute model. Lead institutes have key responsibilities, including:

- acting as the key point of contact for Queensland industries on behalf of TAFE Queensland, providing leadership in the designated areas by engaging with industry and government departments to provide systemic training solutions across the network
- developing and maintaining new training products which are available for the Queensland VET sector, and specific training products for the TAFE network
- providing leadership in improving services to all clients by sharing good practice and providing consistency in service delivery and assessment to employers, employees and students.

Queensland Skills Plan lead institutes are listed in Appendix 1.

SkillsTech Australia commenced operations as a registered training organisation on 1 July 2006, and provides leadership and innovation for the pre-trade, apprenticeship and post-trade programs. The institute leads product development and delivery in the areas of automotive; building and construction; manufacturing and engineering; electronics and communication; and sustainable and renewable energy.

SkillsTech Australia has two main training centres — Acacia Ridge on the south side of Brisbane and Eagle Farm on the north side. However, as a result of the amalgamation of trade training in Brisbane, SkillsTech Australia also operates from a number of training centres across the metropolitan area. These include Bracken Ridge, Ithaca, Yeronga, Mt Gravatt, Alexandra Hills and Salisbury.

SkillsTech Australia delivers training to people of all ages — from school students through to mature age students. Approximately 22 000 students currently undertake trade and technician training at SkillsTech Australia across the eight metropolitan training centres.

The institute provides over 120 training programs, including school-based programs, pre- and post-apprenticeship training, diplomas, advanced diplomas, licensing, and traineeships and apprenticeships.

Capital works and information and communication technology

The modernisation of existing TAFE infrastructure and development of new leading-edge training facilities were supported by a major seven-year capital works investment program.

Significant capital works have been completed or are underway at the time of the evaluation, including:

- The construction of a trade training facility at SkillsTech Australia’s Acacia Ridge campus has provided a major new training location for carpentry, plumbing, painting and decorating, furnishing, electrical, refrigeration and air conditioning, moulding and pattern making, and heavy automotive. New facilities to accommodate the wet trades (bricklaying, tiling, plastering), engineering and light automotive are also under construction. A new corporate and student services hub and resource centre is also planned for the site.
- A new trade campus has been established at Bohle (Townsville) to accommodate all trade training previously delivered from outdated facilities at Pimlico campus. The new campus is located in an industrial precinct, which is more appropriate than the enclosed residential community at Pimlico. The relocation also offers an opportunity to redevelop the vacated block to accommodate services and training presently located in aged buildings on campus that are no longer viable to redevelop, nor suitable for the delivery of training. The redeveloped area will also accommodate all training and services presently located on the Townsville City campus.
- The refurbishment of training facilities has occurred across three campuses of the Bremer Institute of TAFE, and will modernise training delivery across all areas. The most significant will be the establishment of a nurse training centre to meet unmet demand within the region.
- A new trade training precinct will be constructed and located at the Mackay Knowledge Village, Central Queensland University site. The new facility will provide delivery of contemporary automotive, building and construction, engineering, furnishing and electrical trade training. The relocation from a crowded city site will ‘future proof’ the delivery of trade training to the region.
- The redevelopment of a building at Metropolitan South Institute of TAFE will accommodate the growth in training associated with the textile, clothing and footwear industries. Outdated equipment will be upgraded to reflect industry standards. The redevelopment of another block will see an outdated library emerge as a cutting edge e-learning centre, capable of accommodating new learning styles and client expectations.
- A new trade training centre under construction at the Nambour campus will accommodate training in refrigeration and air conditioning, and metal fabrication. Partial redevelopment of Blocks B and D, and the addition of new car parks will further enhance the campus. These new facilities, built to 4 Green Star certification, will provide a larger noise buffer zone from the neighbouring residential properties.
- The completion of a new Flexible Training Space and Sustainability Interpretative Centre in Mooloolaba will be used to highlight and promote the sustainability learning which is associated with all employment sectors as they switch to carbon reduction modes of working.
- In June 2010, a process was commenced for the acquisition of land adjacent to the proposed Sunshine Coast Regional Hospital to accommodate a new campus for Sunshine Coast TAFE. This new facility will provide training in health and allied health for the region’s growing needs.

- Fire services training facilities at the Eagle Farm campus of SkillsTech Australia have been upgraded to meet current standards, and the plumbing training area has benefited from the provision of a new three-storey plumbing tower and drainage sandpit. New facilities are also being constructed to accommodate telecommunications and renewable energies training facilities.
- A new trade training precinct is planned, together with the upgrade of equipment, to meet delivery in construction, engineering, diesel fitting, refrigeration and air conditioning as part of the Cairns Campus Trade Training Centre redevelopment project.

The investment to date has been more than \$194 million, and a final total of almost \$200 million will be injected into modernising Queensland’s public training facilities by the end of the program (Table 1).

Table 1: Actual and forecast capital works program expenditure

\$'000 Total QSP budget	\$'000 2006–07 actuals	\$'000 2007–08 actuals	\$'000 2008–09 actuals	\$'000 2009–10 actuals	\$'000 2010–11 forecast	\$'000 2011–12 forecast
393 015	25 620	48 251	47 548	72 807	75 035	123 754

Source: Department of Education and Training

The infrastructure investment has provided a much needed modernisation of TAFE training facilities for key industry areas, particularly the trades, to ensure training meets contemporary industry standards.

Outcomes of TAFE modernisation

One measure of the outcomes of the governance changes to reform and modernise TAFE is the extent to which the changes have increased TAFE’s commercial orientation toward the demands of the VET market. TAFE commercial revenue has grown from the 2004–05 baseline figure of \$129.5 million to \$225.5 million in 2009–10. TAFE Queensland has exceeded the commercial revenue targets in all but one year, where revenue was slightly below target. Since the introduction of the *Queensland Skills Plan*, commercial revenue earned by TAFE has continued to increase each year on the base figure, and in 2009–10 had grown by 74 per cent.

Table 2: TAFE commercial revenue targets and actuals

Year	Baseline \$'000	Target \$'000	Actual \$'000	Increase on base \$'000	Increase on base %
	129 500
2006–07	...	138 638	142 257	12 757	10%
2007–08	...	156 913	155 540	26 040	20%
2008–09	...	175 187	183 858	54 358	42%
2009–10	...	193 462	225 502	96 002	74%

Note: Excludes commercial revenue from Australia-Pacific Technical College (APTC), the Sunshine Coast Institute of TAFE’s international campus.
Source: Department of Education and Training

Fee-for-service revenue in 2009 represented 9.3 per cent of TAFE Queensland’s total operating revenue, compared with an average of 15.7 per cent nationally and 26.5 per cent in Victoria. However, from this low base, Queensland is increasing this source of revenue at a faster rate than other states and territories. Queensland’s fee-for-service revenue increased 24.3 per cent from 2008 to 2009, compared with increases of 7.5 per cent nationally and 3.6 per cent in Victoria.²²

22 NCVET (2010b)

Queensland raised 5.3 per cent of its operating revenue from (regulated) student fees and charges in 2009, more than the national 4.3 per cent and Victoria's 4.1 per cent. While these percentages are low, Victoria's revenue from student fees and charges increased 18.9 per cent over 2008, compared with an 8.1 per cent increase in Queensland and 6.1 per cent national increase.²³ The Victorian fee revenue growth may be largely driven by the extension of VET FEE-HELP to government-subsidised, higher level VET courses in Victoria, the only state in 2010 to have widespread access to the scheme for government-subsidised courses.

The most commonly used measures of publicly funded VET efficiency (predominantly TAFE, but also publicly funded training provided by private providers, such as under User Choice) are:

- government recurrent expenditure per annual hour, which measures the average cost to government of producing a training output
- government recurrent expenditure per load pass, which measures the cost to government of each successfully completed VET module or unit of competency.

Relatively low expenditure per annual hour and per load pass is used as an indicator of efficiency for VET service delivery. For both these measures, Queensland registered the highest expenditure levels across all states and territories, with the exception of the Northern Territory.²⁴ Based on these figures, TAFE Queensland's performance would appear to be relatively poor when compared with the national level and other states and territories. However, these measures of efficiency do not, for example, take account of relative costs of delivery or delivery profile.

A 2010 study of nationwide TAFE efficiency found that institutes with high proportions of students in remote areas, which also have higher proportions of Indigenous students, tend to have lower efficiency scores, indicating a higher cost of delivery for these institutes. Institutes with large numbers of students with a disability also tend to be less efficient, while having more part-time students and fewer full-time students helps efficiency, as does delivering to fewer students for a given level of training.²⁵

It is usually assumed that an increasing cost per hour or load pass indicates decreasing efficiency in delivery of outputs. This need not be the case. Shifts in delivery to higher level courses, as have occurred in Queensland and will be discussed later in this report, can result in increased costs per hour or load pass. Skills Australia posed the following interpretation of reduced training costs in its recent discussion paper:

In some jurisdictions, the public funds per hour of delivery time have dropped by up to 17 per cent. This might be applauded as representing increased efficiency, but it might also be making it more difficult for providers to maintain, for example, essential student support services.²⁶

Each year, TAFE Queensland undertakes its own survey of students and business clients to measure client satisfaction across each of its institutes (including the two statutory authorities). Performance is measured on an individual institute level, as well as at a whole-of-TAFE level. While sample sizes, particularly for business clients, are relatively small, they provide a good indication of TAFE's performance in meeting client needs.

The 2010 survey found that Queensland TAFE students' overall satisfaction was high at 85 per cent. However, these levels have remained consistent across the years since 2004 when the survey commenced, as Table 3 shows. What has changed since 2004 is that each individual institute has exceeded the 80 per cent performance guideline for the first time, with satisfaction scores ranging from 80 per cent to 89 per cent. Notably, SkillsTech Australia recorded significantly higher student satisfaction scores than in 2009.

23 NCVER (2010b)

24 Steering Committee for the Review of Government Service Provision (2010)

25 Fieger, Karmel and Stanwick (2010)

26 Skills Australia (2010)

The survey report also notes that the area that contributes the most to students' overall satisfaction with TAFE continues to be teaching and training, with other key contributors being enrolment and administration, course flexibility, equipment and resources, and facilities.

According to the survey, TAFE's business clients are more satisfied than they were in 2009, with overall satisfaction registering at 82 per cent, a significant increase on the 2009 result of 78 per cent. The majority of business clients (86 per cent) indicated that their expectations were met. This is a slight, but not significant increase on 2009 (83 per cent), but continues an upward trend on this measure since 2007 (80 per cent).²⁷

Table 3: Overall student satisfaction by institute

	2004	2005	2006	2007	2008	2009	2010
OVERALL	84%	83%	84%	83%	82%	84%	85%
Barrier Reef TAFE	87%	85%	86%	88%	85%	88%	85%
The Bremer TAFE	91%	88%	88%	90%	85%	89%	89%
Brisbane North TAFE	-	-	85%	85%	84%	84%	84%
Central Queensland TAFE	88%	87%	88%	85%	83%	87%	86%
Gold Coast TAFE	79%	77%	79%	84%	78%	82%	81%
Metropolitan South TAFE	-	-	-	81%	76%	80%	81%
Mount Isa TAFE	81%	71%	84%	84%	83%	70%	80%
SkillsTech Australia	-	-	-	73%	71%	75%	83%
Southbank Institute of Technology	80%	76%	76%	76%	78%	85%	85%
Southern Queensland TAFE	86%	85%	87%	87%	87%	88%	87%
Sunshine Coast TAFE	82%	82%	82%	80%	85%	82%	84%
Tropical North Queensland TAFE	86%	85%	89%	88%	84%	87%	89%
Wide Bay TAFE	83%	84%	85%	87%	84%	84%	89%

Source: Queensland Government (2010e)

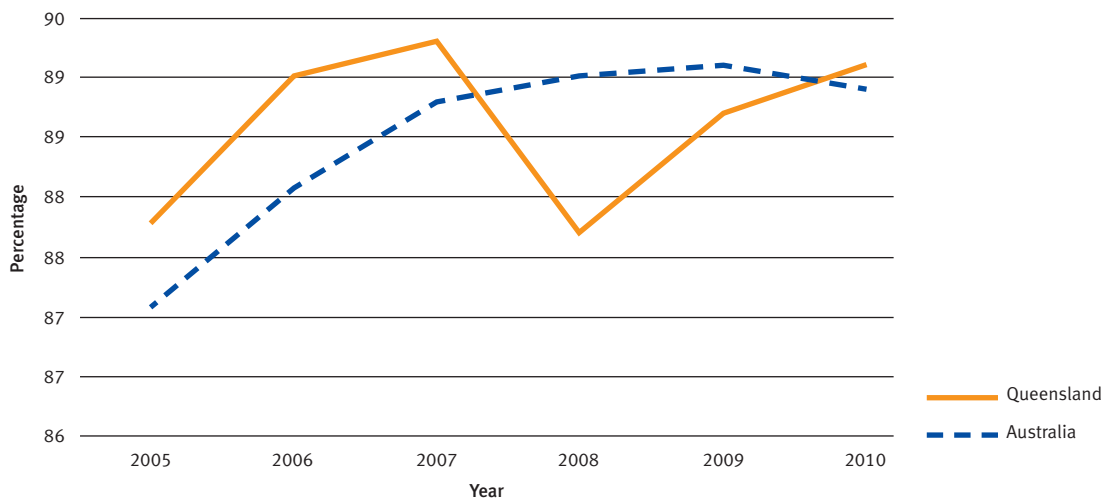
Client satisfaction with the VET system

NCVER's Student Outcomes Surveys and Surveys of Employers' Use and Views of the VET System provide some indication of the level of effectiveness and responsiveness of the VET system in meeting client needs. While there are sampling errors in these surveys, and changes in satisfaction levels are often minimal, they do provide some indication of client satisfaction.

Figures 1 and 2 show comparative trends between Queensland and Australia since 2005 in the proportion of VET graduates who were satisfied with the overall quality of training, and the proportion of VET graduates employed after training who reported that the training was relevant to their current job.

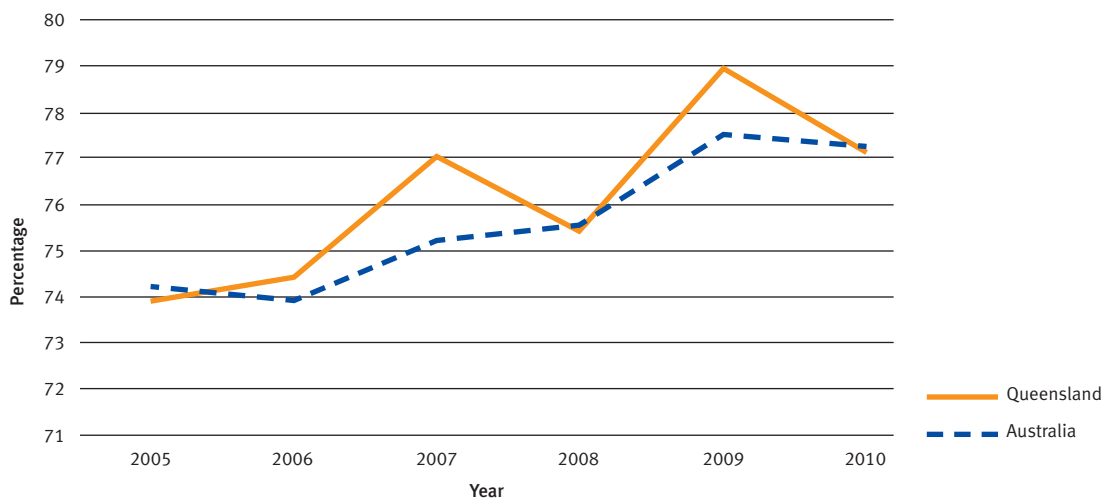
27 Queensland Government (2010e)

Figure 1: Proportion of VET graduates satisfied with overall quality of training – Queensland and Australia (2005 to 2010)



Source: NCVER (2010c)

Figure 2: Proportion of VET graduates employed after training who report that training was relevant to their current job – Queensland and Australia (2005 to 2010)



Source: NCVER (2010c)

Although there was a decline in graduate satisfaction in 2008, this has improved in more recent years, and now exceeds results for Australia overall. The global financial crisis may have impacted on the result for 2008. While the figures show considerable volatility over the period of the *Queensland Skills Plan* implementation, the overall trend in graduate satisfaction is positive.

NCVER’s Survey of Employers’ Use and Views of the VET System measures employers’ use of, and satisfaction with, the VET sector in meeting their skills needs as an indication of performance of the VET sector.

Recent NCVER research modelled changes in employer satisfaction (2005 to 2009) to try and identify real shifts in satisfaction that take into account the size and industry of responding employers. This research found that the modelled estimates are generally similar to the survey estimates. For Queensland, the trend has been upward in both instances, suggesting that employers have been increasingly satisfied with vocational qualifications in Queensland as a means of meeting their skill needs (see Table 4).

Table 4: Employers of apprentices and trainees satisfied with training as a way of meeting skills needs (%)

	2005	2007	2009
Queensland	81.3	83.9	83.6
Australia	79.0	83.3	83.2

Source: NCVER *Employers' Use and Views (2009)*

According to NCVER's employer survey results, more employers are using the VET system in Queensland than in previous years — up 3.1 percentage points on 2007 levels — but not at the same level that employers in other states and territories have reported, with Queensland in fifth position.²⁸

Employers who list vocational qualifications as a key requirement for their workforce in Queensland job requirements have been increasingly satisfied with the VET system in Queensland as a means of meeting their skill needs. Employers with apprentices and trainees and employers using nationally recognised training have been less satisfied than in previous years. Encouragingly, employers in Queensland have been increasingly satisfied with the quality of the training being delivered to their apprentices and trainees across all provider types.

While the satisfaction rate is trending upward, employers continue to express dissatisfaction in key areas such as the failure of training to teach relevant skills; not enough focus on practical skills training; and training that is of a poor quality or low standard. These areas will require further work to fully meet the expectations of employers, and to fully realise productivity gains of training.

