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New South Wales Wholesale
**Retail & Associated
Services Industry**
Training Council LTD

STRATEGIC ANALYSIS OF USER CHOICE ARRANGEMENTS IN NEW SOUTH WALES

NSW WRAPS Response

October 2007

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EXECUTIVE SUMMARY

The NSW WRAPS Consultation Forum on User Choice articulated three strong views:

- WRAPS employers are currently making a considerable financial contribution to staff vocational training that complements User Choice or other government funding received (for instance, it costs hairdressers on average \$21 800 to conduct the additional on-the-job training per apprentice);
- User Choice and other government funding initiatives act as an encouragement to employers, especially small businesses, to participate in formal VET and once the benefits are experienced, they commit to further employee participation in higher level qualifications;
- RTOs need to have ongoing accountability for the quality of training they deliver under User Choice, as the anecdotal evidence suggests that many simply view it as a major income source rather than as a vehicle to promote high quality workforce capability building to meet business goals.

NSW WRAPS RECOMMENDATIONS:

NSW WRAPS recommends that:

1. an affordability target formula be introduced to determine the distribution of User Choice funding across all industry sectors, so the process is based on the following principles:
 - *Equity*
 - *Responsiveness*
 - *Accessibility*
 - *Transparency*
 - *Accountability*
2. the trade vocation for Hairdressing (WRH30106 Certificate III in Hairdressing) be immediately added to the User Choice register in response to industry demand with support from the NSW Professional Hairdressers Association (PHA) and the NSW WRAPS Board and Council;
3. the trade vocation for Beauty Therapy, WRB40105 Certificate IV in Beauty Therapy, not be added to the User Choice register;
4. that the Beauty Therapy Certificate II pathways (WRB20104; WRB20204; WRB20304) be available on the User Choice register to address the skills shortage;
5. a pre-requisite of a 5.5 IELTS score or equivalent, be required by candidates undertaking an entry level Certificate IV that attracts government funding through User Choice;
6. the Certificates II in Community Pharmacy and Floristry be a User Choice priority for those industry sectors, followed by the Certificate III;
7. the Certificate III, followed by Certificates IV and II, be the User Choice priority for the Retail, Wholesale and Funeral Services sectors;
8. NSW WRAPS recommends that the state ITABs be commissioned to work in collaboration with DET to present industry specific professional development activities for RTOs to gain and retain membership of the User Choice Approved Provider List.

1. Background

The NSW Board of Vocational Education and Training (BVET) has asked the Department of Education and Training (DET) to conduct a strategic analysis of User Choice arrangements. The analysis will consider the currency of user choice principles and administrative arrangements to meet industry, State and national priorities to grow apprenticeships and traineeships.

The NSW WRAPS response to the Strategic Analysis of User Choice examines:

1.1 Effectiveness and Capacity

User choice policy and program design for capability to meet industry, State and national priorities to grow apprenticeships and traineeships.

- user choice coverage of traineeship and apprenticeship qualifications including diploma and advanced diploma qualifications
- degree of prioritisation for public funding and mechanisms for prioritisation
- training provider capacity to support expansion in priority skill areas
- role of competition in publicly-funded training to harness capacity for growth.

1.2 Administrative Arrangements

Administrative arrangements that may detract from, or enhance User Choice.

- pricing structures, financing arrangements and payment processes
- contract administration.

1.3 Future Directions

Options and recommendations for future management of User Choice.

- principles for managing competition, prioritisation and eligibility
- resourcing and administrative arrangements.

2. User Choice Overview

User Choice is a national policy governing the flow of public funds to Registered Training Organisations (RTOs). The purpose of User Choice is to make vocational education and training (VET) more responsive to the needs of industry and employers.

User Choice policy works in conjunction with the [Australian Apprenticeships](#) system enabling employers and apprentices/trainees to:

- choose an RTO to best provide them with training services
- negotiate key aspects of training, such as where, how, and when it is provided.

The choices made by employers and apprentices/trainees influence the flow of public funds to individual RTOs. (Refer to Annexure 1)

3. User Choice Arrangements – Other States and Territories

The DET Consultation Paper notes at page 6, that

“All States manage their traineeship and apprenticeship markets to varying extents. A summary of other State arrangements is outlined below.”

- *Victoria*: All apprenticeships and traineeships are a priority
- *Queensland, South Australia, Western Australia and Tasmania* - manage which areas are opened up according to strategic priority
- *ACT and NT* operate in thin market environments

4. Key workforce skilling drivers identified in NSW around User Choice

NSW has a strong imperative to review and reshape its User Choice arrangements given:

- An ageing workforce, technological change and global economic competition are among major drivers of the need for a broadening and a deepening of the NSW skills base.
- Monash University has identified that to meet workforce needs, employed people with formal post-school education or training qualifications is projected to rise from 58% in 2005 to 71% in 2016 with an emphasis on higher level vocational skills
- The **National Training Reform Agenda** includes commitments to increase apprenticeships, address skills shortages, support higher-level qualifications and improve the flexibility of the VET system, including more effective competition in training markets;
- In NSW. **The State Plan – A New Direction for NSW**, sets targets for increasing participation in training
 - Increase from 82.7% in 2005 to 90% in 2016, the proportion of students completing the HSC or vocational training;
 - Increase from 11.7% in 2005 to 16% in 2016, the proportion of people aged 15-64 participating in VET;
 - Increase from 228 000 in 2005 to 250 000 in 2012 to 300 000 in 2016, the number of people in regional areas participating in VET.
- The **NSW Government’s Learn or Earn Skills Package** provides a number of initiatives such as more apprenticeships and an expansion of higher-level skills training
- Under the **2006-2008 Skilling Australia’s Workforce Agreement** and related VET Plan, NSW has an obligation to maximise choice in training for employers and trainees in accordance with national User Choice policy

(refer: to Apprenticeships, September 2007 DET Consultation Paper at page 5, *“While User Choice apprenticeships accounted for almost half of all apprenticeship approvals, private training providers accounted for around 6% of this User Choice market in 2006”,* that is, TAFE NSW received 94% of total apprenticeship funding.)

5. User Choice: The Current WRAPS Position

It is apparent that continuing growth in traineeships and apprenticeships in NSW is causing significant pressure on DET's capacity to continue funding the current register of qualifications and RTOs without introducing capping or other control mechanisms.

“User Choice cost pressures will increase in the future as growth in traineeships and apprenticeships continues, including through school-based delivery and higher skills.”
(DET Consultation Paper, Administration – Contracts and Pricing, p6)

It is further noted that, “

Of the more than 35 400 entry-level traineeships (Certificate II-IV) approved in 2006, there were wide variations in shares between different industry sectors and individual qualifications. Of 20 industry groupings, three account for almost half of all entry-level approvals (Appendix A). The Retail and Wholesale sector accounted for the highest proportion of 2006 entry-level approvals, followed by Finance, Insurance and Business Services, and Tourism.

Retail Operations (Certificate II) continues to be the largest single entry-level qualification, accounting for 12% of all approvals in 2006. This qualification and the next two largest, Telecommunications Customer Contact (Certificate III) and Hospitality Operations (Certificate II), together accounted for nearly a quarter of all entry-level traineeship approvals.”

(DET Consultation Paper, Traineeships, p6)

Such comments in the DET Consultation Paper need to be placed in context of the size and growth requirements of industry sectors. For instance, in NSW there are 57 657 retail businesses employing 491 300 employees, comprising 32.5% of Australian retail jobs totalling 1. 513 million. (Annexure 5: WRAPS Industry Profiles).

However at **Annexure 3 – WRAPS approved Apprenticeships and Traineeships**, the DET statistics (dated 7 January 2007) reveal that only a total of 6 111 new entrant trainees and 2 727 existing worker trainees were approved across all Retail qualifications (Certificates II – IV) during the 2006 calendar year. This accounts for just 1.8% of the current NSW Retail workforce.

The DET Consultation Paper states that *Retail Operations (Certificate II) continues to be the largest single entry-level qualification, accounting for 12% of all approvals in 2006*, with an inference that this is an unproportionate number relative to other industries. The pie graph at **Annexure 2: 2007 Employed by Industry**, sourced from the NSW Department of State and Regional Development (DSRD), shows that Retail (14%), Wholesale (4%) and Personal and other Services (4%) total 22% of the persons employed in this state, with Retail being the largest employer in regional and rural NSW.

Annexure 2 also shows that the Australian Retail industry will require another 128 200 employees by the financial year 2011-2012, according to the Federal Government's www.business.gov.au website with the NSW share being around 42 000 new employees.

NSW WRAPS further analysed the statistics presented at the DET Consultation Paper's Appendices A and B to determine if the share of approvals was fairly distributed across the industry sectors on a pro-rata basis. This analysis is found at **Annexure 4: ANZSIC Profiles – 20 NSW ITABs** and is based on the DSRD 2007 Employed by Industry figures at **Annexure 2**.

Our Annexure 4 also includes the most recent statistics (2005-06) for Industry Value (\$A m) for each ITAB's grouping of industries by ANZSIC Code, demonstrating that some sectors have significantly greater economic importance to the state, despite pro-rata employment figures.

6. User Choice: The Future – Effectiveness and Capacity

In order to ensure that industry sectors received a fair and equitable distribution of User Choice funding to support the economic growth and associated skills development targets set in the **State Plan – A New Direction for NSW** (Annexure 7) and address recognised skills shortages, NSW WRAPS organised an industry forum on 4 October 2007 to consider the challenges presented in the DET Consultation Paper.

