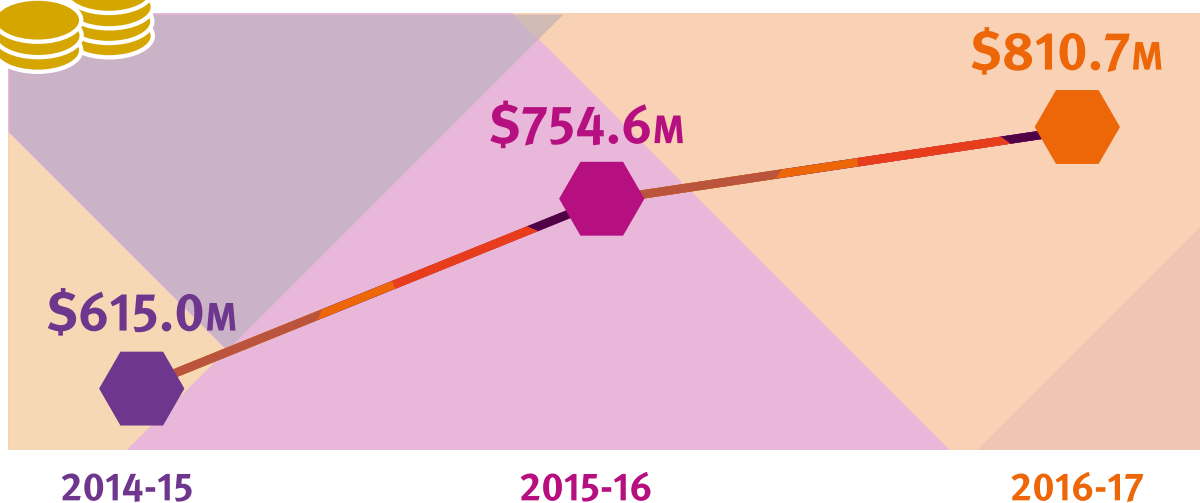




# 2016–17 Annual VET Investment Plan



Through **growing investment** we are ensuring our system continues to thrive and **meet the needs of all Queenslanders.**



### 2016-17 budget: \$810.7M



Certificate 3 Guarantee



Skilling Queenslanders for Work



Public Provider Grants



User Choice



Higher Level Skills



## Minister's message

The State Government is committed to supporting Queenslanders to acquire the skills to secure employment.

The vocational education and training (VET) sector plays a pivotal role in equipping Queenslanders of working age who are unemployed or seeking a step up, to start on the pathway to a brighter future.

Already, the Queensland Government has delivered on its promises under *Working Queensland* to support the creation of jobs into the future.

The government has re-introduced the Skilling Queenslanders for Work initiative worth \$240 million over four years to support up to 32,000 job seekers. We've created Jobs Queensland to provide information on industry training priorities. We have re-invested in TAFE Queensland to restore its status as the state's premier public provider of VET and established the Queensland Training Ombudsman.

In 2015-16, the Queensland Government committed \$754.6 million for the *Annual VET Investment Plan*. In 2016-17 we are doing more, by committing an additional \$56.1 million so we can boost the skills of our existing workforce and create more opportunities for those needing additional skills to compete for employment.

We are doing more. We want Queensland to have the highest quality training in the nation to enhance student outcomes and we aim to achieve this through a number of key measures.

The Queensland Government will introduce a Quality Framework that outlines our system-wide approach to quality from program design to market performance to compliance.

We will work in partnership with the Australian Skills Quality Authority and the Queensland Training Ombudsman to achieve our ambition of making quality matter in training delivery.

We have established tighter entry and regulatory requirements for our pre-qualified suppliers who want to deliver training in Queensland. We've increased our monitoring of pre-qualified suppliers putting pre-qualified suppliers on notice that we will only accept quality outcomes for our investment and we have continued our support for trades and Group Training Organisations.

Our government will also continue its shift away from full VET contestability. We are committed to creating a more sustainable level of contestability and private sector participation and to supporting the important role TAFE Queensland plays as our public provider of VET.

By continuing to invest in vocational education and training, the State Government is enabling Queenslanders to build the skills that could help to change their lives and drive Queensland's future.