2.2.2 Enhanced VET sector capacity

Contestable funding

Purchasing arrangements were revised under the *Queensland Skills Plan* as a means of expanding the capacity of the private training sector. This included opening up more public funds to competition, particularly User Choice funding for apprenticeship and traineeship training. In 2009 and 2010, the implementation of the Australian Government's National Partnership Agreement on the Productivity Places Program, with funding allocated on a contestable basis, provided further opportunities for opening the VET market to competition.

Queensland is a national leader in aspects of contestable funding, being one of the few states to have opened up all User Choice funding to competition between all providers — public and private. Contestable funding (User Choice funding plus other competitively tendered funds) in Queensland represents 23.9 per cent of total government recurrent funding compared to a national figure of 21.7 per cent, as illustrated in Table 5.

28 NCVER (2009)

Table 5: Allocation of government real funds for VET (2009 dollars)

	Qld	NSW	Vic (a)	WA	SA	Tas	ACT	NT	Aust
Government recurrent funding (\$million)									
Australian funds	221.7	372.2	319.8	114.8	83.9	26.1	22.1	13.9	1174.2
State/territory funds	635.8	996.1	765.4	376.5	224.0	81.2	64.1	67.3	3210.4
Commonwealth administered programs	61.6	87.3	74.5	45.9	25.1	5.7	4.6	24.2	329.0
Total	919.1	1455.6	1159.7	537.3	332.7	113.0	90.9	105.4	4713.6
Amounts allocated (\$million)									
Open competitive tendering(b)	12.9	56.4	23.2	19.7	18.2	2.0	3.2	na	135.6
Limited competitive tendering(c)	13.5	na	na	..	4.7	5.7	0.2	..	24.1
User Choice	193.7	228.5	237.1	125.8	44.0	6.3	12.3	13.4	861.1
Total	220.1	284.9	260.3	145.5	66.9	14.0	15.7	13.4	1020.8
Proportion of government recurrent funding (%)									
Open competitive tendering(b)	1.4	3.9	2.0	3.7	5.5	1.8	3.5	-	2.9
Limited competitive tendering(c)	1.5	-	-	-	1.4	5.0	0.2	-	0.5
User Choice	21.1	15.7	20.4	23.4	13.2	5.6	13.5	12.7	18.3
Total	23.9	19.6	22.4	27.1	20.1	12.4	17.3	12.7	21.7

- a) Victorian TAFE institutes and ACE organisations are not eligible to apply for open competitive tendering.
b) The tendering process is open to both public and private providers, except where otherwise noted.
c) The tendering process is restricted to community groups that deliver ACE VET programs.
na not available.
.. not applicable.
- nil or rounded to zero.

Source: Steering Committee for the Review of Government Service (ROGs) Provision 2011 (Table 5A.8)

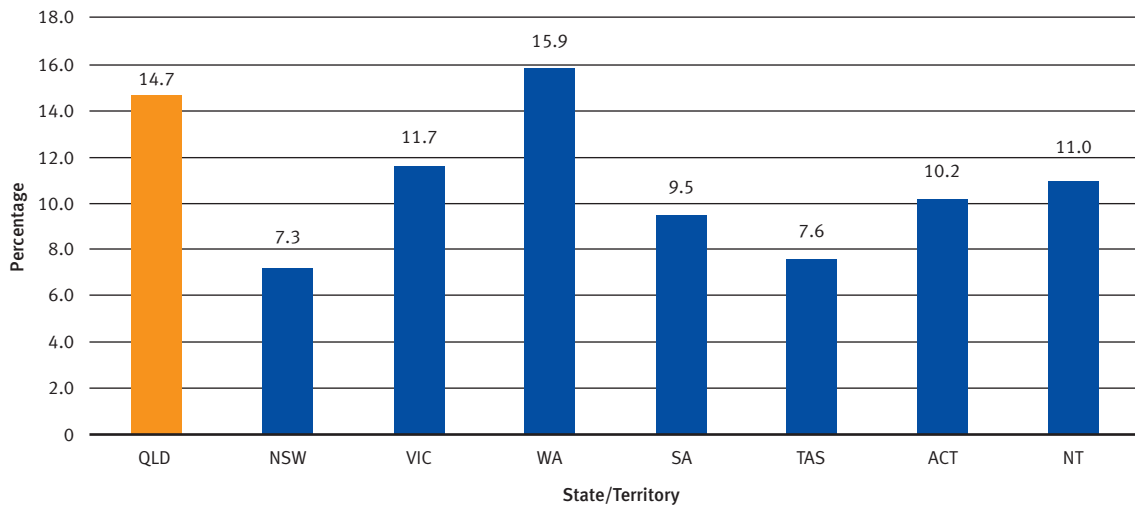
Competitively allocated funds have grown steadily since 2006, driven largely by the increased funding allocated under the *Queensland Skills Plan* to support the growth in trade training (Figure 3).

Today, Queensland has a large network of providers, with over 1400 active registered training providers, more than any other state or territory, and far more than the relative population share.²⁹ Over 80 per cent of these providers are private organisations, many of which receive government funding through competitive funding programs.

Figure 3 illustrates that Queensland, relative to other states and territories except Western Australia, allocates a higher proportion of government recurrent funding to non-TAFE providers.

29 Department of Education and Training

Figure 3: Payments to non-TAFE providers as proportion of government recurrent funding (2009)



Source: Steering Committee for the Review of Government Service Provision 2011

Queensland was reported in 2009 to have more than 5200 registered training delivery locations, far more than any other state or territory, and accounting for more than a third of the total number of delivery locations Australia-wide.³⁰ This in part reflects Queensland's geographical dispersion, but also the fact that Queensland has successfully expanded its provider network, ensuring that training delivery can occur as close as possible to the client, particularly in regional and remote locations.

Queensland's robust private provider network is also helping to meet the skill needs of industry on a full fee-for-service basis. However, the true nature and quantum of this private fee-for-service delivery market is still unknown. It is generally accepted that private providers contribute significantly to the state training effort. In 2003–04, a survey of private training providers commissioned by the department estimated that the private fee-for-service market in Queensland represented 38.7 per cent of the total state training effort. As Skills Australia noted, the number of privately funded students in the private sector is not verifiable due to a lack of data beyond the figures for international students, which indicate that international students undertaking training with private providers increased from 62 000 in 2006 to 192 000 in 2009.³¹

User Choice reforms

To support *Queensland Skills Plan* aspirations to build the capacity of both the public and private VET market, the pricing structure for User Choice was revised to reflect the relative strategic priority of training in different occupational and skill areas, and to encourage flexible and innovative training delivery.

Other User Choice pricing reforms implemented to support the *Queensland Skills Plan* included price increases in priority training areas to encourage providers to deliver in these sectors, location loadings for regional and remote areas to support additional costs associated with such delivery and thin market price differentials.

³⁰ Steering Committee for the Review of Government Service Provision (2011)

³¹ Skills Australia (2010)

From 1 July 2010 further enhancements to the User Choice program were implemented to ensure the clients of the system can have a real influence over training expenditure. Key changes to the program include:

- a focus on providing funding that is linked to occupational outcomes and addresses skills shortages
- enhancing student and employer choice and mobility by enabling them to select their preferred supplier, move between registered suppliers with their notional funding and negotiate the cost of training with the supplier based on their individual delivery needs.

Discussion on the impact of User Choice on the profile of skills and quantum of trades training is included in later sections of this report.

Third party access

A TAFE third party access policy was implemented in 2008 to open up TAFE facilities to other training providers. The policy makes TAFE facilities available on a commercial basis to third party registered training organisations for training purposes. It forms part of a broader third party access regime that includes partnerships between public and private organisations, and arrangements such as resource sharing, shared use of facilities and joint ventures. Third party access is another way that the overall capacity of the VET system can be increased, while also providing a financial return on unused (or underused) public assets. There has been limited uptake of third party access by private training providers over the period of the *Queensland Skills Plan* implementation.

TAFE and private provider partnerships

More than 40 agreements are in place between individual TAFE institutes and private providers, especially in specialist areas. The level of activity has been increasing over the past five years. Arrangements are in place to deliver training and assessment into remote locations, and in thin markets, where economies of scale limit the capacity of TAFE to deliver specific training. Arrangements are also used where excess demand means that a TAFE institute does not have the capacity to deliver all of the training.

Areas of training in which partnerships are in place include civil engineering and construction, the national broadband network rollout, maritime skills, telecommunications, hospitality, automotive and retail water operations.

2.2.3 Customised training to meet industry and student needs

Recognition of prior learning

The *Queensland Skills Plan* emphasised that, in order to meet the workforce requirements of a burgeoning economy, greater effort was required to maximise and recognise the skills of the existing workforce, identify additional sources of skilled labour, and develop professional and paraprofessional skills. Many workers have existing skills that are able to be recognised, and accelerating the process for recognition contributes to filling qualification gaps in the Queensland workforce.

Recognition of prior learning (RPL) has provided a valuable avenue for assisting mature age workers, skilled migrants, those displaced in the labour market, and those wishing to change careers to have existing skills formally recognised through a quality skills assessment and (if necessary) gap training process. RPL also offers a means for people to attain formal qualifications sooner, meaning industry has ready access to a skilled, productive workforce. For individuals, RPL can mean that they are job-ready and competitive in the labour market faster than if they were required to undertake a full course of study. RPL can also avoid duplication of training effort.

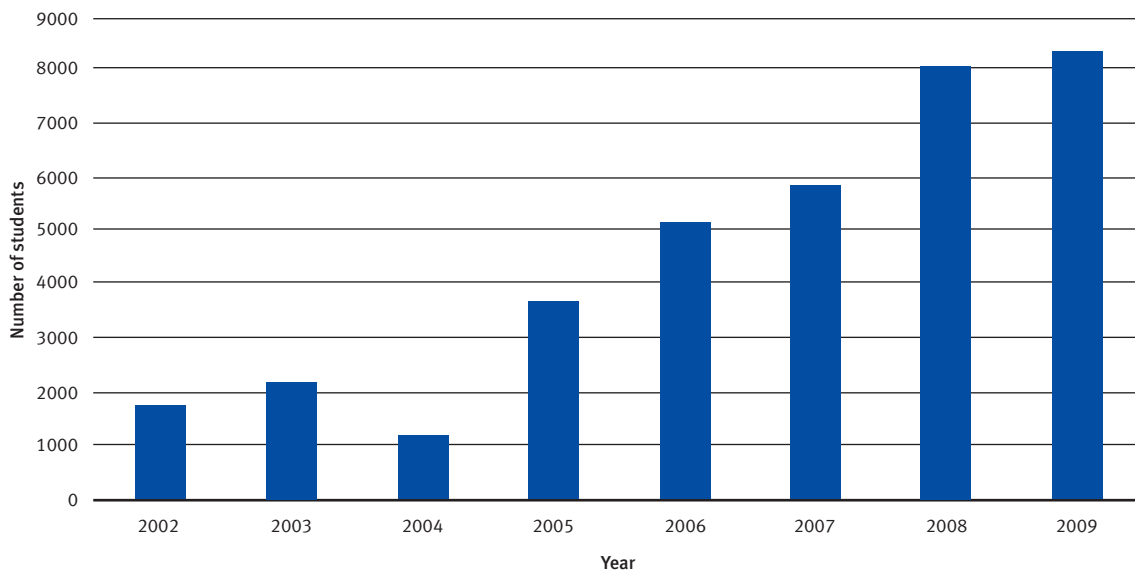
At the time of the *Queensland Skills Plan* green paper consultations, RPL was criticised for being overly complicated, often taking as much time and effort to undertake as the full course of study

would have taken. As well as calling for RPL processes that were not onerous, it was recognised that processes needed to remain rigorous so as not to undermine the integrity, quality or industry confidence in qualifications.

The Skills First program was introduced under the *Queensland Skills Plan* to address these concerns by streamlining skills assessment processes and ensuring that the assessment is practical, efficient and relevant. The Skills First program resulted in over 100 industry-developed assessment models and tools, which has significantly improved RPL processes being used across most vocational areas, and has increased the quantum of formal recognition occurring in the system.

The success of these reforms is indicated by the fact that Queensland continues to be one of the nation's leaders in providing individuals and workplaces with RPL processes to attain, or contribute towards the attainment of, qualifications, and has significantly grown the number of RPL enrolments since 2004 as illustrated in Figure 4. This significant increase in the use of RPL can be attributed to the availability of industry-tailored assessment tools, RPL coordinators in TAFE institutes, funding to support RPL delivery by private training providers through the Australian Council of Private Education and Training, new tools to help assess skills and preferred provider arrangements.

Figure 4: Number of all activity RPL enrolments (2002 to 2009)



Source: Department of Education and Training

Strategic skilling advice

Early reforms to the training investment model in Queensland focused on achieving better value for money by improving alignment of government-purchased training with industry needs and skills shortages. New industry engagement bodies introduced under the *Queensland Skills Plan* have provided more strategic skilling advice to the department to inform purchasing decisions.

The 2010 Training Investment Performance Report³² shows that the top four growth areas for government training investment were:

- building and construction
- business
- health and community services
- manufacturing and engineering.

32 Queensland Government (2010d)

The energy and telecommunications and tourism and hospitality industries also saw significant public investment in 2009–10. These investment priorities reflect industry skilling advice received by DET from state industry engagement bodies. This industry advice is synthesised with other intelligence on skills shortages, training demands and labour market data, and balanced with the government's strategic economic and social prerogatives, to arrive at funding decisions. Better aligning public investment to the qualifications and skills required by industry and employers also maximises employment outcomes for students.

An external review of the industry engagement arrangements implemented under the *Queensland Skills Plan* found that the new industry models were providing government with improved and more sophisticated strategic industry skilling advice.³³ This would suggest that Queensland is increasingly improving the match of skills investment to industry needs, and achieving better value for money for the public VET dollar.

Training Queensland Customer Centre

The *Queensland Skills Plan* also identified improving the advice and information available to people about skills and jobs as a means of creating a more responsive and flexible VET system. One of the mechanisms established was the Training Queensland Customer Centre (TQCC). TQCC is the primary customer contact point for Training Queensland, Skilling Solutions Queensland and Apprenticeships Info (the apprentice hotline), averaging around 2500 calls and 400 emails every week. Since opening on 30 August 2006, TQCC has provided free advice, support and referral services to more than one million job seekers, existing workers, apprentices, trainees, employers, parents and training organisations. TQCC acts as a one-stop shop for Queensland VET system enquiries.

Customer satisfaction research undertaken in 2010 by TNS Consulting, on behalf of the department, identified that the overall satisfaction with the Apprenticeship Info telephone service was high, with 79 per cent of apprentices, trainees and employers indicating that the service was able to resolve their issue straight away or easily, the service was helpful, and the correct information was provided.³⁴

The research found that the overall satisfaction with the service provided by departmental regional offices across the state was also very positive, with nine in 10 apprentices and trainees (90 per cent) and over eight in 10 employers (82 per cent) indicating satisfaction with service aspects such as timeliness, quality of response and ease of understanding the response (the highest performing area).

Skilling Solutions Queensland

Skilling Solutions Queensland provides information on training and career opportunities from 16 customer service centres across Queensland. It also helps customers identify their work skills and aligns those skills with a relevant formal qualification. Eligible customers can be referred on to a network of training organisations for formal RPL, which may lead to a partial or full nationally recognised qualification.

As identified in an external review of Skilling Solutions Queensland³⁵, key strengths are its separate identity (improving public access to the service) and its strong focus on customer service. Skilling Solutions Queensland's success in customer service is evidenced in the number of awards it has won, including a gold award for customer service at the trans-Tasman 2009 International Customer Service Awards, two Australian Business Awards for service excellence and innovation in 2008, and an Australian Service Excellence Award in 2007.

33 Escalier Consulting Pty Ltd (2010)

34 Queensland Government (2010a)

35 Deborah Wilson Consulting Services (2008)

Skilling Solutions Queensland is also playing a key role in meeting the Queensland Government’s Toward Q2 target of three out of four Queenslanders holding a trade, training or tertiary qualification by 2020. Since the service opened in 2005, more than 65 000 Queenslanders have been interviewed by Skilling Solutions Queensland, with some 12 000 enrolling in RPL, and over half of these obtaining a formal qualification.

In addition to its customer service centres and mobile van service, Skilling Solutions Queensland has collaborated with industry to establish specialised service centres in the energy and building and construction sectors. For example, Skills Solutions Queensland partnered with Energy Skills Queensland to create Energy Skills Solutions, located at Rocklea. An earlier innovative partnership between Skilling Solutions Queensland and Construction Skills Queensland resulted in the establishment of the Workforce Solutions Centre at Salisbury, which was the first industry-specific employment and skills shopfront of its kind in Australia.

While the Workforce Solutions Centre made some significant achievements in attracting new entrants and upskilling existing workers, a major success has been its case management of construction apprentices on the out-of-trade register set up in response to the global financial crisis.

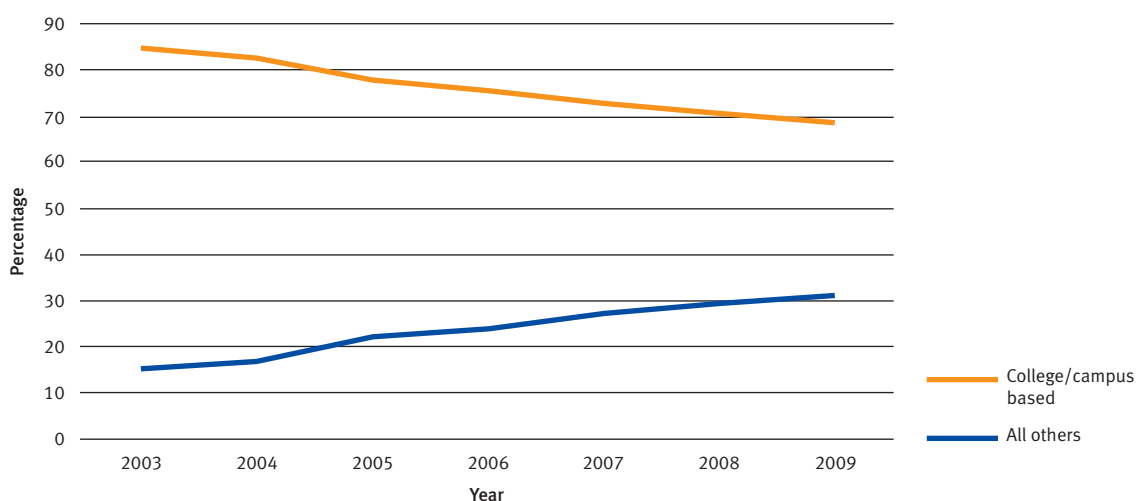
Reforms to training delivery

Increasing the capacity and responsiveness of the VET system has been achieved by an increase in flexible and innovative training delivery enabled by the *Queensland Skills Plan*.

