

Reform stocktake — New South Wales

The Australian Government has asked the Productivity Commission to report every two to three years on the economic impacts and benefits of the COAG reform agenda. For the first report in this series, the Government has directed the Commission to focus on vocational education and training (VET) reforms and initiatives that support successful transitions from school.

Reform impacts will be classified into three broad groups:

- *realised* — where reforms have been implemented and impacts are accruing
- *prospective* — where reforms have been implemented, but impacts are yet to accrue
- *potential* — where reforms have yet to be implemented, or where there is scope for further reform to deliver additional benefits.

To support this work, the Commission is keen to identify:

- reforms that have been implemented in the each state and territory as a consequence of the reform agenda
- the impacts that have accrued to date from those reforms
- the impacts that are yet to accrue from implemented reforms
- the realised and prospective costs of implemented reforms
- planned reforms.

The following information is the Commission's initial attempt at summarising the New South Wales' recent policy settings relating to Vocational Education and Training (VET) and youth transitions.

Recent policy settings

New South Wales has implemented VET-related reforms through *Delivering Skills for NSW: Strategic Plan for Vocational Education and Training 2008–2010* (NSW Department of Education and Training 2008). The goals of the policy were to increase workforce participation, build skills, and increase skills utilisation. The strategy outlined plans to:

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- target public investment to areas of greatest need
 - build partnerships with industry
 - guarantee training places until age 18
 - develop new models for skills delivery.

This plan is has reached its conclusion. New South Wales currently has a new plan under development — *Strategic Skills Plan 2011–2015*.

In addition to this plan, in 2009 the NSW Board of Vocational Education and Training released the *BVET Statement of Priorities in Response to the Global Financial Crisis*. Responses included:

- harmonising state and national programs
- focusing on skilling and up-skilling individuals, particularly those hit hardest by the recession
- prioritising the needs of retrenched workers, job seekers, Aboriginal people and other disadvantaged groups, and industries hit hardest by the recession.

Table A.1 summarises the VET and youth transitions-related reforms undertaken or being undertaken in New South Wales.

Table A.1 **New South Wales**

<i>Reform</i>	<i>Summary</i>	<i>COAG reform?</i>	<i>Cost</i>	<i>Date implemented</i>	<i>Realised/prospective/potential gains</i>
Delivering Skills for NSW: Strategic Plan for Vocational Education and Training 2008–2010					
Increase training places in priority areas	An extra 33 000 New South Wales Government-funded places will be provided over four years in priority industries.	No. Part of the NSW Govt Training Our Workforce Initiative		2007-2011 financial years	Realised. TAFE NSW met the target of 33,000 extra people gaining skills they need to help build the NSW economy.
Enhanced pathways into training, further study and employment	Pathways into training, further study and employment will be enhanced for the unemployed, women and Indigenous students. This will include improving the mix of career and job advice, training and workplace experience.	Aligns with COAG reforms		By 2011	Realised. Participation of students from identified disadvantaged groups increased during 2010. For example, a total of 30,923 Aboriginal students represented an increase of 14.3 per cent from 2009 and 5.3% of all students.
Young people guaranteed an education of training place until they are 18 years	Young people up to 18 years of age who have not completed Year 12 and do not have a job are guaranteed a training place. Nearly 13 000 new entry level training places will be created.	Related to subsequent COAG initiative.		2007/08 to 2010/11	TAFE met the overall target of an additional 5,850 training places in areas such as construction, metals and engineering automotive, hospitality

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					and nursing studies.
More apprenticeship places and more support for apprenticeships and traineeships	Apprenticeship and traineeships will be expanded, particularly in skill shortage areas. NSW Government agencies will increase their employment of apprentices by 400 each year. More support will be provided to apprentices for 'gearing up' and completion of their apprenticeship.	COAG priority, included in NSW plan and required under State government contracts.	Not available	Ongoing	<p>Realised.</p> <p>Apprenticeships are the predominant form of entry into trade occupations where skill shortages remain critical. Since 200/01 there has been an increase of 55.4% in the number of apprenticeship approvals.</p> <p>The following number of apprenticeships were approved for state government agencies: 2008 430, 2009 459, 2010 435</p> <p>An additional 10 apprenticeships were approved for Group Training Organisations hosting to a state government agency. The NSW Government requires contracted agencies undertaking major infrastructure projects to employ apprentices such that</p>