### **Hon Yvette D'Ath MP**

Attorney-General, Minister for Justice  
and Minister for Training and Skills

# Current directions in VET

## Working Queensland

Building a stronger economy and empowering Queenslanders to gain a job are the cornerstones of *Working Queensland*. Under this plan, the government is focused on investing in skills that align with real job opportunities and assisting those in the community that need a step up to get them on the pathway to sustainable employment.

Many of the initiatives in *Working Queensland* are now operational and are helping to rebuild industry leadership, inclusiveness and quality in Queensland's VET sector. An update on the status of the key VET initiatives is:

- The Skilling Queenslanders for Work initiative supports unemployed and under-employed Queenslanders through training and work placements to assist them in gaining employment. In 2015–16, 384 community sector-driven projects worth around \$60 million were approved for delivery across Queensland providing nationally recognised training, skills development and job opportunities to 14,057 disadvantaged Queenslanders.
- Jobs Queensland is assisting government in determining the right skills mix for the future by working with industry to obtain advice on future skills demand, and will provide advice on the future of the critical apprenticeship and traineeship system.
- There has been additional investment through TAFE Queensland to provide student support services, regional support programs, foundation skills courses for disadvantaged learners, VET in Schools courses, and second chance training opportunities under the *Rescuing TAFE* initiative, with 1,410 additional enrolments as at 30 April 2016.
- The Queensland Training Ombudsman's office was established in October 2015 and works to address complaints from employers, students, registered training organisations and others about training issues, and is already resolving a significant number of issues on behalf of Queenslanders.

## A focus on quality

The government is committed to quality in VET so Queenslanders are confident they are getting a return on investment by acquiring the required skills to meet industry needs. This, in turn, enables employers to access productive workers who can capably and confidently perform the required tasks within the workplace, aligned to the skills and qualifications gained.

A new Queensland VET Quality Framework will underpin the government's commitment to embedding quality in all aspects of the VET system in Queensland. The framework will restore confidence across the market that VET equals quality, whether it be training delivery, assessment, work readiness or jobs.

The Framework focuses on five key aspects:

- program design – supporting quality skills attainment through investment policy and funding priorities
- supplier entry requirements – setting conditions of entry that allow only quality providers access to public funding in Queensland
- information and support – increasing stakeholder VET knowledge to enable effective decision-making
- market performance and oversight – monitoring VET activity and taking action to address areas of concern
- compliance – assuring market integrity through a risk-based approach.

## Consulting on the future

The current *National Partnership Agreement on Skills Reform* will expire in June 2017 and negotiations for new funding arrangements have not yet commenced. In this context, the Queensland Government is considering the future strategic direction for VET in Queensland. Key stakeholders will be involved in these deliberations to ensure that Queensland's VET sector remains well-positioned to meet the skilling and employment needs of Queenslanders.





## VET investment reforms

The Queensland Government continues to increase its investment in providing skills for Queenslanders with the funding for VET having increased by \$195.7 million (or 32 per cent) since 2014–15. Planned investment for 2016–17 is outlined below.

Essentially, the key features of the plan will remain in 2016–17 with demand-driven training arrangements underpinned by a network of pre-qualified suppliers, published subsidy levels for government-subsidised qualifications and skill sets aligned to industry identified skills needs, and co-contribution to the cost of training by individuals, employers or industry.

The primary focus for 2016–17 is to enhance the quality of service provision in the VET sector and the effectiveness of government investment through the introduction of a range of new measures including:

- no automatic rollover of contracts, with selected pre-qualified suppliers required to provide additional information for consideration prior to offers being made
- strengthened pre-qualified supplier entry requirements, including a one-year minimum

trading history in Queensland to ensure potential pre-qualified suppliers have established industry relationships and a proven track record before seeking State funding

- streamlined legal agreements to enable the department to swiftly address quality concerns and take appropriate compliance action against pre-qualified suppliers
- improved program design to address current areas of non-compliance
- enhanced pre-qualified supplier risk profiling to identify investment risks, and inform pre-qualified supplier management and risk mitigation strategies
- strengthened VET in Schools policy to ensure students receive appropriate training that links to their career aspirations and assists stakeholders in understanding their respective responsibilities.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au).