The *Queensland Skills Plan* provided the impetus for some changes in market behaviour that have resulted in more flexible and innovative responses by training providers to industry, employer and individual needs.

NCVER data indicates that there has been a significant move away from classroom-based training delivery in Queensland. While classroom-based training delivery remains the predominant delivery mode for publicly funded VET, there has been an increase in other types of delivery, including training delivered in the workplace, online training delivery, delivery via correspondence and RPL. As Figure 5 shows, in 2003, Queensland training providers were delivering 85 per cent of training in the classroom. By 2009, this had reduced to 69 per cent, with a corresponding doubling in the proportion of training being delivered via more flexible delivery modes.³⁶

Figure 5: Queensland VET enrolments by delivery type (as a proportion of total enrolments)



Source: NCVER (2010a)

36 Source: NCVER (2010a)

Queensland Skills Plan reforms to TAFE were also intended to maximise customised and flexible training options to help meet the diverse needs of the workforce and individual learners, particularly those facing barriers to training such as distance, and work and family commitments, and those client groups facing other disadvantages, including Indigenous Queenslanders.

TAFE Open Learning

To assist TAFE in delivering training in a variety of ways, and improving learning pathways for distance learners and those who experience barriers to training, the *Queensland Skills Plan* targeted the integration of Learning Network Queensland into existing TAFE facilities and services, and the enhancement of TAFE Open Learning products and services.

Learning Network Queensland (LNQ) provides a network of learning centres throughout Queensland, and offers a range of services dedicated to increasing learning opportunities for people in regional, rural and remote Queensland, including:

- learning and support services
- entry-level accredited and non-accredited training programs
- remedial support for local students (literacy, technology, study skills)
- study support for online and distance students
- exam supervision (for universities, TAFE and other providers)
- access to computers, internet, web conferencing and printing
- computer and lecture room hire.

There has been a significant shift away from fixed LNQ centres to a mobile delivery model, capable of reaching clients in a wider range of regional areas, particularly smaller communities where there are fewer facilities and opportunities. The key advantage of this model is that it provides TAFE with the capacity to be more agile and flexible in responding to client needs. LNQ also continues to support foundation level training (Certificate I and II) as a pathway into work or further study. A 2010 survey of participants indicated that 96 per cent were satisfied that courses conducted by LNQ met their expectations, with 92 per cent indicating their needs had been met.³⁷

There is good demand reported for this model, and it appears to be particularly useful as a tool to deliver training in Indigenous communities.

TAFE Open Learning has established itself as a single access point for open learning (correspondence and online training delivery). TAFE reports an increase of 34 per cent in TAFE Open Learning enrolments from the 2008–09 levels (the 2009–2010 financial year exceeded 1 170 000 hours across 26 580 unit enrolments and 11 134 students), as well as an increase in the range of training programs available.³⁸

ICT improvements in the public VET sector place Queensland in a strong position to adapt to an increasingly digital learning environment.

³⁷ Department of Education and Training – internal report (2010) unpublished

³⁸ Department of Education and Training – internal report (2010) unpublished

3. Industry leadership and ownership of skilling strategies

Key achievements

- New industry engagement models, including centres of excellence, skills alliances, government–industry skilling partnerships, direct engagement arrangements and skills formation strategies, have been introduced and are impacting on workforce development across most industry sectors.
- The new industry engagement models have provided for increased industry leadership and ownership of skilling strategies, and are providing more strategic advice that directly influences public investment in VET in Queensland.
- Queensland’s industry engagement has been recognised as one of the most sophisticated models in Australia, and has provided the impetus for government and industry to focus their combined efforts on workforce development solutions, rather than looking to training alone to solve skills and labour shortages.
- While regional and small business engagement remains a challenge for government and industry, the skills formation strategy approach is a proven model for involving stakeholders in identifying, developing and implementing local workforce solutions.
- More than 50 skills formation strategies across a broad range of regions and industries have been established, with several successfully continuing after department seed funding has ceased.
- Queensland’s fee-for-service revenue in 2009 represented 9.3 per cent of total operating revenue, compared with 15.7 per cent nationally and 26.5 per cent in Victoria. Encouragingly, Queensland is catching up at a fast rate — Queensland’s fee-for-service revenue increased by 24.3 per cent from 2008 to 2009, compared with increases of 7.5 per cent nationally and 3.6 per cent in Victoria.³⁹
- Brokerage models developed since the Queensland Skills Plan was introduced have successfully leveraged significant industry investment into skilling solutions and are providing a blueprint for workforce planning and development in emerging key industries such as the coal seam gas/liquefied natural gas sector.

3.1 Queensland Skills Plan key actions and strategies

The *Queensland Skills Plan* set out to improve training for industry and employers by:

- establishing a suite of industry-led mechanisms to: improve and integrate the industry advice that informs purchasing; foster greater industry ownership of, and investment in, skilling; and enhance school–industry engagement
- supporting skills development for small business through Small Business Solutions
- promoting the value of recruiting and retaining mature age workers through the Experience Pays Awareness Strategy.

³⁹ NCVET (2010b)

Queensland Skills Plan reform was guided by the urgent need to tackle skills shortages and strengthen Queensland's skills base for the future. Critical to this was ensuring that Queensland's skills profile met industry's skills needs through more effective engagement with employers and industry.

Another core tenet of the *Queensland Skills Plan* that emerged from stakeholder consultations during its development was that training alone could not solve skills shortages, and government alone could not determine workers' skills needs, nor fund all the necessary training.

3.2 Findings

3.2.1 Industry engagement and leadership

A key goal of the *Queensland Skills Plan* was to encourage greater industry ownership of, and investment and leadership in, skills development. Government has a role in supporting a robust and responsive VET market that can respond to the skills needs of industry. However, workforce development, including training, is largely the responsibility of industry. Industry is best placed to identify its own skills needs, and is the major beneficiary of skills development. Government's primary role is to work with industry to understand and articulate its skills needs and to address market failure.

To this end, new industry engagement models were progressively introduced from 1 July 2007, including three centres of excellence (to add to the two existing centres for the mining and aviation sectors), five industry skills alliances, two industry–government skilling partnerships and six direct industry engagement arrangements. They also included a range of skills formation strategies established across a number of regions and industry sectors. Details of each of the industry engagement bodies are included in Appendix 2.

Industry engagement has also occurred at the secondary school level through a range of school–industry engagement models, including Gateway Schools, school–industry trade centres, and industry, education and training alliances, and through Commonwealth programs such as Trade Training Centres and Skill Centres. The state-based school–industry engagement models are detailed in Appendix 3.

The formative evaluation of the *Queensland Skills Plan* in 2008 found evidence of increased sector and industry leadership and ownership in relation to skilling strategies, suggesting that the 'industry advice' model which existed under the previous Industry Training Advisory Bodies (ITABs) was transitioning to a more encompassing 'industry engagement' model in which industry was leading workforce skilling and development strategies. The evaluation stated that 'this transition is perhaps the single most significant change to the VET system in Queensland'.⁴⁰

An external review of Queensland's industry engagement activities, undertaken in 2010 by Escalier Consulting, found that the Queensland model of industry engagement was emerging as a positive improvement on previous arrangements for a number of reasons. It has the capacity to perform a range of functions broader than providing training advice alone, the relevant bodies are seen less as instruments of government and more connected with industry, and through skills formation strategies, it provides a flexible, responsive program to tackle regional or industry sector-specific issues.

Queensland is leading Australia in terms of investing in priority areas for the economy and society with its industry engagement bodies providing a strong base upon which to build a more demand-driven system. Compared with other models, Queensland's model of industry engagement is relatively sophisticated. Other states are still funding engagement through an ITAB-type model, while gradually moving to increase the focus on workforce development.⁴¹

40 Queensland Government (2008d)

41 Escalier Consulting (2010)

The new industry engagement model has also provided the government with more sophisticated strategic industry skilling advice, which has assisted in making value for money investment decisions by better aligning the training government purchases with industry needs and skills shortages. Industry advice is now directly influencing public investment in VET, as is evidenced in the User Choice funding priorities for 2010–2015, which were developed in negotiation with the industry engagement bodies.

Both the Escalier review, and an earlier review conducted by Kim Windsor in 2007⁴², identified that the skills formation strategy model, with its focus on skills development in the workplace, had achieved significant results, particularly at a local and regional level. The Escalier review noted that skills formation strategies were able to:

- draw together a range of industry stakeholders and provide a new way of developing the workforce in a local area or in an industry sector that is flexible enough to respond quickly to an identified workforce issue that may affect future business viability
- facilitate the development of relationships and networks with the aim of developing capability beyond the life of the skills formation strategy
- complement and leverage off other industry engagement models and skills strategies to meet a specific need in an industry or region
- provide a short, sharp publicly funded investment that can act as the impetus for increased enterprise investment in skills.

The skills formation strategy model would seem to be particularly useful in achieving regional and small business engagement, where the larger, south-east based industry bodies have been less successful. Hall and Lansbury⁴³ identified such models as having the potential to address skills demands by:

- sharing the responsibility for skills development among employers and other stakeholders in a region
- providing more accurate information on skills demand
- addressing skills problems holistically through work organisation, job design, industrial relations, business strategy, inter-firm or inter-organisational links, and training interventions.

A number of industries and communities have recognised the value of working collaboratively through the skills formation strategy model, and are continuing to address workforce development issues using the framework established with DET seed funding. These have included: Western Downs; Tourism (Bundaberg); Horticulture (Bundaberg); Health; Child Protection; Aged Care; Pharmaceuticals and Nutraceuticals; Rail; Food Processing; Civil Construction; Aviation; Children's Services; and Wine Tourism.⁴⁴

42 Windsor (2007)

43 Hall and Lansbury (2006)

44 Skill formation strategies – see Appendix 2

Case study: Coal seam gas/liquefied natural gas – a model for workforce planning and development

Increasing world demand for energy has turned focus to the development of the Coal Seam Gas (CSG) and Liquefied Natural Gas (LNG) industries. Australian CSG reserves are ranked amongst the best in the world and Queensland is leading the development of conversion from CSG to LNG with proposed projects with a total capital expenditure in excess of \$40 billion. The industry engagement arrangements put in place through the Queensland Skills Plan are playing a pivotal role in supporting the development of the skilled workforce necessary for this new export industry.

Energy Skills Queensland (ESQ) and Construction Skills Queensland (CSQ), established under the Queensland Skills Plan as centres of excellence for the energy, and building and construction industries, are leading the implementation of workforce development plans to help build the workforce required to take advantage of the significant opportunities that these projects present. These plans focus on strategies to address skills attraction, skills development and skills sustainability both during construction and operational phases.

As a result of the actions outlined in these plans a number of initiatives have already happened. To support the implementation of these plans CSQ and ESQ have put officers ‘on the ground’.

In early 2010, the Government established a \$10 million CSG/LNG Industry Training Program to help train the workers needed for the operational phase of the industry. The program was established on the basis of a 50/50 contribution from the Queensland Government and industry.

CSQ has dedicated an initial \$5million to help skill workers required to build the necessary infrastructure in Gladstone and the Surat Basin.

ESQ is managing a project with the support of DET, DEEDI and the Commonwealth Department of Education, Employment and Workplace Relations to assist Indigenous and long term unemployed gain skills for possible employment in the emerging CSG/LNG industry.

To help ensure sustainable and liveable communities accompany the growth expected in the Surat Basin, the Health and Community Services Workforce Council is undertaking a community services workforce plan for the region.

DET and industry are also working to build local training provider capacity to ensure they have capacity to meet the industry’s needs. This includes the expansion of the Southern Queensland Institute of TAFE Roma Campus to provide an energy resources sector training facility.

3.2.2 Industry investment in skills development

A key expectation of the new industry engagement models introduced under the *Queensland Skills Plan* was to increase industry investment in skills development. This is an important outcome for a number of reasons. Increased industry investment can subsidise the cost of existing training provision and expand the quantum of VET delivered through an increase in overall investment levels. It can also increase employer engagement with the VET system and ownership of skills outcomes, which in turn enhances the relevance of the system and its training outputs.

In Queensland, as in other jurisdictions, competing industry priorities for limited public funds mean that leveraging a financial contribution from industry and individuals towards training costs needs to be a key component of any VET investment framework.

Smith and Billet identified that improving and enhancing employers' perceptions of the value of training are vital to increasing the levels of expenditure.⁴⁵

This is supported by the 2010 Escalier review of industry engagement in Queensland, which commented that 'industry-owned organisations which can advocate on behalf of industry, accurately identify needs and play a role in policy formation have also been shown to be an important mechanism for increasing the value of vocational practice and therefore industry investment in skills development'.⁴⁶

From this perspective, Queensland appears to be taking the right approach to achieving increased industry investment by increasing the acceptance of the value of VET. The review supported the approach being taken to establish a skills commission as the 'face' of industry leadership, and move training funding arrangements from a supply-led to a demand-led system will set in place the pre-conditions for future investment.

While the steps toward more industry investment are positive, it may take further time for these measures to translate into substantially greater industry investment in the training system. Queensland currently leverages less revenue from non-government sources than any other state or territory.

According to NCVER financial data, fee-for-service revenue in 2009 represented 9.3 per cent of Queensland's total operating revenue, compared with 15.7 per cent nationally and 26.5 per cent in Victoria. Encouragingly, Queensland is catching up at a fast rate. Queensland's fee-for-service revenue increased 24.3 per cent from 2008 to 2009, compared with increases of 7.5 per cent nationally and 3.6 per cent in Victoria.⁴⁷

Queensland raised 5.3 per cent of its operating revenue from (regulated) student fees and charges in 2009, more than the national 4.3 per cent and Victoria's 4.1 per cent. While these percentages all seem low, Victoria's revenue from student fees and charges increased by 18.9 per cent over 2008, compared with an 8.1 per cent increase in Queensland and a 6.1 per cent increase nationally.⁴⁸ This would appear to be largely driven by the extension of VET FEE-HELP (the Australian Government loan scheme for the VET sector) to government-subsidised diploma and advanced diploma courses in Victoria.

While traditional measures indicate that industry investment in Queensland is relatively low, some industry brokerage models have been implemented that have successfully leveraged significant industry investment into skilling solutions, particularly in the mining, building and construction and, more recently, energy sectors. Most of these models have resulted in funding arrangements where industry matches government investment on a dollar-for-dollar basis.

While the training effort associated with these arrangements is reflected in state and national data collections, the levels of industry funds that have contributed towards that training effort are not captured in NCVER data or any other collection.

These brokerage models have been developed collaboratively with government and industry through key industry engagement bodies and have resulted in a \$13.7 million injection of industry funding into VET since 2006–07. Based on current contractual commitments only, these levels are expected to continue at the same, if not a higher, level between 2010–11 and 2011–12. Additionally, a range of funds management agreements have been put in place with industry brokers under the Productivity Places Program from 1 July 2009 to 30 June 2012. These arrangements require a contribution by industry to the training being purchased and are anticipated to generate \$16 million in industry contributions across the life of the agreements.

45 Smith and Billett (2004)

46 Escalier Consulting (2010)

47 NCVER (2010b)

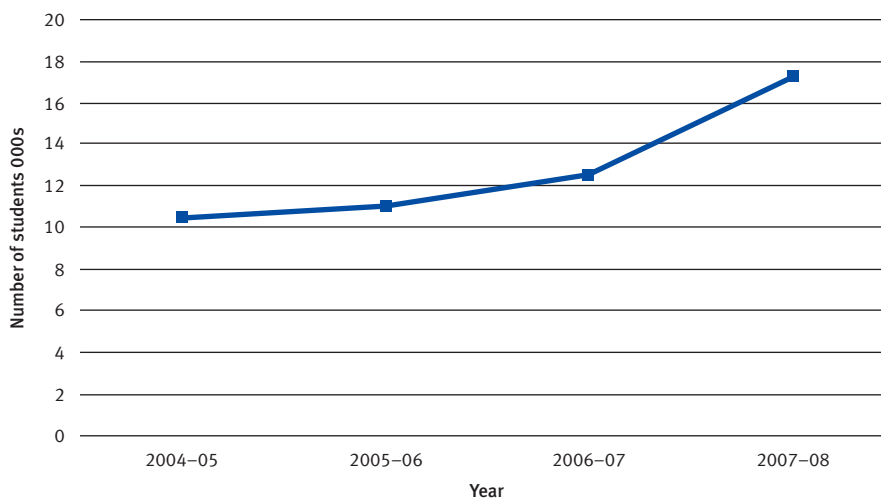
48 NCVER (2010b)

Another government–industry partnership that has resulted in significant industry investment is the Green Building Skills Fund, which supports training for green skills for architects, builders, engineers, interior designers, surveyors and construction apprentices. Construction Skills Queensland contributes \$400 000 to this \$1.4 million fund.

The Gateway Schools Project is another indicator that Queensland has had some level of success in generating industry investment into skilling. The 2008 Gateway Schools Project Report stated that industry made significant investment to the Gateway Schools concept, with a total of \$1 410 750 invested in 2008 alone by industry stakeholders across the five projects. This investment in skills development, while not always attributable to direct training delivery costs, nonetheless helped ensure that Gateway Schools were able to deliver on targets of Year 12 attainment and school-based apprenticeships and traineeships.⁴⁹

Evidence of industry investment is also apparent in the growth in leveraged arrangements. Leveraged arrangements cover training where a combination of government funding and non-government funding is used to fund the training delivered. As Figure 6 shows, the number of students under these arrangements has grown in each of the years since 2004–05, the most significant growth occurring in 2007–08.