Three strong messages were articulated by the Forum:

- 6.1 WRAPS employers are currently making a considerable financial contribution to staff vocational training that complements User Choice or other government funding received (for instance, it costs hairdressers on average \$21 800 to conduct the additional on-the-job training per apprentice);
- 6.2 User Choice and other government funding initiatives act as an encouragement to employers, especially small businesses, to participate in formal VET and once the benefits are experienced, they commit to further employee participation in higher level qualifications;
- 6.3 RTOs need to have ongoing accountability for the quality of training they deliver under User Choice, as the anecdotal evidence suggests that many simply view it as a major income source rather than as a vehicle to promote high quality workforce capability building to meet business goals.

WRAPS considered two formula options for industry sector User Choice funding allocation to alleviate the growth stress on the current arrangements as shown at Appendix B of the September 2007 DET Consultation Paper (page 8):

- 1) an equalised industry sector, relative employee numbers-driven formula; or
- 2) an affordability target formula that identifies the number of employees per industry sector relative to the NSW total employed population, adjusted by key weighting indicators such as urban/regional demographic; state strategic economic importance; performance measures (RTO delivery mode; average completions per qualification stream; disability population) and a dollar value modifier to account for total annual program budget.

NSW WRAPS supports option 2. The formula could be phased in over two years during which time the indicators would be tested in year one and adjusted accordingly. Such a mechanism would also allow funding to keep up in real terms and address the decade-long static pricing framework as stated in the Consultation Paper Section – Contracts and Pricing (page 6), *“Tremendous growth in paid entry-level traineeship numbers since 1998 has meant that prices have remained mostly static to manage available public resources.*

In general terms, such an affordability target funding formula is guided by the following five principles:

- **Equity** – fair and equitable allocation across industry sectors (versus adhoc or a first-in, first-served basis)

- **Responsiveness** – state goals and responsibilities are accommodated (accounts for economic/ infrastructure critical drivers)
- **Accessibility** – adjustable for unique cost and quality characteristics of service delivery in regional locations and/or RTO delivery mode or learner disability; and changes in emerging workforce capability development (introduction of new Training Packages/qualifications/skill sets/industry trends or technologies);
- **Transparency** - open to public scrutiny; simple, realistic and understandable; promotes review of the relevant formula indicators
- **Accountability** – defines the inherent measures and cost structure so that the parties can understand their reporting requirements.

7. User Choice: Add Hairdressing Apprenticeship + Certificate IV Traineeship

NSW WRAPS recommends that the trade vocation of Hairdressing (WRH30106 Certificate III in Hairdressing) be immediately added to the User Choice register in response to industry demand with support from the NSW Professional Hairdressers Association (PHA). This recommendation received unanimous endorsement from the NSW WRAPS Board and Council, after careful consideration of the NSW industry profile, training provider capability to meet market demand, and its listing on the Australian Government Skills Shortages MODL for immigration as overviewed below.

7.1 The Migration Occupations in Demand List (MODL) – AUSTRALIA

(<http://www.immi.gov.au/skilled/general-skilled-migration/skilled-occupations/occupations-in-demand.htm>)

The Migration Occupations in Demand List (MODL) lists those occupations and specialisations identified by the Australian Department of Employment and Workplace Relations (DEWR) that are in short supply. Hairdresser (ASCO Code 4931-11) has been listed for over 12 months now. In NSW, the state-wide shortage of hairdressers is recognised.

In 2006, only 1504 students and 226 Beauty Therapy students (total 1730) enrolled in the TAFE courses, compared with a total of 4 883 students in 1997 and 5 023 students in 1996.

(Source: <http://www.workandfamily.nsw.gov.au/payequity/report/industries/hairdressers+and+beauty+therapists.html>)

7.2 NSW Industry Profile – Hairdressing

The Hairdressing industry in Australia is characterised by a substantial number of small businesses providing unique and complex hairdressing services to clients on a one-to-one basis. In 2002-03 the estimated industry revenue was \$2 346m with 21 349 hairdressing locations/establishments nationwide. By 2006, NSW's industry share was 35.5% with Victoria the next largest market at 24.5%.

In 2005, the Australian Department of Employment, Workplace Relations and Small Business indicated that the hairdressing industry had 53 400 employees with a third aged between 25 and 34 years and 61% working full-time (up from a total of 48 700 in 2004 or 9% annual growth). Women comprise 83.1% of employees. Over recent years, the industry has experienced significant structural change with closures and mergers leading to a rationalisation of a number of operators.

The industry has a very high business failure rate. Having significant hairdressing and creative skills is insufficient to achieve financial success as these skills need to be complemented with basis business skills. Therefore to increase the success rate of NSW hairdressing businesses,

NSW WRAPS supports the addition of a second hairdressing qualification, WRH40106 Certificate IV in Hairdressing, to the User Choice register because this higher level qualification is devoted to providing the operational business skills required for survival in the trade.

7.3 RTO Capability to meet Hairdressing market demand in NSW

Ten NSW TAFE Institutes and 29 private RTOs are registered on the National Training Information Service (www.ntis.gov.au) to deliver the WRH06 Hairdressing Training Package qualifications (Table 1) in NSW.

Table 1: WRH06 Hairdressing Training Package Qualifications

CODE	NAME
WRH20106	Certificate II in Hairdressing
WRH30106	Certificate III in Hairdressing (<i>trade vocation</i>)
WRH40106	Certificate IV in Hairdressing
WRH40206	Certificate IV in Trichology
WRH50106	Diploma of Hairdressing Salon

Some states like Victoria and Western Australia, have declared a Certificate II traineeship pathway to support a separate job outcome, salon assistant. However in NSW, there is no industrial instrument in the Hairdressers' & c., (State) Award to enable such a traineeship declaration and during the recent amendments to the Award, the industry again rejected the move to do so.

However, two pathways are supported by the industry and recognised in the Award for the trade vocational qualification, Certificate III in Hairdressing, that is, the apprenticeship as well as the full-time, full-fee paying, 12 month educational program, which caters for both domestic and CRICOS students. With many private RTOs already delivering the trade-equivalent Certificate III in Hairdressing to NSW clients, it is assumed that they have the necessary learner resources, assessment tools and access to workplace environments to satisfy VETAB compliance and the industry-specific requirements.

It is noted that Hairdressers make a significant contribution of around \$21 800 per apprentice in undertaking the necessary in-house training which complements the theory and skills provided by the RTO.

NSW WRAPS brings to DET's attention, the widespread industry support for the Certificate III in Hairdressing to be added to the User Choice register to help alleviate the existing skills shortage crisis. With an annual growth rate of around 9%, the market will definitely support the delivery of the trade apprenticeship by private providers to help alleviate the situation, without undercutting or detracting from TAFE NSW enrolments.

8. Beauty Therapy Apprenticeship

The two peak industry associations for Beauty Therapy, the Advanced Association of Beauty Therapists (AABTh) and the Australian Association of Professional Aestheticians (APAA) unanimously support the retention of the trade apprenticeship with TAFE NSW, given the relatively low numbers (226 approvals in 2006) and the need to benchmark the professional skilling standard. Therefore, NSW WRAPS does not recommend that this qualification be added to the User Choice register.

However, given the increasing demand for beauty therapists - 29% growth from 2004 to 2005 – the industry recognises the imperative to attract new entrants through the Certificate II pathways (Table 2) as many people are unwilling to commit to the term of the apprenticeship. NSW WRAPS supports the industry's inclusion of the Certificate II traineeship pathways on the User Choice register as a strategy to address their skills shortage.

Table 2: Beauty Therapy Entry Qualifications

CODE	NAME
WRB20104	Certificate II in Nail Technology
WRB20204	Certificate II in Make-up Services
WRB20304	Certificate II in Retail Cosmetic Services

9. English Language Skills pre-requisite for Certificate IV entry qualifications.

NSW welcomes a rich and diverse multi-cultural society. In the WRAPS sectors, high level customer service and interaction with clients who are predominantly English speaking, is a critical determinant of a successful business. Two of our industries, Beauty Therapy and Retail Newsagents, have a minimum requirement of a Certificate IV qualification as the recognised trade entry level. Both areas appear to attract a strong candidature from Non-English speaking backgrounds where the first language may be an advantage in the marketplace, but a working knowledge of English speaking and writing skills are also necessary for business survival. The Newsagents Association of NSW and ACT suggests that a pre-requisite of a 5.5 IELTS score or equivalent, be required by candidates undertaking a Certificate IV who attract government funding through User Choice. In this skills shortage environment, the Association is implementing a support platform for their candidates to achieve the relevant qualification with several best-practise strategies, however it is very difficult for candidates to achieve the qualification and hence their accreditation, if they have no English.

10. Community Pharmacy

As a result of recent changes, the Community Pharmacy sector is now part of the SIR07 Retail Services Training Package. The Pharmacy Guild of Australia has expressed great concern about reducing the amount of NSW User Choice funds allocated to the entry level SIR20107 Certificate II in Community Pharmacy. The impact of a funding cut would be disastrous for the Community Pharmacy workforce and industry, currently experiencing a skills shortage.

