Skills and Workforce Ministerial Council

Outcomes Framework National Skills Agreement

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and acknowledge their continuing connection to land, water, and community. We pay our respects to the people, the cultures and the elders past and present. We acknowledge First Nations custodianship of 65,000 years of knowledge, skills and learning systems.

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Section 1

Skills and Workforce Ministerial Council Foreword

Skills and Workforce Ministers are pleased to release Australia's first Outcomes Framework for the national Vocational Education and Training (VET) system to help monitor and assess progress under the 5-year National Skills Agreement.

This Outcomes Framework has been built on the shared commitment of the Commonwealth, states and territories to deliver a high-quality, responsive and accessible VET system that boosts productivity while also supporting Australians to obtain the skills they need to prosper. Australia's VET system has a key role to play in meeting the needs of industry, individuals and the community. The purpose of this Outcomes Framework is to help link actions that we, as governments, can take with what we want to achieve within the 5-year life of the National Skills Agreement (NSA). This Outcomes Framework is the first of its kind for the VET sector and will increase our ability, as governments, to track, monitor and respond to changes over the life of the NSA. It will also help to guide strategic conversations between the Commonwealth, states and territories on the health of the VET system and progress in achieving the outcomes and national priorities outlined in the NSA. More broadly, the Outcomes Framework will support governments to work together to address shared challenges and to capitalise on shared opportunities. This will ensure that the VET system continues to deliver positive outcomes for Australian students through providing pathways to secure, well paid work while building the skills Australia needs now and into the future.

Closing the Gap is embedded within the NSA and more work will be done in partnership with First Nations partners to track progress against priority reforms and ensure the Outcomes Framework is relevant and meaningful to Aboriginal and Torres Strait Islander peoples.

Skills and Workforce Ministerial Council
06 December 2024

Section 2

Overview of the Outcomes Framework

VET plays a key role in delivering strong economic and social outcomes for Australians

Commonwealth, state and territory governments have agreed to finalise the NSA Outcomes Framework that describes what success looks like through a balanced scorecard of national targets in 2024. These national targets will clearly articulate the minimum and maximum level of performance that is realistically achievable within the life of the NSA.

This document contains the indicators and measures that will enable governments and other VET stakeholders to assess the health and strength of the VET system over the life of the NSA. This first iteration includes interim measures and indicators relevant to the experiences and perspectives of First Nations learners. It acknowledges further work needs to be undertaken to more meaningfully reflect views of First Nations peoples.

Four '*population outcomes'* and 5 '*system outcomes*' are outlined in the NSA.

Population outcomes

Population outcomes represent outcomes for individuals, society and the economy. The 4 population outcomes in the NSA are:

- **outcome 1 - productivity:** productivity growth is improved by a better skilled workforce well matched to labour demand
- **outcome 2 - labour supply**: industries, including in critical and emerging areas, can access and develop the skilled workforce they need
- **outcome 3 - wellbeing and inclusion**: all Australians, including priority groups (including Aboriginal and Torres Strait Islander peoples, people with a disability and where relevant gender), are able to build the skills needed for well-paid, secure work aligned to their interests and
- **outcome 4 - resilience:** all Australians, including priority groups, have the skills that allow them to adapt in their work and life now and in the future.

System outcomes

The system outcomes are areas in which the VET system will need to deliver to support the achievement of population outcomes. The NSA identifies the following system outcomes:

- **outcome 5 - industry needs:** VET activity is aligned to workforce demand
- **outcome 6 - student needs:** VET learning supports and pathways are accessible and effective, and meet the diversity of learner needs and objectives, including for priority groups
- **outcome 7 - responsive courses:** VET courses are trusted, relevant and available at the right time
- **outcome 8 - quality delivery:** VET delivery is of a consistently high quality and

provides a positive learner experience, including for priority groups

- **outcome 9 - a collaborative and sustainable VET system:** VET system governance advances stewardship of an effective and efficient national VET system, strengthens partner participation, and ensures system sustainability.

The balanced scorecard

The balanced scorecard will allow governments and other VET stakeholder to identify which elements of the system are working to deliver economic and social improvements.

Each population and system outcome has a different number of indicators and measures to ensure a holistic system-wide view. The balanced scorecard approach may help identify whether changes to national and/or jurisdictional actions may be beneficial to progress population and system outcomes.

The indicators and measures in the balanced scorecard will bring together national data from several sources. As proposed measures are based on annual or biennial data sources, some aspects of the balanced scorecard may not change between certain reporting cycles. Data reported will be at a national level, and not broken down by jurisdictions.

