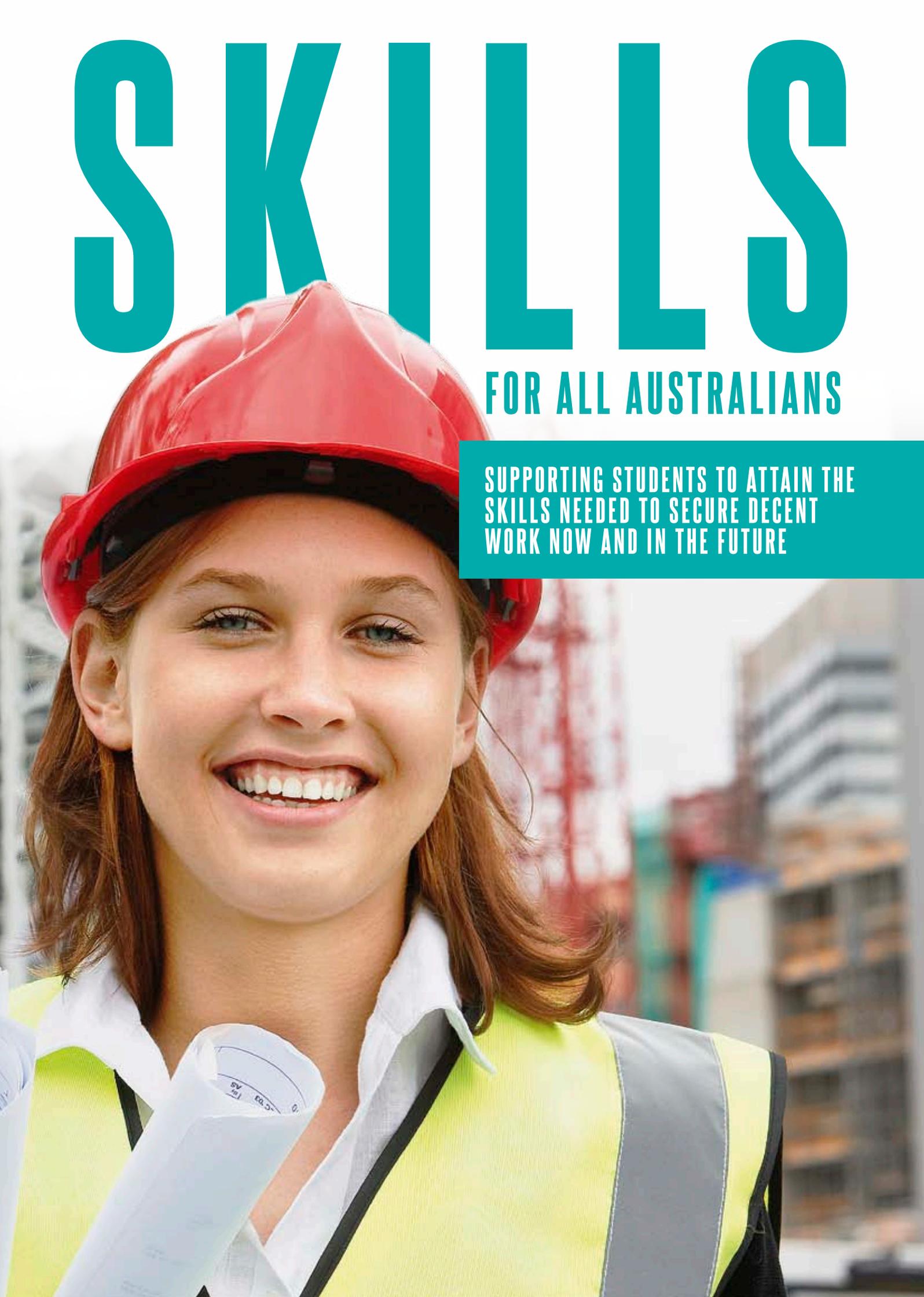


SKILLS

A young woman with brown hair, wearing a red hard hat and a high-visibility yellow and grey safety vest over a white collared shirt, is smiling broadly. She is holding a rolled-up set of blueprints. The background is a blurred construction site with scaffolding and building structures.

