

## Public Accounts & Estimates Committee

# 2007-08 Budget Estimates Hearing

Minister for Skills, Education Services &  
Employment

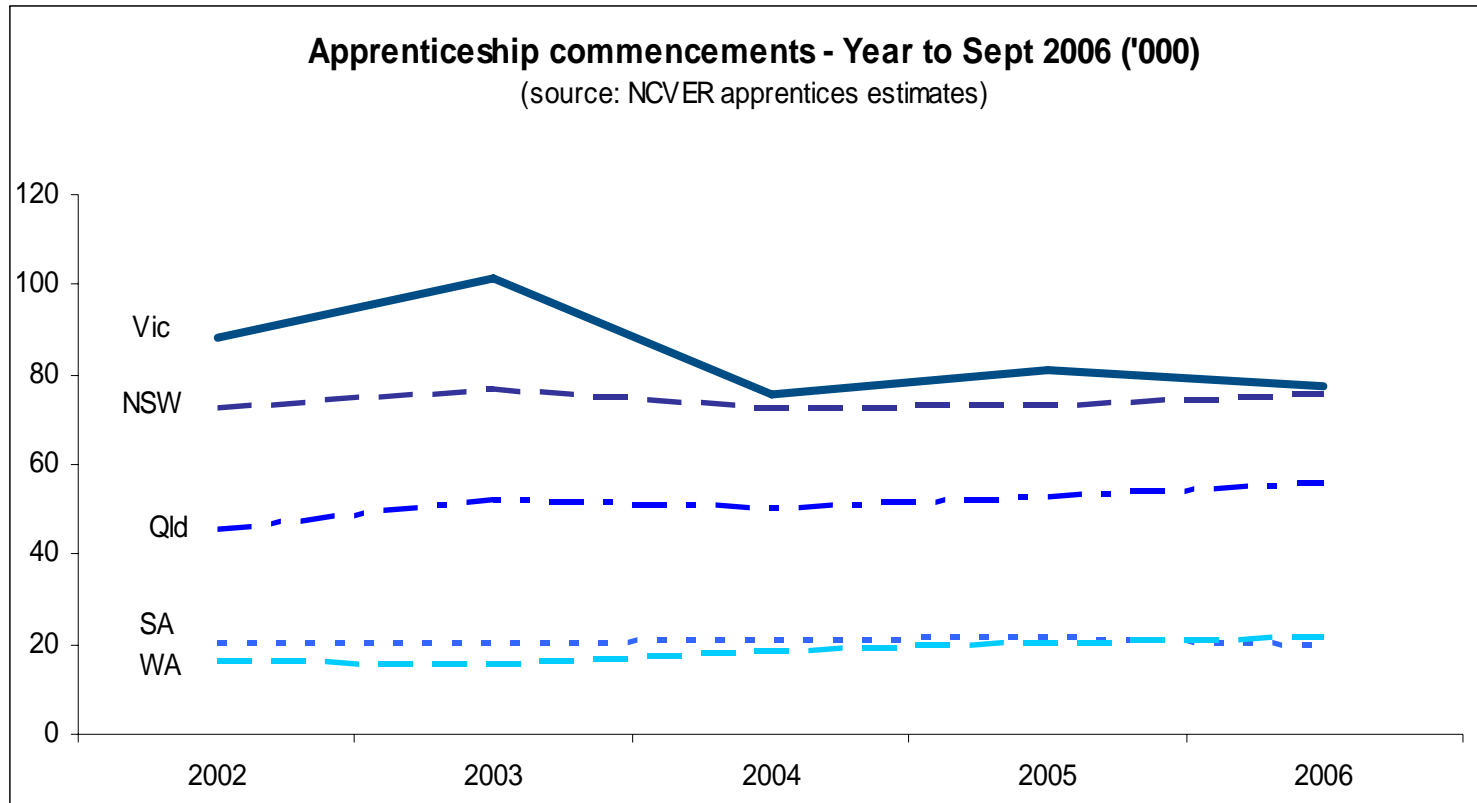
Minister for Women's Affairs

# Machinery of Government Changes

- The Government wants a dynamic, innovative and sustainable Victorian economy in which business is encouraged to grow and prosper.
- The Government's goal can only be achieved if Victoria has a highly skilled and flexible workforce.
- The Government also wants greater integration between core government activity in the areas of skilling, training, innovation, and industry development. This is the rationale for the creation of a revamped skills portfolio with skills and training moving into the government's state development agency – the Department of Innovation, Industry and Regional Development.
- Transfer of responsibility for the Adult Community and Further Education Board has shifted from the Department of Education and Training to the Department for Victorian Communities.
- The rationale of the transfer of the ACFE board is to develop opportunities for people with low levels of education, including Indigenous Victorians, people with disabilities, youth and the mature-aged.

# Victoria's Achievements

- Victoria continues to lead the nation with its record on apprenticeship commencements



# Policy Challenges

- A number of challenges presented by an ageing population will continue to confront Victoria. The combination of this demographic shift with strong employment growth is resulting in growing skill and labour shortages across a number of regions and industries.
- In addition, we face increasing global competition from low-cost producers, and an imperative to provide innovative solutions to meet the changing demands of industry.
- Increasingly, employers recognise the need to make ongoing investment in skills and training, while employees will be required to update their skills throughout their working lives.
- The higher level skills challenge – Monash University research shows demand for higher level skills will **double** in the next decade.
- By **2015**, occupations requiring higher skills are projected to represent nearly **44%** of all employment in Victoria – up from **36%** in **1996**.
- Research also shows that adults without a qualification are significantly more likely to be unemployed, underemployed or not in the workforce.

## 2007-08 Budget Items

- In the financial year 2007-08, investment in capital funding will include:
  - \$30 million for the Stage 2 development of the Kangan Batman **Automotive Centre of Excellence** at Docklands;
  - \$3 million for the transfer of the wool classing facility from the Deakin University Campus of Waurin Ponds to the **Gordon Institute of TAFE** in East Geelong;
  - \$50,000 to commence planning for the redevelopment of the **North Melbourne Institute of TAFE** Epping Campus;
  - \$500,000 to commence the establishment of a **National Logistics and Driver Skills Training Centre** at Wodonga TAFE; and
  - \$4.5 million for the development of the **Nursing Skills Centre of Excellence** at Box Hill Institute of TAFE.
- \$24.5 million for the Apprenticeship/Traineeship Completion Bonus which will continue for another year, encouraging employers to support apprentices to completion.
- \$5.6 million for Skill Up, a rapid response program to retrain workers who are retrenched.