| Investment program              | 2014–15 budget (\$M) | 2015–16 budget (\$M) | 2016–17 budget (\$M) |
|---------------------------------|----------------------|----------------------|----------------------|
| User Choice                     | \$225.0              | \$243.0              | \$220.3              |
| Certificate 3 Guarantee         | \$181.0              | \$231.6              | \$304.7              |
| Higher Level Skills             | \$55.0               | \$60.0               | \$60.0               |
| Skilling Queenslanders for Work | \$0                  | \$60.0               | \$60.0               |
| Public Provider Grants          | \$154.0              | \$160.0              | \$165.7              |
| <b>Total VET investment</b>     | <b>\$615.0</b>       | <b>\$754.6</b>       | <b>\$810.7</b>       |



# VET investment profile

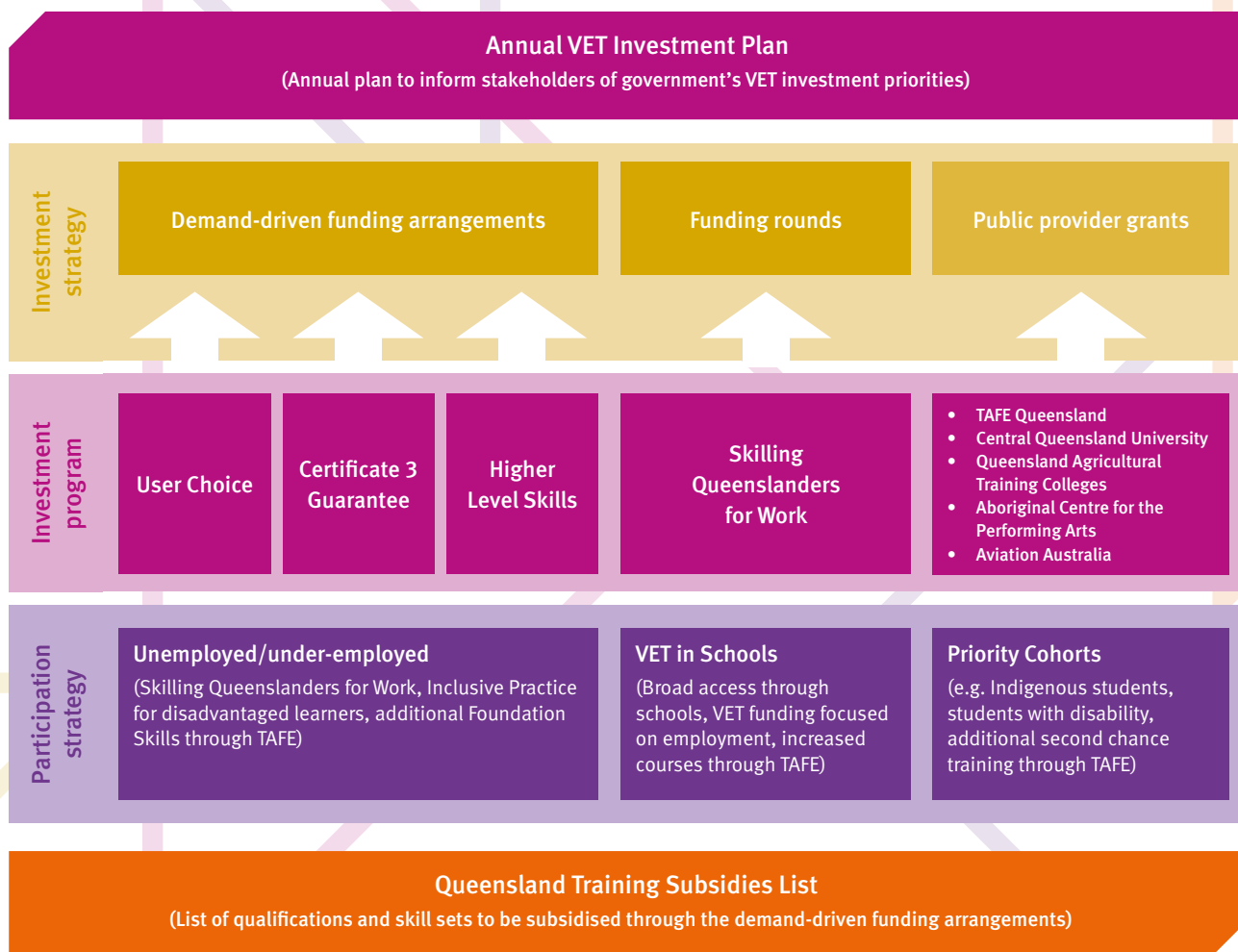
The 2016–17 Annual VET Investment Plan is underpinned by a VET investment framework that supports demand-driven funding arrangements across a number of program areas, provides support for disadvantaged learners and other priority student cohorts, and provides a significant contribution to public providers to enable them to operate in a competitive VET market. The 2016–17 VET investment framework is outlined below.

