

Submission to the Productivity Commission's Study on the Impacts and Benefits of COAG Reforms

New South Wales is a key participant in the Council of Australian Governments' (COAG) vocational education and training (VET) reform agenda to improve productivity and workforce participation. With the largest VET system in Australia, New South Wales' efforts have been critical to national reform progress towards agreed targets.

Participation in existing COAG reforms

The State has made significant progress to meeting existing COAG targets, which were agreed in 2008, for enrolments and completions. Between 2006 and 2009/2010, New South Wales increased:

- enrolments at AQF Certificate III and above by 30.4 per cent from 247,585 in 2006 to 322,798 in 2010
- completions at AQF Certificate III and above by 35.4 percent from 67,565 in 2006 to 91,459 in 2009
- enrolments at Diploma and above by 44.9 per cent from 47,586 in 2006 to 68,950 in 2010
- completions at Diploma and above by 20.2 per cent from 13,752 in 2006 to 16,526 in 2009
- Aboriginal enrolments by 51.7 per cent from 27,460 in 2006 to 41,651 in 2010
- Aboriginal enrolments at Certificate III and above by 73.5 per cent from 7,355 in 2006 to 12,767 in 2010.

(Source: National VET Provider Collection, NCVER, accessed 12 October 2011)

New South Wales also successfully implemented the National Partnership Agreement on Productivity Places Program, despite inflexible requirements in the National Partnership around the number of places by qualification level and for jobseekers and existing workers. The National Partnership ends on 30 June 2012 by which time New South Wales will achieve its targets under the partnership. Funds are not being rolled into the recurrent base of the National Agreement for Skills and Workforce Development. Key NSW achievements in this National Partnership in its first two years 2009 and 2010 include:

- achievement of 85 per cent of commencement target
- a completion rate of 55 to 60 per cent, which is 20 to 25 percentage points higher than 35 per cent rate predicted by the Commonwealth
- achievement of 92 per cent of the target for jobseeker commencements (28,000) and 81 per cent of the target for existing worker commencements
- 82 per cent of the four-year target for apprenticeships/traineeships met, with 23,000 jobseekers employed as trainees
- 87 per cent of commencements at Certificate III and above, and 41 per cent of commencements at Diploma level and above.

New South Wales implemented the National Partnership Agreement on Pre-Apprenticeship Training through the NSW Apprentice Kickstart Pre-Apprenticeship Projects (also known as Kickstart).

Despite the time constraints for this program, 74 courses have been delivered with 892 training participants commencing training. Each course featured 300 hours of training, work placement with industry, and mentoring and support services which together resulted in better prepared and supported candidates and facilitated employer access to these quality candidates. This is reflected in progressive outcomes reported to date, a completion rate over 65%, (*which exceeds VET completion rates recently published by NCVER*) and more than 34% of participants gaining an Australian Apprenticeship or other employment.

Funding for pre-apprenticeship programs that incorporate a similar model of delivery should continue. Opportunities exist for improved apprenticeship outcomes by aligning course delivery more closely with the timing of employer recruitment activities.

New South Wales is in the process of implementing the National Partnership on Youth Attainment and Transitions. Since 2009, when New South Wales signed up to this agreement, legislation has been successfully implemented to raise the school leaving age and an education or training entitlement has been provided for young people aged 15 to 24 years. Programs have been implemented to support successful career transitions for young people.

Over the two year period 2008 to 2010, New South Wales saw of nearly 8,600 young people studying in Years 11 and 12 in school or taking accredited VET courses at Certificate II level or higher. Retention rates to Year 12 are at historic highs in NSW schools. The growth in youth participation in education and training in New South Wales has substantively met the progress target set for 2010 in the Youth Attainment and Transitions National Partnership Agreement.

These achievements have been driven in New South Wales through the implementation of *Delivering Skills for NSW: Strategic Plan for Vocational Education and Training 2008-2010*. Details of achievements against this plan are at Attachment A.

New South Wales also led the transition to a national regulatory system for VET as the first jurisdiction to transfer its regulation and accreditation powers to the Commonwealth.

New South Wales has led the development of a business case for a national unique student identifier (USI) requested by COAG. The USI will facilitate a single training and education record that will provide significant benefits for governments, in underpinning future policy directions and providing an evidence base for research, and for students in providing a single point of access to their training history.

In February 2011, the Council of Australian Governments (COAG) endorsed a preparatory business case for a VET USI and asked the Ministerial Council for Tertiary Education and Employment (MCTEE) to prepare a final business case. The

final business case was prepared by the Data and Performance Measurement Principal Committee of MCTEE, which is chaired by New South Wales. The business case will be considered by the Standing Council on Tertiary Education, Skills and Employment (SCOTESE), which superseded MCTEE in September 2011 before being considered by COAG.

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Contribution to increasing workforce participation and boosting productivity

Through its training activity, particularly with disadvantaged groups including Aboriginal people and young people at risk of disengagement from education and employment, New South Wales is contributing significantly to increasing workforce participation. Workplace training and strong partnerships with employers have contributed to increased workforce productivity. TAFE NSW Institutes have a strong record in both of these areas. Case studies from across New South Wales which demonstrate this achievement are at Attachment B.

2011 COAG reform process

In August 2011, COAG agreed to adopt a new national framework of objectives and principles for a reformed national VET system. This framework will guide the development of reform directions for consideration by COAG in early 2012, following consultation with stakeholders.

COAG has set up the Skills Reform Senior Officials Working Group to oversee the completion of a new framework of objectives, outcomes and outputs for the revised National Agreement and a new skills reform National Partnership agreement.

Three Sub-Working Groups were established to support the Working Group:

- the Drafting Sub-Working Group will draft a revised version of the National Agreement and reform National Partnership;
- the Technical Sub-Working Group will review existing objectives, outcomes, outputs and performance measures of the National Agreement, and develop a new performance framework. A further sub-group of the technical sub-group, the Performance Indicators Options Group, has been established to provide expert advice on performance measures and data collection issues. New South Wales is leading this work with the Commonwealth.
- the Single and Teenage Parents Training Places National Partnership Sub-Working Group will align the development of this new National Partnership to provide additional training places to single and teen parents with the broader agenda of long-term VET reform.

New South Wales involvement in the reform process

New South Wales is actively engaging in the reform process to ensure that the VET

sector provides the best training outcomes for students, the skills needed by industry and supports jobs and growth in the economy. In September 2011 the NSW Government embarked on a process for developing skills reform in New South Wales. This is part of a wider agenda to re-position New South Wales as a leader in economic growth. Reform is also being considered in the context of the reform agenda attached to the Council of Australian Governments' (COAG) review of national agreements and partnerships.

A consultation paper, '*Smart and Skilled: making NSW number one*', focuses on how the NSW Government can better support the vocational education and training system to develop a more highly skilled workforce and strengthen the NSW economy. Key areas being considered are:

- the introduction of a training entitlement to increase participation in VET
- defining the role of TAFE NSW in supporting expanded training opportunities in a system with greater choice
- facilitating greater choice for individuals and employers
- increasing contestability
- further improving VET completion rates.

A consultation process is underway from September to November 2011 focusing on the shape and direction of reforms and involves community consultations, discussion forums with key stakeholders and written submissions.