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					20% of trades work is undertaken by apprentices.
Increase network of trade schools	The number of trade schools in New South Wales, which provide vocational education to school students, will be increased to 25.(increased to 26 in 2011)	No	\$18 m	2011	Realised. By 2011 a total of 26 Trade Schools were established in public high schools and TAFE NSW Institutes.
Aboriginal Teaching and Learning Framework	Framework will guide training delivery to Indigenous students in NSW.	Aligns with COAG Framework work			Realised. 30,923 Aboriginal students participated in VET during 2010, an increase of 14.3% from 2009 5,732 Aboriginal students were undertaking apprenticeships/trainee ships Over 5 years to June 2011, there has been an increase of over 40% in Aboriginal students commencing apprenticeships
Increased opportunities to achieve higher level qualifications	Each year more qualifications will be provided at Certificate III level or above. People who have a lower level qualification and are not working will be provided with opportunities to gain	Yes		2007/08 to 2010/11	Ongoing. 30.4 per cent increase in enrolments at AQF cert III and

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	a higher level qualification.				above from 247,585 in 2006 to 322,798 in 2010
					TAFE NSW supported 1,500 workers to gain higher level skills in priority industries including mechanical engineers in open cut mines, design engineers in manufacturing, electrical trade specialists, technicians in the aero skills industry, chefs in the hospitality industry and child care specialists.
Partnerships between training providers and employers	Better partnerships between training providers and employers will increase demand for training in higher level skills.	No. Part of NSW Govt Training Our Work-force initiative.		2007/08 to 2010/11	Realised. TAFE NSW provided targeted training for existing workers via partnerships with businesses in industries such as financial services, telecommunications, hospitality and health. Met overall target of 3,800
Skills Centres	10 Skill Centres employing advisers will provide advice on	No. Part of		2007/08 to	Realised. Current State

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	training options.	the NSW Govt Training Our Workforce initiative		2010/11	Training Services Centres expanded to include information provision, advice and brokerage services.
Increased availability of recognition of prior learning (RPL)	Increased availability of RPL, particularly for higher level skills and skill shortage areas.	Aligns with COAG priorities		2007/08 to 2010/11	<p>Realised. The DEC VET Professional Development Program has supported professional networks with improved RPL practices as a key focus. More than 1,000 assessors a year participate each year.</p> <p>Recent successes in NSW recognition include the mining, construction, automotive, and childcare sectors</p> <p>TAFE has met significant RPL targets under the Training Our Workforce initiative (3,000 places for unqualified workers and the unemployed and 20,300 for existing workers).</p>

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Improved credit transfer	Improved credit transfer between school education, vocational training and higher education.	Proposed as a COAG reform area	NA		Prospective under new paradigm. True interconnection of the tertiary sector is seen to involve more than articulation and credit transfer. These have proved to be intensive, difficult to maintain and limited in scope.
Enhanced industry role in identifying skills requirements and promoting workforce development	The NSW Skills Council and Industry Skills forum will identify skills requirements Industry Training Advisory Bodies will provide industry specific training advice. The Department and TAFE NSW will consult with industry to identify industry needs.				Realised. In NSW industry advice is primarily obtained through a network of state-based Industry Training Advisory Bodies. NSW ITABs are identifying State-wide Skills Priorities through stakeholder engagement and industry consultations to inform the NSW Skills Priority list. NSW ITABs recently collaborated in the design and delivery of a joint regional forum in Orange. Outcomes will feed back into NSW regional training and skills initiatives.

