

VET Sector Capacity to Respond to Human Capital Challenges

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... the challenge

The public service is to ensure there is robust, evidence-based policy making processes, where policy design and evaluation is driven by analysis of all the reasonable options, and not ideology....

The Government is interested in facts, not fads.

Prime Minister, 2008

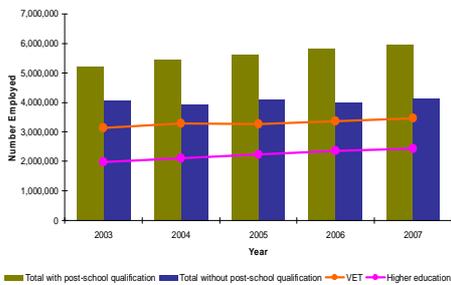
Ingredients for evidence-based policy

1. The importance of methodology
2. The pre-requisite of good data
3. The need to transparency
4. Evidence-building takes time
5. Good people are needed
6. Independence is often required
7. A receptive policy-making environment is fundamental

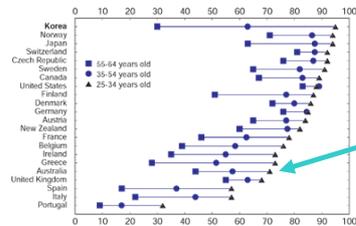
... human capital is vital

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|-----------------------------------|---|---|
| Literacy attainment | 1% increase in literacy levels | > 2.5% increase in labour productivity > 1.5% increase in GDP |
| Year 12/equiv achievement | Without Year 12/equiv One year increase in education | > 60% more likely to be unemployed > increases GDP by 3% to 6% |
| Post-school qualifications | VET skills University degree VET or University degree VET skill University degree | > 40% less likely to be unemployed > 60% less likely to be unemployed > average working life 7 years longer > 30% greater productivity > 70% greater productivity |
| Post-school | Extra year of education Extra year of training | > 10% increase in earnings over working life |
| Workforce participation | 1% increase in workforce participation | > 0.7% increase in GDP |

Post-school qualifications enhance growth



Our human capital lags other countries



Joint Priorities of Governments

2020 Targets

1. Halve the proportion of Australians aged 20-64 without qualifications at Certificate III and above between 2009 and 2020.
2. Double the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020.



The need for market-based reforms

VET student numbers are in decline

Completion rates are poor

Hours as a measure of effort has been compromised

Poor utilisation of VET qualifications

Ageing VET workforce



Thank You

