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

<table>
<thead>
<tr>
<th>Literacy attainment</th>
<th>1% increase in literacy levels</th>
<th>&gt; 2.5% increase in labour productivity</th>
<th>&gt; 5.5% increase in GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 12/pass achievement</td>
<td>Without Year 12/have</td>
<td>One year increase in education</td>
<td>&gt; 65% more likely to be unemployed</td>
</tr>
<tr>
<td>Post-school qualifications</td>
<td>VET skills</td>
<td>University degree</td>
<td>VET diploma</td>
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<tr>
<td>Post-school</td>
<td>&gt; 40% less likely to be unemployed</td>
<td>&gt; 60% less likely to be unemployed</td>
<td>&gt; average working 18-7 years longer</td>
</tr>
<tr>
<td>Post-school</td>
<td>Extra year of education</td>
<td>Extra year of training</td>
<td>&gt; 10% increase in earnings over working life</td>
</tr>
<tr>
<td>Workforce participation</td>
<td>1% increase in workforce participation</td>
<td>&gt; 0.7% increase in GDP</td>
<td></td>
</tr>
</tbody>
</table>

Post-school qualifications enhance growth

Our human capital lags other countries

NCVER, 2007
Joint Priorities of Governments

2020 Targets


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