Figure 6: Certificate I and above leveraged students (excluding international students)



Source: Department of Education and Training

User Choice funding represents government’s contribution towards the cost of apprenticeship and traineeship training delivery; however, it has broadly been viewed as the full cost of the apprenticeship or traineeship (with contribution from the students or employers in the form of tuition fees). The new User Choice funding arrangements implemented from 1 July 2010 go further to leverage non-government revenue, with a published price list that indicates whether, based on the relative priority of the occupation, the government funding for the apprenticeship or traineeship represents 100 per cent, 50 per cent or 25 per cent of the government’s contribution to the cost of training, or is not funded by government at all.

While it is difficult to quantify the exact level of private investment, as data captures do not include private fee-for-service activity, income and survey data show that private providers tend to be less reliant on government funding than public providers, deriving a larger proportion of their income from employers and individuals. Of a survey of 283 private providers in Queensland, Smith (2005) found that more than 86 per cent of the training they delivered was funded on a fee-for-service basis.⁵⁰

⁴⁹ Queensland Government (2008a)

⁵⁰ Smith (2005)

A 2008 NCVER study found that data on funding for public VET providers showed a decreasing reliance on government support and a growth in fee-for-service income, particularly through international students. Similarly, surveys of private providers showed a stronger reliance on non-government funding, with some indirect reliance on government funding through incentive payments to employers and for other initiatives. The report also found that both public and private providers are striving to diversify their funding sources to reduce their reliance on any one source, especially government funding.⁵¹

There are also further policy reforms underway to improve industry leadership and drive greater industry investment in the VET sector. This includes the establishment of a skills commission (Skills Queensland) as a statutory authority in 2011. Skills Queensland is designed to provide a ‘capstone’ leadership mechanism to drive industry ownership and investment in skills and workforce development. It will have a pivotal role to play in implementing key reforms, particularly in relation to improving pathways, attainment and a renewed attention on supporting foundation skills particularly for disadvantaged learners. It will also harness the efforts of the industry engagement bodies established under the *Queensland Skills Plan* and drive further enhancements to the industry engagement model in Queensland.

As the autonomous voice for industry, Skills Queensland will provide industry with the opportunity to take a genuine leadership role in developing skilling strategies for Queensland.

3.2.3 Small Business Solutions

The Small Business Solutions mentoring program was established at the Metropolitan South Institute of TAFE under the *Queensland Skills Plan*. There are now 40 business skills mentors and 5 Indigenous mentors working with 1900 businesses throughout Queensland to improve their profitability.

Metropolitan South Institute of TAFE has expanded the scope of the Small Business Solutions program to facilitate mentoring for 95 Indigenous business owners and operators. In addition, the talent pool of Small Business Solutions has been diversified to increase the number of female mentors and support the 852 registered female small business owners. Mentors have also been appointed in regional Queensland.

Training has enabled 34 small business owners from North Queensland to obtain a Certificate IV in Small Business Management through an intensive five-part program. This has been a successful pilot program, and similar training will be offered to other regional areas of Queensland in the future.

3.2.4 Experience Pays Awareness Strategy

The Experience Pays Awareness Strategy, targeting older workers, had less sustained success. The purpose of the strategy was to maximise labour force participation in the context of skills shortages, the impact of the ageing population on labour supply, and evidence that showed older unemployed people were experiencing significant barriers in the job market. A statewide media campaign was conducted, as well as industry liaison activities for key skills shortage industries during 2007 and 2008. A toolkit was also developed to assist businesses with recruitment, retraining and retention.

While an external evaluation of the strategy found that it had been a success in alerting industry to the imperatives of recognising older workers as an important but underused component of the workforce⁵², there was a need to move beyond awareness-raising.

⁵¹ Ferrier, Dumbrell and Burke (2008)

⁵² Swinburne University of Technology (2008)

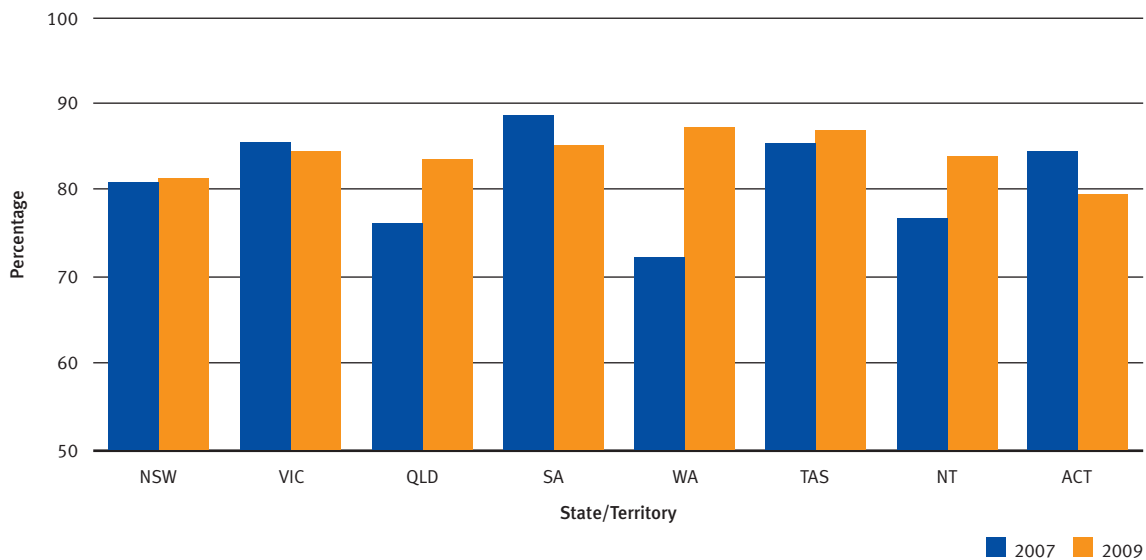
3.2.5 Employer engagement and satisfaction with VET

A 2008 OECD review of Australia’s VET system found that there is a high level of industry support for the system — industry bodies strongly influence policies and priorities, and employer surveys show that they are very satisfied with the quality of graduates.⁵³

A measure of the effectiveness of industry engagement is the extent to which employers in Queensland make use of (meaning the training being offered is relevant), and are satisfied with (meaning the training is offered in a way that meets employers’ expectations and needs), the VET system. These measures are an indication of greater employer engagement with the VET system and improved relevance of VET in meeting the skills needs of their workforce.

According to the 2009 NCVER Survey of employers’ use and views of the VET system, Queensland has shown a constant improvement in employer satisfaction with VET delivery since 2005 for those employers who list VET qualifications as a key requirement for their workforce. While still the third lowest ranked (up one place from 2007), Queensland showed a significant improvement in employer satisfaction, along with Western Australia and the Northern Territory, while Victoria, South Australia and the Australian Capital Territory satisfaction levels dropped, as illustrated in Figure 7.

Figure 7: Employer satisfaction with VET delivery



Source: NCVER (2009)

In terms of employer engagement with the VET system, Queensland has again shown constant growth since 2005 across three key categories (employers with vocational qualifications as a job requirement, employers with apprentices or trainees, and employers using nationally recognised training), but is lagging behind the Northern Territory, New South Wales, Victoria and Western Australia. There has been an encouraging decrease in the number of employers providing no training (less than 10 per cent), with employers increasingly using informal training to provide their workforce with skills.

The formative evaluation of the *Queensland Skills Plan* found that industry had indeed taken ownership of skills development, the new industry engagement arrangements appeared to be driving stronger industry ownership of the skills agenda, and there was a renewed willingness for industry to explore and lead the implementation of a range of strategies.⁵⁴

⁵³ Hoeckel et al. (2008)

⁵⁴ Queensland Government (2008d)

4. Trade training

Key achievements

- 17 000 additional trade training places were made available, although the take-up was strongly dependent on economic circumstances.
- At their peak in June 2008, apprentice in-training numbers reached 49 759, which was an increase on the 2004–05 in-training base figure of 12 290.⁵⁵
- In September 2010, there were 43 809 apprentices in training in Queensland, representing an increase of 7617 on the 2004–05 base figure.⁵⁶
- The nominal duration of a range of apprenticeships has been reduced, allowing for earlier completions.
- Pre-apprenticeship Skilling Pathway programs were introduced in 2009 in manufacturing and engineering, electrotechnology, construction and automotive sectors.
- Queensland employs and trains 52.1 per cent of all Australia’s school-based apprenticeships and traineeships.⁵⁷
- Apprentices and trainees were supported through the economic downturn with a \$20 million package of measures to protect jobs.

4.1 Queensland Skills Plan key actions and strategies

The *Queensland Skills Plan* set out to make training work better for trades by:

- supporting apprentices and employers through: increasing trade training places by 17 000; subsidising training for workers supervising apprentices; shortening apprenticeship durations; revitalising pre-trade training; expanding TradeBiz; establishing the apprenticeship hotline; increasing apprentice travel allowances; expanding Train to Retain; establishing the Trade Training Taskforce; and reviewing group training organisation arrangements.

In 2006, one of the most critical challenges facing the VET system was the demand for skilled tradespeople. To meet this challenge, the *Queensland Skills Plan* sought to reform the training system to encourage Queenslanders to undertake apprenticeships by introducing more flexibility into how training, particularly trade training, was structured, funded, regulated and supported. To achieve this, the government increased the number of trade training places available by 17 000, fully implemented competency-based training, and introduced shortened expected durations for some apprenticeships to enable apprentices to complete their trade qualifications earlier.

As well as encouraging more commencements and completions, a range of actions has been taken to support apprentices and trainees and to increase their options for ongoing learning.

55 Department of Education and Training – *Queensland Skills Plan* monthly report (2010)

56 Department of Education and Training – *Queensland Skills Plan* monthly report (2010)

57 Department of Education and Training

4.2 Findings

4.2.1 Supporting apprentices and employers

Trade training participation and attainment

The most critical challenge facing the training system when the *Queensland Skills Plan* was launched in 2006 was the serious shortfall in skilled tradespeople, which had been exacerbated by the prevailing economic conditions. In order to meet the demand, the *Queensland Skills Plan* introduced reforms aimed at increasing the number of trade training places available, attracting more people into apprenticeships and providing improved support to apprentices.

A key deliverable was to provide 17 000 additional trade training places by December 2010. While funding for these additional trade training places has been made available, decisions to create additional apprenticeship and traineeship opportunities are made by employers.

The major factors determining the demand for tradespersons appear to be the business cycle, population movements and structural change in the Australian economy.⁵⁸

As the Productivity Commission notes, businesses rely crucially on the VET sector to supply the skills they require for production. This reliance means the VET sector has a direct link to economic conditions.⁵⁹

It is therefore not surprising that the state of the economy has a direct impact on participation in VET generally, and apprenticeship numbers in particular. This is largely due to the fact that the defining characteristic of an apprenticeship is the training contract between individual, employer and training provider.

Progress towards target prior to the global financial crisis

The VET sector, particularly during the buoyant labour market at the time the *Queensland Skills Plan* was introduced, competes directly with readily available employment options and high wages. While there was a need to increase the number of apprentices to meet future skilled trade needs and to assist in lifting the overall skills profile of Queensland, fewer apprentices were enrolling because the labour market was offering instant employment and significant remuneration, particularly in the mining and related sectors.

Despite this, the number of people commencing an apprenticeship was considerable in the years immediately before 2008. An internal evaluation of the *Queensland Skills Plan* undertaken in 2008 attributed this growth to a combination of Queensland's strong economic performance and intervention strategies introduced under the *Queensland Skills Plan*, including new brokerage arrangements to link apprentices and employers, the apprenticeship hotline, the apprentice wage review and a host of marketing campaigns.⁶⁰ Further, the evaluation found that this strong growth in apprenticeship commencements had been matched by solid growth in the number of apprentices completing their training.

A *Queensland Skills Plan* Progress Report to June 2008⁶¹ also reported that over 3300 payments had been approved for apprentices in skills shortage areas who completed their training ahead of time. The payment of this \$1000 incentive bonus exceeded the target of 2400 apprentices for 2007–08, and indicated that *Queensland Skills Plan* intervention strategies were having a direct impact on reducing skills shortages in some trades. At the time of the progress report, approximately 40 per cent of

⁵⁸ Corliss and Lewis (2010)

⁵⁹ Australian Government (2010c)

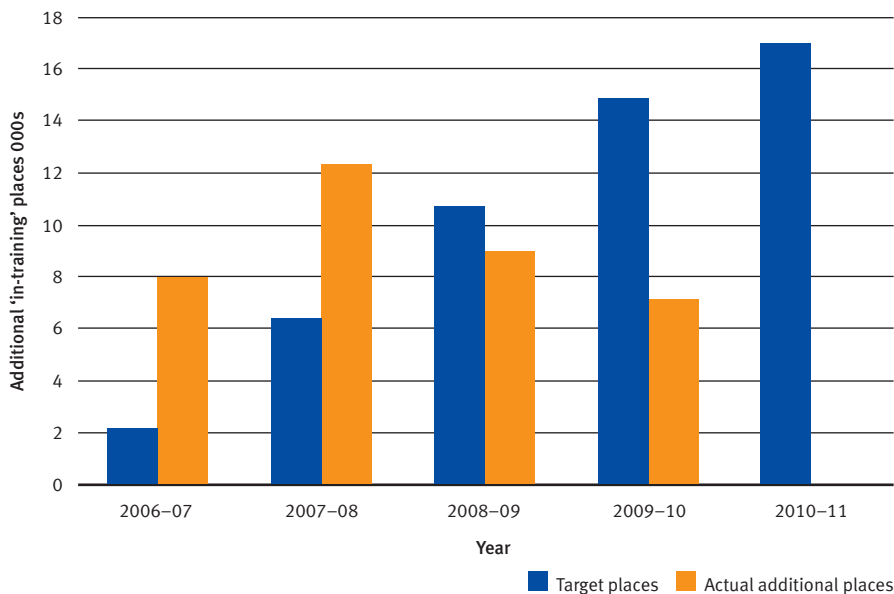
⁶⁰ Queensland Government (2008d)

⁶¹ Department of Education and Training – internal report (2009)

Queensland apprentices and trainees completed their contract of training at least six months earlier than their nominal completion date.

Prior to the global financial crisis, the apprentice in-training figures indicated Queensland was well on the way to meeting the 17 000 additional trade training places target. By 30 June 2008, there were 49 759 apprentices in training, which was an increase on the 2004–05 in-training base figure of 12 290, and 44.6 per cent greater than the 30 June 2008 target of 8500 additional places (refer to Figure 8).

Figure 8: Progress towards target 17 000 additional trade training places



Source: Department of Education and Training

Progress towards target post-global financial crisis

By June 2009, economic growth in Queensland had stalled, with annual growth falling to 0.6 per cent and unemployment increasing from 3.7 per cent to 5.4 per cent.

Generally, it was anticipated that the business response to the global financial crisis would be reflected in job shedding, particularly a slowing in the recruitment of new apprentices and trainees, and a loss of some apprentices and trainees in training, with a corresponding increase in apprentice and trainee non-completion levels.

Based on this expectation, in 2008 the Queensland Government, in consultation with industry, established the Trade Training Taskforce and instigated a strategy to protect apprentices and trainees in Queensland from the full impact of the global financial crisis. The reforms that had already been made to the VET system as a result of the *Queensland Skills Plan* placed the government in a strong position to rapidly respond to the changed economic circumstances.

The Trade Training Taskforce, made up of key government and industry representatives, developed a response to the global financial crisis formed around four key strategies, namely:

1. maintaining apprenticeship and traineeship commencement levels
2. retaining apprentices and trainees in training
3. assisting cancelled apprentices and trainees
4. upskilling recently completed apprentices and trainees.

Based on forecast unemployment rates, available apprenticeship system data, industry advice and apprentice cancellation trends in periods of decline in business productivity, it was estimated that there would be a 20 per cent reduction in apprenticeship and traineeship commencements

from January 2009, which would persist until mid-2010. Based on this estimation, \$20 million was redirected to support strategic initiatives to protect apprentice and trainee jobs.

Part of this redirection of funds enabled new Pre-apprenticeship Skilling Pathway programs to be introduced in the manufacturing and engineering, electrotechnology, construction and automotive sectors during 2009. These pathways offer preparatory training (including ‘employability’ and ‘green skills’) and work experience to provide a skills pathway to accelerate through an apprenticeship. By the end of 2009–10, there were 1758 young people enrolled in pre-apprenticeship programs across the state, and 42 had transitioned into the apprenticeship pathway. Negotiations are continuing to develop pre-apprenticeship pathways in new industry areas, including commercial cookery, landscaping, printing, furnishing and food processing.

