

# SKILLS FIRST: PRIVATE PROVIDERS

Through *Skills First*, quality training providers can successfully compete to meet the needs of students, industry and the economy

## TRAINING THAT INDUSTRY AND STUDENTS CAN TRUST

From January 2017, Victoria's training and TAFE system will be overhauled. A new approach to training will be implemented, setting a high benchmark for training quality, and supporting the courses that are most likely to lead to employment.

*Skills First* is a commitment to a contestable, but more managed training and TAFE system, where providers who have satisfied new rigorous standards will get government funding to provide high quality, industry relevant training to students. This means that students will retain the ability to seek a private provider as their trainer of choice.

A new funded course list will focus training in courses that are more closely linked to jobs and that meet Government priorities.

Revised subsidy rates, based on the cost of delivering high quality training will be available from January 2017.

Private providers will be able to focus their business plans on delivering great training rather than worrying about poor quality, low cost competitors undermining student confidence in training.

Under *Skills First*, the contestable training system will be complemented by new targeted funding, including a Workforce Training Innovation Fund to work with industries and funding for Regional and Specialist Training.

The Government recognises the important role of private providers in the training market and looks forward to working together to deliver training in an agile and responsive market.

## WHAT WE'VE ALREADY DONE

- ✓ The first Victorian Skills Commissioner and a \$14 million Industry Engagement Framework.
- ✓ \$9 million quality blitz on dodgy providers.

## NEXT STEPS

- ✓ Annual funding for the Workforce Innovation Training Fund, starting with an initial \$40 million in 2017.
- ✓ Annual funding for the Regional and Specialist Training Fund to meet regional and niche industry needs, starting with an initial \$30 million in 2017.

## A NEW FUNDED COURSE LIST

Under *Skills First* the funded course list is changing to ensure it focuses on current and future workforce industry skills. Previously, about 1,500 unique courses were funded, with any course that was nationally accredited available for subsidised training.

Extensive regional and industry consultations facilitated by the Victorian Skills Commissioner found that a significant number of Government-funded courses did not meet industry or community needs and rarely led to a job.

To address this issue, courses included on the funded course list will:

- Better align with industry needs and workforce demands.
- Represent Government priorities, including rolling out the National Disability Insurance Scheme (NDIS), responding to family violence, and completing Victoria's infrastructure projects.
- Have a strong jobs outcome, such as apprenticeships.
- Meet other social needs, such as foundation skill courses.

The funded course list will be regularly reviewed, and courses added as required by industry needs.

For a current list of funded courses, see [www.skillsfirst.vic.gov.au](http://www.skillsfirst.vic.gov.au)

## SUBSIDY RATES EXPLAINED

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The Government has committed to new, stable subsidy rates that better reflect the cost of quality training. *Skills First* will introduce higher subsidies for areas of Government priority, including apprenticeship and apprenticeship pathways, high-value traineeships, and courses related to the rollout of the National Disability Insurance Scheme and the response to the Royal Commission into Family Violence.

Training that aligns to the Government's priority industry sectors will be a factor in subsidy setting. In addition, increasing subsidy rates for apprenticeships aims to build skills for the Government's policy and infrastructure priorities.

Subsidies will not be reduced for any funded courses for 2017.

The new subsidies will apply both to students who are continuing their studies from previous years and to those who commence in 2017.

## A COMMITMENT TO HIGH QUALITY TRAINING

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Under *Skills First*, new quality measures will be introduced, including a quality assessment for training providers and rigorous new funding contracts for all training providers that better guarantee value for money in tax-payer funded training.

In 2017 *Skills First* funding contracts with training providers will include:

- Penalties that can be applied to providers who fail to properly assess every student's suitability for their course.
- The ability to publish results of student and employer satisfaction surveys.
- New requirements to improve the quality of online and workplace-based training.



*Cherry Murphy: training is a stepping stone to a new career.*

### A SWEET CAREER

Every day was a celebration worthy of cake during Cherry Murphy's time studying a Diploma of Hospitality (Patisserie) and she spent her days at private training provider Accademia International working with extraordinary confections of eggs, butter, flour, sugar, chocolate and cream.

The Patisserie diploma not only taught Ms Murphy business and kitchen skills but also the delights of producing cakes, desserts and pastries. For Ms Murphy, it was a stepping stone to a new career.

"The school provided me with a lot of practical skills so that when I entered the workplace I felt both confident and ready. Part of the course included work placement, where I was offered full-time employment as soon as I completed my course."

Since graduating, Ms Murphy has been a head chef, worked overseas and opened her own business "Cherry Cakes" which produces special occasion cakes.

"The help of government funding made all of this affordable and achievable and gave me opportunities to grow in a career that I am passionate about," she says.

### SKILLS FIRST – AT A GLANCE A NEW TRAINING SYSTEM:

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- ✓ New more accountable contracts for Government funded training
- ✓ Restored supplementary funding for TAFEs
- ✓ New industry-focused funded course list
- ✓ New subsidy rates for quality training
- ✓ New targeted funding streams
  - Workforce Training Innovation Fund
  - Regional and Specialist Training Fund
  - High Needs Learners funding

**Real training, for real jobs for a growing Victorian economy.**

To find out more about how *Skills First* will help private training providers, visit [www.skillsfirst.vic.gov.au](http://www.skillsfirst.vic.gov.au)