



SPEECH

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**NATIONAL PRESS CLUB, CANBERRA
SKILLING THE NATION FOR THE FUTURE**

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[12:30pm-2.00pm National Press Club]

In this momentous month for our nation, it is more important than ever to acknowledge the traditional owners of the lands that we meet on - the Ngunnawal and Ngambri peoples.

I pay my respects to their elders past and present. And I extend that respect to all Aboriginal and Torres Strait Islander people with us today.

What a privilege it is for us to have as a central part of our national history and identity, the oldest continuous, living culture in the world.

In just under two weeks, each of us will be given the opportunity to answer the generous invitation made at Uluru six years ago, to walk together with First Nations Australians for a better future.

The simple act of accepting that invitation, by saying YES, will make us an even better, more united, country.

It's exactly fifty years since the Whitlam Government commissioned Myer Kangan to provide advice on the development of technical and further education in Australia.

His report to the Government established the foundations for a modern TAFE sector, built on the traditions of our finest state technical schools and trade colleges.

But with a vision for something bigger.

The Report made the link between vocational education and training and national prosperity, and for the first time this link was comprehensively acknowledged by a Commonwealth Government.

Significantly, the report was tri-partite. It brought together employers, unions and educators, State and Territory governments.

The report was of such seminal importance to Australia's national development that one of Australia's exceptional TAFE colleges bears the author's name.

For the first time, significant Commonwealth funds were invested through grants to the states to build new technical colleges, create new and more facilities, and train new teaching staff.

It was the birth of Australia's modern vocational education sector.

It was a moment of promise that should have created a great national skills training sector, equal in status to our university sector, as is the case in many other countries.

But if we're being honest, the policies of successive governments have cast TAFE, community providers, and the VET sector adrift from its purpose of national prosperity.

The VET sector has endured underfunding, de-regulation, loose rules of VET market entry, a lack of national cohesion and an obsession for competition at the expense of collaboration.

In the face of this neglect, and policy missteps, the sector has performed admirably – but we can do better.

And fifty years since Myer Kangan first conceived of a national TAFE sector, in 2023 we are restoring TAFE to its rightful place, at the heart of Vocational Education and Training.

TAFE is one of our strongest national assets, despite the headwinds it has faced.

Every time I visit a TAFE or a community college I'm encouraged by the passion of the teachers and the enthusiasm of the students.

Upon election, not only was the Albanese Government faced with a trillion dollars of debt, we were bequeathed one of the worst skills shortages this country has experienced.

A decade of Commonwealth dysfunction on skills policy was never going to help address severe skills shortages across the country.

Our vocational education and training sector needed genuine ambition, investment, and cooperation.

And it needs champions.

That's exactly what it has in the Albanese Government.

Regardless of the challenges we inherited, we are determined to produce the reforms required.

And skilled migration will play a role.

I'm working with ministers Jason Clare, Claire O'Neil and Andrew Giles to ensure the skills delivered by our education and training sectors are complemented by informed skilled migration pathways.

Equally important will be reaching out to Australians currently under-represented in the vocational education and training sector, and ensuring they're supported to successfully complete their qualifications.

Today, I want to outline the key reform areas the Albanese Government has embarked on to transform vocational education and training.

A five-year **National Skills Agreement** will be concluded before the end of the year. It is a reform Agreement that will embed true collaboration in the interests of regional and national prosperity.

The National Skills Agreement will create TAFE Centres of Excellence to increase the collaboration between universities and the VET sector and deliver the skills and knowledge our labour market and economy requires.

It will accelerate **higher and new degree apprenticeships** to bridge the outdated divide between the VET and University sectors.

We're driving **qualifications reform** to ensure qualifications are relevant, timely, portable and of high-quality.

We're improving **foundation skills** delivery to respond to the alarming statistic that one in five adults have skills gaps in literacy, numeracy and digital literacy.

We're lifting **apprenticeship completion rates** and supporting more women, First Nations people, and people from a range of backgrounds to access apprenticeships.

We are progressing **the VET Workforce Blueprint** to support, attract and retain teachers and trainers.

We are continuing to deliver **Fee-Free TAFE and VET** places to respond to immediate industry needs.

We have established **Jobs and Skills Australia**, a tripartite expert body that will improve our capacity to plan the workforce needs of the future.

Its work will be complemented by **ten new Jobs and Skills Councils** to ensure that government decisions are informed by real economy insight.

And because more must be done to stop substandard and dodgy VET providers, we are strengthening **VET integrity**, lifting RTO standards and implementing stricter rules of entry to the sector.

A high-performing and world-class VET sector is crucial for our country's future in so many ways.

For a start, it's essential for achieving a fairer society and a stronger economy.

And for producing qualified students with the skills to compete and succeed now and in the new economy.

For many decades we have been understandably focused on the shift to a knowledge economy.

