SENATOR THE HON MICHAELIA CASH
MINISTER FOR EMPLOYMENT, SKILLS, SMALL AND FAMILY BUSINESS

Ministerial Address
National Vocational Education and Training Research Conference
Date: Thursday 11 July 2019
Time: 8:50am
Introduction and Acknowledgements
Ladies and Gentlemen - good morning!

Thank you Simon for your kind introduction.

I am delighted to join you today at your 28th National Conference - No Frills.

I would like to acknowledge my South Australian counterpart - David Pisoni, the Minister for Innovation and Skills.

David is a former apprentice and I look forward to hearing his insights about the student journey and the value of lifelong learning – which is of course this year’s conference theme.

Portfolio
Ladies and Gentlemen - I was delighted when the Prime Minister appointed me the Minister for Employment, Skills, Small and Family Business.

The bringing together of Skills and Training with the Employment and Small and Family Business portfolio reinforces the integral relationship between skills and jobs.

During the election campaign I visited many small businesses and training providers and there was a consistent message.

Whether it was employing someone with the right skills, or training students with job ready skills – jobs, jobs, jobs is the message.
The skills that are needed in today’s workforce are constantly evolving with employers increasingly wanting workers who are job-ready, with practical skills and an employment history.

And this ladies and gentlemen is what a vocational education provides.

As you well know - VET helps to increase the number of Australians in employment by assisting job seekers into work with the skills that they, and their employers, need.

It gets the right person employed in the right job!

As Minister, I am passionate about lifting the profile of vocational education.

It is a valuable career choice for many Australians and should not be seen as being less important than a university degree.

Recently, there was a very interesting article in Sydney’s Daily Telegraph about how embarking on a career path in vocational education and learning a trade can be very financially rewarding.

Many tradies are increasingly earning more than those with university degrees and are finding that there are more job opportunities out there for those in trades.
The article suggested that the average salaries for machinists, electricians and electrical distribution workers are now higher than the average salaries for advertising executives, counsellors and human resources managers.

**OPPORTUNITIES**

The return of our Government brings with it opportunities for all Australians to succeed.

Our economy is evolving, our workforce is evolving and businesses are evolving.

VET will be key to this evolution as it offers a life of learning and allow employees to both train and re-train for the jobs of today and tomorrow.

In fact - NCVERs own data shows us that VET is a system – it is not just an option for young school leavers – more and more employees are and will be re-training and up-skilling.

The data shows that approximately one quarter of VET students are aged 45 and over and two thirds are 25 and over.

In other words – VET is the tool that allows us to skill for life – as the theme of this conference succinctly put its.

**ROLE OF GOVERNMENT**

As a Government our role is to ensure that our training system is delivering the skills for the jobs of today and tomorrow: And that means a focus on vocational education and training.
This is a key element of our plan for a stronger economy.

Why?

Because VET helps to increase the number of Australians in employment by assisting job seekers into work with the skills that they, and their employers, need.

We know that the skills delivered through the VET sector benefit individuals, businesses and the economy more broadly.

We also know that just as our economy is growing and changing, our skills system needs to grow and change with it.

Demand for skills is shifting from manufacturing to the services sector and emerging industries like advanced manufacturing, ICT and cyber-security.

Our vocational education system needs an upgrade to ensure it remains world-class, modern and flexible.

That’s what business has told us – employers are not getting enough people walking through their doors with the right skills.

That means there are potentially young people out there, vibrant people with talent and energy, who might not be getting the training in the areas that could lead to great, fulfilling jobs.
THE JOYCE REVIEW

The Joyce Review we commissioned prior to the election confirms this and will now guide the changes we will seek to make during this term of parliament as a key component of our economic plan.

The Review acknowledges the good work undertaken in the sector so far, but says VET needs to adapt so it can support important and emerging industries and become a first choice for students who want to pursue technical careers.

We believe that learning through a vocational education is just as valuable as a university degree, so we want to transform the way we deliver skills, support employers and fund training.

We’ve addressed some of the quality issues in the sector, and we’re building up that confidence, which is great.

But now it’s time to strengthen VET so it can be the centre of modern skills development into the future.

The nexus between skills and a strong economy will only become greater in the future.

My department’s projections show that the majority of new jobs projected in the five years to May 2023 will require post-secondary qualifications.

Further, seven out of ten of the fastest growing occupations have a VET qualification pathway.
Sustainable, meaningful employment will increasingly depend on skills, with the labour market continuing to shift towards service industries and non-routine manual or cognitive jobs.

Our challenge, then, is to be as nimble and adaptive as the job market in addressing the skills shortages.

We can capitalise on new growth industries – and even on disruption – if individuals are able to quickly respond to change, by up-skilling and re-skilling.

