



# Department of Innovation, Industry and Regional Development

Public Accounts and Estimates Committee (PAEC)

## Skills and Workforce Participation Portfolio





# Skills and Workforce Participation Portfolio

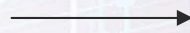
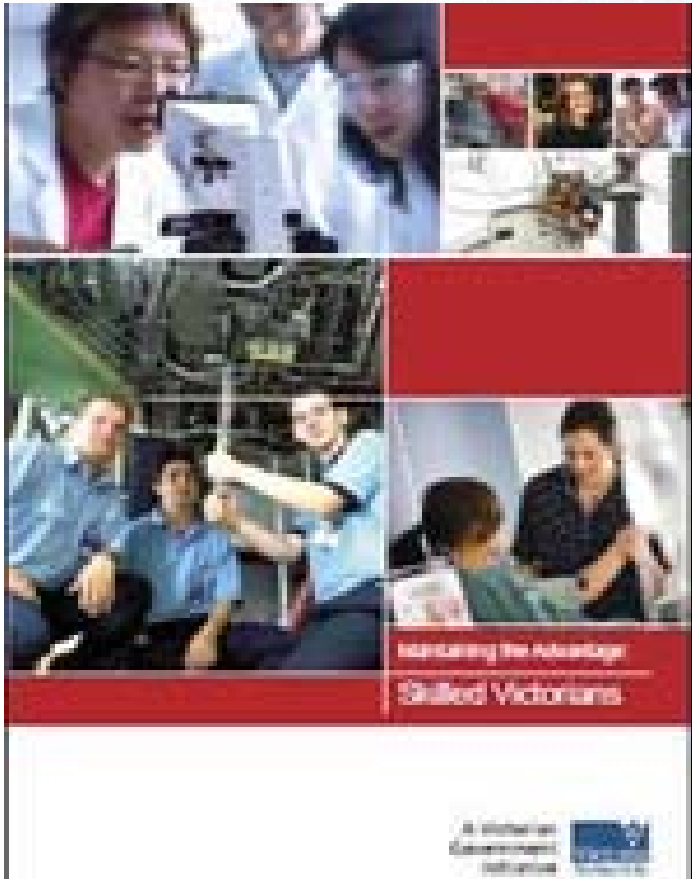
- Vocational Education and Training
- Higher Education
- Adult, Community and Further Education
- Workforce Participation

# Key achievements - Skills

- More than half a million people participated in the Victorian VET system last year;
- Since 1999, the number of young people entering VET has increased by 28 per cent;
- In 2007, more than 73,000 Victorians commenced apprenticeships and traineeships and more than 42,000 Victorians completed apprenticeships and traineeships – representing 26 per cent of all commencements and 29 per cent of all completions in Australia;
- 85% of Victorian employers with jobs requiring VET qualifications were satisfied with formal training as a way of meeting their skill needs; and
- Financial viability of TAFEs has improved with all TAFE institutes consistently delivering trading surpluses.

# Maintaining the Advantage: Skilled Victorians

Released in 2006 with investment of \$241 million



Starting earlier



Learning longer



Getting Smarter



Making it easier



# Key achievements – Workforce Participation

- Over 3,000 sustainable employment outcomes by Workforce Participation Partnerships (23 Nov 2005 to 31 Mar 2008)
- Returning to Earning, Experience Counts and CareerStart launched
- Global Skills for Victoria launched
- 27 per cent share of Australia's skilled and business migration (2006-07 DIAC data) up from 17.6 per cent in 1998-99
- Two overseas skilled migration posts established in the UK and India

# Key achievements - ACFE

- Over 48,000 people undertook government funded education and training programs through community providers in 2006-07
- 335 providers received State Equipment Grants, totalling \$2 million in the past year.
- A longitudinal study released in 2007 found that the full time employment rate of participants doubled and the unemployment for the survey group declined from 24% to 8%
- There are currently 25 Community Learning Partnerships funded across Victoria (eg Southern Grampians)
- To date, 25% of ACE providers have participated in Building sustainable Community business and ACE Business Model workshops. Following on from the workshops 150 are undertaking their Diploma in Business qualification.

# Key Challenges

## 1. Changing economic environment

- Increased globalisation and competition
- Erosion of competitive advantages of more traditional industries
- Changing demand for labour – focus on high-level skills

## 2. Possible slowdown in productivity growth

- 1960s - 1990s: Australian productivity growth averaged 2.4% pa
- Increased to 3% pa in late 1990s, reflecting decade of economic reforms
- Further increases unlikely to be sustained without reform
- Productivity still behind comparable 'high income' nations

## 3. Changing demographics

- Ageing population: ~25% of population will be aged 65+ by 2035
- Projected slowing in growing population: 1.5% pa (2007) to 0.7% pa (2050)
- Increased importance of workforce participation as a means of counteracting impact of ageing

## 4. Access to skilled workers

- Victorian companies have identified access to skilled workers as most frequent barrier to success<sup>(1)</sup>
- Skills imbalances include:
  - Skill gaps
  - Recruitment difficulties
  - Skills shortages
- Left unaddressed, will place constraints on businesses



# 2008-09 Budget

\$40.2 Million – A range of TAFE upgrade projects

\$25 Million – Apprenticeship/Traineeship Completion Bonus

\$20 Million – TAFE Maintenance Projects, announced earlier in 2008

\$7.5 Million – New Workforce Partnerships

\$2.1 Million – Green Plumbing Training Centre

\$2 Million – Indigenous Youth Employment Program

\$1.7 Million – TAFE Student Management System Replacement Project





# Department of Innovation, Industry and Regional Development

Public Accounts and Estimates Committee (PAEC)

## Skills and Workforce Participation Portfolio

