

Refocusing vocational training – Industry driven VET



In recent years the Victorian vocational education and training (VET) system has changed significantly through the introduction of an individual entitlement to a subsidised training place, and the opening of the market to competition between providers. The government is retaining and strengthening these market fundamentals, to ensure that businesses and students continue to have choice over what and where they study. At the same time, the government is implementing new arrangements to improve quality; improve system responsiveness to the needs of industry; focus investment in areas of greatest public benefit; and ensure sustainability of the system into the future.

What's happening with industry engagement?

Industry advisory arrangements will transition to a direct consultation model in partnership with employers, industry associations and other government departments and will support more direct relationships between enterprise and training providers.

What's staying the same?

The Department of Education and Early Childhood Development (DEECD), through the Higher Education and Skills Group, will continue to engage with industry across all parts of Victoria, to understand how the training market is responding to industry needs. Market Facilitation Officers located centrally will continue to work with employers in and around the central business district to build a picture of skills needs. Regional Market Facilitation Managers, located across the outer metropolitan area and regional Victoria, will continue to engage with employers across their respective regions to build an understanding of how the training market is servicing their needs. Both central and regional Officers will maintain the existing collaborative approach with the Department of Business and Innovation to respond to instances of company closures resulting in worker retrenchments.

What's changing?

Industry advisory arrangements

From 30 June 2012, the Victorian Skills Commission (VSC) will no longer meet, with the remaining functions of the VSC delegated to the Department of Education and Early Childhood Development (DEECD).

Industry Training Advisory Bodies (ITABs) will no longer receive government funding to support their activities. The Higher Education and Skills Group of DEECD will work with each industry from 30 June 2012 to identify preferred consultation arrangements. In some cases, the ITAB will continue to represent industry as part of industry funded and preferred consultative arrangements.

Changes to the Education and Training Reform Act 2006 to officially disband the VSC and remove references in legislation to ITABs will be considered by Parliament later this year.

To access more relevant and timely information and deepen intelligence about skills needs and the performance of the training market, the model also includes the following elements:

- a new Industry Skills Consultative Committee (ISCC), comprising select industry leaders and co-chaired by the Minister for Higher Education and Skills, will meet three to four times a year. The ISCC will enable direct feedback from industry to government regarding critical skills and workforce issues as well as issues related to the performance of the training market from an industry perspective;
- the ISCC will convene an Annual Industry Conference with industry, enterprise, unions, training providers and interested community leaders to broaden the discussion about skills and training market issues;

- new arrangements for industry consultation and the commitment to a new partnership approach between government and industry to ensure that the training market is meeting the needs of employers; and
- strengthened whole-of-government networks, including using data about skills needs and training market issues generated through the Department of Business and Innovation Business Engagement Model, will increase the number of direct consultations with enterprise from 1,000 under the current architecture to more than 12,000.

Information gathered through the new model about skills needs will provide the evidence base for projects conducted through the new Industry Transition and Specialist Training Initiative (see below).

Industry engagement in the VET market

To increase the influence of enterprise in the training system through direct relationships with training providers:

- an Electronic Marketplace is being developed to enable employers to negotiate training and support that will meet their needs;
- small firms using the Victoria Business Online website will be supported by tools and resources to increase their influence in the training market; and
- employer confidence in qualifications will be increased through support for industry-moderated training assessments (a requirement of the forthcoming National Partnership Agreement).

Industry Transition and Specialist Training Initiative

- The Government will introduce a new \$6 million a year Industry Transition and Specialist Training Initiative.
- The initiative will provide support to address skills needs critical to the Victorian economy to ensure the training market is responding to sectors, regions and workforces experiencing transition. This will include supporting retrenched workers to train in areas of skill need, responses to critical skill shortages and support for niche and specialist occupations.

What does this mean for training providers?

Training providers will benefit from increased direct relationships with enterprise as well as opportunities to signal high-quality training offerings to prospective enterprise partners through the Electronic Marketplace.

Interested training providers will also be able to hear first-hand from employers about training market successes and the requirements of industry directly from employers at the Annual Industry Conference.

Providers will also be positioned to respond better to the needs of industry by accessing more timely information regarding new and emerging skills needs.

What does this mean for students and/or employers?

There are more opportunities than ever for enterprise to share with government their knowledge and experience about emerging skills needs and training market barriers. The Minister will appoint industry leaders to the new Industry Skills Consultative Committee. Enterprises from across the State will be able to participate in the Annual Industry Skills Conference.

Employers from sectors critical to the Victorian economy will also be able to work with government to identify where intervention and support is required through the Industry Transition and Specialist Training Initiative. This will address critical skills needs and ensure the training market is responding to sectors, regions and workforces experiencing transition as well as niche and specialist occupation areas.

In addition, the new model will support enterprise to engage directly with training providers to get the training that is right for them. To make it easier for employers and training providers to find each other, an online Electronic Marketplace will be developed through 2012–13.

This online service will provide employers across Victoria with an opportunity to post their interests (for example, skills audits, training plans, training delivery, other training products) and seek a direct response from training providers through an independent, obligation-free channel.

The Electronic Marketplace will provide a number of benefits particularly for small businesses that may not have a critical mass (niche and emerging industries). In turn, training providers can respond to employers with tailored responses and have the benefit of being able to identify possible ‘clusters’ of employers with similar training needs and develop a coordinated response.

Employers will continue to receive on-the-ground support through the Regional Market Facilitation Managers, in partnership with Business Development Managers in Victorian Government Business Offices.

Existing tools and resources will be adapted to support small employers who use the Victoria Business Online website. This includes information on conducting skills audits, navigating the training market and engaging with training providers.

Students can be more certain they will be offered training opportunities that lead to jobs or enhance their career prospects.

Where can I go for more information?

For further information on how the government is refocusing Victorian VET, including what it means for students and training providers, go to www.education.vic.gov.au/refocusingvet