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Publicly-funded VET prioritising strategic skills and industries	TAFE NSW ensures that core funded training delivered by Institutes takes account of the varying demand for skills by employers and to address emerging skills shortages through an evidence-based annual review of training demand in each region of NSW.	Contributes to COAG reforms		Ongoing	Realised. NSW workers are trained in the right skills to support the competitive and growing NSW economy.
Build training provider capacity	More engagement between industry and training providers will allow providers to meet training demand earlier.	Contributes to COAG reforms		Ongoing	Realised. Professional Development workshops are assisting RTOs to improve compliance with the Department's Approved Provider List Contract.
Use workplace development to increase training demand and improve skill use	<p>Key industry skill development strategies will provide information to employers on what training is available and who is providing it. Training providers are implementing workforce development solutions to increase productivity and meet the needs of enterprises and employees.</p> <p>NSW helped shape the COAG Targeting Skills Needs in the Regions program and identified and managed 11 projects across the State.</p>	Yes	Total NSW expenditure was \$3,116,326. The financial contribution was split 80/20. The Commonwealth provided 80 per cent of		Realised. 11 of the COAG projects were managed by NSW.

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			the overall budget or \$2.5m and the NSW Department of Industry and Investment providing 20 per cent or \$572,936		
Improvement of quality assurance in training system.	Application of quality systems for training providers, and supporting the development of capacity in critical areas of industry skill or training design.	Yes	Nil	Jan 2011	Prospective. Training Plan redesigned in line with agreed Principles from COAG Taskforce and came into effect at the start of the new APL contract in 2011.
Improvement of training packages	Reform of training packages to maintain relevance and quality.NSW has participated and provided leadership on national initiatives such as the VET Products for the 21 st Century project.	COAG and NQC joint project on VET products for the 21 st Century.	Not available	National initiative from 2009-2014	Prospective. NSW is a member of the National Skills Standards Council which has responsibility for Training package reform with a focus on simplification and streamlining.

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Embed skill development into NSW economic growth strategy	Better coordination across NSW government economic development strategies. In 2006 the NSW government identified specific innovation sectors to be supported and implemented a series of projects and initiatives. The NSW government established an Innovation Council and the former Director-General of Education and Training was a representative.	No	Not available	Not available	Realised. The NSW Innovation Council consulted extensively with industry and developed a plan to grow the NSW economy with a specific focus on human capital. The goal states that a key element will be closer links between schools, TAFE and local businesses and the linking of support to industry workforce demands.
Implementation of results-based management for purchasing arrangements	<p>Contestable funding is aligned to agreed state priorities. Funding targets completion of competencies and qualifications.</p> <p>TAFE NSW purchases training from Institutes annually through Purchasing Agreements which include performance and training delivery targets aligned with State and National priorities. Training purchased is based on an annual review of training demand. This review is informed by independent employment forecasts by Access Economics for each NSW region, and extensive research and consultation with local and national industry stakeholders. Changes are also made in the</p>			Ongoing	<p>Realised. Between 2008 and 2010, TAFE NSW increased training targets for Institutes in industry training areas including:</p> <ul style="list-style-type: none"> Manufacturing – approx 27% increase (e.g. environmental engineers,

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	<p>training purchased from Institutes at any time to meet local changing demand for skills, including emerging skill shortages,</p> <p>Consequently the training profile changes annually in response to industry demand.</p>				<p>engineering technologists, laboratory technologists)</p> <ul style="list-style-type: none"> • lectrotechnology – approx 17% increase over all occupations • community & Health Services – approx 8% increase across most occupations • Automotive & Vehicle Body – approx 12% increase for auto electricians, panel beaters and painters.
Review training annually	Annual Vocational Training Report will have analysis on training provision at the state and industry level.	No	Nil	NA	Realised. Analysis is provided annually in the Annual Report of the NSW Board of Vocational Education and Training.
Cooperation between training providers, employers and NSW	Cooperation will increase training levels, and the partnerships will be used to leverage additional industry contributions to training. Collaborative partnerships between Government and	Aligns with COAG reform	Not available	Ongoing	Realised. In 2010/11 NSW ITABs received enhanced financial

