

# 2015–16 Annual VET Investment Plan



Photography: Tony Phillips

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## Minister's message

I am pleased to present the 2015–16 Annual VET Investment Plan outlining the Queensland Government's investment strategy for the coming financial year.

Our government has made clear its commitment to creating jobs and ensuring we have a skilled workforce to meet the needs of industry now and into the future.

The *Working Queensland* plan outlines our commitment to work with business and industry to identify areas of jobs growth to enable investment in the delivery of training and skills to meet future needs. I want to thank those who I have already met and I look forward to working closely with the sector into the future.

This government will invest in skills and training for disadvantaged learners, including individuals with disability, mature age job seekers, Aboriginal and Torres Strait Islander people, individuals from culturally and linguistically diverse backgrounds and unemployed and under-utilised workers.

The Palaszczuk Government recognises that providing opportunities for disadvantaged learners to participate in training and skills offers social as well as economic benefits. For this reason, in 2015–16, we will invest \$60 million to deliver the successful *Skilling Queenslanders for Work* initiative to assist disadvantaged Queenslanders to enter the workforce.

The government is in the process of establishing *Jobs Queensland*, an independent statutory entity designed to improve job matching across industry and lift economic productivity. *Jobs Queensland* will give business and industry a voice in directing investment in skills and training allowing for long term workforce planning.

Future investment in vocational education and training (VET) will be guided by the findings of the *Jobs Queensland* Board and thus the 2015–16 Annual VET Investment Plan allows time for the transition to this more responsive, industry focused investment model.

The Palaszczuk Government does not support one hundred percent contestability for funding in the VET market because there is an important role for a public provider in the training and skills arena. We will be seeking advice from *Jobs Queensland* and other stakeholders to develop a sustainable balance of investment in public and private training providers.

We will ensure that investment in VET leads to tangible employment outcomes now and into the future as well as providing opportunities for disadvantaged learners to participate in skills and training.

The Palaszczuk Government is taking a whole of government approach to growing our economy and creating jobs. To deliver on this commitment we require a quality, appropriately funded VET sector.

The 2015–16 Annual VET Investment Plan represents the first step in transitioning to an improved model for investment in skills and training.

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

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



## Current directions in Queensland VET

### National reform directions

Many of the key reforms to Queensland's vocational education and training (VET) system, such as increased competition, arise from nationally agreed reforms led by the Australian Government. Specifically, the *National Partnership Agreement on Skills Reform* outlines a range of interconnected actions aimed at achieving agreed reform directions, which include:

- improving training accessibility, affordability and depth of skills, including through the introduction of a national training entitlement and increased availability of income contingent loans
- improving training participation and qualification completions, including at higher levels and by those who may be experiencing disengagement or disadvantage
- encouraging responsiveness in training arrangements by facilitating the operation of a more open and competitive training market.

The VET investment framework has been developed to respond to these reform directions, as well as the objective of aligning government investment in skills development to priority job demand in the economy as identified by industry.

### Working Queensland

Jobs are the Queensland Government's number one priority, and the *Working Queensland* plan will provide Queenslanders with the skills and confidence they need to get on the path to employment. The government

recognises that growing the Queensland economy requires an investment in skills, and that there are people in the community that need a helping hand to get them into training and future employment.

*Working Queensland* supports these objectives by:

- reinstating the Skilling Queenslanders for Work initiative to support unemployed and under-employed Queenslanders through training and work placements to assist them in gaining employment
- creating Jobs Queensland to provide industry advice on skills demand and long-term workforce planning
- increasing investment in TAFE Queensland to restore its status as Queensland's premier public VET provider
- creating an independent Training Ombudsman with the power to investigate complaints about the quality of training.

### Portfolio objectives

The Department of Education and Training (DET) uses key measures to monitor its effectiveness in service delivery in training and skills, including:

- the proportion of Queenslanders with higher level qualifications (certificate III and above)
- the proportion of VET graduates in employment or further study
- the proportion of graduates and employers satisfied with the overall quality of training.

# Training priorities and impact of reforms

## Identification of training priorities for Queensland

Ongoing consultation with industry regarding skilling priorities has always been a key feature of VET in Queensland. This advice — whether it be through a report on industry skills needs, the outcome of workforce planning, or a direct submission outlining sectoral or regional issues — is a key driver in determining the training priorities funded within Queensland.