The Pharmacy Guild strongly believes that User Choice funding of traineeships for a Certificate II in Community Pharmacy is critical because:

- The role of the pharmacy assistant is rapidly changing from that of a retail assistant to a more complex one assisting the pharmacist at a higher level;
- Certificate II is an important entry level course, providing the vital product knowledge for work in a pharmacy;
- The role of a pharmacy assistant is quite different to other retail roles, requiring important legislative and regulatory training at entry;
- There is no room for wrong advice in pharmacy, with any sales being related to the health of community members;

- As a result of an industry agreement with government, a new standard mandates that anyone involved in the sale of non prescription medicines, (pharmacy & pharmacist only medicines) must pass a recognised, nationally accredited course on this topic. The unit, named 'Support the Sale of Pharmacy and Pharmacist Only Medicines' is part of the new Certificate II in Community Pharmacy;
- The retail and community pharmacy qualifications are vastly different in content and duration;
- Pharmacies are all small retailers- the regulatory structure limits pharmacy ownership.

NSW WRAPS recommends that the Community Pharmacy qualifications be placed on the User Choice register in the following priority order:

- Certificate II
- Certificate III

11. Other WRAPS Industry Sectors

The NSW Professional Floristry Association has supplied strong advice that the WRF20104 Certificate II in Floristry is their top priority for User Choice as this entry level qualification provides learners with the craft skills they require to gain employment in the trade, with the progression through Certificates III and IV offering the higher level craft and business skills for unsupervised operation or small business management.

The NSW WRAPS Industry Consultation Forum discussed at length the priority options for the Retail, Wholesale and Funeral Services qualification pathways for User Choice. As each qualification reaches a different, but equally important, target market in the relevant industry sector, it was difficult deciding which, if any, should have preference over another. Finally the Forum agreed that retention of the existing worker was a key strategy in a skills shortage environment where there is a diminishing pool of available talent. Therefore, across the Retail, Wholesale and Funeral Services sectors, the Certificate III was deemed the first priority, followed by Certificates IV and II.

12. ITAB Role in Monitoring RTO Performance

Significant anecdotal evidence exists to raise NSW WRAPS' concern about the general quality of RTO delivery and assessment, particularly across the Retail and Wholesale sectors. Aligning RTO performance for inclusion on the User Choice register, more closely with industry-specific professional development, will allow RTOs to deliver and assess skills development against industry best practice standards as these sectors are fast-paced and subject to constantly emerging consumer trends and fashions.

NSW WRAPS recommends that the state ITABs be commissioned to work in collaboration with DET to present industry specific professional development activities for RTOs to gain and retain membership of the User Choice Approved Provider List.

Annexure 1: User Choice

User Choice – a national initiative

User Choice is a national policy governing the flow of public funds to registered training organisations (RTOs). The purpose of User Choice is to make vocational education and training (VET) more responsive to the needs of industry and employers.

User Choice policy works in conjunction with the [Australian Apprenticeships](#) system enabling employers and apprentices/trainees to:

- choose an RTO to best provide them with training services
- negotiate key aspects of training, such as where, how, and when it is provided.

The choices made by employers and apprentices/trainees influence the flow of public funds to individual RTOs.

How User Choice operates

User Choice is applied differently in each state and territory, according to regional and industry training needs and budget constraints.

Generally, RTOs compete for User Choice funding, either through direct funding applications or an electronic tender or bidding process.

State and territory training authorities (STAs) decide which Australian Apprenticeships are eligible for User Choice funding. The level of funding and how and when funds are allocated vary according to:

- State or territory strategic initiatives
- The changing demand for training
- Budgetary constraints
- Thin markets – qualifications with low enrolments of apprentices or trainees.

Applying for funding

RTOs can only tender for funding for training they are registered to deliver.

When applying for User Choice funding, RTOs will be asked to provide the following information:

- Scope of registration - the vocations and related qualifications to be offered
- State and national codes for all qualifications · the proposed numbers of students for off and on-the-job
- The proposed number of off-the-job hours to be delivered during the application year.

An RTO can apply for User Choice funds in a state or territory other than the one they are registered in if they delivering training in that state or territory. They can only apply for funding for training they are registered to deliver.

Enterprise RTOs

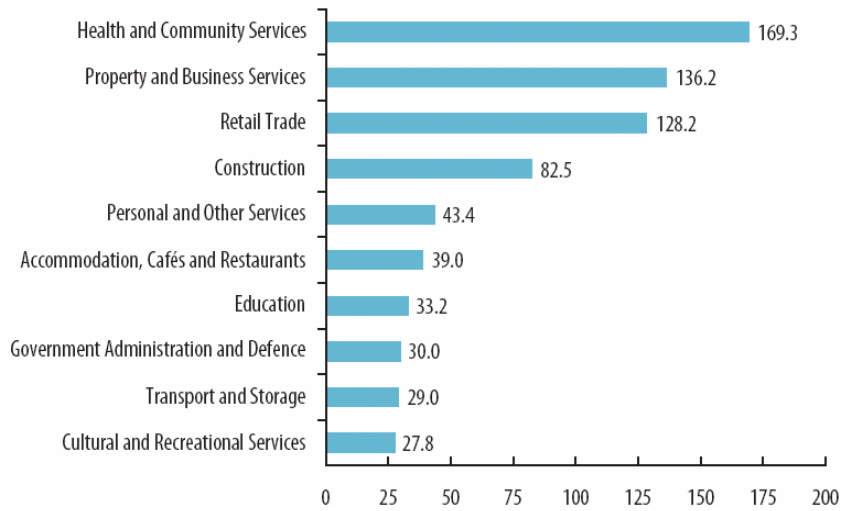
In some states and territories, enterprise RTOs (whose core business is not training) are funded differently to RTOs whose core business is training. In South Australia, for example, enterprise RTOs are funded at 50% of User Choice funding rates for non-enterprise RTOs.

(Source: DEST website - www.training.com.au)

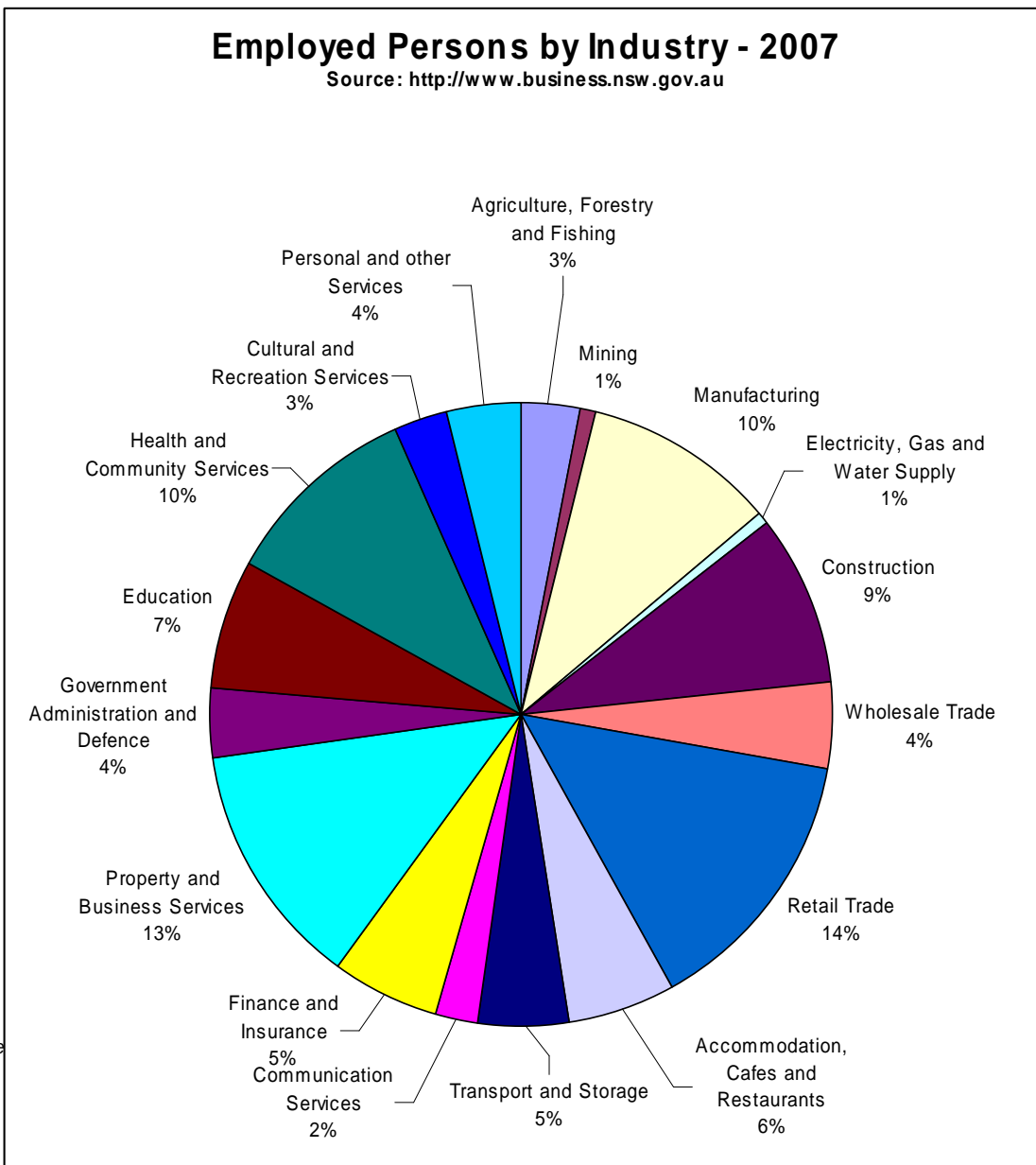
Annexure 2: 2007 Employed by Industry and Projected Growth Statistics

Australia's Projected Employment Growth to 2011 – 2012 – Source: <http://www.workplace.gov.au>

