



Speaking Notes

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Jobs and Skills Summit

Introduction

Ladies and gentlemen.

I would like to thank the Leader of the Opposition for inviting me to join the panel this morning.

Education is something I'm passionate about, and for a number of years now I've been calling for a greater focus on the VET sector.

Reform is needed

I'd like to start with the very frank statement that reform of VET is not even halfway done.

And the most important thing we could come away with today is an agreement on what we collectively need from the VET sector, and how to achieve that.

We should not spend our time on a debate about public versus private providers, or whether competition has a role in the VET sector.

I would be the first to admit some rogue providers have damaged the sector.

And I am a big supporter of TAFE, and am the person who has repeatedly called to ensure TAFE does not wither on the vine, die the death of a 1000 cuts or policy inertia, or become a residual provider.

And I'm also the person who has said we should not introduce competition for the sake of competition.

But the VET sector is not, and should not be, limited to the public provider.

We should have a vibrant sector of public, private and not for profit providers.

State governments need to be clear about the role they want TAFEs to play in that vibrant sector, and fund them appropriately.

But TAFEs themselves, and private providers, must look at their business models and how they can drive innovation.

I don't think it's an unreasonable proposition to expect that the taxpayer is getting value for money from their investment in TAFEs.

And students should have choice within the VET market. Choice of course and choice of provider.

Competition is what gives them that choice.

That choice only works well when there is proper information in the market and effective regulation.

Making sure that information is available is something we must prioritise.

Part of that better information is making it clear what the value of a VET qualification is.

Being clear that university is not the pathway for everyone, nor the pinnacle of success.

We need to put VET and higher education on an equal footing, and get rid of this cultural view that VET is a second-class citizen.

A greater focus on the world of work

Better information and that cultural change is so crucial now, because the world of work is fundamentally changing.

As the discussion paper - which is very thoughtful - pointed out, the labour market has shifted in the last ten years, and employers are looking for a broader set of capabilities, not just a narrow set of technical skills.

We are moving from a world of qualifications, awards, and jobs to one of skills, capabilities and tasks.

So in talking about VET reform, it is important we focus on the changing nature of the world of work.

What are the skills that Australians and our economy will need so we can be competitive and prosperous?

While we don't know what the labour market will look like in 5, 10 or 15 years, or what the jobs of the future will be, we do know a few things.

We know that we'll need a more skilled workforce than we've ever had.

We know that all jobs will require workers to have not only literacy and numeracy, but technological skills.

We also know that people will change jobs many times across their working lives.

Change what we teach

So if we want to deliver quality student outcomes, we need to acknowledge we're preparing people for multiple jobs and industries.

We also need to acknowledge that the labour market is changing, and training needs to keep pace of that change.

I firmly believe that business and companies have a responsibility to manage that transition. It's not just government.

We need to make sure that all these students are learning more than just the technical skills of a single job.

That they are learning about the behaviours they'll need in their workplace such as collaboration, and being customer-focused, as well as broader skills of critical analysis and problem solving.

But we also need to acknowledge that the VET sector is for a wide cross-section of Australians:

- young people leaving school
- workers who want to reskill because the jobs in the economy are changing
- and people who were failed by the school system or didn't get an opportunity for schooling and need a second chance.

And these different groups will have different needs.

We want young people coming out of the VET system with a broad-based qualification that gives them two things:

- first, the technical skills they need in their first job
- and second, the skills that set them up for moving around in the labour market, such as critical thinking and resilience.

For existing workers we need to make sure they can study and work at the same time.

- It's simply not realistic for workers today to stop and take 3 or 4 years out of their working life to become qualified in another area.

And we cannot forget foundation skills, and those people who need a second chance at education.

Conclusion

So if this is the context, the key questions we need to consider today are:

- what we want the system to do
- the role of the Commonwealth and the role of the States and Territories
- how we regulate for better outcomes
- How we fund to:
 - create choice
 - protect the most disadvantaged people
 - avoid distortions, and
 - protect the fundamentals.
- How do we incentivise for the fundamentals?
 - Is that contested, or is it the role of TAFE?
- Whichever way we go, we cannot forget vulnerable people.

Thank you.

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