FOR ALL AUSTRALIANS

SUPPORTING STUDENTS TO ATTAIN THE
SKILLS NEEDED TO SECURE DECENT
WORK NOW AND IN THE FUTURE



Photo by Wayne Quilliam, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations

IMPROVING YOUR CAREER PROSPECTS

Skills developed through vocational education and training (VET) are key drivers of greater social and economic mobility. Having the opportunity to develop skills builds bridges into work at any stage of life. The more skills people have, the more likely they are to be employed, and work in better paying jobs.

The Commonwealth Government is reforming our national training system so more Australian families have the opportunity to get the skills needed to get decent jobs.

We want:

- > all working age Australians to have a guarantee of a training place to get their first certificate III qualification including the foundation skills for more Australians to have the reading, writing and numeracy skills needed in the modern workplace;
 - > all students to have access to an income-contingent loan, to make it more affordable to do a government subsidised diploma or advanced diploma; so that they can study without paying for the upfront fees until they earn a good wage;
 - > students to have easy to access information about courses and training providers, including information on cost, quality and job prospects, through a new *My Skills* website;
 - > students to be able to track the training they have done, because this will help them in applying for jobs and in deciding what future training to do, through a new Unique Student Identifier;
 - > students to be guaranteed quality when they undertake training and to know that training providers meet high performance standards;
- > students to be guaranteed high quality assistance when they undertake training and to know that training providers meet all of the regulations and quality standards required;
 - > students to know that employers value the training they do and that it gives them the skills that employers want; and
 - > students who may find it hard to engage with and participate in training to get the support they need to complete their training.

On average, wages for people without a certificate III qualification are at least around \$180 per week lower than for those with a certificate III or above qualification. Some workers are missing out on nearly \$10,000 in extra wages a year. These Australians could be earning an additional \$400,000 on average over the course of a typical working life if they improved their skills to a certificate III qualification or higher.

WHY PEOPLE NEED HIGHER LEVEL SKILLS

Around 70 per cent of the projected jobs growth over the five years to 2015-16 will require at least a certificate III qualification. More than half of the growth will be in jobs requiring a diploma level qualification or higher. Entry-level positions in growing sectors such as aged care and child care often require a minimum of a certificate III qualification.

In the years to 2015, Australia will need an additional 3.8 million skilled workers (with post-school qualifications including higher education and VET) to meet the needs of the growing economy. By contrast the supply of skills is projected to be 2.7 million, leaving a 1.1 million shortfall. This includes replacing the significant number of retiring baby boomers as our population ages.

As many as 4.1 million Australians in the labour force currently do not have a post-school qualification. In the years to 2015, Australia will need an additional 3.8 million skilled workers with post-school qualifications, including higher education and VET, to meet the needs of the growing economy.



Photo by Andrew Sikorski, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations

A NATIONAL TRAINING SYSTEM THAT MEETS THE NEEDS OF STUDENTS

You already know that training is an important pathway to access training and get a nationally recognised and valued qualification. But accessing training is not always easy.

A student's success in the labour market will depend on being able to get the skills needed to obtain or retain a good job. Not addressing this challenge risks limiting career prospects and Australia's productivity.

We also know that the national training system is already under pressure.

That is why the Commonwealth Government is proposing significant changes to ensure training will be better tailored to the needs of students and employers - making it easier for you to get the training you want, when you want it and to develop the skills you require.

A NATIONAL TRAINING ENTITLEMENT

If you do not have at least a certificate III level qualification you will be guaranteed a training place. You will be able to enrol in a certificate III course, or start by undertaking a certificate I or II or other foundation skills, such as language, literacy and numeracy courses to help you complete your certificate III qualification.

These courses will attract a government subsidy, and you will have to meet the eligibility requirements for that course. But you won't miss out on a place, because everyone who is eligible will now get a chance to study.

Enhancing your skills opens up new horizons and opportunities: making you a more competitive candidate when applying for jobs and increasing your capacity to perform a wider range of tasks at work.

This will be important for anyone to take advantage of employment opportunities in occupations and sectors with growing demand such as electricians and plumbers in the building and construction sector; and nurses, child care and aged care workers in the human services sector. Australians without qualifications at the certificate III level are more likely to be unemployed and to have employment rates of less than 60 per cent.

In the long term, improving access to foundation courses through the National Training Entitlement will pave the way for increased workforce participation and lift national productivity.

HOW DOES THE ENTITLEMENT WORK?