*Projected Employment Growth to 2011–12
Top 10 industries ('000)*



New South Wales break-up of Employed Persons by Industry – 2007



Annexure 3: WRAPS Approved Apprenticeships & Traineeships DET Report – December 2006

Qualification	2006 New Entrant	2006 Existing worker
Retail Operations Certificate II	4 106	87
Retail Operations – Store Operations (Woolworths Supermarkets) Cert II	4	11
Retail Operations – Store Operations (Big W) Certificate III	15	108
Retail Operations – Store Operations (Freestanding Liquor) Certificate III	5	31
Retail Operations – Store Operations (Woolworths Supermarkets) Cert III	1	81
Retail Operations Certificate III	1 278	1 418
Retail Supervision Certificate III	603	707
Retail Management Certificate IV	98	226
Retail Operations – Retail Management (Consumer Electronics) Cert IV	0	8
Retail Operations – Retail Management (Woolworths Supermarkets) C IV	1	50
Wholesale Services (Wholesale Management) Certificate IV		1
Wholesale Services (Wholesale Operations) Certificate II	1	1
Wholesale Services (Wholesale Operations) Certificate III	56	70
Beauty Services – Nail Technology Certificate II	0	0
Beauty Services – Retail Cosmetic Services Certificate II	2	0
Beauty Therapy Certificate IV (Apprenticeship)	226	-
Hairdressing Certificate III (Apprenticeship)	1509	-
Community Pharmacy Operations Certificate II	196	0
Community Pharmacy Operations Certificate III	107	104
Community Pharmacy Operations Certificate IV	3	15
Floristry Certificate II	2	0
Floristry Certificate III	21	1
Funeral Services (Funeral Operations) Certificate II	0	0
Funeral Services (Gravedigging, Grounds Maintenance) Certificate III	0	0
Funeral Services (Embalming) Certificate IV	0	0

Annexure 4: ANZSIC Profiles – 20 NSW ITABs

(Source : <http://www.business.nsw.gov.au>)

ITAB	Business defined by ANZSIC	Number of Employees – 2007	Industry Value A\$ Million (2005 – 2006)
Arts Training NSW Ltd	Cultural & Recreational Services	89 700 (3%)	4 590
Service Skills Australia (Sport & Recreation)			
Communications ITAB	Communication Services	74 100 (2%)	7 517
NSW Community Services & Health ITAB	Health & Community Services	345 400 (10%)	18 122
Construction ITAB	Construction	290 600 (9%)	19 338
NSW DET (Finance Industries)	Finance & Insurance	178 500 (5%)	30 781
Agri-Food Industry Skills Council (Primary Industry)	Agriculture, Forestry & Fishing	103 300 (3%)	5 250
Forest Works Ltd			
Light Manufacturing Industry Training Board NSW	Manufacturing	327 400 (10%)	31 371
NSW Food Industry Training Council Ltd			
Automotive Training Board NSW			
Manufacturing Skills Australia			
Manufacturing Learning Australia			
NSW Mining Industry Skills Association	Mining	27 100 (1%)	7 182
Property Services ITAB NSW Ltd	Property & Business Services	421 700 (13%)	42 126

ITAB	Business defined by ANZSIC	Number of Employees – 2007	Industry Value A\$ Million (2005 – 2006)
NSW Public Sector ITAB	Government Administration & Defence	Government Admin & Defence = 119 200 (4%)	Government Admin & Defence = 9 987
	Education	Education = 217 900 (7%)	Education = 12 638
Tourism Training Australia	Accommodation, Cafes & Restaurants	182 500 (6%)	7 080
Transport & Logistics Industry Skills Council	Transport & Storage	152 600 (5%)	11 925
NSW Utilities & Electro technology ITAB Ltd	Electricity, gas and water supply	21 600 (1%)	5 952
NSW WRAPS	Retail Trade	Retail Trade = 469 000 (14%)	Retail Trade = 16 904
	Wholesale Trade	Wholesale Trade = 147 900 (4%)	Wholesale Trade = 15 209
	Personal & Other Services	Personal & Other Services = 127 100 (4%)	Personal & Other Services = 5 168
TOTAL	Total number of Industries = 17	Total Employed in NSW = 3 295 500	Total Industry Value in NSW = 251 140

Annexure 5: WRAPS Industry Profiles

Australian Bureau of Statistics	
2006 Counts of NSW Businesses by Industry	
Industry	Total no.
Wholesaling *	13 565
Retailing **	57 657
Funeral Directors & Cemeteries	273
Hairdressing & Beauty Salons	6 201
Personal Services n.e.c.	2 145
Community Pharmacy	1 762

*** Wholesaling includes:**

Fruit & Vegetable Wholesaling, Confectionery & Soft Drink Wholesaling, Liquor Wholesaling, Tobacco Product Wholesaling, Grocery Wholesaling n.e.c., Textile Product Wholesaling, Clothing Wholesaling, Footwear Wholesaling, Household Appliance Wholesaling, Furniture Wholesaling, Floor Covering Wholesaling, Household Good Wholesaling n.e.c., Photographic Equipment Wholesaling, Jewellery & Watch Wholesaling, Toy & Sporting Good Wholesaling, Book & Magazine Wholesaling, Paper Product Wholesaling, Pharmaceutical & Toiletry Wholesaling, Wholesaling n.e.c.

**** Retailing includes:**

Supermarket & Grocery Stores, Fruit & Vegetable, Fresh Meat Fish & Poultry Retailing, Liquor Retailing, Bread & Cake, Takeaway Food and Specialised Food Retailing, Department Stores, Clothing Retailing, Footwear Retailing, Fabric & Other Soft Good Retailing, Furniture Retailing, Floor Covering Retailing, Domestic Hardware & Houseware Retailing, Domestic Appliance Retailing, Recorded Music Retailing, Sport & Camping Equipment Retailing, Toy & Game Retailing, Newspaper Book & Stationery Retailing, Photographic Equipment Retailing, Marine Equipment Retailing, Pharmaceutical & Cosmetic Retailing, Antique & Used Good Retailing, Garden Equipment Retailing, Flower Retailing, Watch & Jewellery Retailing, Retailing n.e.c, Car Retailing, Automotive Fuel Retailing, Tyre Retailing

NSW Skills in Demand List – 9 October 07

<http://www.workplace.gov.au>

Hairdresser – State-wide shortage

Stonemason – Recruitment difficulty

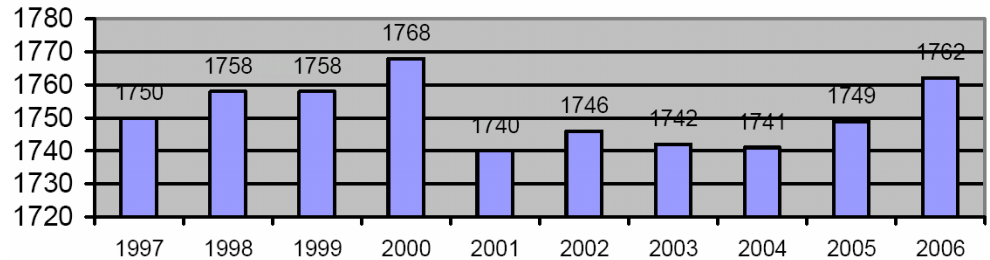
Retail Pharmacist – Shortage in regional areas

The Pharmacy Board NSW maintains a Register of pharmacies as required under section 24A of the *Pharmacy Act*. During the reporting period, the Board considered 188 ownership changes and 57 relocations.

There were 1,749 pharmacies on the Register of Pharmacies as at 1 October 2005 which by 30 September 2006, had increased to 1,762 pharmacies.

The following chart illustrates the change over the past 10 years in the number of approved premises on the Register of pharmacies at 30 September each year.

Register of Pharmacies

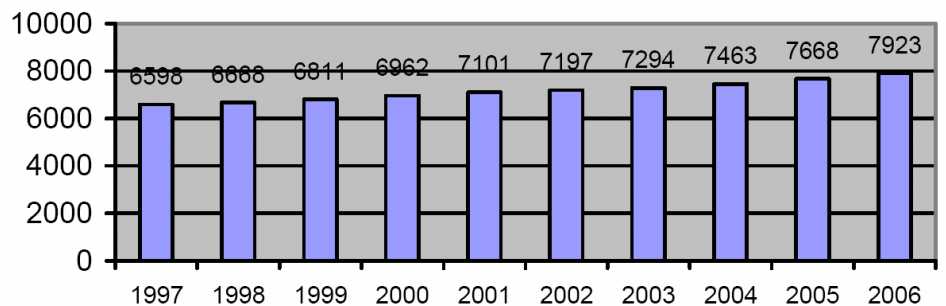


Through the Pharmacy Act NSW 1964, the Pharmacy Board NSW maintains a register of Pharmacies and Pharmacists licensed to operate in NSW

Registered Pharmacists at 30 September	2006	2005	2004	2003	2002
	7923	7668	7463	7294	7197

The following chart illustrates the growth over the past 10 years in the number of registered pharmacists at 30 September each year

Registered Pharmacists



In the 10 years between 1996 and 2006 we see a 15% growth in the number of registered pharmacists in NSW. As a result, we expect to see the number of skilled Pharmacy Assistants and operators needed to increase to that effect. (Source: The Pharmacy Board of NSW - <http://www.pbnsw.org.au>)