The introduction of the VET investment framework has seen growth in participation levels in Queensland and outcomes for students. Trends in 2015–16 have shown an increase in total VET students in Queensland, including an increase in each of the department’s seven regions, as well as increases in total qualifications completed and participation by target equity groups.

Investment trends under the 2015–16 Annual VET Investment Plan against the programs and priority cohorts (as at mid-May 2015) are outlined on the next page and demonstrate the spectrum of training opportunities available under the plan.

The level of VET investment for different industry sectors is influenced by a range of factors including professional, regulatory or industrial relations requirements, established recruitment preferences of industry, and the relevance of training pathways to occupations in the sector. Overall, there is strong alignment between the relative level of VET investment and labour demand for different sectors where there is an existing driver for commencement and completion of VET qualifications, such as award or licence requirements, or established industry practice.

During 2015–16, investment was highest in skills related to the construction; health care and social assistance; manufacturing; transport, postal and warehousing; and accommodation and food services industry sectors.



These five sectors accounted for over 60 per cent of VET investment in 2015–16, and represent significant employment destinations for Queenslanders, accounting for over 40 per cent of all employment in Queensland as at February 2016. The educational profile of these sectors highlights a diverse demand for skills, with some relying on the VET system to supply the majority of their workers (for example construction, manufacturing), others requiring a mix of VET and university graduates (for example health care and social assistance), and others where the majority of the workforce do not hold post-school qualifications (for example accommodation and food services; transport, postal and warehousing).

The tables below highlight the top investment areas in each of the main VET investment programs during 2015–16.

### User Choice

|          |   |
|----------|---|
| UEE30811 | Certificate III in Electrotechnology Electrician                    |
| RII30813 | Certificate III in Civil Construction Plant Operations              |
| CPC30211 | Certificate III in Carpentry  |
| AUR30612 | Certificate III in Light Vehicle Mechanical Technology              |
| MEM30305 | Certificate III in Engineering – Fabrication (Boilermaking/Welding) |

### Certificate 3 Guarantee

|          |  |
|----------|--|
| TLI31210 | Certificate III in Driving Operations            |
| CHC30212 | Certificate III in Aged Care                     |
| SIT30713 | Certificate III in Hospitality                   |
| TLI32410 | Certificate III in Logistics                     |
| RII30113 | Certificate III in Surface Extraction Operations |

### Higher Level Skills

|          |  |
|----------|--|
| CHC50113 | Diploma of Early Childhood Education and Care          |
| CPC40110 | Certificate IV in Building and Construction (Building) |
| TLI41810 | Certificate IV in Warehousing Operations               |
| SIT40413 | Certificate IV in Commercial Cookery                   |
| HLT51612 | Diploma of Nursing (Enrolled-Division 2 nursing)       |

### Skilling Queenslanders for Work

| Region                   | Grant amount           | Target assist |
|--------------------------|------------------------|---------------|
| Far North Queensland     | \$3.45 million         | 941           |
| North Queensland         | \$3.93 million         | 1177          |
| Central Queensland       | \$5.81 million         | 1118          |
| Darling Downs South West | \$3.69 million         | 763           |
| North Coast              | \$13.6 million         | 3620          |
| Metropolitan             | \$15.25 million        | 3613          |
| South East               | \$11.29 million        | 2825          |
| <b>TOTAL</b>             | <b>\$57.02 million</b> | <b>14057</b>  |

The First Start program under Skilling Queenslanders for Work provides wage subsidies to local councils to employ additional trainees over 12 months. In 2015–16, \$3.25 million has been allocated across 56 local councils for 260 traineeship positions.

