Thank you for the invitation to join you today. I note that you have a very full program as always for your National Conference and I would particularly like to talk to you today about the Vocational Education sector.

I particularly asked Bill Shorten for this Shadow Portfolio because it is an area of the broader education and training task facing our nation in shaping a competitive future and supporting individuals and industries through the transitions that have been occurring in various sectors and will, undoubtedly continue to challenge us for a good time to come.

For me the importance of this task is clearly demonstrated in my own electorate. The Illawarra is a region that has strong historical connections to the mining industry, indeed I come from five generations of coalminers myself.

Being a coastal community it is not surprising that in the twentieth century a thriving manufacturing industry grew up to maximise the opportunities of accessible coal reserves and port facilities.

The Hoskins steelworks established and then bought out by BHP in the twenties, still continue today as Bluescope Steel. Many small and medium manufacturers grew in the region to service the coal and steel industries.
However, since the 1980’s we have seen waves of restructuring across these sectors, until as recently as 2010 when Bluescope undertook another significant restructure that lead to hundreds of workers being made redundant.

There are many regional communities, like mine, going through the same process.

I believe that the critical role that vocational education and training plays in ensuring workers are well equipped to adapt as the businesses they work with look to also adapt to changing market circumstances; the initial post-school courses that young people undertake to get a start in the workforce; the women who have been out of the workforce raising families and seeking to re-establish themselves in work; or the workers made redundant through restructures who look to have established skills recognised and to add to them or to strike out in new work directions; all of these people in all of these circumstances so often look to our VET options to provide these opportunities in an accessible, affordable way and with the assurance that the content and quality are sufficient to be valued in the jobs marketplace.

At the same time that the nature of work and the relevance of knowledge and skills are changing so is the nature and structure of businesses – the expansion of contract work, small business operations, home-based entrepreneurs and so forth and providing new and significant opportunities and real innovation that contributes to the growth of the nation’s productivity, wealth and well-being.

Given how significant, therefore, the VET system is to this national task and being so critical to the success of individuals, businesses, communities and the nation; I feel very strongly that we must be vigilant in protecting the system as a whole.

There are a number of aspects of this task that I would like to talk to you about today. Firstly my concerns that the Abbott Government has failed to prioritise Skills as a portfolio and narrowed the task of what is left after the budget far too much for the national good; the positive continuation of some of the Labor government reform in the introduction of the Unique Student Identifier and the reason this is so important; and some concerns I have about the emphasis on cutting red-tape in its relation to sustaining – indeed improving – quality.

Obviously after the election I was particularly keen to see how the new government would manage the Skills portfolio, there had been very little said, by them, about Skills in opposition so there weren’t many pointers as to what direction they would be likely to go in, I think the only pre-election commitment was the one around the loans availability for apprentices.
Like many people when the Ministry was announced, I presumed that the Skills portfolio had moved with Higher Education in Minister Pyne’s portfolio and was a bit surprised to find it wasn’t there and, like many people who had the similar experience, had to go hunting for it, there was no Minister for Skills identified.

That was probably the first sign that I was correct to have real concerns about what the new government was going to do with the portfolio.

Following that we saw the release of the Government’s Commission of Audit and, again, that caused me very great concern, it recommended that the federal government fundamentally abandon the field on Vocational Education and Training and I think that is absolutely the wrong way to go.

What Federal and State Governments have been doing over recent decades is in fact getting together to better co-ordinate a national approach.

People with education qualifications and work demands move around the country and they do expect that there is a more consistent national approach to these things so I think the Commission of Audit very much reflected a failure to understand the national significance of the Skills area and the Vocational Education Training path that so many of you are involved in delivering.

The Commission of Audit was followed by the Federal Budget and there are areas that are of real concern for Labor in the significant cuts from the Skills Portfolio.

This includes firstly what has happened with apprenticeships.

I acknowledge that the government had indicated prior to the election that they were going to introduce the loans for apprentices program, the $20,000 is going to be available to apprentices on a similar to HECS type loan and, with some amendments we supported the passage of this legislation through the Parliament.

