I would like to begin by acknowledging the traditional custodians of the land on which we meet, the Gadigal people of the Eora Nation, and pay my respect to Elders both past and present and to Aboriginal people here today.

It is an honour to be invited to open this year’s TAFE Directors Australia Conference on behalf of the NSW Premier, the Hon Mike Baird MP and to give the Opening Address.

I would like to welcome you all, and extend a special welcome to all interstate and international guests to Sydney.

I acknowledge special guests:
- The Hon Sussan Ley MP, Federal Assistant Minister for Education
- Colleagues in the delegation from public and private Indonesian polytechnics
- The head of the UNESCO UNEVOC network from Bonn, Germany
- Stephen Conway, Chair TDA Board and CEO TasTAFE
- Martin Riordan, CEO, TAFE Directors Australia

**Role of TDA**

I thank TDA for the important role it plays in building the resilience of the TAFE system across Australia, ensuring it embraces changes and challenges so we have a strong and connected tertiary sector in Australia and globally.

This conference is testimony to that.

I know that across the three hundred or so delegates here today, as well as international guests, there are representatives from all states and territories, from the sixty-one TAFE Institutes, from industry bodies and from Commonwealth and state and territory governments.

In 2011 when I last addressed this TDA national conference, I said that skills reform was at the top of the agenda for each
State and Territory and that New South Wales was no exception.

I also stated that the success of TAFE Institutes relied on being able to see over the horizon and to continually reform products, services and, where necessary, structures to stay relevant and successful.

The sector has undoubtedly seen unprecedented change over the past three years and this conference program reflects the many achievements and successes that have been made.

Your conference title, *Vision 2020*, reinforces the need for ongoing change to ensure tertiary education and training continues to meet the needs of future generations.

And your challenge to ‘create dangerously’ I am sure resonates with many in the TAFE sector because it hints at the passion and commitment that is such an integral feature of this sector and its advocates.

Now ‘creating dangerously’ is not an approach many politicians would relish. But the case for reform in the VET sector is compelling and ‘courageous leadership’ is certainly a feature of
the many TAFE directors across Australia who are leading the change.

The case for reform

I can safely speak for all jurisdictions in saying that Australia needs a well-educated and highly skilled workforce to build our economy, provide sustainable work for individuals and offer enterprises the skilled workforce they need to prosper.

The NSW Government is committed to delivering change that will rebuild the economy, return quality services and strengthen our local environment and communities.

Our Premier acknowledges that we need new approaches and new business models to drive innovation and growth in our economy.

This year’s 2014-15 NSW State budget announced the biggest infrastructure projects in Australian history with a massive building program worth $10.2 billion in the coming year alone.

But without a highly skilled and productive workforce, the benefits of this investment to the economy and community won’t be realised.
In every sector of our economy we need higher technical and trade skills to lift productivity.

We also need a highly skilled workforce to compete internationally, especially as emerging powers provide stronger competition.

According to industry, the demand for qualifications, particularly VET higher-level AQF qualifications will grow. In 2013 the Australian Workplace and Productivity Agency (AWPA) provided modelling which suggests that by 2025, demand for employees with higher level skills and qualifications will exceed supply.¹

The more recent Business Council of Australia report, Building Australia’s Comparative Advantages² emphasises that the greatest challenge for Australia is to ensure we have the most skilled and capable workforce to increase our national competitiveness.

Jennifer Westacott Chief Executive of BCA, and I note a speaker at this conference, recently said in a ground-breaking

speech on ‘Redefining Vocational Learning in the Global Economy’:
“A comparative advantage for this country must be to train, attract and retain the best and brightest people in the world.”

This, I believe, is the most compelling reason why we need sustainable reform across the VET sector so we can plan for our future skill needs and for our economic and social sustainability and wellbeing as a nation now.

Approach to reform in NSW

When the NSW Government was elected in March 2011, we inherited an education system that was strong on history and traditions. But it was a system full of education ‘initiatives’ and ‘programs’ that were not always producing the best outcomes for students.

My focus, as Minister for Education, has been to lay the foundations for a sustainable continuum of high-quality learning – from early childhood education, through school, into training and higher education in NSW.

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We have released discussion papers to spark debate and focus the issues and used every form of communication from traditional meetings to online forums and social media.

We have recognised that systemic reform and real improvement comes from the hard grind of data-based and evidence-backed policy work.