In much discussion and debate this has resulted in a competition between VET and University, between the hand and the head. Between doing and thinking.

As if hands and heads are somehow disconnected and we need to choose between them.

Data in the Employment White Paper paints a more nuanced picture of the trends that are shifting in the economy.

The shift in employment has not been from manual to cognitive work. It has been from routine to non-routine work.

High-skilled, non-routine work, both manual and cognitive is growing. While repetitive, routine work, both manual and cognitive is declining.

Thinking and doing are not in tension with each other, together they are far more powerful, and more of what the economy needs.

If we as a nation are going to meet major national challenges, such as growing the care economy, reaching net zero, responding to rapidly changing technology, and building a future made in Australia, we need education and training sectors that are fit for purpose.

Vocational education and training must be held in the same high public esteem as a university pathway – just as it is in countries such as Germany and Switzerland.

In Switzerland over 60 per cent of students take a vocational education pathway and around half of those go on to gain a university level qualification.

The interim report of the Accord Panel review, commissioned by my colleague the Hon Jason Clare, affirmed that we need to increase collaboration between the two tertiary sectors.

And if that wasn't always evident you only need to look at what will be required to assist our economy transform to net zero to conclude that such collaboration must accelerate.

It shouldn't be surprising therefore that the first major workforce study I assigned to Jobs and Skills Australia was the Clean Energy Workforce Capacity Study.

The study provides governments, industry and education providers with a workforce planning roadmap of the **type** and **volume** of skills that will be needed.

After years of profound neglect towards skills needed for decarbonisation and net zero transformation, the task is bigger and more urgent than ever.

Decarbonising will need highly skilled workers to do all the rewiring, replacing, the relocating, the re-programming and the maintaining.

Having been briefed on the study, which will be released shortly by Jobs and Skills Australia, it identifies the most critical occupations comprising the clean energy workforce: including electricians; engineers; and construction and production managers.

Emerging occupations include solar installers, wind turbine technicians, energy auditors and energy efficiency engineers.

The report outlines that the pace and complexity of the work needed for the huge job ahead will require new methods of delivering and designing curricula.

This presents a significant challenge in preparing a workforce. It also presents a myriad of opportunities for the next generation of workers.

Many of the jobs we will need for our clean energy future straddle traditional trades and professions.

A pilot program for example combines an electrical engineering degree with a Certificate III electrical trade apprenticeship.

Federation University is planning to launch an apprenticeship with NECA to provide a Cert III in parallel with an Electrical Engineering degree.

This is important work but we need to ensure that these types of programs are the norm, not the exception.

Which is why nationally networked TAFE Centres of Excellence that bring industry, universities and TAFEs together will prioritise clean energy skills, along with other critical areas.

These Centres of Excellence will help in the development of new degree apprenticeships in this field and to double the number of higher apprenticeships in clean energy, care and IT within five years.

Engaging industry and academic experts in the design and delivery of training, engaging students in emerging research to solve real world industry problems and bridging the gap between vocational and university education.

What this is all about is giving workers the depth and breadth of skills they need to meet future challenges.

Helping Australians to get the right skills for the jobs the economy will need.

Let me be clear: Our nation's economic, social and environmental agenda – the Albanese Government's agenda – cannot be achieved without a major systemic change to the way we educate and train our people.

We not only have to arrest the current skills crisis, but we must avert a future skills crisis that could have very real and profound consequences for our future national wellbeing.

We just need to look at meeting our national security challenges. To deliver AUKUS, we will rely on the skills of our people.

And defence industries are a core example of the skills development that necessitate a focus on the hand and the head.

We have to expand our sovereign workforce with skills across engineering, operations and support functions to keep building and sustaining our defence assets whether they be land, air, ocean or space.

Similarly, the \$15 billion National Reconstruction Fund led by Minister Husic will create demand for more and different skills, providing great opportunities for good secure jobs.

Whether it is advanced manufacturing, green minerals, or supply chain, the NRF will facilitate innovation that will require new ways of working and new skills.

Whether it is our national security, our economic security, or our environmental security, we are going to need to ensure the VET and higher education sectors work collaboratively.

Skills development of our people is the foundation of every major agenda we are pursuing.

As I mentioned earlier, we're finalising a new five-year National Skills Agreement with the States and Territories. Along with funding for Fee-Free TAFE, this delivers a \$13 billion investment in VET over the next 5 years.

Together we can fill skills shortages in priority areas.

The goal is to achieve National Stewardship, ensuring the coordination of strategic investment in skills across the economy.

I'd like to thank my counterpart State and Territory Ministers for their genuine cooperation in looking to rebuild national vocational education and training with TAFE at its heart.

I look forward to a National Skills Agreement signed by all governments before the year is out.

This cooperation hasn't always been evident.

The Coalition Government failed to land a national skills agreement with any State or Territory.

They just gave up.

Apathy and hubris meant they thought it wasn't worth their effort.