Reporting cycle and data limitations

The balanced scorecard will be reported on an annual basis with the first report expected to be made available mid-2025. An annual reporting cycle based on financial years will provide evidence to inform subsequent iterations of the National Skills Plan and jurisdictional action plans over the life of the NSA.

Most data for measures featuring student data (particularly for the *Student Needs* outcomes) refers to government funded students. Government funded students may study at a public or a private Registered Training Organisation (RTO). Further detail on cohorts is included in Section 4.

Reporting delays are inherent for some indicators, such as outcomes following course completion (i.e. course completions data released in 2023 was for students that enrolled in 2019). Early reports will include students who enrolled prior to the implementation of the NSA as a baseline.

The reporting cycle may be supported and enhanced by future projects to improve data quality and availability.

Stewardship

Stewardship describes the intentional collaboration between governments and with stakeholders. It will be guided by a shared vision for the sector and be implemented through agreed outcomes and national priorities. Evidence available through the balanced scorecard will help support decision making to progress towards this shared vision.

The Theory of Change and enabling conditions

This Outcomes Framework has been developed for the VET system by using a theory of change methodology. The theory of change articulates the relationship between population and system outcomes and the enabling conditions required to achieve success.

The theory of change for the VET system is represented in **Figure 1**. Further information on each of the identified enabling conditions in the theory of change for the VET system can be found in **Appendix A**.

Jurisdictional action plans

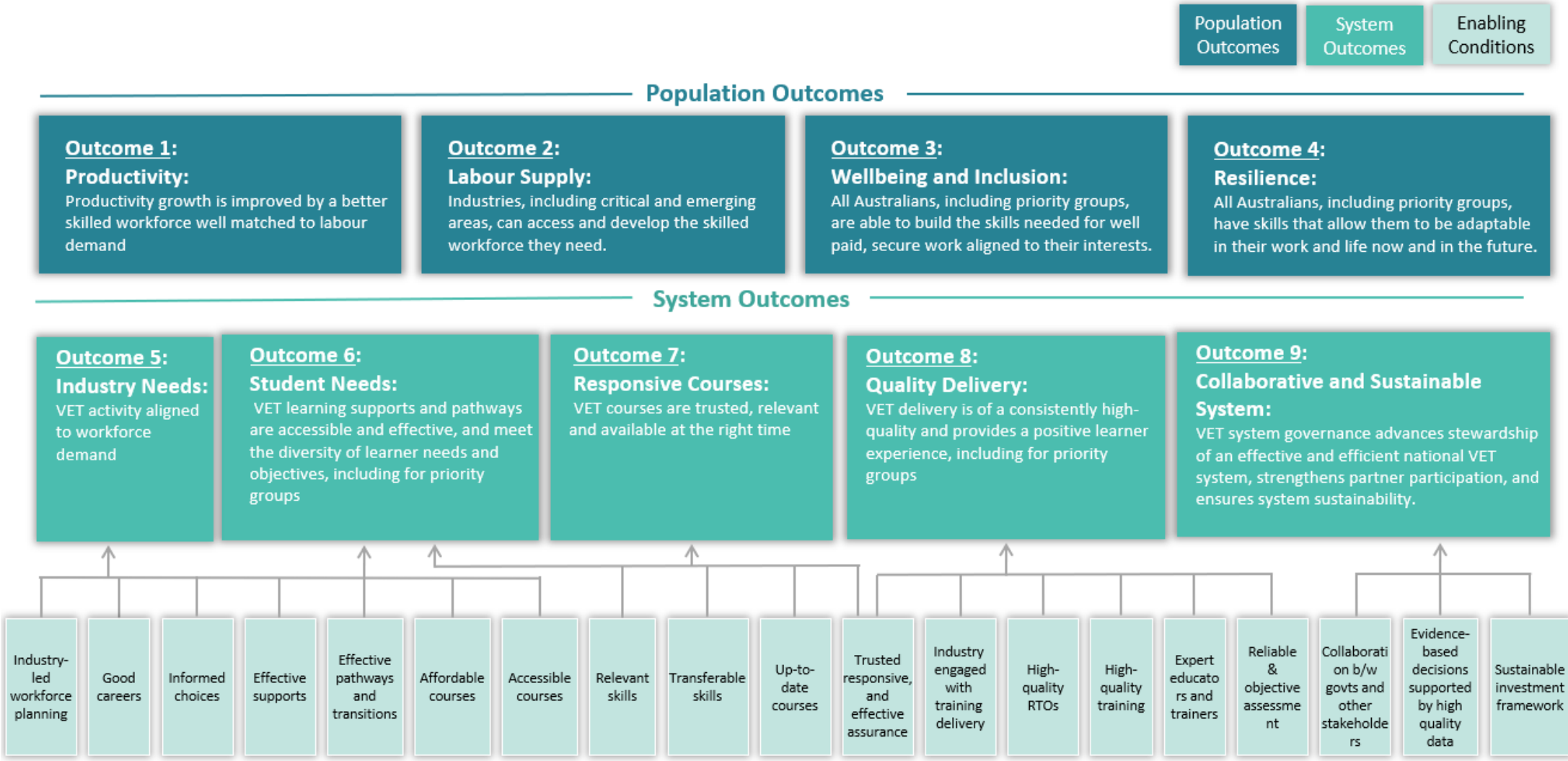
All jurisdictions will communicate their jurisdictional actions, outcomes and output targets through jurisdictional action plans. These plans will describe how jurisdiction's actions will contribute to the national targets under the Outcomes Framework. Jurisdictions