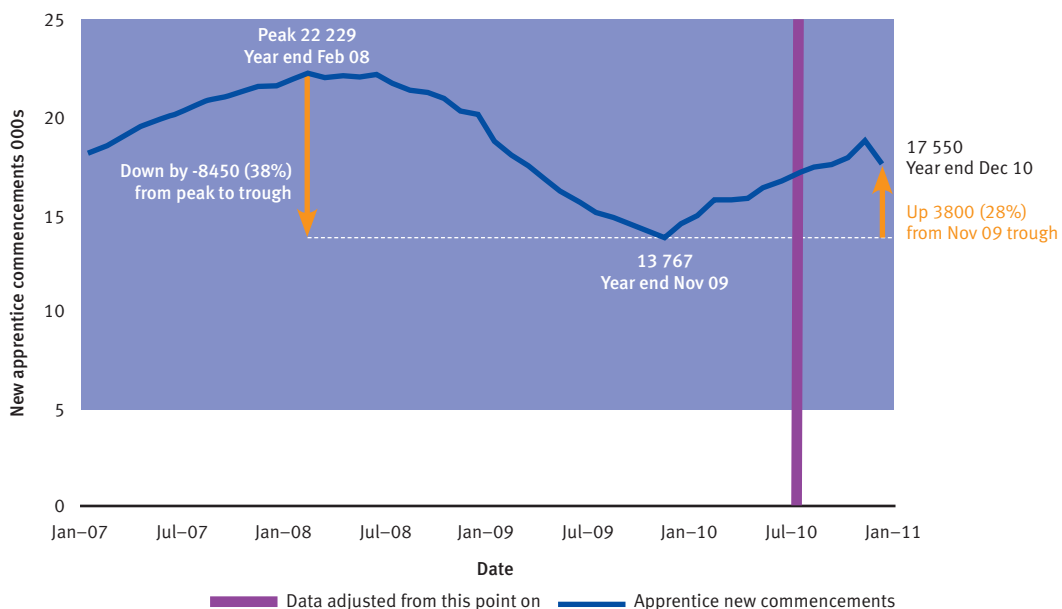
An Out-of-Trade Register was created to assist apprentices and trainees displaced as a result of the global financial crisis by placing them with other employers, or facilitating training to enable them to continue and complete their apprenticeship or traineeship. Construction Skills Queensland, Manufacturing Skills Queensland and Energy Skills Queensland, as the centres of excellence for their respective industries, provided a case management service to link out-of-trade apprentices with employers. Group Training Australia – Queensland and Northern Territory Incorporated also provided a case management service to link apprentices and trainees with employers.

Since its inception in December 2008, 1884 apprentices and trainees have been listed on the Out-of-Trade Register, and 1318 have been assisted back into employment, and to complete their apprenticeship or traineeship.

As noted in a 2010 research paper⁶², while the labour market slowdown resulting from the global financial crisis was more moderate than initially predicted, Queensland’s job growth has remained subdued and unemployment has risen to a level that is similar to five years ago.

This slowdown continues to be reflected in apprenticeship in-training figures. However, as Figure 9 shows, there has been an upswing in apprentice commencements since November 2009.

Figure 9: Apprentice new commencements in Queensland (recent trends – moving 12 month totals to December 2010)



Source: Department of Education and Training

⁶² Queensland Government (2010c)

While apprentice numbers grew strongly between 2003 and 2007, and then declined in conjunction with the global financial downturn, trainee numbers grew more slowly, but increased after 2008.

The impact on non-trade apprenticeships (or traditional traineeships) during this period of decline does not seem to be as severe as on their traditional apprenticeship counterparts. Karmel and Misko argue that this is due to a range of factors, including the non-cyclical nature of the industries in which traineeships generally occur, the fact that they are shorter in duration, with incentives that form a higher proportion relative to trainee wages, and the fact that trainees are typically in occupations with modest skill requirements.⁶³ This trend is illustrated in Figure 10.

A recent study that looked into the relationship between apprenticeships and the labour market revealed that metal, vehicle, electrical and building apprenticeship numbers are particularly sensitive to labour market conditions.⁶⁴ This is supported by figures in Queensland that show the largest declines over the year to 2009 occurred in construction, engineering and utilities. The overall impact of these trends on the 17 000 targeted training places is significant, as these industries employ the greatest share of overall apprenticeship numbers.

Despite recent signs of economic recovery, increasing employment is a lag indicator during an economic recovery phase. While additional trade training places have been made available, the dramatic reduction in commencements in 2009 resulting from the global financial crisis is reflected in the in-training figures. The success of a range of other *Queensland Skills Plan* strategies introduced to encourage early apprentice completions and shortened apprenticeships has also contributed to the declining numbers in training.

As Table 6 shows, at the end of September 2010, Queensland had 43 809 apprentices in training, representing an increase of 7617, well short of the 17 000 targeted increase. However, trainee numbers have reached peak levels recently, and there were over 50 000 trainees in training at the end of October 2010 (see Figure 10). While these traineeships do not fall within traditional trade occupations, some are in areas of critical skills demand such as civil construction and aged care.

Table 6: Apprentices in training 2004–05 to 2009–10 (in-training student numbers)

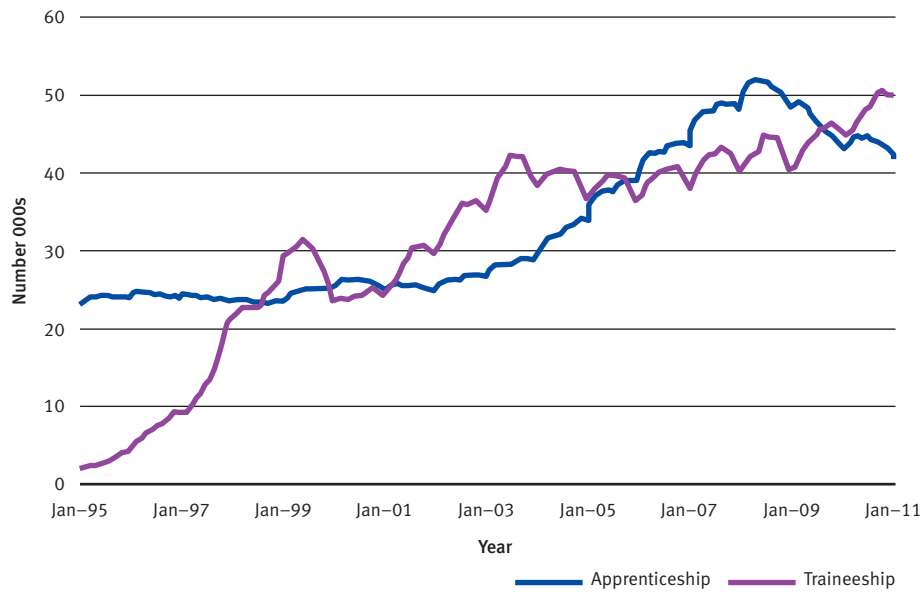
	Base for 2004-05	At 30 June 2006	At 30 June 2007	At 30 June 2008	At 30 June 2009	At 30 June 2010	At 30 September 2010
Trade training students	37 469	39 798	45 456	49 759	46 463	44 586	43 809
Increase on the base	n/a	2329	7987	12 290	8994	7117	7617

Source: Department of Education and Training

63 Karmel and Misko (2009)

64 Karmel, Mlotkowski and Awodeyi (2008)

Figure 10: Apprentices and trainees in training (January 1995 to January 2011)



Source: Department of Education and Training

According to the latest NCVET Survey on employers' use and views of the VET system⁶⁵, in Queensland, less than a quarter of employers with apprentices and trainees expect to employ more apprentices and trainees over the next three years — this is the lowest expected across Australia, as shown in Table 7.

Other trade training reforms

The availability of trade training places only provides a part of the answer to trade shortages. A range of other initiatives implemented under the *Queensland Skills Plan* looked at addressing other parts of the equation.

These initiatives included the provision of improved support to apprentices, trainees and their employers, increased travel and accommodation allowances, the establishment of a statewide apprenticeships hotline, the implementation of strategies to reduce workplace harassment and bullying, and the formation of a new brokering service through Skilling Solutions Queensland centres to link individuals with suitable apprenticeships.

Significant changes have also been made to the apprenticeship system by introducing shorter durations for many apprenticeships, and focusing the completion of apprenticeships on achievement of competence rather than time served.

In 2007, the Apprentice Retention and Completion Strategy was put in place to increase the retention and completion of apprentices by providing support and education to employers and apprentices through targeted workplace visits and stakeholder engagement activities. Regional DET staff visit over 5000 workplaces each year to provide information about competency-based training, identify issues which may be affecting apprentice progression, and conduct follow-up activities with employers, apprentices, training providers and other key stakeholders as required.

Since inception, targeted workplace visits have been conducted with over 39 000 apprentices and trainees — over 36 000 of these visits focused on apprentices. The preliminary data indicates up to a 10 per cent improvement in completion rates for apprentices that are the subject of a targeted workplace visit.⁶⁶

65 NCVET (2009)

66 Department of Education and Training

An external evaluation of the implementation of regional training monitoring undertaken in 2008 found signs that completion rates were improving in targeted areas, however, labour market factors beyond the control of the training system were seen to have a heavy influence on apprentice completion rates.⁶⁷

This would seem to be supported by apprentice and trainee attrition rates (i.e. the percentage of apprentices and trainees who cancel or withdraw from their contracts prior to completion of their training), which have remained steady for the last five years.

Importantly, Queensland appears to have been able to maintain completion rates despite labour market fluctuations, which would be expected to have a negative impact on the number of apprentices and trainees successfully completing their training (Table 8). This is encouraging, particularly in light of apprentice and trainee destination survey results which indicate that, nationwide, a higher proportion of apprentices and trainees left their training in 2010 than in 2008 because they lost their jobs or were made redundant.⁶⁸

Table 8: Apprentice and trainee completion rates (percentage)

	Apprentices	Trainees
2005–06	69.5	60.6
2006–07	68.9	62.6
2007–08	67.6	61.8
2008–09	65.8	60.4
2009–10	67.0	60.0
Average	67.8	61.1

Source: Department of Education and Training, July 2010

Queensland also leads the nation in terms of the number of apprentices successfully completing training and the number of apprenticeship completions has increased every year since 2004-05.

The *Queensland Skills Plan* also included actions to address the problems caused to industry by inflexible training periods for apprenticeships. Since 1 January 2007, some apprenticeships in Queensland have had both an expected duration and a nominal term. The nominal term for apprenticeships in hairdressing, hospitality, food processing and some automotive trades has been reduced from four years to three. A range of other apprenticeships, including bricklaying, carpentry, solid plastering, wall and floor tiling and some off-site construction trades, have new expected durations of 42 months, instead of 48 months.

A genuine competency-based training system must include rewards for apprentices and trainees when they attain competencies, and be supported by industrial relations arrangements that support competency-based wage progression.

Under the *Queensland Skills Plan*, Queensland has been closely and actively involved in developing not only the training aspects of apprenticeships and traineeships, but also the industrial relations aspects. This innovative work has been conducted with the cooperation of employer and employee organisations, and has resulted in considerable success in the introduction and expansion of school-based apprenticeships and traineeships, competency-based apprenticeship and traineeship wage progression arrangements, and early completion by apprentices and trainees.

67 Andrews (2008)

68 NCVET (2010c)

As was noted in the Queensland Government’s submission in 2008 to the Australian Industrial Relations Commission, ‘Queensland leads Australia in the introduction of competency-based wage progression arrangements for apprentices and trainees, and remains the only state to have effective competency-based wage arrangements across most industries’.⁶⁹

The *Queensland Skills Plan* also supported true competency-based progression via the use of pre-apprenticeship training, extensive use of recognition of prior learning and alternative forms of intensive delivery.

It is estimated that around 40 per cent of Queensland apprentices and trainees complete their contract of training six months (or more) earlier than their nominal completion date, and around 80 per cent of all Queensland apprentices and trainees are employed under competency-based wage provisions.⁷⁰

School-based apprentices and trainees

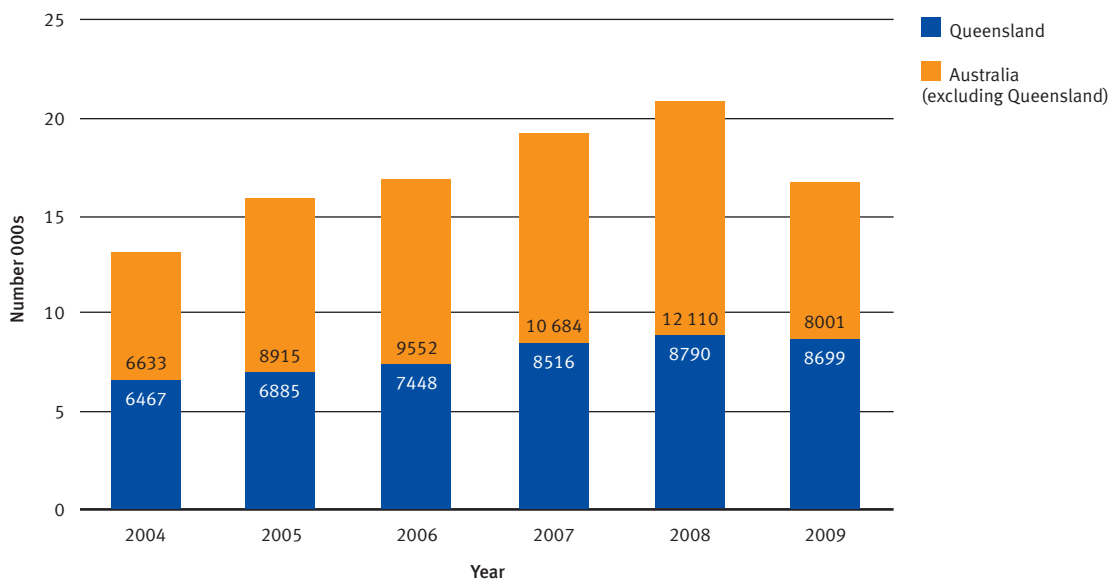
Queensland continues to lead Australia in the area of school-based apprenticeships and traineeships (SATs), training 52.1 per cent of the nation’s school-based apprentices and trainees, as shown in Table 9 and Figure 11. As mentioned previously, Queensland has been particularly successful in supporting competency-based apprenticeships, and school-based apprenticeships and traineeships, due to its success in negotiating industrial relations agreements that allow competency-based wage progression and support the school-based model.

Table 9: School-based apprentice and trainee commencements

	SAT commencements	% of total
Queensland	8699	52.1
Rest of Australia	8001	47.9
Total	16 700	100

Source: National apprentice and trainee collection, NCVER, 2009

Figure 11: School-based apprentice and trainee commencements, Queensland and Australia, (2004 to 2009)



Source: Australian vocational education and training statistics: Apprentices and trainees – annual 2009

69 Queensland Government (2008b)

70 Queensland Government (2008b)

5. Opportunities for skilling and work

Key achievements

- Queensland had the highest proportion of VET students undertaking training at Certificate III and above levels in the nation (75 per cent).⁷¹
- 14 000 additional Certificate IV and above training places were made available. Uptake was initially slow, but by 2008–09, momentum had gathered, and by 2009–10, there were 68 851 students in higher-level VET qualifications.
- The 14 000 higher level target was achieved at the end of December 2010.
- Completions in qualifications at diploma level and above have increased by an average of 18 per cent per annum since 2003.⁷²
- Skilling Queenslanders for Work has continued to engage disadvantaged learners with VET.
- The whole-of-government Indigenous employment and training strategy — *Positive Dreaming, Solid Futures* — was released in 2008, and has started to provide positive outcomes for Indigenous Queenslanders participating in VET.
- A disability skilling action plan was developed and implemented to support people with a disability with skills, qualifications and adjustment measures to assist them in training and into work.

5.1 Queensland Skills Plan key actions and strategies

The *Queensland Skills Plan* set out to make training work better for individuals by:

- delivering training for higher level skilled jobs through: increasing the number of Certificate IV and above places by 14 000; introducing graduate certificate and diploma courses in VET; and increasing access to integrated degree and diploma programs
- maximising participation of disadvantaged learners through: the Skilling Queenslanders for Work program; an Indigenous Employment and Training Strategy; the disability skilling action plan; and increasing emphasis on higher level training for disadvantaged clients.

In 2006, the *Queensland Skills Plan* made available an additional 14 000 Certificate IV and above training places to boost participation in higher level VET. By 2008, Queensland's rapid growth and adjustment revealed skills shortages at the trade levels, as well as increased demand for a range of professional occupations. To address professional skills shortages, the *Queensland Skills Plan* provided a framework for professional pathways in 2008.

In 2006, the *Queensland Skills Plan* was concerned with increasing the overall VET participation rate in Queensland, particularly for those disadvantaged in the labour market. As a priority, the 2008 iteration of the *Queensland Skills Plan* retained the need to engage those who were unemployed or not fully participating in the workforce, and improve youth transitions to enhance education, training and employment outcomes.

⁷¹ Steering Committee for the Review of Government Service Provision (2011)

⁷² Commonwealth Government (2010)

The government’s blueprint for Indigenous employment and training — Positive Dreaming, Solid Futures — was a direct outcome of *Queensland Skills Plan 2006*, and was released in 2008. The disability skilling action plan was also developed and implemented during 2007 and 2008.

5.2 Findings

5.2.1 Higher level qualifications

Certificate IV and above qualifications

An internal formative evaluation of the *Queensland Skills Plan* undertaken in 2008 found that student participation in higher level qualifications (i.e. the targeted additional 14 000 Certificate IV level and above places) was lower than originally anticipated. After a slow start, and building of capacity to focus on higher level training delivery, Certificate IV and above student numbers began to rise, as illustrated in Table 10. Departmental data to the end of December 2010 indicates the 14 000 higher level target has been exceeded, with 15 053 additional Certificate IV and above students recorded.