### Top Five Qualifications under Skilling Queenslanders for Work

|          |  |
|----------|--|
| GEN-FSK  | General Education – including foundation skills and skill sets |
| CPC10111 | Certificate I in Construction                                  |
| SIR20212 | Certificate II in Retail Services                              |
| SIT20213 | Certificate II in Hospitality                                  |
| CHC30212 | Certificate III in Aged Care                                   |

\*GEN-FSK is an aggregation of all foundation skill qualifications and skill sets

### Priority cohorts

|                            | Participation | Change from 2014-15 | Qualification completions | Change from 2014-15 |
|----------------------------|---------------|---------------------|---------------------------|---------------------|
| Indigenous students        | 10,046        | ↑4%                 | 4703                      | ↑33%                |
| Young people (15-19 years) | 47,736        | ↑9%                 | 21693                     | ↑18%                |
| Students with disability   | 8706          | ↑7%                 | 2908                      | ↑9%                 |

## User Choice - \$220.3 million

The User Choice program is managed through demand-driven funding arrangements. The program provides a public funding contribution towards the cost of training and assessment for eligible Queensland apprentices and trainees. User Choice provides greater flexibility for apprentices, trainees and their employers to select an approved registered training organisation, known as a pre-qualified supplier, of their choice and to negotiate the type of training they require.

### Target groups

- Apprentices and trainees employed under a training contract for a qualification funded by the department
- Apprentices and trainees who have entered into their training contract while still at school (school-based apprentice or trainee)
- Individuals seeking entry into an apprenticeship
- Experienced workers seeking a complementary pathway to a trade qualification
- Year 12 graduates seeking to commence training in a high priority qualification
- Participants on Skilling Queenslanders for Work (Work Skills Traineeships) projects.

*After teaching for eight years, Aaron Lobley knows the importance of education. He ended up practising what he preached, embarking on an apprenticeship as a mature age student studying a Certificate III in Electrotechnology – Air Conditioning and Refrigeration. Aaron completed his trade more than a year ahead of schedule and is now working for Rio Tinto.*

### How is funding allocated?

The User Choice program provides a subsidy paid directly to a pre-qualified supplier for delivery of nationally recognised training to apprentices and trainees.

The level of subsidy is determined by the relative priority and indicative value of the qualification. Co-contribution fees are payable under the User Choice program and may be paid by the employer or an eligible third party.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au).





# Certificate 3 Guarantee - \$304.7 million

The Certificate 3 Guarantee is managed through demand-driven funding arrangements. The program gives eligible Queenslanders the opportunity to complete their first post-school certificate III qualification to gain a job or improve their employment status. Certificate III qualifications are considered entry-level for employment in most industries, and are also the education level where significant employment and career benefits are realised by graduates. The program supports the commitment to introduce and strengthen the national entitlement to a government subsidised training place up to the first certificate III qualification, including access to foundation skills and lower level qualifications.

## Target groups

- Working age Queenslanders without a certificate III or higher qualification achieved post-school
- Individuals requiring foundation skills prior to entering, or integrated with, a vocational qualification
- Disadvantaged learners requiring additional support through enrolment in a lower level qualification
- Year 12 graduates seeking to commence training in a high priority qualification
- School students enrolled in an eligible qualification under the VET in Schools funding framework
- Participants on Skilling Queenslanders for Work projects.

*At 18, Romeenah Baira had no high school certificate, no qualifications and a new baby. Today, Romeenah has a strong happy future ahead of her thanks to, as she says, “the course that changed my life”. Caring for her mother after a car accident reminded Romeenah that when she was young she wanted to be a nurse, she wanted to make a difference in people’s lives. Romeenah completed a Certificate III in Aged Care and due to her positive attitude, was offered two jobs before completing her course. Romeenah is starting a Diploma of Nursing in the near future.*

## How is funding allocated?

The Certificate 3 Guarantee subsidy for a qualification is paid to an approved registered training organisation, known as a pre-qualified supplier, for delivery of nationally recognised training to eligible participants.

Pre-qualified suppliers may also partner with approved providers under Skilling Queenslanders for Work or under other programs implemented by the department, such as Indigenous VET Partnerships.

The level of subsidy is determined by the relative priority and indicative value of the qualification. Co-contribution fees are payable under the Certificate 3 Guarantee and may be paid by the employer or an eligible third party.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au).



## Higher Level Skills - \$60 million

The Higher Level Skills program is managed through demand-driven funding arrangements. The program provides eligible students and employers with access to a subsidised training place in a priority certificate IV, diploma or advanced diploma qualification, or a priority industry-endorsed skill set. The program will help individuals gain employment in a critical occupation, progress in their chosen career, or transition to university to continue their studies.