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Government	industry are fundamental to the VET system. The government seeks advice from industry about training needs, development of training initiatives and the promotion of the training system. In NSW industry advice is obtained through a network of state Industry Training Advisory bodies.	directions			support to provide core services which include advice on industry skill needs and priorities, promotion of training and implementation of brokerage services and advice on apprenticeship and traineeship arrangements.
Cooperation with Australian Government	Better coordination with the Australian Government over the training provided for the unemployed. A National Partnership for Single and Teen Parents is under negotiation. Improved pathways between employment services and training providers and Centrelink for inclusion in a revised national agreement is a reform direction being explored under a new national agreement. NSW training providers work closely with Job Services Australia providers	COAG reform	-	-	Ongoing and realised. Effective working relations with JSAs are facilitated by effective communication processes, appropriate training and support services and regional and industry partnerships.
Other					
Kickstart Pre-apprenticeship Program	This program aims to increase the commencement and completion of apprenticeships in identified skill shortage occupations and regions by providing more pre-apprenticeship opportunities. The Australian Government has provided \$4.3 million under the National Partnership Agreement on Pre-Apprenticeship Training (NPAPAT) for the NSW program. The funding will provide for 881 individuals to undertake pre-apprenticeship training. NSW Implementation plan: http://www.federalfinancialrelations.gov.au/content/national_part	Yes	Approx \$4.3 m		Realised. Projects delivered in New England and North Coast, Hunter and Central Coast, Illawarra and Western Sydney.

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	nership_agreements/education/pre_apprenticeship/NSW.pdf				
Productivity Places Program	This program aims to address skills shortages and increase the productivity of industry and enterprises by increasing training places available in priority skills areas. The Commonwealth provided funding of about \$420 million to New South Wales under the National Partnership Agreement on Productivity Places Program (NPAPPP) to fund 75,279 enrolments for job seekers and 164,736 enrolments for existing workers.	Yes	\$0.7m	January 2009-Jun 2012	Realised. In relation to targets set by the Commonwealth, allocated commencements were achieved during 2009-10
Entitlement to training for 15–19 year olds	Young people aged 15–19 years have an entitlement to an education or training place for any government-subsidised qualification, subject to admission requirements and course availability.	Yes	Costing will require detailed specification	July 2009	Realised. Available subject to course availability and meeting of admission requirements with concomitant productivity and participation benefits.
Entitlement to training for 20–24 year olds	Young people aged 20–24 years have an entitlement to an education or training place for any government-subsidised qualification which would result in the individual attaining a higher qualification, subject to admission requirements and course availability.	Yes	Costing will require detailed specification	Jan 2010	Realised. Available subject to course availability and meeting of admission requirements with concomitant productivity and participation benefits.
National Youth Participation Requirement	This requirement states that all young people must participate in schooling to year 10 and then participate in full-time education, training or employment until age 17.	Yes	Costing will require detailed specification	Jan 2010	Realised. Significant innovative projects funded include programs of targeted support for

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					<p>senior secondary school students. In 2011 over 50,000 Work placements will be coordinated involving 20,000 employers. In 2010 there were 1,737 enrolments by Year 9 and 10 students in a new pathway involving early commencement of HSC VET courses.</p> <p>TAFE NSW has included performance targets related to completions for young people aged 16-24 in its Purchasing Agreements with TAFE NSW Institutes.</p>
Youth Connections Program	This program helps young people who have left school, or who are thinking of leaving school, to continue with their education and ultimately gain a Year 12 (or equivalent) level education. Implemented in collaboration with the Australian Government.	Yes	Jan 2010		<p>A Senior Coordinator liaises with NSW Youth Connections networks on operational issues concerning their interaction with schools.</p>

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School Business Community Partnership Brokers Program	This program aims to improve community and business engagement with schools and registered training organisations to extend learning beyond the classroom, increase student engagement, deepen learning experiences, lift attainment and improve educational outcomes.	Yes	CW funded	Jan 2010	Realised.
Communication Strategy to support Youth Attainment and Transitions National Partnership	New South Wales' communication strategy supporting the National Partnership Agreement on Youth Attainment and Transitions (NPAYAT) focused on the implementation of the National Youth Participation Requirement and the specific requirements and options available to young people under 17 years.	Yes		Aug 2010	<p>Realised</p> <p>A comprehensive communications strategy for school students, parents, employers and schools has been implemented.</p> <p>TAFE NSW Institutes have produced and distributed promotional material on school based apprenticeships and traineeships.</p> <p>The TAFE CLIPS student video competition promoted TAFE NSW as a youth friendly place for 15-24 year olds to study and succeed.</p> <p>Web-based support resources have been developed for TAFE</p>