In 2003-2004 the Pharmaceutical, Cosmetic and Toiletry Retailing Industry accounted for 4.8% of all retail sales. There are an estimated 4925 pharmacies located throughout Australia. Of these 76% are located in NSW, Victoria and Queensland (34%, 23% and 19% respectively). This is consistent with the pattern of population distribution. It is difficult to quantify the numbers of community pharmacy employees as they are not an identified category within the Australian Standard Classification of Occupations (ASCO). (Source: Service Skills – Community Pharmacy Discussion Paper)

Retail

Employed persons by Retail Industry – NSW (2005):

- In regional NSW, the retail industry is largest employer.
- In 2005, retail accounted for 303 000 jobs in Sydney – a total of 491 300 in NSW. In other words, 61.7% of retail jobs were based in Sydney

Compared to 1,513,100 jobs Australia-wide is retail – NSW accounting for 32.5% of those roles www.business.nsw.gov.au

- One of the largest employing industries, NSW employment grew in Retail Trade by 43 700 in the last five years. (DWER Australian Jobs 2007 Report)

- Retailing businesses in NSW (ABS June 2006) = 57 657

Retailing includes: Supermarket & Grocery Stores, Fruit & Vegetable, Fresh Meat Fish & Poultry Retailing, Liquor Retailing, Bread & Cake, Takeaway Food and Specialised Food Retailing, Department Stores, Clothing Retailing, Footwear Retailing, Fabric & Other Soft Good Retailing, Furniture Retailing, Floor Covering Retailing, Domestic Hardware & Houseware Retailing, Domestic Appliance Retailing, Recorded Music Retailing, Sport & Camping Equipment Retailing, Toy & Game Retailing, Newspaper Book & Stationery Retailing, Photographic Equipment Retailing, Marine Equipment Retailing, Pharmaceutical & Cosmetic Retailing, Antique & Used Good Retailing, Garden Equipment Retailing, Flower Retailing, Watch & Jewellery Retailing, Retailing n.e.c, Car Retailing, Automotive Fuel Retailing, Tyre Retailing

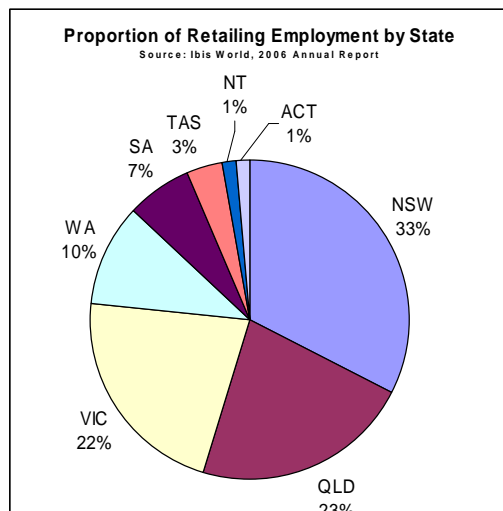
Retention and Recruitment Source: <http://www.flexibilityworks.dewr.gov.au/index.html>

- The retail industry has 15% annual staff turnover, with an estimated annual cost of \$397 million.
- Every time a full-time manager leaves it costs \$10,800 to find a replacement.
- The estimated cost to retailers when non-managerial workers leave ranges from \$3800 (full-time) to \$2000 (part-time) to \$1200 (casual).
- Despite these costs, only 1 per cent of retailers nominated staff retention as their most important people-management issue, compared with 64 per cent who nominated "attracting quality staff".
- Many retailers acknowledge that their staff leave because they lack control over their working hours.
- Almost 25% of all retailers believe that a major reason for staff leaving their company is to seek more supportive work/life conditions.

Employees Source: <http://www.flexibilityworks.dewr.gov.au/index.html>

- In retail, there are more female employees than males — 799, 000 females to 713, 000 males.
- There is a high level of part-time employment (47%) and casual employment (45%).
- Of full time workers, a higher percentage is male (62%) than female (38%).
- Of part-time workers, 30% are male, 70% are female.
- The average hours worked per week is 42 hours for full-time workers and 15 hours for part-timers.
- The majority of retail workers (71%) have no post-school qualifications, with only 7% having acquired a bachelor degree or higher.
- Retail employees are younger than the average industry profile, with 40% of workers under age 25.

The majority of retail employees work in sales, clerical and production roles, with 20% working as managers, administrators or in other professional roles



Wholesale

- Wholesale businesses in NSW (ABS June 2006) = 13,565

Wholesaling includes: Fruit & Vegetable Wholesaling, Confectionery & Soft Drink Wholesaling, Liquor Wholesaling, Tobacco Product Wholesaling, Grocery Wholesaling n.e.c, Textile Product Wholesaling, Clothing Wholesaling, Footwear Wholesaling, Household Appliance Wholesaling, Furniture Wholesaling, Floor Covering Wholesaling, Household Good Wholesaling n.e.c, Photographic Equipment Wholesaling, Jewellery & Watch Wholesaling, Toy & Sporting Good Wholesaling, Book & Magazine Wholesaling, Paper Product Wholesaling, Pharmaceutical & Toiletry Wholesaling, Wholesaling n.e.c

- In NSW there are approx 147 800 people employed in the Wholesale Trade Industry, contributing to 32.2% of total employees in Australia. (http://www.business.nsw.gov.au/aboutnsw/labour/C21_employed_by_industry.htm)

DEWR Industry Outlook Report – National Wholesale Trade Industry – August 2007 :

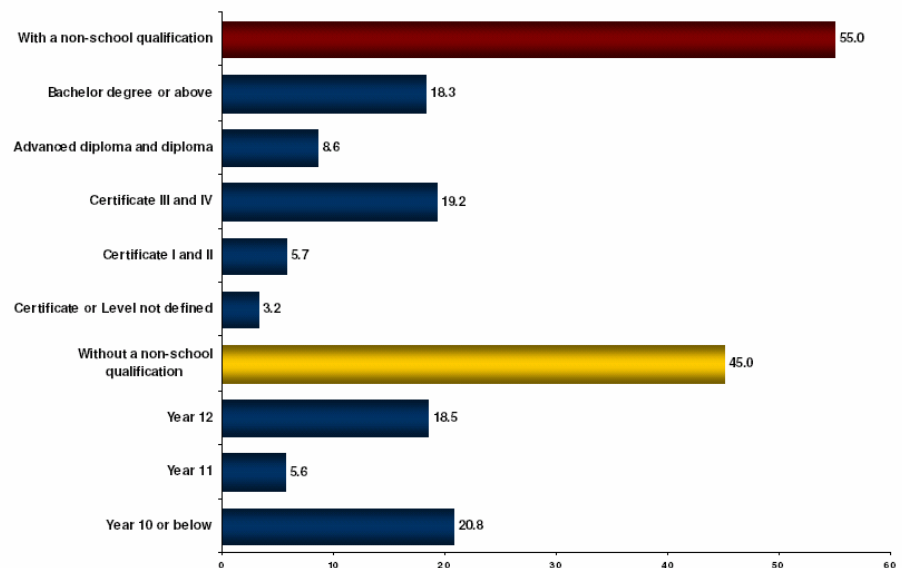
Wholesale Trade is the tenth largest employing industry in Australia, employing 460 000 people (or 4.4% of the total workforce) as at May 2007.

In recent years, employment in the Wholesale Trade industry has remained fairly steady. In the five years to May 2007, employment in Wholesale Trade rose by 24 800 (or 5.7%) to 460 000. This represents an average annual growth rate of 1.1% in the past five years.

While the Australian workforce is becoming skewed to older age groups as a result of an ageing population, the Wholesale Trade industry has a high share of prime aged workers between the ages of 25 years and 54 years (72%). There is, however, a slightly higher than average share of workers aged 55 to 64 years (13.3%) and 65 years and over (2.2%) when compared to all industries.

The Wholesale Trade industry generally has a relatively even spread of workers with educational qualifications. In May 2006 (latest data), 55% of workers in the Wholesale Trade industry had completed a non-school qualification, 18.3% of Wholesale Trade workers had a bachelor degree or above and just under one fifth (19.2%) had a Certificate III/IV level qualification.

Figure 15: Wholesale Trade - Educational Attainment - Share of Employment (%) May 2006



Source: ABS Education and Work, cat. no. 6227.0

Employment in the Wholesale Trade industry generally reflects the population in larger cities, with Sydney employing the highest number of workers (120 500), followed by Melbourne (103 400), Brisbane (54 900) and Perth (35 300).

Floristry

NSW Department of Primary Industries estimates the value of the cut flower industry in New South Wales to be up to A\$202.7 million per annum at farm gate, climbing to A\$800 million at retail level. Cut flower growing is an expanding industry, with over 700 established growers. Most of the expansion in the last 5–10 years is in growing flowers and foliage crops native to Australia (called 'wildflowers').

