

**Submission
No 11**

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS FEBRUARY 2018 - JULY 2018**

Organisation: NSW Department of Education

Date Received: 30 July 2019



Education

Mr G M Piper MP
Chair
Public Accounts Committee
Legislative Assembly
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

DGL19/467

Dear Mr Piper

Thank you your letter of 3 July 2019 seeking the Department of Education's response to the Auditor-General's performance audit report – Matching skills training with market needs, tabled on 26 July 2018.

I am pleased to provide the attached as the Department's 12 month progress report to the Auditor-General's performance audit report – Matching skills training with market needs.

I can confirm that the two recommendations which were due for completion by 30 June 2019 have been implemented, and that the remaining four recommendations, which are due by December 2019, are on track.

This NSW Auditor-General's report findings and recommendations have made a useful contribution to work that was underway in the Department to build the evidence base and ensure that our NSW Government-funded vocational education and training system is responsive to the skill needs of NSW.

Yours sincerely

Mark Scott AO
SECRETARY
DEPARTMENT OF EDUCATION
30 July 2019



DEPARTMENT OF EDUCATION – IMPLEMENTATION OF RECOMMENDATIONS – 12 MONTH PROGRESS REPORT

NSW Auditor-General’s Performance Audit: ‘Matching skills training with market needs’

	Recommendation	Actions to be taken	Due	Status and Comment	Responsibility
1	Increase transparency of decisions about proposed changes to the NSW Skills List and improve record-keeping of deliberations regarding these changes.	Review NSW Skills List procedures in light of this Audit Office recommendation.	June 2019	<p>Completed</p> <p>To increase transparency and improve record keeping, the NSW Skills List Review process <u>now includes</u>:</p> <ul style="list-style-type: none"> • better information to potential applicants about the assessment criteria, process for assessing applications and what constitutes strong evidence against the criteria; • more detailed records of key datasets and assessment panel deliberations to ensure reasons behind decisions regarding each application are recorded in specific detail; and • targeted feedback to applicants on why the Department’s assessment panel recommended adding their requested qualification (if applicable) and feedback on why the assessment panel did not add qualifications. 	Skills Policy, Enablers & Analytics branch
2	Investigate why training providers do not offer, and prospective students do not enrol in, some Smart and Skilled-subsidised qualifications.	<p>Review NSW Skills List qualifications with no or low enrolments.</p> <p>Investigate reasons for no or low enrolments with providers.</p>	June 2019	<p>Completed</p> <ul style="list-style-type: none"> • Data and options for addressing qualifications with low or no enrolments have been developed and are being further consulted with industry. • Providers were consulted at relevant NSW Skills Board meetings. 	Skills Policy, Enablers & Analytics branch

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3	Use data more effectively and consistently to ensure that the NSW Skills List only includes high-priority qualifications.	<p>Review NSW Skills List qualifications with low or no enrolments.</p> <p>Use data and analytical capability of the Department to better understand and employ matching of skills training to market needs.</p>	Dec 2019	<p>On track</p> <ul style="list-style-type: none"> • The Department has conducted a full assessment of the 778 courses on the NSW Skills List and modelled various scenarios for criteria to be used. • Decisions about alternative actions for poor performing qualifications will require further consultation with the market and are ultimately expected to increase effectiveness of the NSW Skills List. • The Department has used relevant tools available such as regional shortages analytics, provider mapping, and both major datasets to analyse the List. 	Skills Policy, Enablers & Analytics branch
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.	<p>Undertake a program evaluation, consistent with the NSW Government Program Evaluation Guidelines, of the Smart and Skilled equity-based loadings program and the location based loadings program to verify a causal link between program activities and intended outcomes.</p> <p>Skills Policy Enablers & Analytics also has a disability and NSW VET system project that will generate insights for the program evaluation.</p>	Dec 2019	<p>On track</p> <ul style="list-style-type: none"> • Evaluation methodologies were developed in December 2018. • Draft evaluation reports were prepared in April 2019. • Evaluation reports to be reviewed and quality control to be undertaken. • Evaluation reports to be completed and approved by September 2019. 	Program Evaluation. Skills Policy, Enablers & Analytics branch.

	Recommendation	Actions to be taken	Due	STATUS AND COMMENT	Responsibility
5	Provide longer-term funding certainty to high performing training providers, while retaining incentives for them to continue to perform well.	Undertake a project to consult with internal and external stakeholders including training providers and other jurisdictions to identify options for longer-term funding certainty for high performing providers, while also incentivising for continued high performance and strengthening student outcomes.	Dec 2019	On track <ul style="list-style-type: none"> • Research and consultation within the former Department of Industry completed in Dec 2018. • Consultation with the NSW Department of Education (Legal, Procurement and Finance) to be conducted in August 2019. • Alignment with a range of other projects to streamline Smart and Skilled to occur in August 2019. • External consultation to be conducted in September/October 2019. • Development of options for alternative models to be completed in October/November 2019. • Decision whether to implement a new model to achieve longer-term funding certainty which rewards high performance RTOs expected in November/December 2019. • Communications to market anticipated in December 2019. 	Skills Policy, Enablers & Analytics branch
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.	A project to develop a Smart and Skilled communication strategy for learners, training providers, VET teacher/trainers and parents; leveraging from the NSW VET Repositioning campaign	Dec 2019	On track <ul style="list-style-type: none"> • The framework for a communication strategy was completed in December 2018. • Remaining actions for the implementation of the strategy will be completed by December 2019. 	Training Services NSW branch