

Ref: DGL19/824

Mr Greg Piper MP
Chair, Public Accounts Committee
Parliament of New South Wales
6 Macquarie Street
SYDNEY NSW 2000

Dear Mr Piper

Thank you for your letter of 12 December 2019 seeking further details on implementation of recommendations in the Auditor-General's performance audit report – *Matching skills training with market needs*.

This audit has been useful in assisting the Department to make improvements to the Smart and Skilled vocational education and training program.

In the annual response to the Committee on 30 July 2019, the Secretary noted that two recommendations due for completion by 30 June 2019 had been implemented, and that the remaining recommendations due by December 2019 were on track.

I can now confirm that all recommendations have been implemented or are in the process of being implemented. Further details on individual recommendations as requested are as follows:

Recommendation 2 – Investigate why training providers do not offer, and prospective students do not enrol in, some Smart and Skilled-subsidised qualifications.

The Department has conducted analysis for qualifications on the NSW Skills List qualifications that have no enrolments and/or no training providers delivering the qualifications. The Department has ongoing consultations with stakeholders to determine factors affecting the demand for Smart and Skilled qualifications.

Recommendation 4 – Evaluate the effectiveness of Smart and Skilled funding which supplements standard subsidies for qualifications on the NSW Skills List, to determine whether it is achieving its objectives.

The Department has undertaken an evaluation of Smart and Skilled loadings with a draft report completed in December 2019. The final evaluation report will be completed by February 2020.

Recommendation 5 – Provide longer-term funding certainty to high performing training providers, while retaining incentives for them to continue to perform well.

The Department has developed a range of options for amending funding arrangements for Smart and Skilled providers and consulted with internal stakeholders. The Department is currently considering directions for funding under Smart and Skilled before any further steps are taken.

Recommendation 6 – Develop and implement a specific communications strategy for Smart and Skilled to support prospective student engagement and informed decision-making and meet the information needs of training providers.

The communications strategy will be implemented from January 2020, leveraging the approach of the NSW VET repositioning campaign and focusing on streamlining audience engagement across different skills programs. The success of the strategy will be reviewed annually to incorporate continuous improvement to activities.

Yours sincerely



Mary Ann O'Loughlin
Deputy Secretary
Skills & Higher Education
7 February 2020