The floristry industry is made up of many small employers. Most florists tend to be small businesses with only owner-managers and a small number of staff mainly in small floristry outlets. Nationally, 90% of retail florists employ less than five people. Approximately 60% of all people working in the industry work full-time. As a result, florists are required to be multi skilled, performing the full range of duties in a shop/studio environment (www.serviceskills.com.au)

Australia's \$100 million flower industry is under pressure from a shortage of skilled labour and lack of market understanding, according to a Deakin University study. Professor Orr said, however, that the growers interviewed believed the most immediate threat to their business was the lack of skilled labour. *"Interestingly, Australia's professionally trained florists were seen as an advantage because Australia's florist courses encourage creativity,"* he said. *"However that advantage is at risk as that part of the industry is now unregulated and many florists are untrained."* The industry will struggle to grow efficiently unless it addresses a shortage of skilled labour, lack of market understanding and a lack of investment in research and development. (<http://www.deakin.edu.au>)

Beauty Services

- For 2005 IBISWorld estimates that in Australia there are about 4 000 professional, stand alone beauty salons (i.e. not integrated with hairdressers and excluding part-time, at home operators. It also excludes beauty and health facilities located in hotels and health resorts). The total expenditure by households on personal care services was estimated at \$677 million in 2005-06. A large proportion of this was estimated to have been collected by specialist personal care service suppliers/operators (including beauty therapy operators). The expenditure figures relate to both the sale of services and retail products.
- In 2005, the Australian Department of Employment and Workplace Relations indicated that there were 18 100 beauty therapists, up from 14 100 in the previous year, who earned \$635 per week (\$33 000 a year) when working full time, the full time employment rate increased to 54.9%, up from only 48.1% in the previous year. Around 41% of employees were aged between 25-34 years and 96.5% of all employees were women indicated that there were 18100 beauty therapist jobs. Future jobs growth was, at that time, seen to be strong in the short term. The average wage was \$635 per week (around \$33 000 per annum).

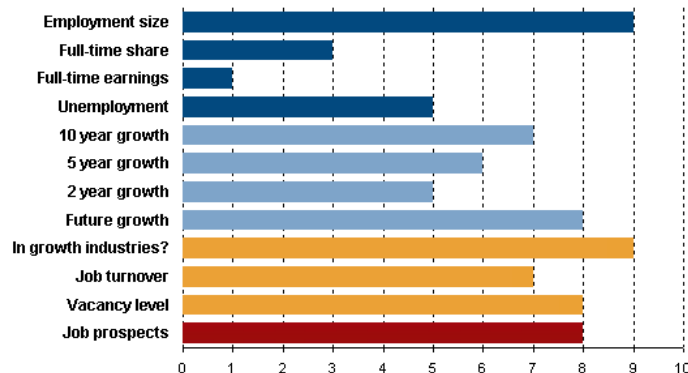
Source: [Ibis World Information](#): (as at 1 September 2006)

Hairdressing

Around 99% of Hairdressing businesses in NSW are classified as small businesses with approximately 70-75% of those employing up to 5 people. The industry is geographically diverse with heavy concentrations in metropolitan areas, regional centres and small country towns. The industry itself consists of a large and transient workforce - around 15,000 people engaged in NSW hairdressing salons with workers moving from salon to salon and across State/Territory boundaries. Source: Commissioners Information Bulletin 159, Issued: 2 April 2001

According to the Professional Hairdressers' Association (PHA) there are approximately 5 000 hairdressing salons throughout New South Wales. The Australian Bureau of Statistics (ABS) estimate at June 1995, there were approximately 4 281 hairdressing salons operating in New South Wales, a growth of 800 in the last decade. In 2006, only 1504 students enrolled in the hairdressing TAFE course. This compares with a total of 4 883 students in 1997, 5 023 students in 1996. <http://www.workandfamily.nsw.gov.au/pavequity/report/industries/hairdressers+and+beauty+therapists.html>

Hairdressing	Key Indicator	Rank
How many workers are employed in this occupation	57 100	9
What is the mix of full-time (FT) and part-time (PT) jobs	68.1% FT 31.9% PT	3
How much do full-time workers earn on average (before tax)	\$500 per week	1
How does unemployment compare with other occupations	Above average	5
What is the likely future employment growth (to 2011-12)	moderate growth ++	8
Is the occupation employed mainly in growth industries	very favourable	9
Job openings from turnover - % who leave the occupation each year	16.7%	7
Vacancies – does the occupation have a high vacancy level	high	8
JOB PROSPECTS	GOOD	8



(Source: <http://www.jobsearch.gov.au/joboutlook>)

Hairdressers require high level skills and knowledge to support the breadth of services provided. Key services include haircutting, hair design, hair colouring, chemical reformation and trichology. The vast majority of businesses provide a full range of services to both male and female clients, however there are some salons that choose to exclusively offer a limited range of services as their core business activity. Haircutting only and men's-only hairdressing salons are examples.

(Source: www.ntis.gov.au)

F u n e r a l S e r v i c e s

The funeral services industry currently employs about 7 145 workers. The level of employment has increased over the past decade.

Earnings in the funeral services industry vary within the range of occupations. Average earnings for funeral directors are \$800 per week before tax.

The funeral services industry generated revenue of \$620 million in 2004-05. Future growth is expected to be slow, subject to global issues such as disease. This is largely due to a declining death rate amongst Australians which has come from improved awareness of health issues, reduced infant mortality, improved medical treatment and the age structure of the population. There is also increased competition amongst businesses.

There are 924 funeral service enterprises operating in Australia and the geographical spread across Australia reflects that of the population.

Source: <http://careersgateway.serviceskills.com.au> – accessed 27 July 2007

In NSW there are approximately:

- 200 funeral directors businesses
- 37 crematoria
- 8 mortuary transfer services
- There are over 3 000 cemeteries in NSW, including large Crown cemeteries such as Rookwood Necropolis, general cemeteries operated by local councils, churchyard cemeteries, Aboriginal cemeteries, family cemeteries on private ground and lone graves.

(Source: *Review of Consumer Protection and the NSW Funeral Industry*, NSW Office of Fair Trading, September 2005)

Annexure 6: User Choice - WRAPS Qualifications Submission

Retail Services – SIR07

National Code	Qualification Title	User Choice
SIR10107	Certificate I in Retail Services	
SIR20207	Certificate II in Retail	✓
SIR20307	Certificate III in Retail	✓
SIR40207	Certificate IV in Retail Management	✓
SIR50107	Diploma of Retail Management	
SIR50207	Diploma of Visual Merchandising	
SIR20107	Certificate II in Community Pharmacy	✓
SIR30107	Certificate III in Community Pharmacy	✓
SIR40107	Certificate IV in Community Pharmacy	✓
SIR20307	Certificate II in Wholesale	✓
SIR30307	Certificate III in Wholesale	✓

Hairdressing – WRH06

WRH20106	Certificate II in Hairdressing	
WRH30106	Certificate III in Hairdressing	✓
WRH40106	Certificate IV in Hairdressing	✓
WRH40206	Certificate IV in Trichology	
WRH50106	Diploma of Hairdressing Salon Management	

Floristry – WRF04

WRF20104	Certificate II in Floristry	✓
WRF30104	Certificate III in Floristry	✓
WRF40104	Certificate IV in Floristry	✓

Beauty – WRB04

WRB20104	Certificate II in Nail Technology	✓
WRB20204	Certificate II in Make-up Services	✓
WRB20304	Certificate II in Retail Cosmetic Services	✓
WRB30104	Certificate III in Beauty Services	
WRB30204	Certificate III in Nail Technology	
WRB40105	Certificate IV in Beauty Therapy	
WRB50105	Diploma of Beauty Therapy	

Funeral Services – WFS02

WFS10102	Certificate I in Funeral Services (Coffin and Casket Manufacture)	
WFS10202	Certificate I in Funeral Services	
WFS20102	Certificate II in Funeral Services (Coffin and Casket Manufacture)	✓
WFS20202	Certificate II in Funeral Services (Funeral Operations)	✓
WFS20302	Certificate II in Funeral Services (Cemetery/Crematoria Operations)	✓

WFS10102	Certificate I in Funeral Services (Coffin and Casket Manufacture)	
WFS20402	Certificate II in Funeral Services (Grounds and Maintenance)	✓
WFS30102	Certificate III in Funeral Services (Coffin and Casket Manufacture)	✓
WFS30202	Certificate III in Funeral Services (Funeral Operations)	✓
WFS30302	Certificate III in Funeral Services (Cemetery/Crematoria Operations)	✓
WFS30402	Certificate III in Funeral Services (Grave digging, Grounds and Maintenance)	✓
WFS40102	Certificate IV in Funeral Services	✓
WFS40202	Certificate IV in Funeral Services (Embalming)	✓

Annexure 7: State Plan - A New Direction for NSW



The **State Plan - A New Direction for NSW** is about shaping the State's future.

It reflects the hopes and goals of people across NSW and the priorities for the public sector.

The State Plan is the foundation document for my commitment to delivering better services. It is the first step in changing the culture of government in NSW.

The Plan sets out clear targets for improved outcomes and service delivery to which the community will hold us accountable.

The State Plan website is designed to help the community track our progress. It will be updated as new performance information becomes available.

I am focused on delivering the targets and I know that Ministers and Chief Executive Offices of government agencies are equally focused on delivering their targets.

The targets are ambitious but I believe the public sector and our partners have the skills, professionalism and commitment to deliver these priorities.

I look forward to continuing to deliver better services to the people of NSW.

Morris Iemma
Premier of NSW

Reporting Progress on the State Plan

Letting you see our progress towards reaching our targets.