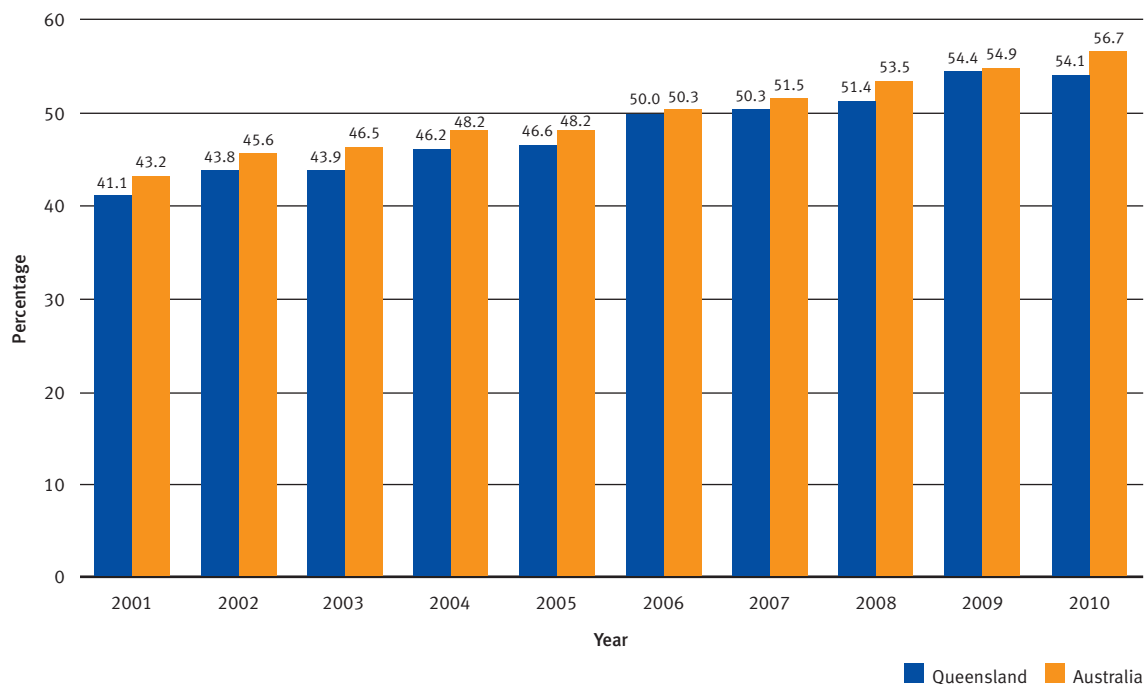
Table 10: Certificate IV and above students 2004–05 to 2009–10 (student numbers)

	Base for					
	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10
Certificate IV and above students	59 578	60 933	62 836	62 186	65 138	68 851
Increase on the base	n/a	1355	3258	2608	5560	9273

Source: Department of Education and Training, July 2010

The Survey of Education and Work estimates that, in 2010, 54.1 per cent of Queenslanders aged 25 to 64 years of age had a tertiary qualification at Certificate III or above. Trends since 2001 are illustrated in the following figure.

Figure 12: Proportion of people 25 to 64 years old at Certificate III level or higher – Queensland and Australia (2001 to 2010)

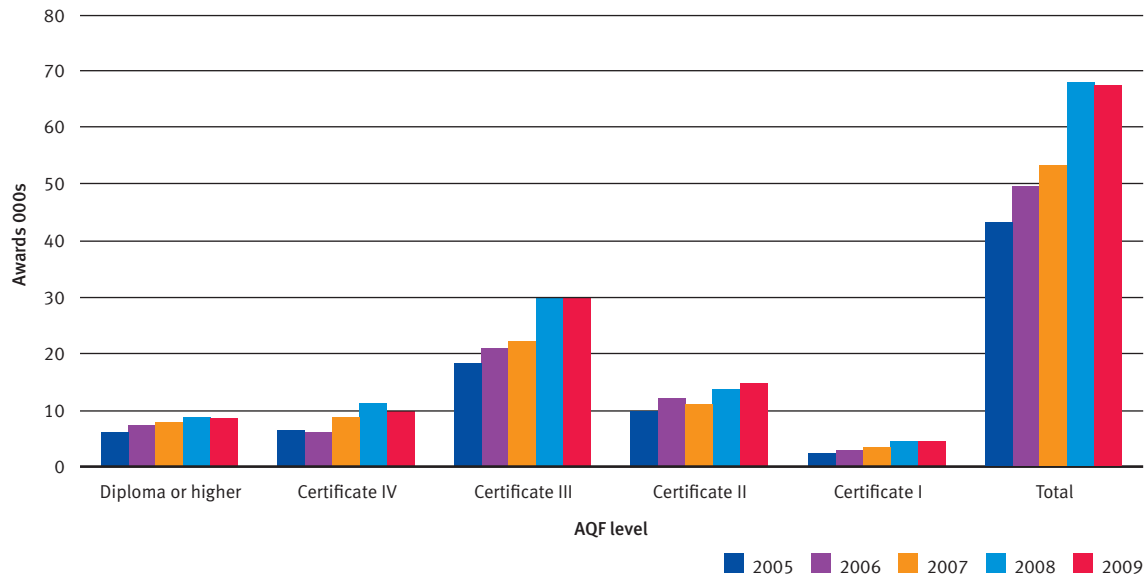


Source: ABS Survey of Education and Work 2009

In addition to the growth in higher level students, the student success rate (i.e. number of students with successful outcomes compared to total students) at these levels has increased 17 per cent since 2004–05.

The VET system in Queensland has become more effective in delivering academic programs that lead to successful student outcomes, particularly the gaining of awards, as Figure 13 illustrates.

Figure 13: Queensland awards completed by AQF level (2005 to 2009)



Note: 2009 data is understated due to normal lags in reporting qualification completions.

Source: *Steering Committee for the Review of Government Service Provision (2011)*

Recent data from NCVET also shows that 75 per cent of Queensland’s VET students undertook training at the Certificate III level or above, which is the highest across Australia.⁷³ Queensland also shows the highest growth per annum across the nation for qualifications completed at the diploma level and above, with an average annual increase of 18.1 per cent since 2003.⁷⁴

Increased student success at these higher levels means that there are more students completing qualifications of longer duration. This is reflected in the annual hour curriculum output across the VET system, which has increased from an average of 189 hours per student in 2004 to 218.7 hours per student in 2008.⁷⁵

Tertiary pathways

Quality skills development pathways that articulate from schools to VET and higher education are essential to improving the skills profile of the workforce. In Queensland, a range of partnership arrangements have been put in place to maximise the opportunities for a more integrated tertiary education sector. These include collaborations between universities, VET and university partnerships, and collaborative arrangements between schools, VET providers and universities.

In addition, a range of articulation and credit transfer arrangements, and joint program development and delivery arrangements, are providing many pathway options for individuals. As part of the *Queensland Skills Plan* reforms, the Queensland Office of Higher Education was realigned with the Training portfolio of DET to maximise higher education outcomes for Queensland through the strategic alignment of activity involving government agencies, industry, peak bodies and institutions.

⁷³ Steering Committee for the Review of Government Service Provision (2011)

⁷⁴ Commonwealth Government (2010)

⁷⁵ NCVET (2004–2008)

This realignment has provided opportunities to share knowledge of cross-sectoral best practice and innovations that support pathways and participation, and the development of strategic initiatives. This will be important in continuing to drive stronger cross-sectoral links that support national and state public policy settings.

Some cross-sector collaborations that have been implemented in Queensland include:

- CQU Mining Hub — that offers associate degrees with Central Queensland Institute of TAFE and industry partners
- university pathway programs — that link diplomas to degrees, with credit and direct entry through an alliance between Griffith University and Metropolitan South Institute of TAFE
- Southbank STEP program — that involves senior school students completing modules in diploma courses that offer direct entry into the diploma after Year 12, with links to degree programs at Queensland University, Griffith University, Sunshine Coast University and the Australian Catholic University
- Indigenous Justice Pathways project — that represents a collaboration between Education Queensland, Brisbane North Institute of TAFE and the Queensland Police Service to provide for pathways to further tertiary study from school and employment.

TAFE Queensland has developed strong links with universities across a broad range of vocational areas, and has developed over 140 dual awards which combine diploma and degree program studies together with practical hands-on skills that are valued by employers. These dual awards provide for credit transfer arrangements, and guarantee a place in a university program on successful completion of TAFE studies.

In Australia, the development of dual sector institutes that offer both VET and higher education studies is emerging as a mechanism for improving pathways and access to facilities for students, particularly in regional areas. Queensland is investigating options for a possible dual sector university in the Central Queensland region.

While Queensland has made pathways from VET to university available, there has been a limited number of TAFE students making use of these arrangements. The 2010 NCVER graduate outcomes survey shows that, in terms of graduates enrolled in further study, Queensland lags behind all states and territories, with only 26.8 per cent of VET graduates going on to further study, compared to 32.1 per cent nationally.⁷⁶

VET participation rates

Queensland's overall VET participation rate (i.e. the number of working age people enrolled in publicly funded VET programs as a percentage of the working age population) has continued to lag behind the national VET participation rate. In 2009, it was 1.7 percentage points below the national rate, and ranked second last against all other states and territories.

76 NCVER (2010c)

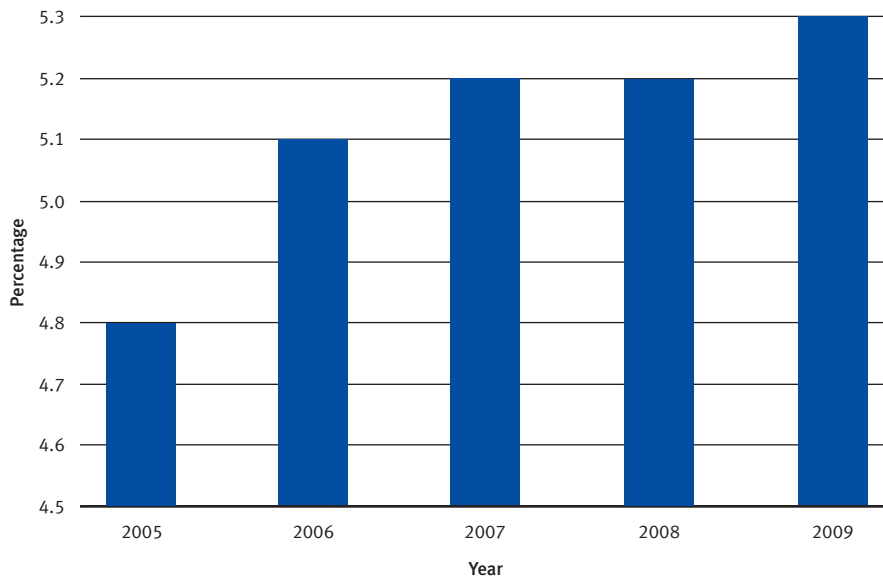
Table 11: VET participation rates

State/territory	2009 %
Queensland	9.5
NSW	11.1
Victoria	12.9
South Australia	10.9
Australian Capital Territory	10.5
Tasmania	13.0
Western Australia	10.0
Northern Territory	14.2
AUSTRALIA	11.2

Source: *NCVER Students and Courses (2009)*

However, the participation rate in higher level VET has steadily increased, as illustrated in the following figure.

Figure 14: VET participation rate in government funded Certificate III and above by 15–64 year olds in Queensland



Source: *Steering Committee for the Review of Government Service Provision (2011)*

While the overall participation rate has not grown relative to the population growth in Queensland, there has been a marked increase in student retention, success rates and completions. As Table 12 illustrates, Queensland has successfully raised the attainment of VET qualifications across all levels from Certificate III–IV and above since 2004.⁷⁷ While marginally below Australian percentages for most qualification levels, Queensland has the highest proportion of workers who hold Certificate III–IV level qualifications, 3.1 percentage points above the national average.

77 Queensland Government (2010c)

Table 12: Qualifications profile of the working age population, 2004–2010 (percentage)

	Queensland			Australia		
	2004	2009	2010	2004	2009	2010
Postgraduate degree	2.0	2.9	3.0	2.8	4.1	4.4
Graduate diploma/graduate certificate	2.1	2.4	1.8	2.5	2.5	2.1
Bachelor degree	11.9	13.2	13.8	13.6	16.4	16.5
Advanced diploma/diploma	6.9	8.3	8.8	7.8	8.7	9.3
Certificate III–IV	17.6	20.5	20.3	15.5	16.1	17.2
Certificate I–II	5.9	0.7	0.3	6.2	0.8	0.4
Certificate nfd		0.1			0.1	
Total with tertiary qualifications	46.4	48.1	48.0	48.4	48.7	49.9
Year 12		22.0	22.9		20.5	20.9
Year 11		6.0	6.0		7.4	6.9
Year 10 or below		23.7	23.1		23.1	22.2
Total without tertiary qualifications	53.6	51.7	52.0	51.6	51.0	50.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: Percentages may not add up to 100 due to rounding.

Source: Queensland Government (2010c)

Table 13: Publicly funded VET students by course level – Queensland

	2009		2008		2007		2006		2005	
	'000	%	'000	%	'000	%	'000	%	'000	%
Diploma & above	26.8	12.5	23.7	11.3	24.8	12.0	25.8	12.6	26.4	13.4
Certificate III or IV	133.8	62.4	129.6	61.7	123.7	60.0	115.3	56.4	105.8	53.9
Certificate I or II or lower (1)	43.2	20.2	45.1	21.5	44.1	21.4	49.4	24.2	53.6	27.3
Other (2)	10.4	4.9	11.7	5.6	13.4	6.5	14.1	6.9	10.4	5.3
Total Certificate II & above	160.6	74.9	153.3	73.0	148.5	72.0	141.1	69.0	132.2	67.3
Total	214.3	100	210.1	100	206.0	100	204.6	100	196.2	100

Notes:

(1) Includes Certificate I, II and senior secondary.

(2) Includes non-award courses, subject only enrolments and miscellaneous education.

Source: Steering Committee for the Review of Government Service Provision (2011) (Table 5A.5)

As shown in Table 13, Queensland has continued to grow both the number and proportion of students undertaking training at the Certificate III level and above, which is in line with the direction set by the *Queensland Skills Plan*. Queensland has increasingly directed public VET funds to support students undertaking higher level training. In 2009, 75 per cent of Queensland students participated in Certificate III or above training, more than any other state or territory, and more than 10 percentage points higher than the national figure.

Queensland continued to support foundation level training (Certificate I and II) under the *Queensland Skills Plan*, particularly where it provided pathways into higher level training; however, participation in lower level training has fallen.

Despite the decrease in the proportion of students participating in foundation level studies (Certificate I and II) that has accompanied the systemic shift to higher level studies, Queensland's effort at this level (20.1 per cent in 2009) remains comparable to other states, with Victoria recording 21.8 per cent, South Australia 23.2 per cent, New South Wales 26.1 per cent, and 24.8 per cent nationally.⁷⁸

Increasing, or even maintaining, Queensland's VET participation rate is particularly challenging against a background of continued strong population growth.

An analysis of interstate and overseas migration undertaken by Queensland Treasury⁷⁹ also indicates that, compared with the resident population, proportionally more interstate and overseas arrivals already have a post-school qualification, as Table 14 indicates.

Table 14: Interstate and overseas arrivals (2005–2006) and resident population in 2006 by non-school qualification, Queensland

	Arrivals from		
	Interstate % of total	Overseas % of total	Resident population % of total
Postgraduate	5.2	8.8	4.3
Graduate certificate/diploma	2.8	2.2	2.6
Bachelor degree	24.3	37.6	22.0
Advanced diploma/diploma	15.2	15.3	14.7
Certificate	41.6	22.3	40.3
Total with non-school qualification	100	100	100

Source: Queensland Government (2009c)

As this shows, a significantly higher proportion of overseas arrivals had a postgraduate qualification or bachelor degree, compared with interstate arrivals and the resident population. While a lower proportion of overseas arrivals had certificate qualifications, a large proportion of interstate arrivals (41.6 per cent) did have such qualifications.⁸⁰

5.2.2 Maximising participation of disadvantaged learners

A key goal of the *Queensland Skills Plan* was to ensure that all Queenslanders had equitable access to education and training opportunities. This is not only a means to improve individual prosperity, but is becoming increasingly important as a means to boost the supply of skilled workers needed to meet future job needs, particularly in light of an ageing population, and to improve productivity through a diverse and innovative workforce.

The *Queensland Skills Plan* introduced a range of tailored training strategies for people with a disability, Aboriginal and Torres Strait Islander people, younger people and older people, and others who face barriers to training and employment. These strategies aimed for flexibility in delivery of services and training.

There has been some success in increasing participation in VET by disadvantaged learners and providing them with a pathway into further education and training or work, however, the participation rates for most disadvantaged learner cohorts remain the lowest in Australia.

78 Steering Committee for the Review of Government Service Provision (2011)

79 Queensland Government (2009c)

80 Queensland Government (2009c)

This represents a particular challenge for Queensland. Not only does Queensland have relatively low levels of participation across these equity groups, but projections indicate that it will also have the largest share of future growth in some of these groups, particularly Indigenous people in the 15–29 year age group.⁸¹

The economic conditions have also had an impact on participation by disadvantaged learners. While it might be anticipated that increasing unemployment and slower employment growth would increase demand for education and training (as unemployed individuals and existing students seek further education and training due to greater difficulties in securing employment), recent evidence from Australia suggests that high unemployment appears to discourage young people from pursuing further education.⁸²

Support for people with a disability

Under the *Queensland Skills Plan*, the disability skilling action plan was developed and implemented to support people with a disability to obtain skills and qualifications, and access other support and adjustment measures to assist them in training and into work.

The disability skilling action plan report stated that ‘existing disability support services and strategies have increased VET engagement by people with a disability over the past decade, however, participation rates, course levels and postgraduate employment for people with a disability remain low’.⁸³

The disability skilling action plan identified the following further steps that build on the work already done, to support future opportunities for enhancing VET outcomes for people with a disability:

- improving data collection to provide clearer information about participation and outcomes for people with a disability
- supporting a whole-of-life approach for VET students with a disability through closer collaboration between disability service stakeholders at the local level
- ensuring funding mechanisms support VET participation for this group of students
- continuing to refine TAFE disability support services through the TAFE U-learn network that includes representatives of counselling, disability support and learning support services to TAFE students continuing the successful engagement with private sector training providers through the Australian Council for Private Education and Training (ACPET) to grow the capacity of the private training sector to respond to the needs of students with a disability.

The Queensland Government invests almost \$4 million each year to provide additional support for people with a disability undertaking training. This investment is directed to TAFE Queensland and community-based private providers. Funding to TAFE is in addition to actual training delivery funding, and is available for interpreters, tutoring and support workers who assist students in class. Community-based providers who specialise in delivering training to people with a disability are funded to deliver training and assist learners to transition to employment on completion of their training.

Since 2004, the number of VET students with a disability has grown from 10 500 to 15 300. However, people with a disability are still under-represented in Queensland’s VET system, comprising 5.3 per cent of all students, the second lowest in Australia, and slightly lower than the national average of 5.9 per cent.