A number of additional mechanisms are considered when determining the priorities for government investment under the *2015–16 Annual VET Investment Plan* (the plan). These inputs include national skills shortages, Queensland Government priorities and commitments, and other evidence relating to the effectiveness of training pathways that will support employment outcomes for VET graduates.

The plan details a selection of qualifications and skill sets identified as priorities and subsidised by government. DET publishes the full list of qualifications funded through demand-driven funding arrangements on its training [website](#) to enable informed choice by stakeholders, through the Queensland Training Subsidies List for the Certificate 3 Guarantee and Higher Level Skills program, and through the Queensland Training Information Service for the User Choice program.

## Intended impact of reforms

The programs implemented through the plan are expected to have a positive impact on the number of publicly funded VET students in Queensland, and on the government’s performance measures and service standards<sup>1</sup> for VET in the medium term (see below).

Service standards	Current target	Anticipated impact (1 to 3 years)
<i>VET outcomes</i>		
Proportion of Queenslanders with higher level qualifications	58%	Participation levels and completion rates improve for certificate III and above qualifications
Proportion of graduates in employment or further study	87%	Outcomes improve through alignment with jobs and provider performance management
<i>Satisfaction</i>		
Proportion of graduates satisfied with the overall quality of their training	89%	Satisfaction levels improve through greater choice for students
Proportion of employers satisfied with graduates of nationally accredited training	85%	Satisfaction levels improve as employers increase engagement with training

<sup>1</sup> The government’s performance measures and service standards are detailed annually in the Queensland State Budget Service Delivery Statements for DET. The 2015–16 State Budget is due to be released in July 2015.