will only identify actions towards relevant measures.

National priorities

The national priorities are areas which all governments have agreed require focused effort to address critical skills and workforce shortages. Evidence from the Outcomes Framework will be a key source of information to evaluate progress against the shared national priorities, including Closing the Gap. Further information on the National Priorities can be found in the National Skills Plan.

Figure 1: An Outcomes Framework and Theory of Change for the VET System



Section 3

Population Outcomes

Outcome 1 – Productivity

Productivity growth is improved by a better skilled workforce well matched to labour demand.

One important element of the VET system's long run success is how the contemporary and cutting-edge skills learnt and developed through VET allow students to help raise the productivity of the organisations they subsequently go to work for. As the Australian Government's White Paper on Jobs and Opportunities noted:

- productivity growth is the real driver of real wage growth and rising living standards over the long term, but productivity growth has been slowing around the world, and in Australia since the mid-2000s
- building skills and knowledge through education and training also has indirect benefits to productivity by allowing people to be able to realise the productivity gains of other investments in technology and innovative work practices
- realising our productivity potential will require a broad-based approach that promotes the enduring drivers of productivity growth, such as investments in our human capital
- there is significant scope to boost the skills of then workforce, enabling businesses to work more efficiently, to complete high value-add tasks and innovate
- the government is progressing a 5 pillar productivity agenda, which focuses on driving higher productivity growth by promoting economic dynamism and resilience, investment in physical and human capital, delivering quality care more efficiently and realising the opportunities of the net zero transformation.

It is important to note that a range of factors will drive future labour productivity growth, including but not limited to the contribution of the VET system, and therefore productivity growth is not a perfect indicator of VET system success. However, as just over half of Australia's total workforce are employed in occupations where VET is the primary pathway, the overall contribution the VET system makes to labour market outcomes – including indicators such as productivity growth and wages growth, via the supply of workers with skills that meet modern workforce needs – is significant and therefore worthy of ongoing tracking.

Given the complexity of measuring productivity, several different options for indicators are presented in Table 1.

Table 1: Outcome 1 - Productivity

Indicator	Description
1.1 Economy-wide productivity growth	Productivity Growth, as measured by *Gross Domestic Product per hour worked*, is one of the most important and widely accepted measures of labour productivity. This indicator is included in the Outcomes Framework for completeness
1.2 Productivity growth for sectors where VET pathways are critical to total sector employment	Productivity Growth by industry, as measured by *Gross Value Added per hour worked*, measures the additional economic value added by each industry in producing goods and services.
1.3 Wages growth in occupations with a VET pathway	Productivity growth is the main driver or real wage growth. This measure can be used to indicate the nature of real wage growth (and therefore productivity) in occupations with a VET pathway.
1.4 Increase in income after VET	Using data from Jobs and Skills Australia, this indicator can be used to track the impact of VET training, including comparing student's income before and after training is completed.

Outcome 2 – Labour Supply

Industries, including in critical and emerging areas, can access and develop the skilled workforce they need.

Currently, just over half of Australia's total workforce are employed in occupations where VET is the primary pathway, highlighting how critical the success of the VET system is to the success of Australia's workforce. The success of the VET system is not confined to students completing courses with the relevant skills and qualifications. It extends into those qualified students then successfully applying these skills in the labour market to meet Australia's current, emerging and future skills needs.