I often say to education stakeholders to ‘be careful what you wish for’ as I have often pushed reforms further than what was demanded if I am convinced by the evidence base.

Our reforms are underpinned by our commitment to putting students, employers, community and the economy at the centre of our decisions. I believe it is only with this lens that we will see better outcomes and sustainable change.

**NSW VET reforms – Smart and Skilled**

Like other Australian jurisdictions, the NSW Government has agreed to a national framework for reform of the VET system.

Our approach to skills reforms has been informed by extensive consultation with industry and the broader VET community.
We have been able to observe and learn from other interstate VET reforms.

We have tried to get the balance right between individual choice and an appropriate degree of planning and intervention by Government. We have taken a ‘cautious’ and ‘staged’ approach to reform – to some criticism, I might add.

Our *Smart and Skilled* reforms are aimed at ensuring training is targeted to those who most need skills to find employment and to support economic growth.

It will see 46,000 more students being able to access training than would be possible if we did not make these changes.

There will be strict controls to ensure public funding is not wasted on low quality training or on training that does not lead to jobs.

The NSW Skills List was developed after extensive labour market research and consultation with industry, government and community groups across the State: more than 450 people took part in some 30 consultations with 58 industry roundtables. Over 600 submissions were received.
In addition to the Skills List, key elements of the *Smart and Skilled* model to ensure a sustainable and thriving VET system include:

- a strong quality framework underpinning the selection of approved training providers
- thorough information to guide consumers’ selection of courses and to protect their rights.

**The role of TAFE**

TAFE has been an active player in shaping our reform directions.

TAFE has constructively participated in consultations on what *Smart and Skilled* should look like, arguing strongly for elements that would strengthen the system and deliver benefits for the people of NSW.

As part of our Smart and Skilled consultative processes, I asked the TAFE NSW Board to lead a consultation on the role of TAFE in a more contestable and competitive market.

The *Let’s talk about TAFE* consultation showed TAFE is a highly respected organisation – employers and communities value TAFE and people are confident in it.
But the consultations also showed that TAFE needs to change and adapt to remain relevant and competitive in a changing environment.

The areas identified as needing change included greater flexibility in delivering training, more contemporary systems, more local decision making and less red tape.

Input from these consultations informed the Government’s *Statement of Owner Expectations* which was released in August last year.

The Statement outlines the important role of TAFE as the State’s public training provider and the Government’s expectations about how it needs to reform to be efficient, effective and relevant to the State’s interests and to those of individuals and communities of NSW.

TAFE NSW is and will continue to do the heavy lifting in the NSW training system as the State's public vocational education and training provider.

It plays an integral role in the Government's strategy to strengthen the skills base of NSW, particularly in our regions.
But transformational change is needed to ensure its future success and sustainability.

In supporting this transformational change we have made some significant changes. We have already:

- established a separate role of Managing Director
- separated TAFE from the Department of Education and Communities
- restored TAFE NSW as the employer of its staff
- established new Enterprise Agreements for staff
- introduced a trial of new assessor and education support roles
- implemented a new budget model to support greater contestability of funding but also to support TAFE’s role as the public provider
- introduced new financial systems and reporting arrangements.

We are also giving TAFE NSW Institutes more autonomy to manage their businesses locally and to respond to opportunities so that they can strengthen their commercial capability and be less dependent on government funding.
These and further reforms will allow every Institute to be more nimble and to meet the challenges of the new world by tailoring their training delivery to meet the needs of students, industry and the community, as they should.

This year I have had the opportunity to visit five separate TAFE NSW Institutes in metropolitan, regional and rural areas to talk with staff about Smart and Skilled reforms and the challenges they are facing. I have been very impressed with the openness of TAFE staff and their willingness to get on board the new reforms.

I am committed to ensuring the ongoing success and sustainability of TAFE NSW so it can continue to support our State’s economic prosperity.

But as a responsible Government we must ensure that taxpayers’ dollars are spent as effectively as possible.

Our approach is not about protecting TAFE – it’s about allowing TAFE to prosper as a sustainable and viable business in the competitive world that we find ourselves in.
Innovative and competitive

As this Conference theme suggests, increasing productivity is not just about meeting the skill needs of today; it’s about anticipating the skill needs of tomorrow and providing students with the capacity to continue learning so they remain productive through future industry and workplace changes.