When a student who meets entry requirements enrolls at an approved training provider, such as TAFE, the subsidy will be paid directly to the provider to cover part of the training costs. The student will still need to pay for any remaining course fees, materials and other costs – but the majority of the course costs, worth thousands of dollars, will automatically be paid by the government.

The subsidy will be subject to any normal conditions that apply in each state and territory's training system.

Access to a particular course will be subject to the availability of training places in the relevant location and any eligibility criteria for the course. If the local course is full, a new *My Skills* website will be available from 2012 to help you compare information about training providers and courses. This will help you to choose another course that meets your needs. Another option may be to take the course through another training provider, or start the course by distance learning and switch to classroom teaching later.

EXAMPLES OF CERTIFICATE III COURSES

Certificate III courses include: Accounting, Aged Care, Agriculture and Land Management, Marketing and Small Business.

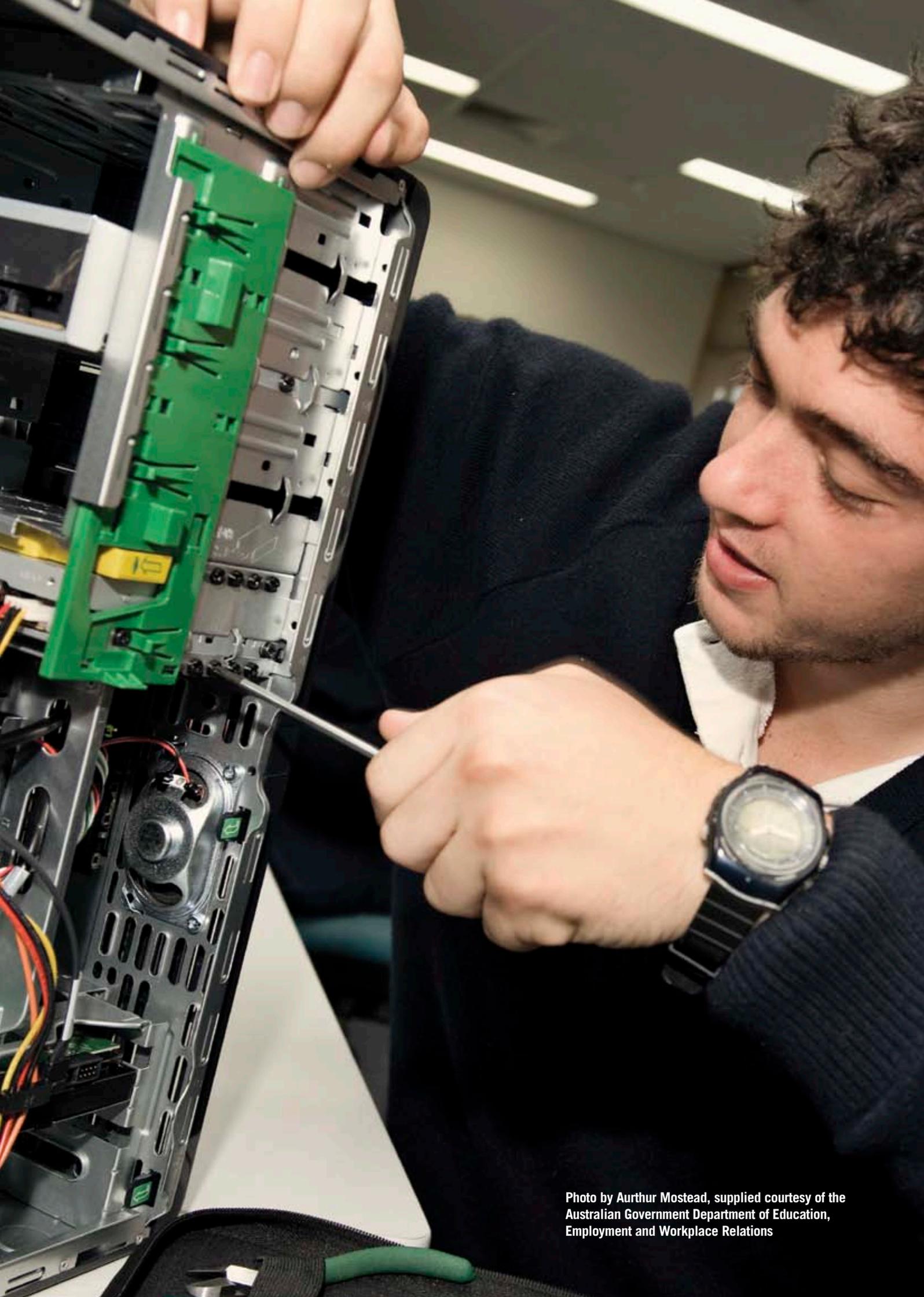


Photo by Aurthur Mostead, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations

SARAH'S STORY

GETTING A PLACE IN A TRAINING COURSE TO CHANGE DIRECTION*

Sarah is a 29 year old single mum with two children in primary school. Since having the girls, she has found she likes caring for people and has been thinking about a career in nursing, but she isn't qualified to get into the course.

The factory where Sarah has a part time office job has announced staff cutbacks so Sarah needs to turn her thoughts into actions. There aren't many office jobs in her area. In fact there aren't many jobs for people without specific skills or qualifications.

She sees that there are a lot of options if you work in aged care and her first aid skills from the factory could be useful, but these jobs also need a qualification.

After talking to her friends and doing a few internet searches, Sarah uses the *My Skills* website to compare training providers and finds several in her

area that offer a Certificate III in Aged Care. They have various attendance options so she could work it in with picking the girls up from school.

Even better, Sarah finds she is entitled to a government subsidised training place for a certificate III. One of the providers can offer her a subsidised place and the government subsidy will cover most of the cost of the training. Sarah has done some office equipment training courses but nothing that adds up to a certificate III qualification, so this is a real plus.

The aged care course can lead to qualifications in health studies, such as health assistance and enrolled nursing, so Sarah can do further training when the girls are in high school. Sarah has also discovered that aged care is one of the top 20 growth occupations so she is very optimistic about getting a good job and earning a better wage than if she had no qualification.

Sarah enrolls: she now sees a very different future for herself and her family.

* Possible scenario once the reforms are in place

ACCESS TO STUDENT LOANS

Completing higher level qualifications can lead to better employment and wages. For example in 2009, an employee with a diploma or advanced diploma earned, on average, \$1000 per week; whereas an employee with only a Year 12 certificate earned less than \$800 per week.

We know that studying can impose financial stress on a family's budget. Often people start a qualification while they live in the family home and depend on their parents to pay for diploma and advanced diploma course fees, which can exceed \$3,000 per year. It can be a struggle for working families to budget for this expense.

Students that pay full fees can already access loans to cover upfront training fees and higher education students have had access to student loans for some years.

The government will expand access to student loans for higher level courses which attract a government subsidy – diplomas and advanced diplomas, such as a Diploma in Business. This will mean that you won't have to pay upfront fees in order to study one of these courses.

In Victoria, students can currently access student loans to cover the upfront fees for government subsidised diplomas and advanced diplomas. South Australian students will have this opportunity from mid 2012. We want these loans to be available in all states and territories.

Only providers offering high quality vocational education services will be able to participate in the loan program. The Commonwealth Government will strengthen the national quality standards for all providers seeking to offer these loans. Students and industry will be able to have confidence in the quality and rigor of the qualifications being provided through the loan program.

The change will mean all Australian students will be able to apply for a loan at a training provider approved to offer them

to cover the cost of upfront fees for government subsidised diploma and advanced diploma courses. Students will only have to start repaying the loan when they begin to earn a certain salary - currently \$47,196 per year.

If all states and territories take up the Commonwealth's offer of expanded access to student loans, up to 60,000 subsidised higher level VET students could be assisted with student loans each year. Full implementation will take some time, however.

HOW DOES THE STUDENT LOAN WORK?

Students will be able to apply for a loan through their approved training provider. The Commonwealth Government will then pay the fees directly to the provider on the student's behalf. Once a student reaches the income repayment threshold, the loan can be repaid gradually through the tax system.

The amount of the repayment will be determined by the Australian Tax Office and the employer will withhold an additional amount from the student's wage to cover it. The student or anyone paying the debt on their behalf can make additional voluntary repayments at any time.

Up to 60,000 subsidised higher level vet students could be assisted with student loans each year.

DON'S STORY

GETTING HELP WITH COURSE FEES FOR HIGHER QUALIFICATIONS*

Don completed his metalwork apprenticeship seven years ago and has a good job with a construction company in a large regional town. He and Kate have just had their third child and he has been thinking about their future.