### Target groups

- Individuals seeking to gain employment in a targeted industry
- Existing workers seeking to enhance their skills profile for career advancement
- Individuals seeking a pathway to university aligned to priority occupations for industry and the economy
- Employers seeking to implement a skills development plan to improve the productivity of their workforce.

### How is funding allocated?

The Higher Level Skills program subsidy for a qualification is paid to an approved registered training organisation, known as a pre-qualified supplier, for delivery of nationally recognised training to eligible participants.

*Nicola was happy working as a hospital receptionist until she realised she wanted more. She set her sights on becoming a nurse and hasn't looked back. In August 2012, Nicola began what she described as one of the most challenging and rewarding things she had ever done. For the next two years, the Diploma of Nursing became her focal point. Nicola has graduated, is working as an enrolled nurse and won the Vocational Student of the Year at the 2015 Queensland Training Awards.*

The level of subsidy is determined by the relative priority and indicative value of the qualification. Given the benefit to the workplace and individual, there is an expectation of higher levels of co-contribution. Co-contribution fees are payable under the Higher Level Skills program, and may be paid by the employer or an eligible third party.

In certain circumstances, a participant may also be eligible to access a loan under the Australian Government's VET FEE-HELP scheme to pay their co-contribution fees.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au).



# Skilling Queenslanders for Work - \$60 million

Skilling Queenslanders for Work is focused on providing direct assistance to those individuals that require additional support to gain the qualifications and skills needed to enter and stay in the workforce. Skilling Queenslanders for Work comprises a suite of programs that encourage equitable participation by a broad range of groups that generally face barriers or challenges in undertaking skills development or entering and remaining in the labour market.

The initiative invests in foundation skills to prepare individuals to participate in and complete vocational qualifications, as well as provide tailored support, job preparation skills, traineeship opportunities, and work placements on community, public works and environmental projects.

Skilling Queenslanders for Work complements the Certificate 3 Guarantee and User Choice programs by providing supported training places.

## Target groups

Disadvantaged groups to be targeted include:

- mature age job seekers (aged 45 years or older)
- Aboriginal and Torres Strait Islander people
- migrants and refugees from culturally and linguistically diverse backgrounds
- people with disability
- women re-entering the workforce
- young people (aged 15–24 years)
- under-utilised workers, including workers who are marginally attached to the labour force or under-employed.

## How is funding allocated?

There are two state wide funding rounds each year, with opening and closing dates published on the department's website.

Funding under Skilling Queenslanders for Work is provided to eligible community-based organisations, employers, local councils, school Parents and Citizens' and Parents and Friends' associations, to provide customised support and training services to help eligible participants to complete a qualification and transition to further training or employment.

Applications are assessed against published program-specific assessment criteria on a regional basis.

*A not-for-profit organisation in South Burnett was awarded \$100,000 under the first funding round of the reinstated Skilling Queenslanders for Work to deliver a project across Kingaroy, Murgon, Wondai and Nanango. Ten local job seekers were employed for 18 weeks and achieved a Certificate I in Construction while undertaking construction work in the region. Work activities for the trainees involved walking track construction, including some sections of timber boardwalks. Other activities included: track clearing, construction of directional signage, bird hives and natural seating and shelters, and fence repair and hand rail construction. Training also included short courses such as General Safety Induction White Card, ACDC Chemical Licence, First Aid and Levels 1 and 2 Chainsaw Tickets. Six out of the 10 trainees or 60 per cent gained employment.*

Community-based program applications are evaluated by seven locally-based Regional Priority Jobs Committees. These committees review, prioritise and recommend applications for funding based on assessment criteria and regional needs.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au)





## VET in Schools (VET funded)

VET in Schools (VETiS) is nationally recognised training undertaken by students while they are at secondary school. This training can be delivered by schools that are also approved as registered training organisations, or students can enrol in a course at TAFE Queensland or another registered training organisation.

The VET budget will only fund qualifications identified by industry as most likely to lead to employment and these are listed on the Queensland Training Subsidies List on the department's website. Students can also complete a school-based apprenticeship or traineeship funded under the User Choice program.