Change is a given today, with technology allowing the adoption of more innovative ways of doing business.

This is the case in the VET sector.

We need new approaches to adapt and evolve in complex and unpredictable environments. And greater competition across the tertiary sector is driving innovation in TAFE NSW.

While Government can drive the policy settings, true innovation comes from the passion, creativity and leadership within TAFE institutions.

More and more training is being undertaken outside the traditional classroom and delivered online, in the workplace and through mobile devices.
Since 2008, TAFE NSW delivery outside the classroom increased from 25 per cent to more than 45 per cent of all delivery.

My own electorate of Murrumbidgee, which stretches across the Riverina in rural NSW, includes many isolated small communities.

Being able to access training through online, mobile, work-based and blended delivery improves outcomes for students and businesses in these communities.

Last year TAFE Western Institute’s Western Connect, was awarded the 2013 Premier's Award for Public Service for "Revitalising Regional NSW". It is a brilliant example of the flexible, innovative and responsive ways that TAFE is working to improve the skill outcomes for the economy and our society.

Aboriginal communities from rural and remote NSW are also benefiting from TAFE NSW Institutes’ innovative delivery approaches. Of the 3,500 additional students across western New South Wales enrolled with TAFE Western Connect, over 800 were Aboriginal.
TAFE Western Connect is connecting people from remote communities to jobs.

In March this year I also announced the TAFEnow project, a North Coast TAFE initiative which allows TAFE to deliver more flexibly through online courses and subjects.

TAFE’s Open Training and Education Network – OTEN supports over 100,000 students to study over 200 qualifications flexibly and by distance, including students in more than 30 countries.

And TAFE NSW Higher Education is opening up new pathways for students to enrol in ‘work based’ degree programs who may previously not had access to higher education.

This year, there are over 700 enrolments in seven nationally accredited degree programs at nine locations across NSW.

TAFE NSW has unrivalled reach, particularly in rural and regional areas, to extend tertiary qualifications that directly meet the growing skill needs of employers.

TAFE’s international reach is also increasing with the growth in international student enrolments and international partnerships.
I had the opportunity to travel to Vietnam last year with the Managing Director of TAFE NSW to witness the signing of an agreement with the Ho Chi Minh City Department of Education and to progress other agreements to further grow our partnership with Vietnam. What struck me was TAFE’s capacity to contribute not only to our own economic and social wellbeing but the economic and social wellbeing of our important trading partners.

Last month saw another new initiative with the launch of the new TAFE NSW Innovation Network. This online space now allows staff across the network of TAFE NSW Institutes to collaborate with their peers and industry partners to drive innovation through online forums and webinars.

It celebrates and shares successes and supports future opportunities for innovation.

Topics for collaboration already include environmental sustainability, improving customer experience, and new products, partnerships, and technologies.

And there is more exciting news. I am pleased to announce today that in the coming weeks, TAFE NSW will launch TAFE
NSW Online – a new initiative that provides students with high quality, nationally accredited, fully online course options.

TAFE NSW Online will be available anywhere, anytime – accessible through any mobile device and supported by a student support centre and online tutoring, with technical support available 24 hours a day, 365 days a year.

TAFE NSW Online is just one more way that TAFE NSW is providing students with access to fully flexible study options, helping them to access further learning to increase their skills and meet their career goals. This is exactly what industry, business and indeed students have been demanding of their training providers.

**Conclusion**

I have no doubt that the future for TAFE is very positive.

It is pleasing to see that TAFEs across the nation are rising to the challenge of reform and innovating to remain relevant and successful.
I have every confidence in the passion and courageous leadership of TAFE Directors to meet the challenges and seize the opportunities in our more competitive and global world.

Undoubtedly there will be more changes ahead but I am confident the TAFE sector will continue to transform in response to the many and diverse needs of its customers, whether that customer is attending a remote college in north-western NSW, connected online from India or receiving workplace training in inner Melbourne.

TAFE sets a world-class standard not only in vocational education and training – but in setting a new benchmark as innovative, flexible and adaptive tertiary institutions and as evolving contemporary public institutions.

The last three years alone illustrate this, let alone the one hundred and twenty years plus of its history.

TAFE will continue to provide a significant contribution to the skills base of our nation and to the world – delivering training which will nurture productivity and deliver skills to take our nation to further successes in 2020 and beyond.