As the Australian Government's White Paper on Jobs and Opportunities noted:

- the education system is critical to our goal of lifting skills needs and building our future workforce
- more than 9 out of 10 new jobs expected to be created over the period 2023-2033 will require post-secondary qualifications – with relatively even shares of these expected new jobs having higher education (48%) or VET (44%) pathways (JSA analysis)
- over the year to February 2024, 59% of total employment growth has been in skill level 2 to 4 occupations where VET qualifications are the primary pathway (JSA analysis)
- a culture of life-long learning, supported by greater workplace training, will ensure people are able to upskill to take advantage of future opportunities in the labour market.

Jobs and Skills Australia analysis of VET Student Outcomes for the top 100 courses through the VET National Data Asset noted that VET qualifications successfully assist people in different transitions in their life, such as young students entering the labour market for the first time by completing apprenticeships to mature students in their 30s completing diploma level qualifications to upskill in their current role or change jobs.

Table 2: Outcome 2 – Labour Supply

Indicator	Description
2.1 Growth in employment in occupations with a VET pathway	The percentage growth of employment for workers in occupations where VET is the primary pathway, as defined by the Australian Bureau of Statistics (ABS) *Occupation Standard Classification for Australia* (OSCA) (previously ANZSCO) - skill level 2-4 occupations.
2.2 Growth in VET qualified workers in critical sectors	The percentage growth of employment for workers with VET qualifications as their highest level of education in critical sectors.
2.3 Proportion of graduates participating in the labour force	An indicator of labour market participation at the *Australian Qualification Level (AQF),* based on reported employment status and Highest Level of Education.

Indicator	Description
2.4 Percentage of occupations where VET is the primary pathway, in national shortage	National skills shortages in occupations where VET is the primary pathway.
2.5 Increase in the pipeline of people undertaking VET courses corresponding to courses that are linked to national priorities in the NSA	An indicator of skills supply, including the numbers of people in the process of undertaking VET qualifications that typically lead to careers in critical sectors.

Outcome 3 – Wellbeing and Inclusion

All Australians, including priority groups, are able to build the skills needed for well-paid, secure work aligned to their interests.

Australia's labour force participation rate has risen markedly over the past 6 decades, with women and mature aged people driving this growth. However, not all Australians are benefiting and more needs to be done to boost employment opportunities and overcome entrenched and intergenerational disadvantage. As the Australian Government's White Paper on Jobs and Opportunities noted:

- One in 3 children born to families in the bottom 20% of the income distribution remain there. Family background, labour market access and educational outcomes have a strong impact of life outcomes for these children
- lifting course completion rates for priority groups is a major challenge. For students who commenced a VET qualification in 2018, the completion rate for all students was 47.6%. For students with disability, it was 41.8%, for remote students 40.7% and for First Nations students 34.5%. A dedicated national effort is required to trial new approaches to support these priority groups
- occupations with a higher share of new entrants to the care and support economy who were born overseas include registered nurses in aged care (40%), nurse managers (34%), personal care workers (31%) and nursing support and personal care workers (30%)
- aged care, disability support and veteran's care workers are nearly twice as likely to hold multiple jobs. This can limit job stability for some workers who would prefer stable employment.

The VET system has a role in supporting priority groups to build the skills they need to improve life outcomes and allow all Australians to raise living standards over time.

Table 3: Outcome 3 – Wellbeing and Inclusion

Indicator	Description
3.1 Employment rate post course completion including by Indigenous status, gender and disability for people aged 25 to 64	While completion rates (below) measure whether students are able to build the skills they need, employment rates measure job outcomes once these students leave VET.
3.2 Completion rates including by Indigenous status, gender and disability	All Australians, including priority groups, are able to build skills they need as measured through VET completion rates.

Indicator	Description
3.3 VET Attainment including proportion of Aboriginal and Torres Strait Islander people aged 25–34 years who have completed a VET qualification (Cert III to Advanced Diploma)	This indicator aligns to Closing the Gap Outcome 6: "Aboriginal and Torres Strait Islander students reach their full potential through further education pathways," measuring the percentage of 25 to 34 years old First Nations persons who have completed a qualification between Certificate III and Advanced Diploma.
3.4 Proportion of Aboriginal and Torres Strait Islander people (age 20-24) attaining year 12 or equivalent qualification	This indicator aligns to Closing the Gap Outcome 5: "Aboriginal and Torres Strait Islander students achieve their full learning potential," measuring the percentage of 20 to 24 years old First Nations persons who have completed Year 12 (or equivalent qualification).

Outcome 4 – Resilience

All Australians, including priority groups, have the skills that allow them to adapt in their work and life now and in the future.