Well we need this agreement to kickstart real change.

Change that makes VET what Myer Kangan and the Whitlam Government intended it to be – an engine room of opportunities and an essential tool in modernising Australia's economy and society.

The agreement has several crucial elements that when pieced together will revitalise the sector.

Ensuring adequate opportunities are provided for lifelong learning and foundation skills development so Australians can skill and reskill as the economy transforms.

Improving completion rates of VET qualifications through better and more targeted support.

A key element of our agenda is Fee-Free TAFE and VET places.

Delivered in partnership with State and Territory governments it's a flagship initiative to help support key industries experiencing skills

shortages, as well as providing access to those that have historically experienced barriers to training.

And the numbers speak for themselves.

In the first 6 months, we exceeded our target for 180,000 enrolments, with around 215,000 Australians enrolling in a Fee-Free course already.

That's 215,000 people who are accessing high-quality education and training in areas we need skilled workers; like nursing and aged care, traditional trades and IT.

And we're not taking our foot off the pedal.

We're funding a further 300,000 Fee-Free TAFE and VET places starting next year, to continue this vital program.

Every time I visit a TAFE I meet with students who tell me how they wouldn't have been able to study in these areas of critical need if the cost barriers to studying hadn't been lifted.

And I'm proud to be part of a Labor government that can provide these opportunities to students and industries crying out for skilled workers.

To give industry the up-to-date skills that they really need, we want to see a return to true tripartism.

That's governments working together with employers and unions, and educators and training providers to ensure we have the complete picture of the skills industry needs.

Our government's deep commitment to consultation and inclusion comes from an understanding that listening gets better answers.

The ten new Jobs and Skills Councils are a case in point. They are collecting intelligence on the needs of industry to ensure the VET sector

delivers the right training outcomes for students, workers and employers.

And for too long unions have been locked out of this crucial area of our economy.

We know that you get better policy outcomes when those who are affected by those policies have a seat at the table.

To ensure skills and training is relevant and enduring I have established, with the support of my state and territory ministerial colleagues, the tripartite Qualifications Reform Design Group.

For too long, we have treated the VET system as one amorphous thing, rather than a diverse sector meeting the needs of different industries with widely varying attributes and needs.

I have asked the group to look at how we keep the best of what we have where it is working, and how we can adopt different approaches in industries and jobs where it makes sense.

Ultimately, we need to make it easier for workers to gain transferable skills so they have more mobility and more choice.

Recasting vocational education and training to make it less fragmented and rigid, and more responsive and user friendly.

So that people don't have to take years out of work to receive a new qualification.

So that the skills and knowledge learnt are relevant and enduring, and that people can deepen and build on those strong foundations over the course of their lives.

None of this is going to be easy.

In order for any of this agenda to be successful, we first have to overcome perceptions about the poor relative quality of vocational education and training in Australia.

That is why I asked my colleague Lisa Chesters to chair a parliamentary inquiry into the perceptions and status of vocational education and training, which will report this year.

The next wave of vocational education and training reforms must focus on guaranteeing integrity.

We are serious about stamping out the unethical and badly performing training providers that tarnish the whole sector.

The sense of drift regarding vocational education and training is over.

In August the Skills Ministerial Council agreed to tighten the eligibility of who can run and operate Registered Training Organisations.

Today I've announced further measures - a compliance blitz on unlawful behaviour with other government agencies and a significant boost to the capacity of the Australian Skills Quality Authority to achieve this end. The Albanese government will require ASQA to establish an Integrity Unit to identify and address threats to the integrity of VET and improve student protections.

A new confidential tip-off line will be established, giving a safe and confidential avenue for potential whistle-blowers to alert the regulator to serious allegations of non-compliance and fraudulent practices.

We will also improve ASQA's technology to improve intelligence gathering and to more effectively detect and prevent unlawful conduct.

These improvements address recommendations made by Christine Nixon in her review of Exploitation of Australia's Visa System.

They will enhance ASQA's ability to detect and remove unlawful and non-genuine providers, following a decade of inaction under the previous Coalition Government.

Not only do we need to lift the standards on behaviour, we need to lift the focus on quality to ensure students are getting the skills they and the economy need.

Whether that's from TAFE, GTOs, not-for-profit industry or private providers.

Fifty years after the commissioning of the Kangan Report, I am proud to work to fulfil a great Labor aspiration for a modern VET sector.

This is a generational reform agenda for our vocational education and training sector.

By investing in the people and institutions that deliver the skills that workers and the economy need, we are improving national prosperity.

By getting the right people with diverse perspectives around the table in common purpose, we are focussing on the right skills for now and the future.

By providing genuine national leadership in partnership with states and territories, we are bringing together our national, regional and local interests to embrace global opportunities.

We are building a system that is greater than the sum of its parts.

And in doing so we are giving life to a great Labor vision of fifty years.