[Rights, Respect and Responsibility](#)

- 01 Dec 06 : [Updates to Priority R1](#) - Reduced rates of crime
- 26 Jun 07 : [Updates to Priority R2](#) - Reduced Re-offending

[Delivering Better Services](#)

- 09 Jul 07 : [Updates to Priority S1](#) - Improved access to quality healthcare
- 28 May 07 : [Updates to Priority S3](#) - Risk drinking and smoking
- 16 May 07 : [Updates to Priority S4](#) - Increasing levels of attainment for all students
- 16 Jul 07 : [Updates to Priority S6](#) - Increasing share of peak hour journeys on a safe and reliable public transport system
- 15 May 07 : [Updates to Priority S7](#) - Safer Roads

[Fairness and Opportunity](#)

- 09 Jul 07 : [Updates to Priority F3](#) - Opportunity and support for the most vulnerable
- 9 Jul 07 : [Updates to Priority F5](#) - Reduced avoidable hospital admissions

[Growing Prosperity Across NSW](#)

- 18 Jul 07 : [Updates to Priority P2](#) - Maintain and invest in infrastructure
- 09 Jul 07 : [Updates to Priority P5](#) - AAA rating maintained

[Environment for Living](#)

- 15 May 07 : [Updates to Priority E3b](#) - Greenhouse gas emissions

Reporting Progress on the State Plan

This section lets you view progress reports on the following themes and targets:

- [Rights, Respect and Responsibility](#)
 - [Delivering Better Services](#)
 - [Fairness and Opportunity](#)
 - [Growing Prosperity Across NSW](#)
 - [Environment for Living](#)
-

Rights, Respect and Responsibility

The most basic responsibility of Government is to make and enforce laws that protect its citizens and their property. A successful community does more than simply protect its citizens. Thriving communities also create an atmosphere of harmony and trust. The key goals of our efforts in these areas are:

Keeping people safe

- [Priority R1](#): Reduced rates of crime, particularly violent crime
- [Priority R2](#): Reduced Re-offending

Building harmonious communities

- [Priority R3](#): Reduced levels of antisocial behaviour
- [Priority R4](#): Increased participation and integration in community activities

Delivering Better Services

Service delivery is the core business of State Government. The people of NSW expect and deserve fair access to high-quality health, education, and transport services.

With the community, we have agreed that the key goals of our service delivery activity are:

Healthy communities

- Priority S1: Improved access to quality healthcare.
 - [S1\(a-e\)](#): Access to Emergency Departments
 - [S1\(f-g\)](#): Access to elective surgery
 - [S1\(h\)](#): Quality of Healthcare
- [Priority S2](#): Improve survival rates and quality of life for people with potentially fatal or chronic illness through improvements in health care.
- Priority S3: Improved health through reduced obesity, smoking, illicit drug use and risk drinking.
 - [S3\(a-b\)](#): Risk drinking and smoking
 - [S3\(c\)](#): Illicit drug use
 - [S3\(d\)](#): Childhood obesity

Students fulfil their potential

- [Priority S4](#): Increasing levels of attainment for all students
- [Priority S5](#): More students complete Year 12 or recognised vocational training

An effective transport system

- [Priority S6](#): Increasing share of peak hour journeys on a safe and reliable public transport system
- [Priority S7](#): Safer roads

Customer friendly services

- [Priority S8](#): Increased customer satisfaction with Government services
-

Fairness and Opportunity

NSW is a caring and inclusive community. More than 150,000 people are the primary carer for a family member or friend with a severe or profound disability. About 1.3 million people volunteer their time and the people of NSW donate about \$511 million every year to non-government organisations which work with disadvantaged people. But we can do more. Protecting those at risk and supporting the most vulnerable is at the heart of what the NSW Government does.

With the community, we have agreed that we will work to overcome cycles of disadvantage through our goals of:

Strengthening Aboriginal communities

- [Priority F1](#): Improved health, education and social outcomes for Aboriginal people
 - F1(a) - Ensure Aboriginal families are supported to live free from violence and harm
 - F1(b) - Increase the readiness to learn of Aboriginal children prior to school entry
 - F1(c) - Ensure that all Aboriginal communities have equitable access to environmental health systems
 - F1(d) - Increase Aboriginal employment
 - F1(e) - Build community resilience

Opportunity and support for the most vulnerable

- [Priority F2](#): Increased employment and community participation for people with disabilities
- [Priority F3\(a-c\)](#): Improved outcomes in Mental Health

Early intervention to tackle disadvantage

- [Priority F4](#): Embedding the principle of prevention and early intervention into Government Service delivery in NSW
 - [Priority F5](#): Reduced avoidable hospital admissions
 - [Priority F6](#): Increased proportion of children with skills for life and learning at school entry
 - [Priority F7](#): Reduced rates of child abuse and neglect
-

Growing Prosperity Across NSW

NSW is Australia's economic powerhouse. It accounts for 34 per cent of national GDP and employs 3.24 million people.

Unemployment levels are the lowest in 25 years while the state's AAA credit rating recognises NSW's strong financial position.

The NSW Government is spending \$10 billion a year on infrastructure - or about \$27 million a day on roads, schools, hospitals, electricity, water and the rail network.

The chief competitive advantage of NSW is our people. We are well educated, innovative people, who value fairness, equity and collaboration. A society built on these principles is more productive and provides a higher quality of life for everyone.

We want more, higher paid, higher value added jobs. We want Sydney to be the most attractive city in which to do business in South East Asia. We want our regions to share in the benefits of Sydney's global city status and have thriving and diverse economies in their own right.

The private sector will drive economic growth; however the NSW Government will provide the foundations for this growth by achieving our goals of:

NSW Open for Business

- Priority P1: Increased business investment
 - [P1\(a\)](#) - Private business investment growth
 - [P1\(b\)](#) - Tourist bed nights
- [Priority P2](#): Maintain and invest in infrastructure
- [Priority P3](#): Cutting red tape
- [Priority P4](#): More people participating in education and training throughout their life
- [Priority P5](#): AAA rating maintained

Stronger rural and regional economies

- [Priority P6](#): Increased business investment in rural and regional NSW
 - [Priority P7](#): Better access to training in rural and regional NSW to support local economies
 -
-

Environment for Living

NSW is blessed with a unique natural environment, beautiful beaches, clean air and extensive national parks. We also have liveable cities and towns where residents enjoy a high quality of life.

The community expects the NSW Government to support three key goals:

A secure supply of water and energy

- Priority E1: A secure and sustainable water supply
 - [E1\(a-c\)](#): Metropolitan Water Use
 - [E1\(d-e\)](#): Urban Water Use in Regional Areas
 - [E1\(f\)](#): Rural Water Use
- Priority E2: A reliable electricity supply with increased use of renewable energy
 - [E2\(a\)](#) - Electricity supply reliability
 - [E2\(b\)](#) - Renewable energy consumption

Practical environmental solutions

- Priority E3: Cleaner air and progress on greenhouse gas reductions.
 - [E3\(a\)](#) - Cleaner air
 - [E3\(b\)](#) - Greenhouse gas emissions
- [Priority E4](#): Better outcomes for native vegetation, biodiversity, land, rivers, and coastal waterways.

Improved urban environment

- [Priority E5](#): Jobs closer to home
- [Priority E6](#): Housing Affordability
- [Priority E7](#): Improve the efficiency of the road network
- [Priority E8](#): More people using parks, sporting and recreational facilities, and participating in the arts and cultural activity

Priority S5:**More students complete Year 12 or recognised vocational training****Targets**

S5: Increase the proportion of students completing Year 12 or recognised vocational training from 82.7 per cent in 2005 to 90 per cent by 2016.

Progress**Population with a Year 12 or Recognised Vocational Qualification**

	2000	2001	2002	2003	2004	2005	2006
Percentage of the NSW population aged 20-24 years with Year 12 or VET qualification at AQF Certificate II and above	81.9%	80.1%	81.0%	81.5%	83.6%	82.7%	83.5%

Source: ABS Survey of Education and Work

Currently, 82.7 per cent of students either complete Year 12 or receive a vocational qualification. This has been relatively stable since 2001.

Priority P4:**More people participating in education and training throughout their life**

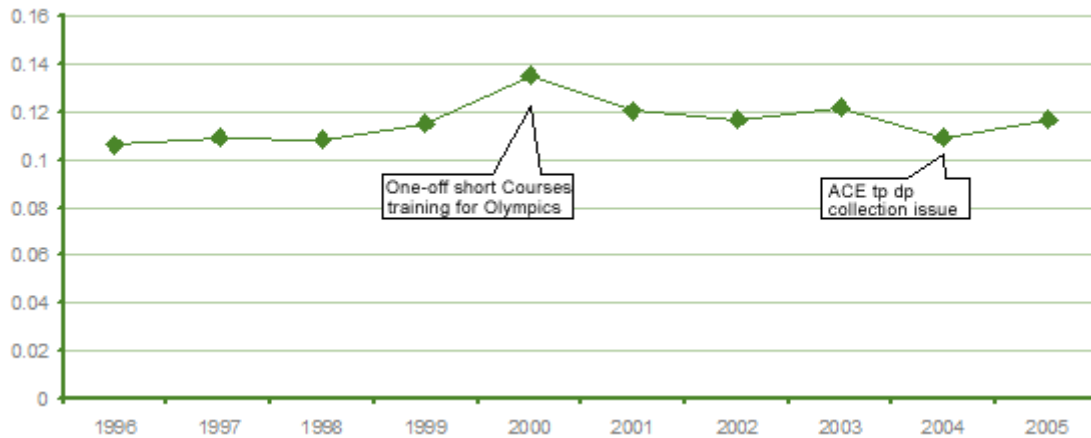
As industry and the economy change the people of NSW need to have the skills to adapt. Over the next 10 years, employment is predicted to grow strongly in those occupations that require higher level skills, and to shrink in low skill occupations.

Elsewhere in the State Plan we have outlined the Government's plan to assist young people achieve their highest potential. There is also a focus on the existing workforce, to raise productivity and enhance employment and earnings.