Our economy and labour market will be shaped by 5 forces in the coming decades – population ageing, rising demand for quality care and support services, expanded use of digital and advanced technologies, climate change and the net zero transformation, and geopolitical risk and fragmentation. We need to continue to invest in people's skills so they can gain meaningful employment and adapt to the changing needs of the economy.

Australia needs to develop adaptable and resilient people who can continually learn and reskill to meet the evolving needs of the labour market. These needs will differ based on the industry composition of states and regions in Australia. However, workers will need to have strong foundation skills, including interpersonal and problem-solving skills to meet the growing needs for sophisticated soft skills.

As the Australian Government's White Paper on Jobs and Opportunities noted:

- many of the occupations in the labour force did not exist 30 years ago. For example, in 2015 there were only 450 people employed as data scientists and just 4 years later there were 3,210 (JSA analysis). This reinforces the need for people in data roles to continually upskill.
- that the defence project will need to grow its workforce by approximately 18,500 personnel by 2024. Project management, security, mechanical operations, mechanical engineering, electrical engineering, systems engineering, and project cost and scheduling are areas identified as priorities, especially in South Australia.

The VET system prepares all Australians with wide ranging skills including foundation skills, digital skills, project management and engineering skills that are transferrable and adaptable to the changing economy.

Table 4: Outcome 4 – Resilience

Indicator	Description
4.1 Income support exit rates after completion	This indicator uses data compiled by *Jobs and Skills Australia* to provide insights on the social outcomes of Australians who complete VET studies, including income support payments. This information is available for priority groups including women, people with disability and First Nations People.
4.2 Performance of VET qualifications in assisting students to progress to further study	This indicator uses longitudinal data collected by *Jobs and Skills Australia* to track students' progress onto further VET or Higher Education studies.

Section 4

System Outcomes

Outcome 5 – Industry Needs

VET activity is aligned to workforce demand

The VET sector plays an important role in raising the educational attainment of the population, skilling Australia's workforce and increasing economic productivity. Strong VET outcomes also help to ensure the growth and survival of Australian industries through:

- Training and qualifications to address skill needs, as VET programs provide employers with access to workers who have the appropriate skills and qualifications to meet industry demands.
- Programs that promote digital skills and technology education needed by industry as Australia moves to a digitally driven economy.
- Qualifications and careers needed to assist industries transition to a net-zero future and ensuring that priority industries have access to relevant skills needed to develop Australia's sovereign capabilities.

Having a close alignment between the skills provided through the VET sector and these industry needs helps to ensure the economy can grow, continue to produce the jobs of the future, and provide critical services for the Australian community.

Table 5: Outcome 5 – Industry Needs

Measure	Description
5.1 Employer Satisfaction (among employers who arranged or provided their employees with nationally recognised training)	VET training meets industry needs, as measured by the percentage of employers who arranged or provided their employees with nationally recognised training that are satisfied.
5.2 Employer Satisfaction (with unaccredited training)	VET training meets industry needs, as measured by the percentage of employers satisfied with unaccredited training. This is provided for comparative purposes.
5.3 Completions aligned to occupations in national shortage	VET courses meet industry needs, as measured by the proportion of occupations in shortage who have had an increase in completions by domestic students compared to the previous year.
5.4 Course completions that are linked to relevant occupations for the national priorities in the NSA	VET courses meet industry needs in critical sectors, as measured by course completions in occupations for industries identified as national priorities under the NSA.

Measure	Description
5.5 Change in employment rate because of completing a VET course (such as national priorities or top 100 most common VET courses)	VET training meets industry needs as measured by employment rate changes for occupations in industries identified as national priorities under the NSA.

Outcome 6 – Student Needs

VET learning supports and pathways are accessible and effective, and meet the diversity of learner needs and objectives, including for priority groups.

This outcome seeks to ensure that VET students are satisfied that their needs are met through the courses they study. Student should receive the right supports to succeed in and achieve their main reason for study. Students should feel satisfied with the training received and the foundation skills taught, including promoting lifelong learning.

VET is also critical enabler of inclusion and economic equality. VET courses should be offered and accessible to a diverse sector of the public providing pathways into diverse jobs and careers. The NSA includes a focus on addressing intergenerational disadvantage by supporting groups that have traditionally faced barriers to education, training and work. Understanding and addressing student needs will also support increased completion rates. Graduates will be empowered to find and secure meaningful work improving workforce participation and productivity, engagement in the community, and their contribution to society.

The measures below are for government funded students, except *completion rates* which is for all students, and *subject enrolments (Foundation Skills units)* which is for domestic students. It is possible that better data relating to foundation skills programs becomes available over the life of the NSA and the measures below may be updated to reflect these new data.