However, we were quite angry on behalf of apprentices that the Government before the election gave them no indication that this program would be at the cost of the Tools for Your Trade payments.

This provided direct financial support to all eligible apprentices to get the tools they need for their trade and to assist with other costs.

Just as importantly for me were other very significant apprenticeship support programs that have been abolished in the Budget.
The first one is the Apprenticeship Access program which particularly targeted very disadvantaged young people to get them the skills and appropriate knowledge to get access to apprenticeships.

As the Minister I visited many programs in construction and automotive and other traditional trade areas who are doing some really great work, so to have that abolished was a real concern.

Another area of apprenticeships that was abolished is the Apprenticeships Mentoring program. Many of you would be aware that there has been a consistent concern about the number of apprentices that are actually completing their training.

Obviously some of that is to do with the fact that at times movements in the broader economy means that they were being lured away early before finishing by higher wages or being laid off due to downturns.

However, it also is often related to the need to provide apprentices with direct mentoring support in order to help them get through and complete their training.

Again it’s another program where, in recent years, I have been able to visit and have a look at and I would have to say that it was very much appreciated, not only by the apprentices, but also by employers and so I really am at a loss to understand why that in particular has also been abolished.

The other more recently introduced program that has been abolished is the Apprentice to Business Owner Program.

Labor started this program as we quite clearly understood that across a whole lot of industry sectors people finish their apprenticeship and then go out and operate as a sole trader/small business operator and the AtoB program was a good initiative to provide them with the sorts of skills they might need that you don’t get in your apprenticeship, those sorts of small business type skills.

So we had nearly $1 billion over three programs plus the incentive payment of Tools for Your Trade that were cut in the Budget, I think was a very short sighted action and apparently quite contradictory to the Governments increased “Earn or Learn” requirements.

The other area I just want to mention about the Budget cuts is some of the co-investment programs.

I know a lot of you would have been involved in these with various businesses, in particular the Workplace English Language and Literacy program and the National Workforce Development Program.
Both of those have been instrumental in providing opportunities in the up-skilling of existing workers.

Again as Minister I saw some great examples of that, as an example I visited some aged care facilities where people were getting a program that combined the language and literacy within a digital skills course and for many of these aged care workers it was a first time they had done a qualification since their time at school and they were really proud of what they had achieved.

I would point out, for example, that the Australian Industry Group, in its own Budget Submission to the federal government, indicated their support for those programs continuing.

Now I acknowledge there are some replacement initiatives in the Budget with smaller amounts of money for them, in particular, obviously there was a new Industry Skills Fund, its not as much money as those other programs that have been deleted and it seems very specific and narrow in its targeting to small and medium enterprises and to a small and very specific range of industries as well.

I acknowledge that the Discussion Paper has been released and remains open until 7 September and I am sure that many groups, including some of you here today, will be raising the importance of upskilling workers more broadly.

All of this occurs in the midst of the Minister's initiated VET Reform Review and the changes proposed by the Higher Education Minister (introduced finally into the House of Representatives yesterday) with no indication that funding will even be restored to previous levels in the Skills Portfolio.

I was pleased to be able to support the Government in progressing the Student Identifier Bill.

The bill was almost identical to the earlier Labor Government Bill and established a unique student identifier for VET students and made rules about obtaining access to the individual's authenticated VET transcript.

When in government I often used to refer to this as the “shoebox” problem. Many members would be familiar with this experience.

If you have any family members who have completed school, you would have experienced the multitude of statements of attainment, certificates and qualifications that they tend to accumulate.

When they go to apply for a job or want to get some recognition of prior learning for a further course, it is a matter of finding out the exact name of the course
and finding the certificate to see whether it has a list of the modules and subjects that they did.

In my house we kept all of those in a box so we could easily find them. I think many households would be the same.

As the workplace has got more complex, people have many more of these documents. The new Student Identifier will mean that there will be a single reference point for all of that registered training where they can get transcripts of what they have done.

As we all take on the challenge of ensuring people are able to gain the skills they need, one of the really interesting things for policymakers—whether those in government departments, those who sit in the parliament or those who operate within the business sectors of our community—will be to have a good idea of what actually happens with people's skills development.