They like the regional lifestyle. His ideas about his professional development have changed now that he doesn't need to move to the city to get ahead. He wants to improve his career prospects and move into a supervisory position in construction - possibly in a growth area like mining construction. He decides that a Diploma of Engineering is what he needs to get there.

It is a bit 'chicken and egg' though: he knows that his income will go up when he gets a job in the mining industry with his new qualification, but their budget is tight and he doesn't think they can afford for him to do the course.

Don talks with his local TAFE and discovers that he can now get a loan to cover the course fees – an income-contingent loan without a loan fee. This means that the Commonwealth Government covers the upfront cost of the course - around \$2,000 in this case - and students pay it back when their income has reached the right level – likely to be more than \$47,000. This won't take Don long but he won't have to find the fees up front.

Don applies for the loan and starts the course the following term – just the ticket for his new career.

* Possible scenario once the reforms are in place

BETTER INFORMED ABOUT YOUR TRAINING OPTIONS

You already know that training is a big commitment and it's important that you choose the right training. If you are looking to start a VET qualification, you want to choose the course that best suits your needs. But you may not have a great deal of time to research the options.

The new *My Skills* website will be available by September 2012. You will be able to find information on registered training organisations, including links to their websites, what courses they are approved to deliver and information about the courses. When fully implemented, information available could include things like entry requirements and performance information, such as how many students completed their courses and went on to employment. Over time the website will allow you to compare training providers and courses.

This will make it straightforward for you to quickly find the information needed to compare training providers and courses and make informed decisions on which option is most appropriate for you situation.



EXAMPLES OF DIPLOMA AND ADVANCED DIPLOMA COURSES

Diploma courses include: Legal Services, Systems Analysis and Design, Digital Media Technologies, Agriculture (Organic production), Minerals Processing.

Advanced diploma courses include: Accounting, Marine Engineering, Extractive Industries Management, Rural Business Management, Surface Coal Mining, and Civil Construction.

Photo by Randy Larcombe, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations

MATT'S STORY

GETTING THE RIGHT INFORMATION TO PLAN HIS CAREER*

Matt recently completed high school and did not receive a place at university. He is thinking about his future and is unsure of what career he would like to pursue.

Matt talks to his parents about the options that are available to him. They suggest that he start a VET course because they think it is important to attain a formal qualification. Matt has always liked computers. He thinks studying something in that area is a smart move and will lead him to get a good, well paying job in the future.

Together, Matt and his Dad use the *My Skills* website to research the training options available. They discover that a number of training providers offer a Diploma of Information Technology (Website Design).

Matt is also pleased to learn from his training provider that completing the diploma will allow him to apply to study a Bachelor of Information Technology at the local university.

Matt starts the course the following term and is excited about his future career prospects.

* Possible scenario once the reforms are in place

TRACK YOUR TRAINING

Currently students who want a transcript of their VET achievements need to contact and request one from each of the VET institutions they have attended. These transcripts can be very handy when you want to enrol in another training course, show an employer the training you have already done or when you want to establish claims for recognition of prior learning.

The introduction of a student identifier will seamlessly link all the information about a student's vocational education record. For the first time, students will be able to obtain an official transcript of their educational achievements in one record.

This will make the process of returning to study or moving between courses and providers easier and more efficient for both students and training providers.

You will benefit from the student identifier if you:

- > undertake a number of training courses to upskill or retrain during your working life;
- > transfer between institutions and states or territories during your training; or
- > seek recognition of your prior learning, in order to reduce the amount of training needed to upgrade your skills into a qualification.

HOW DOES THE STUDENT IDENTIFIER WORK?

It will operate something like a bank statement with information on all your VET study drawn from a national training register.

You will know, own and have control over your student identifier. It will be a randomly generated number without recognisable patterns and will not identify you. You will be able to check whether the information held about you in the training register is accurate, complete and up to date and amend this where it is incorrect.

The student identifier will be implemented from 1 January 2014 with students enrolling in VET after that date being able to access a record of their subsequent training achievements.

There will be rigorous safeguards to ensure that the records can only be accessed by the individual student, unless they expressly give permission to provide data to another party.

BETTER SUPPORT WHILE TRAINING

Many people start training but don't finish, or only ever complete low level courses. This means they miss out on the opportunity to build a career and skills that could support them over a lifetime.