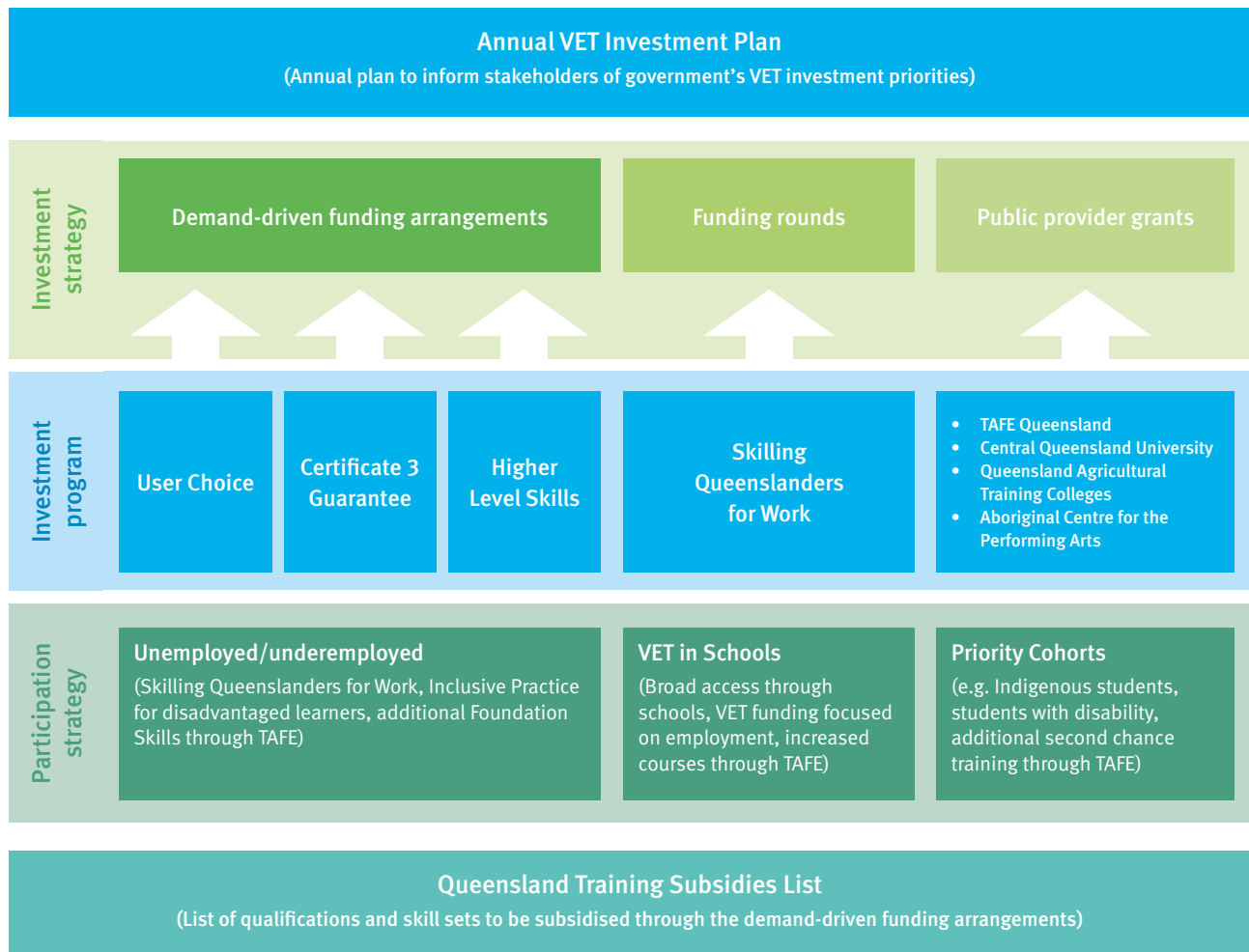
# VET investment framework

The majority of government VET investment is currently managed through demand-driven funding arrangements and this will continue in 2015–16. Key features include:

- a network of quality registered training organisations (RTOs) pre-approved by DET (pre-qualified suppliers) to deliver eligible training and assessment services
- choice for individuals and employers to select the qualification, and the pre-qualified supplier, that best meets their needs in terms of delivery strategy, value for money, and potential for securing employment

- published subsidy levels for all subsidised qualifications or skill sets reflecting the level of government contribution toward the cost of training, influenced by priority and relative cost to deliver
- co-contribution to the cost of training by individuals, employers and/or industry.

The remaining government investment in training will be managed through programs such as Skilling Queenslanders for Work to support participation by disadvantaged learners, and direct funding allocations to public providers such as TAFE Queensland to support their effective operation in the VET system.



# VET investment framework

The key programs within the *2014–15 Annual VET Investment Plan* will continue in 2015–16. This will ensure stability and allow the government to focus on introducing critical *Working Queensland* election commitments, including Jobs Queensland, which will have a role in shaping Queensland’s VET investment framework through provision of advice on industry’s skills demand and workforce planning requirements.

The plan will be enhanced and strengthened in 2015–16 by:

- expanding investment to also focus on disadvantaged job seekers and underutilised workers to enable them to gain the skills to compete in the job market through Skilling Queenslanders for Work
- supporting regional participation by introducing a country loading under the Certificate 3 Guarantee and Higher Level Skills program, aligned to existing arrangements under the User Choice program

- focusing on quality outcomes and enhanced compliance by introducing an independent Training Ombudsman
- increasing investment in TAFE Queensland to subsidise student support services, foundation skills courses for disadvantaged learners, second chance training opportunities, regional support programs and to increase the courses available under VET in Schools.

An overview of planned investment in 2015–16 through VET investment programs is detailed in the table below and following sections. Further details are available in the relevant policies, guidelines, strategies and other documents available on DET’s [training website](#).

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

# User Choice

The User Choice program is managed through demand-driven funding arrangements. The intent of the program is to provide a public funding contribution towards the cost of training and assessment for eligible Queensland apprentices and trainees. The program provides greater flexibility for apprentices, trainees and their employers to select an RTO 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 DET
- 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.

## How is funding allocated?

The User Choice program provides a subsidy paid directly to an RTO for delivery of nationally recognised training to apprentices and trainees.

To provide training under the User Choice program, the RTO must be approved as a pre-qualified supplier with DET.

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 a third party.

## Training outcomes funded

- Apprenticeship and traineeship qualifications
- Complementary pathways to a trade qualification
- Industry endorsed pre-apprenticeship programs
- Foundation skills competencies and qualifications.