The NCVER has done some great work on that, but we have not really had a way to effectively track and analyse the movement of people throughout their post-secondary education and skills experience.

I think the other great advantage of this unique student identifier will be its capacity to, within the provisions of protection and privacy in the Bill, provide good data and information about the movements of people in their post-secondary education to policy makers so that we can be more effective at the sorts of decisions we make. I do commend the Government for continuing this initiative.

Finally I would like to outline to you the concern I have that commendable actions to reduce red-tape and ensure our system operated as efficiently as possible does not endanger the preservation and improvement of quality.

As I have just outlined, the vocational sector is extremely diverse.

The Productivity Commission report released in January this year showed that recurrent expenditure on VET by Australian, state and territory governments — not private expenditure; just government expenditure — in 2012 was $6 billion. That was equal to $397.77 per person aged 15-64 across Australia in that year.

In 2012, 32.2 per cent of Australians aged 15-64 held a certificate or diploma as their highest level qualification and approximately 1.9 million Australians were reported as participating in VET programs at 22,486 locations across Australia.
The types of training ranged from formal classroom learning to workplace-based learning, and included flexible, self-paced learning and/or online training, often in combination.

Also included are apprenticeships and traineeships and a variety of combinations of employment and competency-based training, including both formalised training and on-the-job training.

The availability of alternate and distance education options has increased, with off-campus options such as correspondence, internet study and interactive teleconferencing.

The types of training organisation include: institutions specialising in VET delivery, such as government owned technical and further education (TAFE) institutes, agricultural colleges and private training businesses; adult community education (ACE) providers; secondary schools and colleges; universities; industry and community bodies with a registered training organisation (RTO) arm; and businesses, organisations and government agencies that have RTO status to train their own staff.

Group Training Organisations are RTOs and some RTOs may also be Australian Apprenticeship Centres.

Schools and universities provide dual award courses that combine traditional studies with VET, with an award from both the VET provider and the secondary school or university.

With such a large, diverse and critically important sector we all share in the benefits of quality training and we all suffer when the sector’s reputation is damaged.

Federal Labor in government established a national regulator, ASQA, as one mechanism to provide the assurances that are needed to protect the quality and reputation of the sector.

Recent reports by the regulator have shown exactly why this task is needed. These include the broader report on Marketing and Advertising Practices and the Industry-specific reports covering the aged and community care sectors and the White Care in the construction sector.

These two industry reports combined with the report into *Marketing and advertising practices of Australia’s registered training organisations* indicate that some VET providers are combining demand for qualifications with unethical marketing practices or poor quality delivery to take advantage of students.
There is discussion about the nature of the regulator’s task and how this can be best achieved, particularly following the release by the Minister of the ASQA Process Review in June.

No doubt there is some capacity, as there always is with any new authority, to review and seek efficiencies in its operation.

However, I would be very concerned by any consideration of seriously watering down ASQA’s role - to the contrary, it is my view that ASQA’s recent reports indicate that too many providers are seeking to recruit students through incorrect and sometimes unscrupulous marketing and enrolment procedures and I continue to hear of examples of this type of activity as I am sure many of you do too.

As this most often involves quite vulnerable learners, the impact, financially and educationally, it can be devastating for the individuals.

We all share in the benefits of quality training and we all suffer when the sector’s reputation is damaged.

In the vocational education sector all participants have one common interest and that is quality. Whether you are a funding provider, a registered training organisation, a student or an employer; Federal Labor understands that the quality of the outcomes in vocational education have significant implications for you.

And that is why we will continue to pursue this vital agenda with you.

I appreciate the good relationship I have had with ACPET as a peak organisation and, more directly, with many of you individually.

I remain passionate about the real and critical importance of the sector, convinced of its importance to the wellbeing of individuals and their communities and to businesses, agencies and organisations and our broader economic growth potential.

I am very pleased that Bill Shorten agreed to a dedicated Shadow Portfolio for the sector and I hope to work closely with you in my task of holding the government to good policy and proper investment and in developing Labor’s proposals that we will take to the next election.

Thank you.

ENDS
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