For many people with significant barriers or disadvantages the prospect of enrolling in training can be daunting. This is especially the case if you left school early, have a disability, are a mature age worker looking to retrain, if you live in a rural or remote area, if you are a young single parent, or have low levels of literacy or numeracy.

Being able to access information and support will help you to complete the qualification you have started. Simply knowing there will be longterm benefits from training can also help pave the way to overcoming some of the immediate challenges you may face – like selecting the right courses, learning how to study, and juggling study with other issues in your life.

TAFEs will maintain their key role in providing quality training and support services, including to students in need and in regional and remote communities. Training providers will need to ensure they provide enough support for students to complete courses and qualifications. The government will provide financial incentives to states and territories to do more to help students complete VET qualifications.

This will lead to more people attaining qualifications for the jobs and careers that they aspire to.

In the long term, increasing the focus on improving learning outcomes and support for all students will result in more Australians experiencing the economic and social rewards that come from being able to achieve stable and well paid employment and a rewarding career.

BETTER QUALITY TRAINING

Because training is a big investment, you want to be certain that the time and money you and your family invested has been worthwhile. You want assurance that you have high quality training which will lead to a qualification that is recognised and valued by employers.

To support the introduction of a National Training Entitlement and expansion of student loans the Commonwealth Government will require states and territories to ensure only high quality training providers are able to access public subsidies through the application of stringent quality checks.

For example, these additional requirements could include more regular reporting on performance by registered training organisations, subsidy funding provided on completion of training delivery, ongoing compliance checks and a focus on assessing past delivery quality and performance before registered training organisations can access public funds.

The government will also introduce a number of reforms to improve the quality of VET teaching. Steps such as involving industry in validating course assessments will give students and industry greater assurance that training providers participating in the National Training Entitlement and student loan programs will deliver high quality learning outcomes. This step will develop in parallel with the roll out of the student loan program. Commonwealth Government quality checks on providers offering access to student loans will also increase as more states give students the opportunity to access these.

TAFE will remain the bedrock of the national training system. The states and territories will be asked to agree on strategies

with the Commonwealth Government to continue to support and strengthen their TAFE systems over the next five years.

New national measures of quality and performance for training providers will draw on the outcomes of employer satisfaction surveys and training completion rates. Student satisfaction with the quality of teaching and learning provided by their TAFE or private provider will become even more important.

All this information will be made available on the *My Skills* website, making it easier for you to assess the quality of a provider before purchasing training from them.



Photo by Arthur Mosthead, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations

WHAT ARE THE OTHER CHANGES TO THE NATIONAL TRAINING SYSTEM?

The Commonwealth Government's skills reform plan will create a modern, better tailored and more dynamic national training system. The changes will provide better access to affordable high quality training- a system that is better adapted to the specific needs of businesses and students. There will be improved access to training places and reduced barriers to train, such as upfront training fees. This will give Australians of working age better, affordable access to the qualifications they need to access jobs, particularly in growing occupations and sectors of the economy.

The Prime Minister will take the Commonwealth Government's skills reform plan to the Council of Australian Governments (COAG) in early April 2012. States and territories as well the Commonwealth are custodians of the national training system and a new sets of agreements on skills, workforce development and training reform will be a key agenda item at COAG.

The key changes to be negotiated with the states and territories are:

- > a national entitlement to training at a minimum of the first certificate III qualification so all working age Australians have the opportunity to gain the skills needed to get a decent job;
- > wider access to student loans to reduce upfront cost barriers to study at the diploma and advanced diploma level;
- > independent validation of training provider assessments and support for quality teaching so students and employers can have confidence in the quality of training they purchase;
- > support for a strong and vibrant public training provider network to underpin a high quality training system accessible to all Australians;

- > increased availability of information about courses and training providers through the *My Skills* website so students and business can make well informed choices about their training options; and
- > incentives for states and territories to achieve improved completion of full qualifications, particularly at higher levels and for disadvantaged students - to deliver the qualified workers that business needs and give all Australians the opportunity to develop skills and participate in the workforce.



Photo by Wayne Quiliam, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations

WHERE CAN I FIND MORE INFORMATION?

More detailed information on the Commonwealth Government's reform plan for the national training system can be found in the publication *Skills for All Australians*.



Photo by Andrew Sikorski, supplied courtesy of the Australian Government Department of Education, Employment and Workplace Relations



Australian Government