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					NSW teachers.
Targeted school support programs	Targeted support programs in government and Catholic schools and TAFE which are locally designed and managed to engage at-risk students, raise retention and attainment and improve transitions to further study and employment	Yes	\$600,000 pa in 2010 and 2011	2010	Realised 2010 projects had success in increasing the engagement and successful transitions to further study and employment of at risk students. A further 12 projects are being funded in 2011.
Transitions coordinators	Roll-out of Transition coordinators in schools with the existing career advisors and school staff to smooth transitions for young people in NSW schools.		50,000 annually	Annual training	Realised. Better transitions for young people in NSW schools
Opening VET in schools options for Stage 5 students	Vocational pathways options for Year 9 and 10 students have been opened to enable early entry to HSC courses or to endorsed School Certificate courses which link smoothly to senior school vocational courses. To aid the roll-out of this reform additional funding for delivery costs by TAFE NSW or private RTOs for some 350 additional students per annum has been provided.	Key reform element of NSW YAT NP Implementation Plan	\$550,000 pa in 2010 and 2011	2010	Realised. In 2010 there were 1,737 enrolments by Year 9 and 10 students in a new pathway involving early commencement of HSC VET courses.
Expanded workplace learning	Expanded vocational options for students in Years 9 and 10, increased numbers of students staying onto Years 11 and 12 in schools or undertaking equivalent study in TAFE NSW has substantially increased the numbers required to undertake structure workplace learning as part of their studies.	Key reform element of NSW YAT NP Implementation	\$7.2m pa in 2010 and 2011	2010	Realised. In 2011 an estimated 700 schools and TAFE NSW colleges will be serviced with 50,000 workplacements

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		ntation Plan			available for HSC vocational students.
Independent Employment Adviser Program	Non government organisations with strong links to local industry provide real-life industry grounded support, mentoring and case management for young people struggling to stay in school helping them identify a career path, explore education and training options, and broker employment opportunities. The program operates in 10 regions of high youth unemployment in NSW to support over 1,000 at risk students complete Year 10, and then either continue in schooling or transition to work and further training.	Aligned with COAG reform objectives.	\$3.9m over two years (2011 and 2012)	Jan 2011	Prospective with the delivery of value adding services to over 1,000 young people who are most in need of such support.
Gear Up Allowances	Support was provided to assist first-time apprentices with the purchase of protective clothes, equipment, and tools. \$200 was paid to apprentices when their training contracts were registered after a probationary period.	Yes – initiated by the Apprentices Task force	\$11 m	Jan 08- Dec 10	Realised. Approx 55,000 apprentices were assisted.
Continuing Apprentices Placement Service	Established in 2009 to assist retrenched apprentices find a new employer and continue their apprenticeship. This could include relocation to and from a regional area as necessary	Yes, as above	\$275,000 in salaries and relocation allowance	Feb 2008 – ongoing	Realised. By the end of 2010 more than 1455 apprentices were assisted with 749 placed with a new employer.
Workshops for workplace supervisors	Free workshops for workplace supervisors of apprentices and trainees have been conducted across NSW. A printed and multimedia resource has also been provided to employers with the aim of improving the quality of on the job training and supervision and improving completion rates.	State Plan initiative	\$575,000	2008 to 2011	Realised. 70 workshops held until 2010. 25 scheduled during 2011. Print and Multimedia resource posted to 100,000 employers,

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Group Training Organisation Pre-Apprenticeship Training program.	Program aims to increase the availability of pre apprenticeship training by utilising the network of NSW Group Training Organisations.	Aligns with COAG reform	\$4.5m by NSW govt		Realised. Around 2,000 training places have been created in priority industries across the state.
Strategic Skills Program	Program purchases training from registered training organisations to address the strategic skill needs of industry, the community and individuals. Training is purchased for part and full qualifications which support employment opportunities for job seekers and improve the skills of existing workers. The Skills Priority List is used to guide the purchasing of training for the program by setting out the qualifications from which training can be purchased by priority industry, target group and region. This list addresses both the current and emerging needs of the NSW economy.	Supports COAG reforms	July-Dec 2010 \$9m Jan-Jun 2011 \$56m	Ongoing	Realised. 4048 training opportunities provided in rural and regional areas. In 2011 over 6,000 full qualification training places were supported through to Advanced Diploma level.