81 Queensland Government (2006a)

82 Hérault et al. (2010)

83 Queensland Government (2009b)

Indigenous participation

Aboriginal and Torres Strait Islander people comprise 2.5 per cent of the Australian population, with more than a quarter (28.4 per cent) of the Indigenous population living in Queensland. The Indigenous population is growing faster, and is younger and more geographically dispersed than the population as a whole. The Indigenous population of Queensland is projected to be the fastest growing of the states and territories, with an average growth rate over the projection period of between 2.6 per cent and 2.7 per cent per year.⁸⁴

In 2008, Australian governments agreed to six targets to significantly reduce the gap in life expectancy and opportunities between Indigenous and non-Indigenous Australians. Closing the Gap targets include halving the gap in employment outcomes between Indigenous and non-Indigenous Australians by 2018.

In Queensland, as a result of the *Queensland Skills Plan*, the government developed Positive Dreaming, Solid Futures as the blueprint for Indigenous employment and training. The strategy is focused on four priority action areas:

1. maximising employment through strategic alliances
2. skilling individuals for work
3. building capabilities in communities to improve community and economic development opportunities
4. aligning employment support and training to the needs of Indigenous Queenslanders.

These priority areas provide a plan for Queensland's part in closing the gap in employment outcomes between Indigenous and non-Indigenous people, and target:

- increased Indigenous labour force participation
- reduced unemployment
- increased attainment of trade, higher level skills and qualifications
- increased employment in higher skilled jobs.

Significant progress has been made against the key Positive Dreaming, Solid Futures priorities. An internal progress assessment indicated that almost 75 per cent of the key actions for all priority areas were either completed or were on track at the end of December 2010. However, Queensland's Indigenous VET participation rate continues to be below the national rate. Overall, the lag effects of the global financial crisis have influenced employment outcomes for Indigenous workers, and have contributed to lack of progress on some actions.

Since the strategy was first developed, a range of additional Indigenous programs and activities have been successfully initiated and implemented. Some of these programs and activities are described below.

The state government's Building and Construction Contracts Structured Training Policy (10 per cent Training Policy) has been enhanced to include Indigenous employment as an option in the compliance model. As a result, 170 Indigenous workers received an employment opportunity in 2009–10 on Queensland Government funded or managed infrastructure projects.

Strategic alliances, particularly in the resources and construction sectors, are working to maximise Indigenous employment and training opportunities. Mining and construction alliances have been established to support work readiness programs. They have included partnerships with employers and resulted in projects with a range of companies such as Rio Tinto Aluminium Limited, Hastings Deering and the Origin Alliance. Programs have also been established with groups including the Queensland Tourism Industry Council (which initiated an Indigenous Employment Champions

84 Australian Bureau of Statistics (2009) Cat 3238.0

Network), Wal-Meta (which placed over 100 Indigenous jobseekers during 2010) and the retail sector (which is targeting 10 per cent Indigenous participation).

The load pass rate for Indigenous students has increased from 69 per cent in 2004 to 80 per cent in 2008, higher than the national load pass rate of 69 per cent.⁸⁵ The establishment of Indigenous mentors for training and small businesses has created support mechanisms not previously available. Training opportunities are being supported, and an increasing number of certificate and diploma completions reflect rising skills levels for Indigenous workers. The increasing use of recognition of prior learning for Indigenous participants is adding to the increase in qualification completions.

In particular, the rising completion of Indigenous Certificate III qualifications and above is indicative of the emphasis placed on achieving higher level qualifications and meeting Toward Q2: Tomorrow's Queensland and *Queensland Skills Plan* priorities. Table 15 lists all Indigenous qualifications completed, including Certificate III completions and above from 2008–09 through to projected 2010–11 totals.

Table 15: All Indigenous qualification completions – including Certificate III qualifications and above awarded

	2008–09	2009–10
All Indigenous qualifications completed	6539	6770
Completions – Indigenous Cert III+ qualifications	2047	2419
Cert III+ as a % of all Indigenous qualifications	31%	36%

Source: Department of Education and Training, September 2010

The number of young Indigenous students undertaking a school-based apprenticeship or traineeship (SAT) has almost doubled from a base figure of 410 in 2006 to 798 in 2009. This has been supported by a 102 per cent increase in Indigenous SAT completions since 2008. As at September 2010, there were 762 Indigenous SATs in training.

Under First Start Traineeships, 427 Indigenous trainees were employed by local councils and community organisations between July 2007 and September 2010.

As at 30 September 2010, 3849 Indigenous apprentices were in training, representing 4.08 per cent of all apprentices and trainees in training.

Indigenous students enrolled in Certificate IV and above courses at the end of September 2010 totalled 697. This represents 3.1 per cent of all enrolments. The comparable percentage of all enrolments in 2009 was 1.7 per cent. There were 252 Certificate IV qualifications and above completed by Indigenous students at September 2010, representing 3.6 per cent of all qualifications awarded. The 2009 result was 4.3 per cent. This latter figure is above the 2010 percentage because of a significant rise in non-Indigenous qualifications at Certificate IV and above in 2010. However, Indigenous Certificate IV and above completions rose by 19 per cent, from 212 in 2009 to 252 in 2010.

Under Positive Dreaming, Solid Futures, Indigenous Pathway Coordinators were appointed in each region in 2010 to case manage every Year 12 Indigenous student into further study, training or work. This program has become an integral part of Indigenous schooling from 2011. Regionally based coordinators liaise with partnership brokers, industry, employers, training providers and other

85 Steering Committee for the Review of Government Service Provision (2010)

providers of future options for Year 12 students, and case manage this progress for at least 26 weeks after students complete Year 12.

Discrete Indigenous communities and Indigenous regional authorities are increasingly accepting opportunities to manage economic development. Negotiations are continuing to establish local Indigenous partnership agreements that focus on employment and training plans that respond to regional labour markets and industry needs.

DEEDI and the Commonwealth Department of Education, Employment and Workplace Services, as lead agencies under the National Partnership Agreement on Indigenous Economic Participation, have established the Queensland Indigenous Employment Taskforce. This cooperative arrangement works through red tape issues or barriers, joins up programs and initiatives, and provides high level support for the implementation of all elements of the agreement. Regional action teams are being formed to develop regional action plans across Queensland.

The Looking after Country Together Strategy enabled training in natural resource management and employment for 10 Indigenous participants at Normanton. Similar programs are being implemented for eight Indigenous participants at Wondai, and 20 at North Stradbroke Island.

Small Business Solutions teamed up with the federal and state governments to deliver an Indigenous Small Business Mentoring Program. The Indigenous mentors are experienced small business operators who have owned or managed a successful small business for at least five years. The mentors will train for a Certificate IV in Training and Assessment, and will be equipped to share their expertise with Indigenous communities throughout Queensland. As at 1 November 2010, 95 Indigenous small business owners and managers across Queensland have enrolled to undertake mentoring and training support under this program.

An internal progress review of the Positive Dreaming, Solid Futures strategy identified a need to shift the focus away from delivering separate Indigenous programs towards an outcomes-based case management approach involving community-based solutions in partnership with individuals, schools, community, industry and other parties. Linking training and skills development with economic opportunity is needed to ensure sustainable employment outcomes.

The Australian Government released its draft Indigenous Economic Development Strategy for consultation in 2010. The draft strategy outlines a framework for Indigenous economic development around five key areas for improving the prosperity of Indigenous Australians:

- education and building individual capacity
- creating sustainable job opportunities
- supporting business and enterprise development
- financial security and independence
- strengthening the foundations to provide an environment that supports Indigenous economic development.

Sustainable employment for disadvantaged Queenslanders

The *Queensland Skills Plan* introduced Skilling Queenslanders for Work as a new initiative to assist disadvantaged Queenslanders to secure sustainable employment. It was designed as a response to the emerging skills crisis, to give disadvantaged workers the right mix of training, vocational skills and associated assistance to be part of Queensland's workforce.

Under Skilling Queenslanders for Work, the Queensland Government has invested around \$95 million each year to assist around 17 000 disengaged, unemployed and under-engaged working age people to compete for sustainable jobs or jobs at higher skill levels. In 2010–11, it has committed \$106 million to assist around 24 000 disengaged, unemployed and under-engaged working age people.

As part of this initiative, the Participate in Prosperity program was introduced in 2008 to provide intensive case management of clients facing multiple barriers to workforce participation in selected socially disadvantaged areas.

A 2009 internal review of Skilling Queenslanders for Work found that a critical feature of both Skilling Queenslanders for Work and its predecessor (Breaking the Unemployment Cycle) has been the ability of these employment initiatives to quickly respond to emerging needs and industry crises as part of whole-of-government strategic responses. 'This flexibility has kept the initiative relevant to the changing needs in the job market.'⁸⁶

The review also found that Skilling Queenslanders for Work was exceeding targets and achieving long-term sustainable employment outcomes as a result of its capacity to:

- focus intensive assistance on the most disadvantaged jobseekers
- use strong regional networks that include representation from unions, employer organisations, local government, community organisations, young people and Indigenous people
- ensure projects target the needs of the local labour market via the involvement of regional staff
- enter into long-term contracts with delivery organisations, which increases their ability to attract and retain quality staff to lead projects
- foster good working relationships with industry and other key government agencies.

Key recommendations from the review concentrated on further refining and redirecting efforts of the Skilling Queenslanders for Work initiative to respond to the economic slowdown and rising unemployment. Significant new directions included:

- a focus on the provision of green skills for the future, including the Green Army and green traineeships
- introduction of a rapid response team model to provide early intervention assistance in the event of large-scale retrenchments by offering retrenched workers career planning and advice, employer wage subsidies and relocation assistance and accredited training
- increased investment in the Participate in Prosperity program (from \$5 million to \$7.5 million).

As Table 16 shows, more Skilling Queenslanders for Work clients are undertaking training at the Certificate III level and higher.

86 Queensland Government (2009d)

Table 16: Industry and qualification level breakdown for all SQW VET – AHCs (2009 to 10)

Industry	Cert I	Cert II	Cert III	Cert IV	Diploma	Other
Arts & entertainment		600				
Automotive – general	7790	1600				
Business	17 595	169 277	45 074	375		
Communications – IT	45 005	6420				
Community services	2825	13 719	651 301	120	1077	
Construction	21 108	5548	140			4528
Engineering – general	4690	2500				
Furnishing – general	1532	768				
General education & training	66 606	7451	3690	215		145 704
Government – general			45			
Health – general		8837	5129	372	568	690
Hospitality – general	460	84 767	7510	990		
Mining – general		600	25			188
Primary industry	708	42 434	1150			
Process manufacturing			890			
Retail	7523	150 241	26245			
Sports & recreation		203	30			
Tourism – general			72			
Transport & distribution	4600	63 900	19330			
TOTALS	180 442	558 865	760 631	2072	1645	151 110

Source: Department of Employment, Economic Development and Innovation (2010)

While Skilling Queenslanders for Work clients are not undertaking full qualifications in all instances, they are completing modules that form part of a higher qualification, which will provide future higher level training pathways. They are also participating in training that is linked to local labour market needs, which is reflected in the industry breakdowns.

Activity under the National Partnership Agreement on the Productivity Places Program was incorporated into the integrated service delivery model of Skilling Queenslanders for Work from 1 January 2009. Jobseekers, as opposed to existing workers, are the main target group for training, with clients receiving full qualifications at the Certificate II and III levels. The introduction of the Productivity Places Program has enabled Skilling Queenslanders for Work to provide an increased focus on VET outcomes in certain industries where a qualification is considered highly desirable or a prerequisite to employment in the sector.

Skilling Queenslanders for Work Productivity Places Program providers are expected to achieve 50 per cent employment outcomes and 80 per cent full qualification completion. Currently, 52 per cent of exited participants have gained employment on completion of training, and over 80 per cent are completing full qualifications.⁸⁷

87 Queensland Government (2010b)

Table 17: Industry and qualification level breakdown for Skilling Queenslanders for Work (Productivity Places Program) — annual hours curriculum

Industry	Cert I	Cert II	Cert III	Other
Automotive		890		
Business		73 613	18 290	
Community services		13 462	522 635	
Construction	228	5548		760
General education & training	5140			
Health – general		2201	91	
Hospitality – general		61 444	1445	
Primary industry		38 805	225	
Retail		132 955	26 245	
Sports & recreation		203		
Transport & distribution		53 020	5150	
TOTALS	5368	382 141	574 081	760

Source: Department of Employment, Economic Development and Innovation 2010

Investment in Indigenous support services has increased under Skilling Queenslanders for Work. The Indigenous Employment and Training Support Officer and Indigenous Employment and Training Manager Programs have expanded, with a statewide network of 52 officers for an annual investment of \$5.2 million. These positions have become permanent public service positions forming part of the regional employment delivery network, and make an important contribution to Indigenous community capacity building and local employability.

Under *Queensland Skills Plan* actions, the provision of VET and employment assistance programs to adult prisoners and juvenile offenders in Queensland correctional facilities under Advance2Work helps ex-prisoners to reintegrate successfully into society, and reduces the chance that they will re-offend and return to prison. The Advance2Work program continues to exceed targeted outcomes. Under the 2007–2010 memorandum of understanding between DET, DEEDI and Queensland Corrective Services, the program assisted 9543 prisoners and ex-prisoners to 30 June 2010, with 2245 prisoners and ex-prisoners having obtained an employment outcome. Over the same period, more than 34 000 VET enrolments had occurred within correctional centres, with a corresponding 480 000 annual hours curriculum being delivered. The current rate of VET completion within correctional centres is also high at over 80 per cent.⁸⁸

A recent paper by Skills Australia identified that, to achieve workforce participation rates comparable to other OECD countries, VET needs to provide flexible support services, and possibly improved financial support, for many individuals who have been previously disengaged, or who experience multiple disadvantage. This may entail case management approaches and strong partnerships between providers, government agencies, community organisations and employers, including more flexible use of resources and new models of collaboration across multiple service providers.⁸⁹

The *Queensland Skills Plan's* initiative, Skilling Queenslanders for Work, has a track record of flexible, responsive and integrated service delivery, and has proven its capacity to tailor employment and training services to its client groups. Its network of regional employment officers and service providers, and links with local industry, employers and community sector providers, suggest that Queensland already has much of this capability in place to support the model suggested by Skills Australia.

⁸⁸ Queensland Government (2010b)

⁸⁹ Skills Australia (2010)

6. A skilled labour force in Queensland

6.1 Queensland Skills Plan key actions and strategies

The overarching goal of the Queensland Skills Plan was to realign the Queensland VET system, and its policies, programs and functions, to produce a highly skilled workforce by providing a better medium and long-term match between the stock of skills and workers and the current and future needs of Queensland businesses, employers and industry.

6.2 Findings

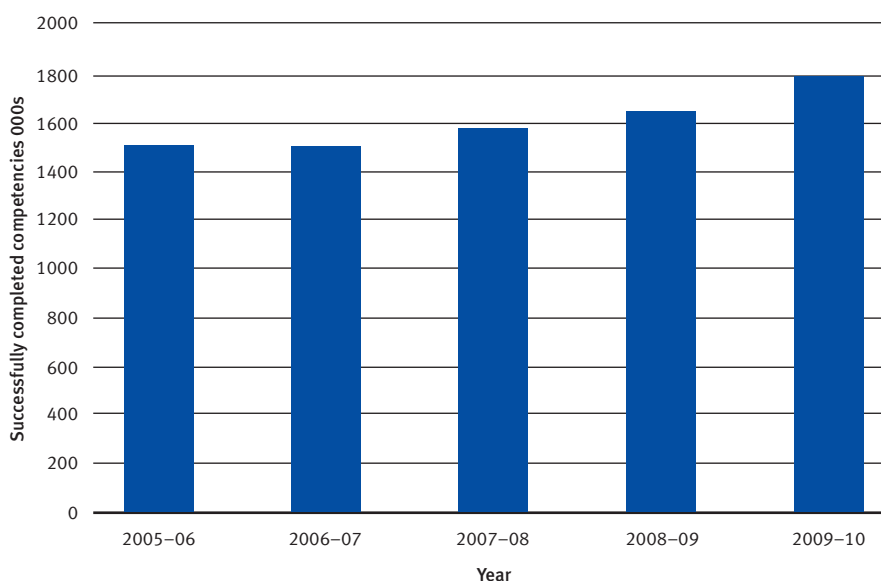
At the core of the *Queensland Skills Plan* was the imperative to address skills shortages, build the skills of Queenslanders to meet the economic needs of industry, and improve individuals' capacity to participate in the workforce.

The Report on Government Services each year uses the following four measures of skills outputs from the VET system as a proxy indicator of skills profile, with the underlying assumption that constant, high or increasing numbers of qualifications, units of competency or module achievements and passes result in a greater stock of VET skills:

- qualifications completed
- units of competency achieved
- modules completed (achieved or passed)
- annual change in the above.

In Queensland, there has been a steady increase in the number of qualifications completed between 2005 and 2009 (2009 data is not final and will increase as late notifications of qualifications are advised to NCVER), as illustrated in Figure 15.