## Investment priorities

Qualifications prioritised for investment under the User Choice program include but are not limited to:

- Certificate III in Aged Care
- Certificate III in Carpentry
- Certificate III in Commercial Cookery
- Certificate III in Disability
- Certificate III in Electrotechnology Electrician
- Certificate III in Engineering – Mechanical Trade
- Certificate III in Plumbing
- Certificate III in Telecommunications
- Certificate IV in Aeroskills (Mechanical)
- Diploma of Early Childhood Education and Care.

## Budget – \$243 million

Investment includes:

- Apprenticeship and Traineeship training
- Foundation skills training
- Industry pre-apprenticeship programs
- Registered trade skills pathway
- Trade skills assessment and gap training.

## Key documents

- User Choice 2010–16 Policy
- VET Pre-qualified Supplier Agreement
- User Choice Continuing Student Policy 2015–16
- Year 12 graduate fee-free training fact sheet.



# Certificate 3 Guarantee

The Certificate 3 Guarantee program 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.

## How is funding allocated?

The Certificate 3 Guarantee subsidy for a qualification is paid to an RTO for delivery of nationally recognised training to eligible participants.

RTOs must be approved as a pre-qualified supplier with DET to deliver training under the Certificate 3 Guarantee.

RTOs may also partner with approved providers under Skilling Queenslanders for Work or under other programs implemented by DET, such as Indigenous VET Partnerships.

The level of subsidy is determined by the relative priority and indicative value of the qualification.

A co-contribution fee is payable under the Certificate 3 Guarantee.

## Training outcomes funded

- Certificate III qualifications
- Lower-level qualifications — certificates I and II
- VET in Schools - employment stream qualifications
- Foundation skills competencies and qualifications.

## Investment priorities

Qualifications prioritised for investment under the Certificate 3 Guarantee include but are not limited to:

- Certificate II in Drilling Operations
- Certificate II in Surface Extraction Operations
- Certificate III in Aboriginal and/or Torres Strait Islander Primary Health Care
- Certificate III in Aged Care
- Certificate III in Driving Operations
- Certificate III in Early Childhood Education and Care
- Certificate III in Health Services Assistance
- Certificate III in Hospitality
- Certificate III in Logistics
- Certificate III in Rural Operations.

## Budget — \$231.6 million

Investment includes:

- VET in Schools (including school sector grants)
- Indigenous VET Partnership — joint initiative with Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP)
- Strategic industry initiatives — funding to address strategic priorities identified through Jobs Queensland advice.

## Key documents

- Pre-qualified Supplier Policy
- Certificate 3 Guarantee Program Policy
- Year 12 graduate fee free training fact sheet
- VET in Schools fact sheet.



# Higher Level Skills

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.

## How is funding allocated?

The Higher Level Skills program subsidy for a qualification is paid to an RTO for delivery of nationally recognised training to eligible participants.

RTOs must be approved as pre-qualified suppliers with DET to deliver training under the Higher Level Skills program.

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.

A co-contribution fee is payable under the Higher Level Skills program.

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.

## Training outcomes funded

- Certificate IV qualifications
- Diploma and advanced diploma qualifications
- Priority industry-endorsed skill sets.

## Investment priorities

Qualifications prioritised for investment under Higher Level Skills include but are not limited to:

- Certificate IV in Accounting
- Certificate IV in Disability
- Certificate IV in Building and Construction (Building)
- Certificate IV in Electrical – Instrumentation
- Certificate IV in Engineering
- Certificate IV in Small Business Management
- Certificate IV in Veterinary Nursing
- Diploma of Early Childhood Education and Care
- Diploma of Hospitality
- Diploma of Nursing (Enrolled – Division 2 Nursing).

Priority skill sets for investment under Higher Level Skills include but are not limited to:

- AHCSS00025 Farm business management skill set
- CHCSS00006 Case management skill set
- CHCSS00035 Medication assistance skill set
- SITSS00025 Service for international visitors skill set.

## Budget – \$60 million

## Key documents

- Pre-qualified Supplier Policy
- Higher Level Skills Program Policy.



# Skilling Queenslanders for Work

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 will invest 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
- 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 will be two state-wide funding rounds each year, with opening and closing dates published on DET's [training website](#).

Funding under Skilling Queenslanders for Work is provided to eligible community 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 will be assessed against published program-specific assessment criteria on a regional basis.