VETiS funded through the VET budget complements the wide range of VET and vocational learning programs delivered by school and other registered training organisations and funded through the schooling system or by parents.

### Target group

- Secondary school students in Years 10, 11 and 12.

### How is funding allocated?

VETiS activity funded by the VET budget will be managed through the Certificate 3 Guarantee.

Students can access funding from the VET Investment budget through an approved registered training organisation, known as a pre-qualified supplier, to complete one VETiS qualification on the Queensland Training Subsidies List at the certificate I or II level.

To access the VET budget for a certificate III qualification, students need to gain employment as a school-based apprentice or trainee.

Completing a certificate III qualification while at school will not exhaust a student's eligibility for a further government subsidy under other VET investment programs, regardless of the funding source for the VETiS activity.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au).





# Foundation skills training

Foundation Skills are the core capabilities required for effective workplace and community participation, including language, literacy, numeracy and employability skills. Foundation Skills training provides opportunities for VET learners to build their foundation skills to the level required for the successful completion of a vocational qualification.

The department supports the use of the Australian Core Skills Framework (ACSF) and the Core Skills for Work developmental framework (CSfW) to benchmark learners' foundation skills capabilities and the use of the Foundation Skills Training Package for skills development.

## Target group

- VET learners who require additional assistance to build their foundation skills to the level required for successful completion of a vocational qualification.

## How is funding allocated?

The department is supporting Queenslanders to develop their foundation skills through the following programs.

- Skilling Queenslanders for Work – provides additional support for disadvantaged learners to build foundation skills while they participate in and complete vocational qualifications.

- Certificate 3 Guarantee – enables learners to access language, literacy and numeracy training while they complete vocational qualifications at certificate III level or lower, or to build skills prior to entering a vocational pathway.
- User Choice – enables apprentices and trainees to access language, literacy and numeracy training to improve their skills while they complete their vocational qualification.

## Other key points

Foundation Skills training must be tailored to the individual needs of the learner based on an evaluation of their current capabilities. Learners can be enrolled in a full foundation skills qualification or units of competency depending on their individual requirements.

The Australian Government runs a number of foundation skills programs including the Adult Migrant Education Program (AMEP) and the Skills for Education and Employment (SEE) program. Learners who meet the eligibility requirements for any Australian Government foundation skills programs should be directed to the appropriate program.

Further details can be found in the relevant policies, guidelines, strategies and other documents available at [www.training.qld.gov.au](http://www.training.qld.gov.au).



## Public provider grants – \$165.7 million

The Queensland Government provides annual grants to public providers to continue to support their effective operation in the competitive VET system, enabling them to offset some of the additional costs relating to their delivery in priority areas and compete with other providers on cost to students and industry.

The grants for 2016–17 will be provided to public providers for the following reasons:

- VET Purchaser's Grant – implemented in conjunction with the transition to a contestable Queensland VET market. The VET Purchaser's Grant is aimed at subsidising public providers for costs incurred in areas of competitive disadvantage in comparison to private VET providers. These areas include industrial relations cost differentials and can also include infrastructure management costs.
- *Rescuing TAFE* – additional funding to subsidise student support services, regional support programs, foundation skills courses for disadvantaged learners, second chance training opportunities and to increase the courses available under VET in Schools.

### How is funding allocated?

In 2016-17, funds are available within the VET budget for Public Provider Grants as follows:

- TAFE Queensland – \$143.2 million
- Central Queensland University – \$13.6 million
- Queensland Agricultural Training Colleges – \$7.6 million
- Aviation Australia – \$1.0 million
- Aboriginal Centre for the Performing Arts – \$0.3 million

Funding agreements are developed between the department and these providers to outline terms and conditions of the grant.



# Queensland's VET sector is **strong and vibrant**



Over **1/4 million** Queenslanders undertake publicly funded training every year



**growth** in students last year

## Delivery profile

Certificate I & II **20.4%**

Certificate III **54.8%**

Certificate IV+ **23.1%**

**Strong growth** in Certificate IV and above: **12.9%**

OVER **100,000** qualifications

**9.4%** growth in the last 12 months

**23.6%** increase in Indigenous completions

**8.9%** increase in students with disability completions

OVER **2 million** competencies successfully completed





[www.training.qld.gov.au/vetinvestmentplan](http://www.training.qld.gov.au/vetinvestmentplan)