Target

Increase the proportion of population aged 15-64 participating in vocational education and training from 11.7 percent in 2005 to 16 percent in 2016.

Progress**VET Participation rate of 15-64 year olds**



Source: Annual National Report of the Australian VET System (DEST)

Over the last five years, between 10.9 percent and 12.2 percent of the population aged 15-64 participated in vocational education and training

Recent Actions

An additional 33,250 places will be made available in TAFE NSW over the next four years by:

- Working with industry and employers to assist them to develop the skills of their workforce through tailored training programs (3,800 participants over four years).
- Expanding the Recognition of Prior Learning program to assess the skills of an additional 20,300 workers across NSW over the next four years. This includes improved information for employers and workers on how to access recognition.
- Up-skilling 3,000 unqualified workers and unemployed people in trade skill shortage areas such as automotive engineering, bricklaying, commercial cookery, refrigeration mechanics and hairdressing over the next four years.
- Delivering short courses to more than 4,600 people over four years in NSW regions to help them secure employment or increase workforce productivity. Targeted areas include child care, aged care, metal fabrication, auto electricians, carpenters and joiners, horticulture and viticulture management, avionics and motor mechanics.

As at 26 June, 80 school based apprentice training contracts had been lodged with the Department of Education and Training, representing the first stage of expanded opportunities for school students to participate in industry relevant vocational education and training.

Increased incentives will be available for apprenticeships including the NSW Gearup clothing allowance, accommodation, travel and motor vehicle registration (for apprentices) and existing workers compensation and payroll tax incentives (for employers). Small business owners who employ an apprentice will have the cost of their business registration rebated.

Additional support for group training will be offered to increase apprenticeships by 360 places this year.

Priority P7:

Better access to training in rural and regional NSW to support local economies

To attract and maintain highly productive businesses in rural and regional NSW, and give individuals more opportunity, relevant training must be available across the State.

There is a strong link between the level of economic activity in a region and the demand for skills. The achievement of the State Plan targets for regional development will greatly influence the level of demand for skills. To assist and

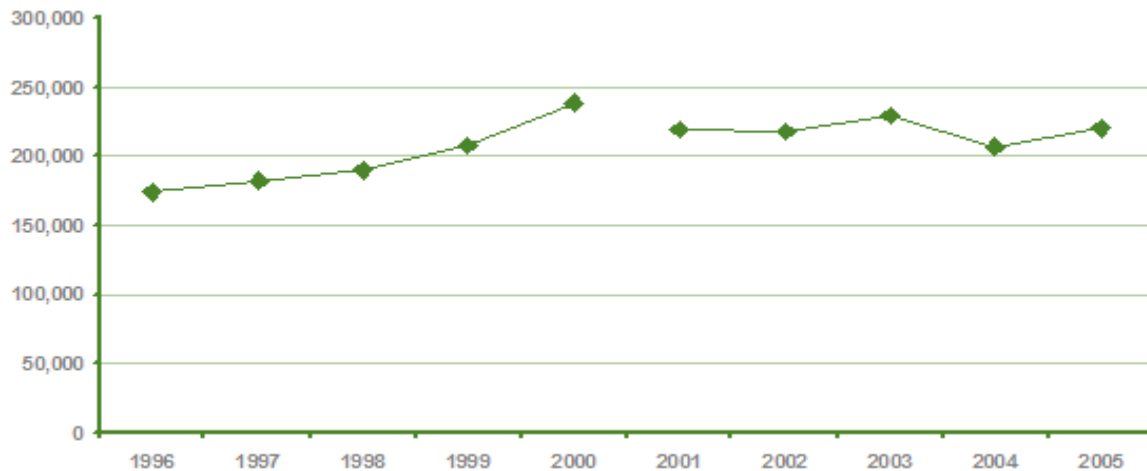
promote sustainable development in rural and regional NSW, the Government will provide better access to training in those areas.

Targets

Increase to 250,000 the number of people in regional areas participating in vocational education and training by 2012, with an aim of 300,000 by 2016.

Progress

Regional VET Students 15-64 year olds



Source: Annual National Report of the Australian VET System (DEST)

There are currently 228,000 people aged 15-64 years participating in VET in regional areas in NSW. This has been stable over the past five years.

Recent Actions

- Two regional trade schools were recently opened in Ballina and Glendale, with a total of 10 to be opened across NSW by January 2009. There will be 16 trade schools in regional areas.
- In addition to regulating apprenticeships and traineeships, DET State Training Centres have been repositioned to be more industry and customer focused.
- Developing five new regional skills projects in engineering, aged care, mining and welding to better meet the needs of businesses and residents in regional NSW.
- DET is working with the NSW Skills Council to ensure skills training programs are more tailored to industry demands.
- In line with the NSW Innovation Statement, inter-agency workforce development projects are being developed in key industries.
- TAFE's Recognition of Prior Learning program will assess an additional 20,300 workers over the next four years by improving the process for employers and workers to determine recognition.
- Additional targeted training for mature aged people in regional areas.
- Using video conferencing, pod casting and online training to increase the study options available to people living in regional NSW.
- Increasing the number of training courses for Aboriginal students in regional and remote locations.
- Offer more apprenticeships and traineeships for Aboriginal people.
- Over four years deliver short courses in areas such as child care, metal fabrication and avionics to more than 4,600 people to boost productivity in regional NSW.

Priority F2:

Increased employment and community participation for people with disabilities

Participation in work, education and community life are the foundations of our society's prosperity. Such activities have a positive effect on people's health, wellbeing, and sense of belonging. People with a disability have similar aspirations and goals to the rest of the community, including being active in the workforce, participating in social and community activities, and contributing to the communities in which they live.

Families, non-government service providers, employers and governments all have a role to play in supporting people with a disability to participate in our community.

The NSW Government is supporting people with a disability to participate in work, education and community life to the fullest extent possible, as demonstrated by both its 10 Year Disability Plan, Stronger Together, and its plan to improve and better coordinate services across government, through Better Together.

Target

F2(a): Close the gap in the unemployment rate between people with a disability and the overall community by 50 per cent by 2016.

F2(b): Increase the out of home participation rate of people with a severe or profound disability to at least 85 per cent.

Information on participation by people with a disability in employment, education and community life is limited. The Australian Bureau of Statistics (ABS) is working with the Department of Ageing, Disability and Home Care (DADHC) to develop improved data instruments and analysis in this area in order to provide regular progress reports on the targets above.

Employment and community participation of people with a disability

	Profound or severe core activity limitation	All with a disability	All persons
Unemployment rate (15-64 years)	9.6%	9.0%	6.0%
Participation in social activities in the last 3 months (b)	81.8%	89.7%	--

Source: Australian Bureau of Statistics, Survey of Disability, Ageing and Carers (2003)

In 2003, 9 per cent of people with a disability in NSW were unemployed, compared with a general unemployment rate of 6 per cent. The State Plan target of closing the unemployment gap by at least 50 percent is equivalent to an additional 6,000 people participating in employment.

Of all jurisdictions, NSW has the lowest rate of community participation for people with profound and severe disabilities. Nationally an average of 86% participated in at least one activity away from home in a period of 3 months in 2003. In NSW the average was 82% or almost 52,000 people in NSW who did not participate in any activity away from home for 3 months. The State Plan target of at least 85% participation translates to an additional 8,900 people participating in the community.

Progress

Achieving this priority sits within the framework of the Government's 10-year plan for improved disability services, Stronger Together. It involves real increases in funding of over \$1.3 billion in its first five years; of which \$270 million is for expanding programs that specifically target improving opportunities for community participation and transition to work. Other elements of Stronger Together will also contribute to improving community participation through, for example, more emphasis on helping people to remain in their own home environment, innovative supported accommodation models which promote community engagement and services such as therapy and attendant care that enable some people with a disability to participate more fully in community life.

In addition, Better Together (launched In February 2007) focuses on making general services across government work better for people with a disability. It aims to better utilise the \$2.5 billion a year that the NSW Government spends on services to assist people with a disability.

Employment

Many people with a disability need additional development to be work ready. The Government introduced the Transition to Work program in 2005 to assist school leavers to develop skills that will enable them to transition to employment or further education within two years.

The program has the potential to make a significant impact on achievement of the State Plan target. Stronger Together provides funding to ensure places are available for all eligible school leavers; currently around 550 school leavers are eligible to enter this program each year and a further 100 transfer from another DADHC program, Community Participation.

Community Participation

The Community Participation program focuses on building life skills to provide community participation for all people who leave school and are unable to transition to work or further education. In 2006/07 new arrangements have been put in place to provide better value, accountability and quality of service for young people with a disability. There are approximately 2,000 people in this program and each year between 400 and 500 people are expected to enter the program. Participants are now guaranteed at least four days of service a week and five days for people with very high support needs.

Recent Actions

- One-off grant of \$200,000 to the Australian Employers' Network on Disability to employ a staff member for 2 years to work with private sector organisations and support them to employ people with a disability.
- Expansion of current day programs and respite services and the development of new programs that target people who are particularly at risk of becoming isolated and having limited community participation.
- A \$1 million boost in funding to the Department of the Arts, Sport and Recreation for the Disability Assistance Program. It focuses on creating regular and ongoing participation activities for people with a disability across NSW over the next 4 years.
- Major grants given in 2006/07 to trial brokering of innovative supports for people with acquired brain injury and motor-neurone related disabilities. Contributing \$150,000 to the Best Buddies program, a not-for-profit group which facilitates one-to-one friendships between members of the community and people with an intellectual disability