



The Hon. John Barilaro MP

Minister for Regional Development

Minister for Skills

Minister for Small Business

QUESTION

The Hon. DANIEL MOOKHEY: Minister, how many contracts with private providers has the Government terminated for non-compliance with its contracts? When were you first informed?

Mr JOHN BARILARO: That seems to be a very detailed question in relation to contracts with private providers. I understand that you had David Collins here this morning from State training services. That would have been a question that is appropriate for David.

The Hon. DANIEL MOOKHEY: Actually, it was a question I asked him as well, but I am asking you when were you advised?

Mr JOHN BARILARO: It is a detailed question and it is a question that I think is more applicable to an estimates hearing rather than a hearing in relation to the future of TAFE.

The Hon. GREG DONNELLY: Minister, you do not get to tell us who asks questions.

The Hon. DANIEL MOOKHEY: Minister, I appreciate your advice, but the question that I am asking you is: Have you been advised of the need to terminate such a contract? We are, of course, chartered with the responsibility of looking into the private provision of these services.

Mr JOHN BARILARO: Yes, and they are the operational matters that State training services have carriage over.

The Hon. DANIEL MOOKHEY: Am I right to say that you leave it to your department to handle that, or you do not take any interest in that?

CHAIR: Order! Minister, take it on notice.

Mr JOHN BARILARO: Firstly, there was the implication that I have no interest. I take a deep interest in what happens with Smart and Skilled and what happens with vocational education and training in this State. I do. But there are operational matters from both the TAFE perspective or a private provider perspective that are detailed questions and detailed issues that are subject to the department and agency that are responsible for it.

ANSWER

As at 8 October 2015, the Department has terminated the contracts of eight providers since the start of Smart and Skilled on 1 January 2015.

I receive regular updates on these operational matters.

QUESTION

CHAIR: Minister, can you explain the process by which contracts were awarded to training providers for 2015? How did the department work out the provider caps for the different regions and qualifications? You may want to take that question on notice.

Mr JOHN BARILARO: Again, that is a very detailed question and I am happy to take it on notice. It is a question for the State Training Services [STS].

ANSWER

The Smart and Skilled Provider Application was the process by which NSW based Registered Training Organisations (RTOs) applied to become an approved provider. The design of this process was based on the following government priorities: high quality training; consumer choice; budget neutrality; and a strong public VET provider.

An evaluation methodology was designed in line with NSW Government procurement guidelines and the NSW Quality Framework defined the eligibility and assessment criteria for the application process.

The process was guided by a steering committee which included an independent probity advisor and an external VET quality advisor.

A three stage assessment was carried out, which included assessments of RTOs':

1. Organisational capacity and capability
2. Contractual compliance and performance
3. Qualification capability, capacity and performance by region.

RTOs were required to meet minimum benchmarks set for assessment areas 1 and 2 (organisational assessment and compliance) to be considered for approval to deliver qualifications in regions.

Fifteen ABS regions were used and training activity targets were established for qualifications in each of the regions based on forecasted activity and available budget.

For the Smart and Skilled Entitlement Full Qualifications program, provider financial caps for training commencements in 2015 were allocated on the basis of providers' relative assessment scores and the capacity to meet forecasted student demand in each of the regions.

The final outcomes were subject to sensitivity analysis to achieve the best balance between:

- Adequate coverage of qualifications in both metropolitan and regional areas
- Sustainable structural adjustment in year one for the public provider
- Sufficient diversity of providers for consumer choice
- Sufficient size of allocation to some providers in some regions for economic viability.

QUESTION

Dr JOHN KAYE: Minister, I now take you to Reskilling NSW. On 2 February your predecessor announced that there was \$48 million for fee-free scholarship for 200,000 concession-eligible 15- to 30-year-olds. Here we are over half way through the year and you have told us that only 5,000 scholarships—that is, 2½ per cent of those scholarships—have been allocated. Am I right to be a bit concerned that you are not going to make your target of 200,000?

Mr JOHN BARILARO: No, it was 200,000 over four years—so 50,000 places per year—as of 1 July. So although it was an election announcement the scholarships came into being in this year's budget as of 1 July. We have seen 5,000 taken up, and on the recent numbers it is closer to 7,000. I think it is actually a very good start. It gives me hope.

Dr JOHN KAYE: So you reckon you are on track?

Mr JOHN BARILARO: It gives me hope and heart that we are on track to make sure we assist those facing disadvantage.

Dr JOHN KAYE: So tell us how people are getting these scholarships. Do they roll up to TAFE, show that they are eligible and then they are given this?

Mr JOHN BARILARO: That is one part of it.

Dr JOHN KAYE: If I roll up to TAFE and I am eligible—I am a social housing resident, I am between 15 and 30 years old and I am engaging in a certificate course—will I get one of these scholarships automatically?

Mr JOHN BARILARO: Definitely. That is how it works.

Dr JOHN KAYE: Everybody will?

Mr JOHN BARILARO: Those who enrol, those who make themselves available—

Dr JOHN KAYE: Can you take on notice the allocation mechanism?

Mr JOHN BARILARO: Yes, I can.

ANSWER

Students are assessed for their eligibility at the time of their enrolment, at which point the provider advises the student that their fee has been waived. The provider then advises the Department and is reimbursed for the student fee.



John Barilaro MP
Minister for Regional Development
Minister for Skills
Minister for Small Business