

**Submission
No 9**

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS DECEMBER 2014
- JUNE 2015**

Organisation: Department of Industry
Name: Mr Gary Barnes
Position: A/Secretary
Date Received: 24 May 2016

IMPLEMENTATION OF RECOMMENDATIONS

Department of Industry

Vocational Education and Training Reform

RECOMMENDATION		ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1	finalise accountability arrangements for TAFE's non-contestable funding and specify what it expects each TAFE Institute to provide and report on for its direct funding.	Accepted	Develop a Memorandum of Understanding (MOU) with TAFE NSW	April 2015	Completed COMMENT An MOU was signed in May 2015 between the former Department of Education (DEC) and Communities' State Training Services (STS) and TAFE NSW detailing TAFE's accountability for reporting under Smart and Skilled and payment arrangements for funding.	NSW Department of Industry and TAFE NSW
2	expedite State Training Services' training and reorganisation to ensure its people have the capabilities to monitor and regulate training, protect students and ensure value for money	Accepted	Complete the reorganisation of STS and associated people placement process.	April 2015	Completed COMMENT The Administrative Arrangements Order 2015 resulted in STS moving from the former DEC to the NSW Department of Industry (DOI). This has resulted in a new organisational structure with realigned functions. The new structure has been operational since August 2015. The Department of Industry is currently implementing the staff placement process.	NSW Department of Industry
3	add information about the demand for qualifications on the Smart and Skilled website for students looking for courses	Accepted	Develop job guides and publish these on the Smart and Skilled website	April 2015	Completed COMMENT A set of 100 job guides for high priority occupations in NSW have been developed and 50 of these are on the Smart and Skilled	NSW Department of Industry

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				website. The remaining 50 will be publicised in the remainder of 2016.	
4	Accepted	Complete an MOU between Board and the Department of Industry.	July 2015	<p>Completed</p> <p>COMMENT The NSW Skills Board completed an MOU for 2015/16 with the Department of Industry for services, staffing and funding. The Department and the Board also agreed the Board's budget for 2015/16.</p>	NSW Department of Industry
5	Accepted	Develop and BRP and publish it	July 2015	<p>Superseded</p> <p>COMMENT A draft BRP was developed. With progressing recommendation 6 it became clear that the metrics for the BRP were the same as those of the Performance Report. We believe that completing recommendation 6 satisfies the implementation of recommendation 5. This course of action was discussed informally with the NSW Audit Office in November 2015. The Department will write to the Auditor General on this matter.</p>	NSW Department of Industry
6	Accepted	Develop and publish regular reports on performance of VET in NSW	July 2015	<p>Completed</p> <p>COMMENT In December 2015, the Department completed the development of a monthly report format</p>	NSW Department of Industry

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<p>trends in training activity by provider type, industry, equity group and region to identify gaps and changes in VET delivery; progress against NSW 2021 targets; RTO quality indicators, such as graduate employment outcomes and student and employer feedback; trends in efficiency gains and the cost of delivery; what TAFE provided for its non-contestable funding..</p>				<p>for reporting on the performance of VET programs in NSW. Reports for January and February have been completed and will be published shortly.</p>	
<p>7 publish a State Training Plan for the next four years that: identifies the actions it will take to capture efficiencies and build a sustainable VET system capable of supporting the NSW goal of a more highly skilled population; sets targets for the number of VET enrolments and completions each</p>	<p>Accepted</p>	<p>Develop and publish a Skills Plan for NSW</p>	<p>July 2015</p>	<p>Delayed</p> <p>COMMENT</p> <p>The NSW Skills Board has agreed to develop a Strategic Skills Plan for NSW in 2016 which will align with the NSW Government's industry development and job growth priorities.</p> <p>The development of the Strategic Skills Plan will be informed by the outcomes of the review of the first year implementation of Smart and Skilled. The review is due for</p>	<p>NSW Department of Industry in collaboration with the NSW Skills Board</p>

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<p>year needed to support this goal; identifies the State's investment priorities and planned funding for VET. (page 42)</p>				<p>completion in May 2016 and the Skills Plan will be completed in 2016.</p>	
<p>8 to inform the 2016 review of VET pricing: collect robust data on the cost of training delivery; assess whether qualification pricing should be weighted to reflect public value; assess the impact of the partial implementation of the 2013 IPART recommendations on pricing for VET in relation to the efficient price for student fees and the decision not to define the fee as a maximum and allow RTOs to charge up to 50 per cent less.</p>	<p>Accepted</p>	<p>Collect data to inform review of Smart and Skilled prices and pricing methodology</p>	<p>During 2015</p>	<p>Completed</p> <p>COMMENT A new pricing model will be developed in the second half of 2016 and early 2017 for implementation in a staged approach in 2018. The new model will be informed by the outcomes for the review of year one of implementation of Smart and Skilled.</p>	<p>NSW Department of Industry</p>