Table 6: Outcome 6 – Student Needs

Measure	Description
6.1 Student Satisfaction with Training including by Indigenous status	VET learning supports student needs, as measured by the percentage of students that are satisfied with their training overall.
6.2 Achieved main reason for training including by Indigenous status	VET learning meets learner needs, as measured by percentage of students who achieved their main reason for training.
6.3 Subject load pass rate including by Indigenous status, gender and disability	VET learning supports student pathways as measured by subjects passed as a percentage of those attempted weighted by subject length (by reported hours). This also includes recognition of prior learning.
6.4 Main reason for leaving study or training including by Indigenous status	The effectiveness of VET in retaining students, as measured by the main reasons for discontinuing training.

Measure	Description
6.5 Completion rates including by Indigenous status, gender and disability	The effectiveness of VET learning as measured by actual completion rates, including by priority group. There is an inherent lag with the availability of completions data.
6.6 Subject enrolments (Foundation Skills units) including by Indigenous status	VET meets student needs, including through foundation skills. Foundation Skills Training Package (FSK) subject enrolments will serve as a placeholder measure until data becomes available and a new measure can be created.
6.7 Improved Numerical Skills including by Indigenous status	VET adequately develops students' foundation skills as measured by the percentage of students reporting training has improved their numeracy skills.
6.8 Improved Writing Skills including by Indigenous status	VET adequately develops students' foundation skills as measured by the percentage of students reporting training has improved their writing skills.
6.9 Developed Problem-solving Skills including by Indigenous status	VET adequately develops students' foundation skills as measured by the percentage of students reporting training has improved their problem-solving skills.

Outcome 7 – Responsive Courses

VET courses are trusted, relevant and available at the right time.

Responsive courses build trust in the VET system and are important to employers because many rely on VET-trained workers and are looking for skills that reflect current workplace needs. Around 44% of new jobs expected to be created over the period 2023-2033 are anticipated to require a VET qualification as the primary pathway. Responsive courses are also important to students because training should help them achieve their desired employment outcomes.

Table 7: Outcome 7 – Responsive Courses

Measure	Description
7.1 Employer Satisfaction (among employers who arranged or provided their employees with nationally recognised training)	VET courses are responsive to workforce needs, as measured by the percentage of employers who arranged or provided their employees with nationally recognised training that are satisfied.
7.2 Enrolments aligned to occupations in national shortage	VET courses align with workforce needs, as measured by the percentage of occupations in shortage for which there was an increase in corresponding VET program enrolments by domestic students from the previous year.
7.3 Increase in enrolments for courses that are linked to national priorities in the NSA	VET courses align with critical workforce needs, as measured by changes in enrolments that are linked to occupations in national priority areas under the NSA.
7.4 Improved skills for job including by Indigenous status	VET courses are relevant to the workforce, as measured by the percentage of students who after training are employed in the same job as before they commenced their training and report to have improved their skills.
7.5 Participation rate (in VET programs), including by Indigenous status, gender and disability (working age)	How many persons are studying in VET, measured as the number of (working age) students as a percentage of the Australian working age population.
7.6 Suitability of job applicants for occupations with a VET pathway	Measures the suitability of job applicants for occupations with a VET pathway through measuring the ratio of suitable applicants to qualified applicants per vacancy. If qualified applicants are not found suitable by employers, it may indicate a lack of confidence in the skills delivered by relevant qualifications
7.7 Employed or in further study after training including by Indigenous status, gender and disability	VET training supports pathways into the workforce or further skills acquisition as measured by the percentage of students who, after training, are employed or are engaged in further study, including by priority group.

Outcome 8 – Quality Delivery

VET delivery is of a consistently high-quality and provides a positive learner experience, including for priority groups

For employers and industry, students that graduate with proficiency, due to high quality VET delivery, are highly desirable. Conversely, ensuring high quality VET delivery is vital for a student's belief that VET will assist them to secure a job and subsequent career, or progress on to further education. Ideally, this demand for high-quality VET delivery from students, employers, and industry would encourage RTOs to focus on how to best, and most efficiently, supply high-quality training. Underpinning this is a requirement for all RTOs to deliver nationally consistent, high-quality training that leads to quality outcomes for students, employments and the Australian community as outlined through 'Standards for Registered Training Organisations'.

These outcomes benefit the broader society in that high quality VET delivery leads to a skilled and confident workforce that will increase both productivity and economic growth.

The measures below are for government funded students, except *employer satisfaction*.