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

## Training outcomes funded (Certificate 3 Guarantee/User Choice)

- Certificate III qualifications
- Lower level qualifications — certificates I and II
- Work Skills Traineeships
- Foundation skills competencies and qualifications.

## Budget — \$60 million

## Key documents

- Skilling Queenslanders for Work suite of guidelines for funding 2015–16
- Skilling Queenslanders for Work suite of fact sheets
- Skilling Queenslanders for Work program application forms.



Photography: Michael Watt

# 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 school RTOs, or students can enrol in a course at TAFE Queensland or another RTO.

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 DET's [training website](#). Students can also complete a school-based apprenticeship or traineeship (SAT) funded under the User Choice program.

VETiS funded through the VET budget complements the wide range of VET and vocational learning programs delivered by schools and other RTOs, 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 will be able to access funding from the VET investment budget through a PQS to complete one VETiS qualification on the Queensland Training Subsidies List at the certificate I or II level.

Students who elect to undertake a qualification at certificate III must do so as a SAT to be funded by the VET investment budget.

Other certificate III qualifications may be added to the Queensland Training Subsidies List and receive VET funding outside the SAT pathway, subject to the submission of a business case that demonstrates employment pathways and clear support from industry.

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.

## Investment priorities

Qualifications prioritised for investment under VETiS include but are not limited to:

- Certificate I in Construction
- Certificate I in Tourism (Australian Indigenous Culture)
- Certificate II in Automotive Vocational Preparation
- Certificate II in Electrotechnology (Career Start)
- Certificate II in Engineering Pathways
- Certificate II in Health Support Services
- Certificate II in Hospitality
- Certificate II in Logistics
- Certificate II in Rural Operations
- Certificate II in Tourism.

## Key documents

- VET in Schools (VET Funded) fact sheet
- Certificate 3 Guarantee Program Policy
- Pre-qualified Supplier Policy.



Photography: Tony Phillips

# Foundation skills training

Foundation skills training aims to ensure Queenslanders enrolling in VET are equipped with the skills and conceptual abilities required to complete the higher level qualifications needed for a modern knowledge-based economy. The training provides opportunities for VET learners to build their foundation skills to the level required for the successful completion of a vocational qualification.

Foundation skills are the core capabilities required for effective workplace and community participation, including language, literacy, numeracy and employability skills. DET 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 Queensland Government is supporting Queenslanders to develop their foundation skills through the following programs.

- Skilling Queenslanders for Work — a program that provides additional support for disadvantaged learners to build foundation skills while they participate in and complete vocational qualifications

- Certificate 3 Guarantee program — enables learners to access foundation skills training while they complete vocational qualifications at certificate III or lower, or to build foundation skills prior to entering a vocational pathway
- User Choice program — enables apprentices and trainees to access a language, literacy and numeracy program to improve their foundation 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 may be directed to the appropriate program prior to accessing subsidised foundation skills training through a relevant Queensland Government VET program.

## Key documents

- Skilling Queenslanders for Work Guidelines for Funding 2015–16
- Certificate 3 Guarantee Program Policy
- User Choice 2010–2016 Policy.



# Public provider grants

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 to public providers in 2015–16 are provided for the following reasons:

- VET purchaser's grant — to cover the base cost differential between the public and private VET providers. Essentially, the grant is intended to enable the public providers to cross subsidise delivery in areas of government priority, to enable them to remain price competitive in the VET sector, and compete with private providers on quality, value for money and outcomes.
- Rescuing TAFE — additional funding to create new full-time positions, subsidise student support services, foundation skills courses for disadvantaged learners, second chance training opportunities, regional support programs and to increase the courses available under VET in Schools.

## How is funding allocated?

Funds have been made available within the VET budget for public provider grants for:

- TAFE Queensland
- Central Queensland University
- Queensland Agricultural Training Colleges
- Aboriginal Centre for the Performing Arts.

A funding agreement will be developed between DET and these parties to outline terms and conditions of the grant for 2015–16, including reporting requirements and a statement regarding the intent of the grant.

## Budget — \$160 million

- TAFE Queensland — \$139 million
- Central Queensland University — \$13.2 million
- Queensland Agricultural Training Colleges — \$7.6 million
- Aboriginal Centre for the Performing Arts — \$0.2 million.



Orin Lucie: Blink Photography