Figure 15: Successfully completed units of competency – Queensland



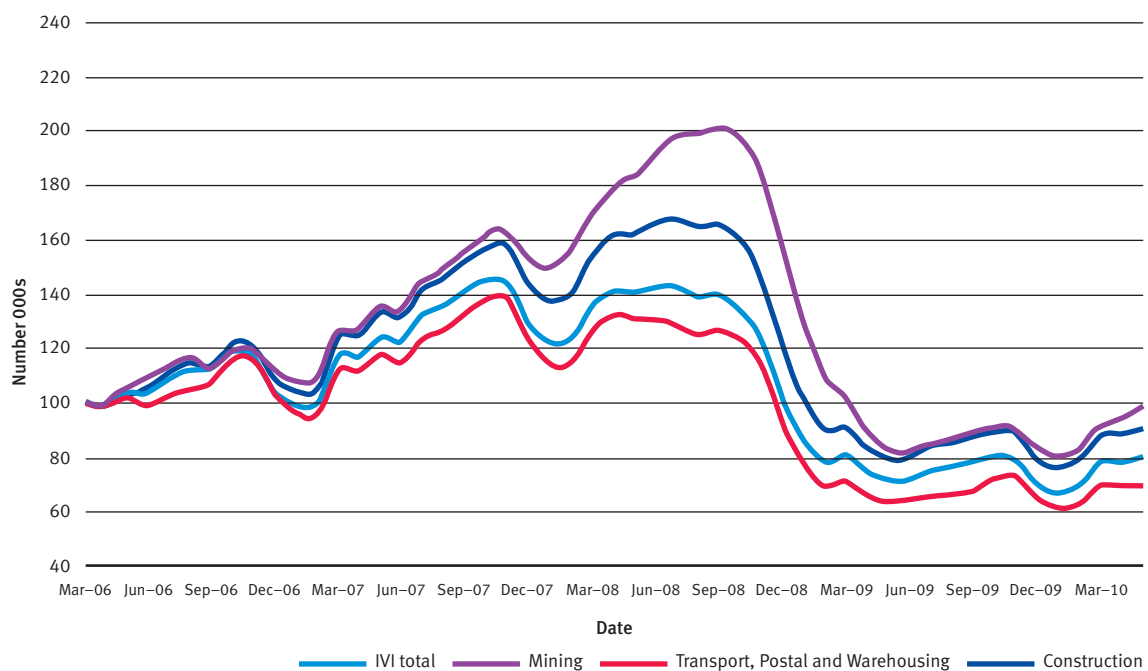
Source: Department of Education and Training

The number of successfully completed units of competency in Queensland has increased significantly, growing by 20 per cent from 2005–06 to 2009–10. This again reflects the increase in activity at the higher qualification levels in Queensland, involving more competencies and modules. These outputs suggest that Queensland has increased its stock of VET skills since the *Queensland Skills Plan* was implemented.

The other key measurement is whether the *Queensland Skills Plan* addressed skills shortages, which would be indicated by a decrease in the incidence of skills shortages. ‘Skills shortages exist when employers are unable to fill or have considerable difficulty in filling vacancies for an occupation, or specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and reasonably accessible location.’⁹⁰

While there are shortcomings with quantifying skills shortages, data from the Internet Vacancy Index (IVI) provides some sense of trends in skills shortages, as shown in Figure 16.

Figure 16: Mining, transport, postal and warehousing, and construction – IVI total (March 2006 to May 2010)



Note: March 2006 = 100

Source: DEEWR Internet Vacancy Index Supplementary Analysis May 2010

According to DEEWR, job vacancies are between 80 and 90 per cent of 2006 levels, around half of that recorded prior to the downturn. As was noted in the publication *Skills for Jobs and Growth 2010*⁹¹, the decline in skills shortages indicated in this figure suggests that a combination of increased and more flexible training opportunities introduced under the *Queensland Skills Plan*, a more responsive VET system, and the impact of the economic downturn has had an impact on skills shortages.

Research undertaken for *Skills for Jobs and Growth 2010* showed that the most significant change in labour force participation, or skills supply, has been among the 55–64 year olds, with 70 per cent of this cohort indicating that they are willing to remain engaged in the workforce longer, and a further third of these wanting additional training to achieve this.⁹² In addition, most part-time workers are part-time by choice, and do not want to increase the hours they work.

90 DEEWR website (2010)

91 Queensland Government (2010c)

92 Queensland Government (2010c)

In terms of population growth, the research found that net migration accounts for a greater share of population than the domestic growth rate. When this is coupled with data from an analysis on migration undertaken by the Office of Economic and Statistical Research (OESR) in 2009 (based on ABS 2006 Census data), a clearer picture emerges. OESR found that significant proportions of both interstate and overseas migrants are arriving in Queensland with post-school qualifications. More overseas arrivals had postgraduate qualifications and bachelor degrees than the resident population, and more interstate arrivals had bachelor degrees and certificate qualifications than Queenslanders. Migration plays an important role in shaping the supply of skills in Queensland and lifting Queensland's skills profile.

Despite the complexities and difficulties in categorising and measuring skills shortages, the research paper undertook an analysis of three levels of shortages and compared 2007 skills shortage levels to 2010 skills shortage levels.⁹³ Based on this comparison, the research concluded that apparent skills shortages in Queensland have been greatly reduced over the period. However, while the incidence of skills shortages is lower than 2007 levels, which can be partly attributed to an expansion in training targeting industry shortage areas, the significant impact that the global financial crisis would have had on this outcome is undeniable.

⁹³ See Appendix 4

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Appendixes

Appendix 1 – Queensland Skills Plan lead institutes 2010–11

Lead institute	Vocational area group
Brisbane North	Agriculture, horticulture, conservation and land management Animal care Business, finance and justice Government Information technology
Central Queensland	Resource industries
Gold Coast	Screen and media, printing and graphic arts, tourism, hospitality and events
Metropolitan South	Fashion Health Training and education
SkillsTech Australia	Automotive Construction, plumbing and services Engineering Furnishing Manufacturing Utilities, electrotechnology and telecommunications
Southern Queensland	Food processing Hairdressing and beauty Transport
Sunshine Coast	Community services Creative industries Museum and library Sport and recreation Sustainability
Tropical North	Indigenous
Wide Bay	Forestry Property services Retail

Appendix 2 – New industry engagement models

Industry engagement model descriptor	Organisations/Industry Sectors
<p>Centres of excellence</p> <p>Centres of excellence lead and influence targeted industries in skill-related matters — from industry strategy and business processes to smarter workforce management. They concentrate investments into the one industry-driven entity, giving them the capacity to:</p> <ul style="list-style-type: none"> • develop strong and enduring links with employers and other stakeholders, including unions and professional associations, education and training providers, and labour market intermediaries • expand industry and enterprise-focused innovation in the development of advanced training strategies • be future orientated in addressing skills formation issues • avoid duplication of effort and attain efficiencies through specialisation. <p>These centres are required to submit a business plan, a three-year industry skills plan and two reports per year on skills demand and change drivers. They are also required to participate in regional and schools sector networks, ensure financial contributions are received from industry, and achieve a sustainable range of commercial services.</p>	<p>Mining Industry Skills Council Aviation Australia¹ Construction Skills Queensland Manufacturing Skills Queensland Energy Skills Queensland</p>
<p>Skills alliances</p> <p>Skills alliances are autonomous organisations comprising major industry stakeholders. They are funded to provide specific key services to the Department of Education and Training (DET), including:</p> <ul style="list-style-type: none"> • identifying the causes and effects of skills shortages • planning for future skills needs • promoting their industry to schools and regional Queensland • encouraging each industry to take control of its future skills needs. <p>Skills alliances produce a business plan, a three-year industry skills plan and two reports per year on skills demand and change drivers. They are also required to participate in regional and schools sector networks.</p>	<p>Queensland Automotive Skills Alliance Health and Community Services Workforce Council Inc Creative Industries Skills Council Queensland Tourism Industry Council Recreation Training Queensland</p>
<p>Industry–government skilling partnerships</p> <p>Industry–government skilling partnerships build on existing relationships between industry and other Queensland Government agencies, and enable DET to capitalise on existing industry networks and address the industries’ skilling and workforce development needs through a whole-of-government approach.</p> <p>Funding is provided for a project officer to work within the government department to engage with industry on workforce needs and produce a three-year skills plan and an annual industry skills report.</p>	<p>Queensland Transport (transport and logistics) Department of Employment, Economic Development and Innovation (rural)</p>
<p>Direct engagement arrangements</p> <p>Direct engagement is a mechanism for DET to purchase specific advice and services in industries or industry sectors that are identified as a strategic priority, but do not have, for instance, a centre of excellence, industry skills alliance or other industry engagement model already in place.</p>	<p>Security Racing Queensland Water² Retail and personal services Forestry Local Government Association of Queensland</p>

Industry engagement model descriptor	Organisations/Industry Sectors	
<p>Skills formation strategies</p> <p>Skills formation strategies provide a framework for industries and communities to work with each other, the Queensland Government and other relevant stakeholders to analyse and address current and future workforce issues that may affect their future viability.</p> <p>The skills formation strategy approach seeks to gain an holistic understanding of workforce issues, recognising that effective skilling can only occur when planned as part of the broader workforce context and the future of the industry or community.</p> <p>Additionally, skills formation strategies focus on identifying issues common to an industry or community that are best addressed by their combined efforts, or that cannot be addressed as an individual enterprise.</p> <p>To effectively support this approach, skills formation strategies facilitate the development of relationships and networks that together will identify the future workforce needs of industry or community, and work to develop and action combined workforce strategies.</p>	<p>Current</p> <p>Aged Care (Toowoomba)</p> <p>Agribusiness (Mackay)</p> <p>Atherton Tablelands</p> <p>Aquaculture</p> <p>Coal Seam Gas/ Liquefied Natural Gas</p> <p>Community Mental Health</p> <p>Environmental industries (Sunshine Coast)</p> <p>Ipswich Regional Community</p> <p>Manufacturing & Engineering (Gladstone)</p> <p>Mining – Automation</p> <p>Outback Tourism</p> <p>Printing Industry – Digital Technology</p> <p>Redcliffe–Dakabin Corridor</p> <p>Seafood (Moreton Bay, Gold and Sunshine Coasts)</p> <p>Sustainable Energy</p> <p>Transport – Logistics⁴</p> <p>Water²</p>	<p>Transitioned to industry</p> <p>Advanced Manufacturing (Western Corridor)</p> <p>Aged Care</p> <p>Agriculture (Inland Burnett)</p> <p>Agriculture (Lockyer Valley)</p> <p>Aviation</p> <p>Biotechnology</p> <p>Boat Building (Gold Coast)</p> <p>Child Care</p> <p>Child Protection</p> <p>Civil Construction and Infrastructure</p> <p>Construction, Engineering, Minerals Processing (Townsville)</p> <p>Electrotechnology</p> <p>Emerald Central Highlands Community</p> <p>Fibre Composites</p> <p>Film, TV and Digital Content</p> <p>Food Processing</p> <p>Health (Northlakes)</p> <p>Health (incorporating Indigenous Health)³</p> <p>Heavy Vehicle Repair</p> <p>Horticulture (Bundaberg)</p> <p>ICT</p> <p>Local Government</p> <p>Lower Gulf Community</p> <p>Mining (Bowen Basin)</p> <p>Mining (North West)</p> <p>Machinery, Equipment & Metal Products</p> <p>Marine Tourism (Cairns)</p> <p>Marine Tourism (Whitsundays)</p> <p>Pharmaceuticals and Nutraceuticals</p> <p>Rail – Manufacturing</p> <p>Sport, Fitness and Recreation</p> <p>Tourism Regional (Bundaberg)</p> <p>Tourism Regional (Fraser Coast)</p> <p>Tourism Regional (Mackay)</p> <p>Tourism Regional (Sunshine Coast)</p> <p>Tourism Regional (Whitsundays)</p> <p>Tourism (Statewide)</p> <p>Transport – Road⁴</p> <p>Western Downs Community</p> <p>Wine</p>

Notes:

1. Aviation Australia operates primarily as a registered training organisation.
2. The Water Industry Direct Engagement Strategy has recently been transitioned into a Skills Formation Strategy.
3. The Health (inc Indigenous Health) Skills Formation Strategy is identified in the *Queensland Skills Plan 2006* as two separate strategies.
4. The *Queensland Skills Plan 2006* identifies the Transport Skills Formation Strategies as one strategy.

Appendix 3 – School–industry engagement models

Industry engagement model descriptor	Organisations / Schools	
<p>Gateway Schools</p> <p>Gateway schools deliver specialised education and industry training for students in Years 8 to 12 in the following industries:</p> <ul style="list-style-type: none"> • agribusiness • aerospace • building and construction • manufacturing and engineering • mining • wine tourism <p>Gateway Schools Projects provide young people with opportunities to experience a range of careers in key industry areas, while gaining the knowledge, skills and attributes to make a successful transition from school to training, university, or employment in the sector. Through strong partnerships between education, VET, higher education sectors and industry, students gain valuable access to expert advice, industry based curricula, hands on training and relevant career information.</p>	<p>Agribusiness Gateway Schools:</p> <ol style="list-style-type: none"> 1. Downlands College 2. Goondiwindi State High School 3. Jandowae P-10 State School 4. Kepnock State High School 5. Loganlea State High School 6. Nambour State High School 7. Pittsworth State High School 8. St George State High School <p>Aviation Gateway Schools:</p> <ol style="list-style-type: none"> 1. Aviation High (Hendra) 2. Balmoral State High School 3. Bremer State High School 4. Brisbane State High School 5. Cairns State High School 6. Caloundra State High School 7. Good Shepherd Catholic College (Mount Isa) 8. Indooroopilly State High School 9. Iona College 10. Ipswich Grammar School 11. Miami State High School 12. Oakey State High School 13. Redbank Plains State High School 14. Springwood State High School 15. St Patrick’s College (Mackay) 16. Toowoomba State High School 17. Townsville State High School <p>Building and Construction Gateway Schools:</p> <ol style="list-style-type: none"> 1. Caboolture State High School 2. Harristown State High School 3. Marsden State High School 4. Nudgee College 5. St Edmunds College 6. Upper Coomera State College <p>Manufacturing and Engineering Gateway Schools:</p> <ol style="list-style-type: none"> 1. Biggenden State High School 2. Bray Park State High School 3. Bundaberg State High School 4. Bundaberg North State High School 5. Concordia Lutheran College 6. Corinda State High School 7. Forest Lake State High School 8. Gin Gin State High School 9. Ignatius Park College 10. Isis District State High School 11. Kelvin Grove State College 12. Kepnock State High School 13. Kings Christian College 14. Mackay State High School 15. Noosa District State High School 16. Pimlico State High School 17. Pioneer State High School 18. Rosedale State School 19. Runcorn State High School 20. Sarina State High School 21. Smithfield State High School 22. Toolooa State High School 23. Mackay North State High School 24. Mirani State High School 	<p>Queensland Minerals and Energy Academy (QMEA) Schools:</p> <ol style="list-style-type: none"> 1. Alexandra Hills State High School 2. Anglican Church Grammar School 3. Biloela State High School 4. Blackwater State High School 5. Bundamba State Secondary College 6. Chinchilla State High School 7. Cloncurry State School 8. Dalby State High School 9. Downlands College 10. Dysart State High School 11. Emerald State High School 12. Kirwan State High School 13. Marist College (Ashgrove) 14. Miles State High School 15. Moranbah State High School 16. Moura State High School 17. Nanango State High School 18. North Rockhampton State High School 19. Oakey State High School 20. Pioneer State High School 21. Pittsworth State High School 22. Roma State College 23. Spinifex State College (Mount Isa) 24. Taroom State School 25. Toolooa State High School 26. Toowoomba State High School 27. Wandoan State School 28. Wavell State High School <p>Wine Tourism Gateway Schools:</p> <ol style="list-style-type: none"> 1. Boonah State High School 2. Centenary Heights State High School 3. Emmaus College 4. Kingaroy State High School 5. Laidley State High School 6. Maroochydore State High School 7. Murgon State High School 8. Nudgee College 9. Scots PGC 10. Sheldon College 11. St Joseph’s School 12. Stanthorpe State High School 13. Tullawong State High School

Industry engagement model descriptor	Organisations / Schools
<p>School industry trade centres</p> <p>This involves the development of contemporary industry-focused centres - partnering with industry and local employers to provide a learning environment that duplicates the expectations and discipline of the workplace with a focus on real learning for real jobs including through school-based apprenticeships and traineeships.</p>	<p>Building and Construction College (Gold Coast) Civil Construction College (Sunshine Coast) Creative Technologies College (North Queensland) Manufacturing and Engineering College (Mackay/Whitsunday) Marine Training College (Far North Queensland)</p>
<p>Industry, education and training alliances</p> <p>These alliances encourage greater collaboration between education, training (schools) and industry through projects, which provide secondary students with a greater awareness of key industries and the career opportunities available in those industries.</p>	<p>AgForce Queensland School to Industry Partnership Queensland Minerals and Energy Academy (QMEA) Queensland College of Wine Tourism (QCWT) School Tech</p>

Appendix 4 – Analysis of skills shortages - 2007 and 2010

2007		2010	
Supply side	Demand side	Supply side	Demand side
<p>Level 1 shortages</p> <p>Resource managers</p> <p>Engineering, distribution and process managers</p> <p>Building and engineering professionals</p> <p>Miscellaneous health professionals</p> <p>Medical practitioners</p> <p>Level 2 shortages</p> <p>Medical and science technical officers</p> <p>Building and engineering associate professionals</p> <p>Electrical and electronics tradespeople</p> <p>Structural construction tradespeople</p> <p>Plumbers</p> <p>Final finishes construction tradespeople</p> <p>Intermediate mining and construction workers</p> <p>Misc. intermediate production and transport workers</p>	<p>Level 3 shortages</p> <p>Computing professionals</p> <p>Nursing professionals</p> <p>School teachers</p> <p>Social welfare professionals</p> <p>Hospitality and accommodation managers</p> <p>Shop managers</p> <p>Mechanical engineering tradespeople</p> <p>Automotive tradespeople</p> <p>Printing tradespeople</p> <p>Wood tradespeople</p>	<p>Level 1 shortages</p> <p>Level 2 shortages</p> <p>Farmers and farm managers</p>	<p>Level 3 shortages</p> <p>Personal assistants and secretaries</p> <p>Receptionists</p> <p>Finance and insurance clerks</p> <p>Sales assistants and salespeople</p> <p>Checkout operators and office cashiers</p> <p>Automobile, bus and rail drivers</p> <p>Food preparation assistants</p> <p>Freight handlers and shelf fillers</p>

Notes:

Level 1 shortages exist where there are insufficient skilled people available to apply for vacancies, and training periods are typically long.

Level 2 shortages exist where there are insufficient skilled people to apply for vacancies, but the skills can be acquired over a relatively short period.

Level 3 shortages exist where a skills mismatch exists — where available skilled applicants reject vacancies under current conditions. These are essentially demand-side shortages.

Source: Queensland Government, *Jobs for Skills and Growth 2010*