Table 8: Outcome 8 – Quality Delivery

Measure	Description
8.1 Employer Satisfaction (among employers who arranged or provided their employees with nationally recognised training)	The quality of VET training and delivery, as measured by the percentage of employers who are satisfied with nationally recognised training.
8.2 Student Satisfaction with Training including by Indigenous status	The quality of VET delivery, as measured by the percentage of students that are satisfied with the training overall.
8.3 Improved employment circumstances including by Indigenous status	The quality of VET as measured by the increase in the percentage of VET students whose employment status improved (i.e. was not employed before training and is employed after, found employment at a higher level, changed job or got a job).

Outcome 9 – Collaborative and Sustainable System

VET system governance advances stewardship of an effective and efficient national VET system, strengthens partner participation, and ensures system sustainability

Responsibility for delivering system outcomes for the VET system is shared by the Australian, state and territory governments, through respective portfolios which manage and administer VET. The successful delivery of VET is therefore reliant on collaboration.

Table 9: Outcome 9 – Collaborative and Sustainable System

Measure	Description
9.1 Stewardship Model Delivery survey	Satisfaction with the delivery of the NSA under the Stewardship model, as measured through survey research.
9.2 Findings from the Independent Review	The governance of the VET system through the joint stewardship model is effective, efficient and sustainable as determined by an independent review of the NSA.
9.3 Survey of the Coalition of Peaks on the effectiveness of the nationally networked VET policy partnership	The survey will provide up-to-date information from the Coalition of the Peaks on the effectiveness of the First Nations VET policy partnership.

Section 5

Targets

The targets in the Outcomes Framework have been developed collaboratively between Commonwealth, State and Territory governments. The targets are designed to provide meaningful insights on the VET system and can be nuanced or adjusted over time as necessary to ensure that targets are nationally relevant and focused on the core areas of the VET system.

Targets serve as both a guide on how the system is currently performing and a benchmark for evaluation. In doing so, they can inform the development of policy interventions to drive progress towards the outcomes.

Targets have been proposed for 10 select system outcomes measures. Higher targets (minimum of 2 percentage points growth and a stretch target of 4 percentage points growth) over the life of the NSA are proposed where measures are supported by NSA policy initiatives. Lower targets are proposed (minimum of 2 percentage points growth and a stretch target of 3 percentage points growth) over the life of the NSA for measures where policies are yet to be developed. The remaining measures will be tracked in the balanced scorecard where data is available, including for priority groups. New data collections may be established to source data to report against targets for other measures. We also note that measures may be revised over the life of the NSA.

Measure	2023 Baseline*	Min Target	Stretch Target
Employer Satisfaction (among employers who arranged or provided their employees with nationally recognised training)	78.5%	80.5%	81.5%
Student Satisfaction with training	85.7%	87.7%	88.7%
Subject load pass rate	80.7%	82.7%	84.7%
Improved Numerical Skills	48.6%	50.6%	52.6%
Improved Writing Skills	50.3%	52.3%	54.3%
Developed Problem-solving Skills	77.6%	79.6%	81.6%
Participation rate (in VET programs for working age population)**	11.4%	-	13.4%
Employed or in further study after training	83.5%	85.5%	86.5%

Measure	2023 Baseline*	Min Target	Stretch Target
Improved employment circumstances	64.1%	66.1%	68.1%
Stewardship Model Delivery survey	-	Majority satisfied	Unanimously satisfied

** In deriving the data baselines, data was sourced from National Centre for Vocational Education Research (NCVER) including VOCSTATS (https://www.ncver.edu.au/research-and-statistics/vocstats extracted on 17/10/2024), and the Australian Bureau of Statistics (National, state and territory population, March 2024 | Australian Bureau of Statistics). Please refer to https://www.ncver.edu.au/research-and-statistics/vocstats/vocstats-registration-form for further information on VOCSTATS including terms and conditions of use. Where applicable, "not stated" responses in measures using NCVER's Student Outcomes Survey data have not been included in the calculation of the baselines.*

*** Given the low participation rate of the working age population in VET in 2023 only a stretch target of 2 percentage points growth has been proposed.*

Section 6

Next steps

More work needs to be done to include views of the key groups that are beneficiaries of the VET sector

Including First Nations people views

We acknowledge that this first iteration of the Outcomes Framework does not adequately include views of First Nations communities.

Over the next 12 months we are committed to working with First Nations partners to ensure First Nations communities' views are included in the Outcomes Framework and indicators, measures and targets measure what is relevant to these communities.

This may include a revision to the underlying theories of change (or an alternative) to inform the actions that we can take to drive meaningful change for First Nations people.