**Employment data**

Australians are entering our labour force in record numbers. Almost 1.4 million jobs have been created since the Government was first elected in September 2013 – an increase of 12.1 per cent.

The unemployment rate is steady at 5.2 per cent.

Full time employment comprised three quarters of the total employment growth over the last year.

And just in the last month, participation rate rose to 66 per cent, its highest rate on record.

This demonstrates the fundamental strength of Australia’s labour market, even in the face of significant global and domestic headwinds.
We have committed to support the creation of more than 1.25 million jobs and another quarter of a million small businesses over the next five years.

The VET sector is vital to ensuring that we achieve this.

**VET Sector**

And that is why the Government is investing in excess of $500 million through our Skills Package Delivering Skills for Today and Tomorrow.

The Skills Package will work to ensure Australians can gain the skills needed to support current and future prosperity by providing clear and reliable careers guidance to inform study choices, better foundation skills training so no one is left behind, and more apprentices for jobs in demand.

By providing industry with a pipeline of qualified workers needed to keep our economy strong, while targeting training in areas of skills demand, the Government is working to ensure business' and individuals have the skills they need to actively participate in the workplaces of the future.

This investment will ensure Australians have the critical skills to meet emerging industry needs, and keep the economy growing.

The Government already invests over $3 billion into the VET sector each year.
The Skills package provides additional funding to support employers, workers and learners.

It places us – workers, businesses, communities and the economy – on the path to prosperity through the growth of our VET sector.

The Joyce Review highlighted the need to address immediate skills shortages that sections of our workforce and industry face right now, and to ensure that skills and training in Australia keeps pace with our changing economy.

It said that Australia’s VET system must better connect with industry, respond to community needs, and have clear, consistent funding.

Through our skills package we will promote a national approach to skills development and enhance the role of industry in designing training packages.

We will establish a new National Skills Commission – to provide leadership on workforce needs and VET funding.

A national co-design process will determine the functions, remit and governance of the new Commission.

The Australian Government is committed to a VET system that puts industry at its heart.
The Government will also pilot Skills Organisations in priority industries: human care services and digital technologies – including cybersecurity.

These organisations will trial new industry led methods of assessment and qualification development to align training with industry needs.

We will also improve the foundation literacy, numeracy and digital literacy skills of Australians, including a pilot of four tailored services for people in remote communities.

We will establish a National Careers Institute and a National Careers Ambassador to work with industry, governments and our schools and tertiary providers to better connect skills and training choices.

The Government introduced the Additional Identified Skills Shortage Payment from 1 July this year – a payment for eligible new apprentices and employers in areas of national skills shortage.

This will boost the supply of skilled workers, help businesses grow and support up to 80,000 additional apprenticeships over the next five years.

The new incentive payments will be in addition to existing incentives for apprenticeships, which will be simplified and streamlined next year.
We are committed to ensuring apprentice and trainee incentives meet demand and that they are responsive to a changing workforce.

We have also expanded the successful Australian Apprentice Wage Subsidy Trial.

A further $60 million will double its size and help ensure that around 3,200 Australians living in our regions have the opportunity to secure an apprenticeship.

Without this support, small regional businesses might not be able to take on apprentices.

Job seekers in our regions will also benefit from 10 new Industry Training Hubs.

The Hubs will be piloted in key areas across the country and will help tackle youth unemployment.

They will build better connections between local businesses, industries and schools.

The 10 regions selected for the Training Hubs will also be eligible for the Commonwealth Scholarships Program for Young Australians.

This will provide up to 400 vocational education and training scholarships worth up to $17,500 each for young Australians.
Young people in regions of high unemployment will have the opportunity to develop the skills suited to jobs in their local area.

This goes to the heart of our skills package - supporting communities that need an economic boost and helping meet the needs of local business.

Our reforms will ensure our workforce is highly skilled and ready to work.

Business will benefit from having the right worker, at the right time and in the right place.

Jobs transform people’s lives - And the investment in skills I’ve just outlined will change lives across Australia.

**Closing remarks**

Ladies and gentlemen – our agenda is ambitious - and I do not shy away from it.

Our ongoing economic success will continue to be built on a highly skilled, agile and capable workforce.

It will be built on more people finding and keeping a job.

We can only achieve our goals by working in partnership with the sector.

We are all stronger when we work together – and when we do, all Australians reap the rewards.
In order to shape the future directions of the sector, we need all of you here today to contribute. You hold pieces of the evidence that tells us what works in practice and what doesn’t, what lessons we can learn from abroad and other sectors, and what achieves outcomes.
I look forward to hearing about the ideas and insights from this conference – I’m sure they will help shape the VET landscape for years to come.