We envision that this work and extensive consultation and collaboration will result in a revised, more inclusive Outcomes Framework developed through genuine consultation, collaboration and partnership with First Nations peoples.

Working with Jobs and Skills Councils

As industry leaders and stewards, Jobs and Skills Councils are crucial to implementing and driving reforms, drawing on their workforce planning, data analysis and industry intelligence.

Future iterations of the Outcomes Framework and balanced scorecard will be informed by consultation with Jobs and Skills Councils.

Working with Jobs and Skills Australia

We have collaborated extensively with Jobs and Skills Australia in developing this first iteration of the Outcomes Framework with indicators and measures that rely on unique data assets that they have available. JSA has a broader role in monitoring the VET Sector (beyond the NSA) and we endeavour to collaborate with JSA to capitalise on this synergy.

Iterating indicators, measures and targets

Indicators, measures and targets will be revised over the life of the NSA to ensure they remain relevant and include all community groups, or where the availability of data for indicators or measures changes. Future iterations may also track data for additional priority groups.

The Outcomes Framework will be updated through an annual review process with revised indicators, measures and targets to be proposed for inclusion in subsequent balanced scorecard reporting. Revisions will be incorporated once agreed by the Skills and Workforce Ministerial Council.

Appendix A

Enabling Conditions

Enabling Condition	Description
Industry-led workforce planning	Industry engages, through tripartite structures including Jobs and Skills Australia and Jobs and Skills Councils, in identifying current and projected skills needs and developing workforce plans or strategies.
Informed choices	Information is available and accessible at an appropriate level of detail, at the right time, to support potential and existing VET users in making informed decisions about courses, providers and pathways.
Good careers	VET courses lead to positive outcomes for individuals and provides access to good careers with stable and well-paid employment. Industry structures careers and opportunities for progression to support retention of workers.
Effective supports	Students, including priority groups and those experiencing barriers to education and training, have the necessary wrap around supports to undertake the relevant course including developing the skills and knowledge needed to complete their course (academic/foundational skills development), pastoral care facilities, etc.
Effective pathways and transitions	Effective pathways available to support entry into VET and through to employment opportunities and future skills development opportunities across the tertiary education sector.
Affordable courses	Cost does not present a barrier to students participating in VET.
Accessible courses	Provision planning supports access to courses as required and accommodates flexible course delivery to support individual student needs, including the needs of priority groups and those facing barriers to education and training.
Relevant skills	Skills delivered are recognised and required by industry, contribute to logical development pathways and support positive outcomes for industry and individuals.

Enabling Condition	Description
Transferrable skills	Skills delivered are applicable, and recognised, across contexts and occupations. Skills can be built on to support reskilling into new occupations or higher-skill qualifications and occupations. This includes core soft skills such as communication and problem-solving, employability skills, as well as more specific skillsets such as data analytics.
Up-to-date courses	Skills are delivered in coherent packages that equip individuals with complete and relevant skill sets that allow them to enter employment or build on skills required in their current occupation and meet current expectations of their employer and industry.
Trusted, responsive and effective assurance	Assurance processes promote trust and quality in the sector. Regulation of courses and providers is high quality, responsive and effective.
Industry engaged with training delivery	Industry actively supports delivery of relevant and high-quality training through participation in course design and delivery, supporting staff to become trainers or deliver training, and provision of work placements and apprenticeships.
High-quality RTOs	Mix of providers across the system, with TAFE at the centre as an enduring public education provider, and all RTOs have leadership, governance structures and business operations that support quality training delivery and meet student and industry needs.
High-quality training	Quality curriculum and resources available to deliver skills, commitment to high-quality pedagogy and continuous improvement in the delivery of skills training. Training provides a positive experience for students.
Expert educators and trainers	Trainers have industry links to ensure currency of skills taught, and relevant experience and qualifications in the delivery of skills training. Ability to recognise and deliver high-quality training.
Reliable and objective assessment	Assessment ensures consistency of skills achieved in VET courses regardless of provider and provides reliable certification of skills and knowledge for VET users including students and industry.
Collaboration between governments and other stakeholders	To support coordinated and effective action, governments and other stakeholders including Jobs and Skills Councils, educators and students work together on an effective and efficient national VET system.
Evidence-based decisions	High quality and streamlined data and relevant research are available to support timely and well-informed decision making. Robust analysis of this data supports decision-makers' consideration of options and review of outcomes. Student voices and experiences in VET are considered.
Sustainable investment framework	Investment in VET is sustainable for governments and provides assurance of ongoing funding for the sector to support long-term financial planning.