



PRIME MINISTER

ADDRESS BY THE PRIME MINISTER, THE HON. P.J. KEATING, MP
OPENING OF YOUTH TRAINING AND EMPLOYMENT FORUM
NATIONAL PRESS CLUB, CANBERRA, JUNE 2 1992

Thank you for the opportunity to open this forum. I am very grateful to the organisers for giving me the chance to speak.

The issues of education and employment for our young people are issues of national concern.

The cliches, of course, are easy - but they are no less true for that.

Young people are the nation's future. Our success as a nation depends upon their skills and resources - and the degree of their commitment to this society.

At one level, providing employment, education and training for our young people is a real test of our ability to create an efficient modern economy.

But we won't do that without a social ethic. Our economic success is inseparable from our social success - we will succeed best in Australia if we raise the level of our care for each other.

To a very considerable extent our success depends on the degree to which our young people believe in this country.

It is perhaps another cliché to say they they won't believe in it if we don't.

And it is hard to think of a truer measure of our belief than the investment we make in them.

By any reasonable standards we have a duty to train and educate them, to prepare them for the future, to give them every possible chance.

We have a duty as a community and a nation.

If these are cliches, they are no less true for that.

But we won't get anywhere by simply uttering them.

Understandably, with an issue which goes to the very heart of communities, we often end up with more heat than light.

We need heat - but we need more light.

What we need from this conference, and in the press - in discussions about unemployment and youth around the country - are realistic and effective ideas and strategies.

When I became Prime Minister I gave a commitment to speed economic recovery and do everything we realistically could to reduce unemployment.

The measures in One Nation were the first step to doing this.

We introduced a \$100 million package to boost new employment and training opportunities, save existing jobs and strengthen the economy. The package will provide assistance for nearly 40,000 young people.

Young people will also benefit from the substantial increases in funding for labour market programs and for TAFE places. We provided an extra \$100 million in the November Economic Statement and a further \$40 million in One Nation for an additional 50,000 places in TAFE.

In the first ten months of 1991-92, almost 75,000 young people have been involved in vocational education and training placements.

But clearly this is not enough. We need to work on long term solutions.

In tackling the next stages, we need to be clear about the impact that the fundamental restructuring of the labour market has had on opportunities for young people.

Major changes to industry structure and new technology are substantially changing the type of jobs available.

In manufacturing, the old production line approach which produced a large number of the same standard item and which employed a large number of unskilled labourers is fast disappearing.

It is being replaced with new, computer-based design and production techniques which place a high premium on both highly skilled and multi-skilled staff at all levels of the design, production and marketing processes.

Similarly, in key service industries such as retail, hospitality and tourism, the quality of our skills will influence the standard of our service and hence our ultimate success.

These changes are common to all industrialised nations. They cannot be turned back.

The challenge is to develop the means by which young people can gain the skills and experience they need.

The challenge is made more critical by the fact that young people with little education and training are most disadvantaged in the labour market.

There is one unmistakable fact about the modern labour market: those who do not complete school or a post-school qualification are twice as likely to be unemployed, and are unemployed for much longer.

I can tell you that the Government has accepted the challenge.

And I have to say that we're not at all interested in John Howard's non-solution of dead-end jobs for young people, jobs which don't involve any training.

As Ross Gittins wrote - if we can't do better than that there won't be much hope for the rest of us.

"An economy in which there is a great demand for unskilled workers", he said, "is an economy at the bottom of the pile in the international division of labour; one with a low standard of living, producing low value, labour-intensive goods and watching the nations with cleverer, better-equipped workers pass it by."

The plain fact is that a competitive economy needs a highly skilled workforce. And surely we can muster the will and the resources necessary to create one.

We have already made substantial progress.

There has never been a group of school leavers in Australia with higher levels of formal education than the group now entering the labour market. In the last decade the proportion of young people completing secondary schooling has doubled - from 35% in 1981 to 70% in 1991.

Our higher education system compares well with the OECD average. In 1992 around 500,000 Australians are participating in higher education, an increase of over 120,000 students since 1987 - or the equivalent of 12 new universities.

By 1994, we will have increased the total number of Commonwealth-funded university places by 50% since 1983. Over the 1992-1994 triennium, the Government plans to spend a total of \$13 billion on higher education.

We can see these changes reflected in the education and labour market profile of young people. In the mid 1960s nearly six in ten 15-19 year olds had a full-time job; by the early 1990s, this stood at less than one in three. Less than one in three were full-time students in the mid 1960s; now six in ten are.

In April 1992, 117,000 of our 1.3 million teenagers were seeking full-time jobs. One in ten young people is unemployed - which is actually 32,000 less than the number seeking jobs in April 1983 in the last recession.

Our goal is not simply to keep young people busy and off the streets. In conjunction with business and industry we must develop education and training systems which ensure that young people receive skills that meet their needs and the economy's needs.

Successful economies are characterised by high education standards; a strong emphasis on vocational preparation for young people; and close links between education institutions and employers.

Plainly, in Australia the weak link is vocational education and training. It is the sector which most clearly falls short of the standards of our main competitors - such as Germany and Japan and the emerging tigers like Singapore and South Korea.

Australia must begin to value vocational skills as highly as academic skills, and expect excellence from both.

This is why we are moving as quickly as we can to reform and expand entry-level training arrangements and the TAFE system.

The most striking feature of Australia's vocational preparation system is that it is small. On one measure, only around one in five places occupied by a 16 or 17 year old is in vocational preparation. The OECD average is one in two, and in Germany it is eight in ten.

In Australia, apprenticeship is the largest form of vocational preparation, accounting for 60% of participation. But there are weaknesses with the apprenticeship system.

The occupational and industry coverage is too narrow. There is little vocational preparation for the service sector which provides two thirds of employment for 15-19 year olds.

Young women, whose employment is concentrated in the service sector, are greatly under-represented in vocational preparation.

And there is a tendency for programs to rigidly separate general education from vocational training.

The Carmichael Report proposes major initiatives to significantly increase the flexibility and quality of vocational training, as well as the number of work-based training places available to Australia's young people.

Broadly speaking, in my view these are not options, but imperatives. And we need to move on them now.

Expanding the industry and occupational coverage of structured training arrangements will provide greater training opportunities for all young people. We must work with industry, unions and training providers to see that it happens as quickly as possible.

So far, there has been strong in-principle support for the thrust of Carmichael's proposals from the ACTU and peak employer groups including the BCA, CAI and the MTIA.

There is also general support from the States, and the Minister, Kim Beazley, will be commencing detailed discussions with his State counterparts this week.

The Commonwealth Government is committed to reforming entry-level training. I will be giving this a high personal priority over the next months.

To accelerate the process, I will convene a series of meetings of peak business organisations, employers and the ACTU to advance the development and implementation of the pilot projects which will test the new approach.

For the reforms to entry-level training to be successful, they must be backed up by a greatly expanded and improved vocational education and training system.

I am convinced that the best way to achieve a truly national system of vocational education and training is for the Commonwealth Government to assume a key role.

In One Nation I proposed that the Commonwealth enter into a partnership with the States, with the Commonwealth assuming full responsibility for the funding of the system, while the States retained responsibility for its administration, management and planning at a local level.

To date we have been unable to reach agreement on this proposal.

One option, which has many attractions, is for the Commonwealth to go further and assume full responsibility, not only for the funding, but also for the administration of TAFE.

- It would ensure an efficient and effective national vocational and educational training system.

- It would allow a closer integration of TAFE and higher education policy.
- It would enable the Commonwealth to pursue its fundamental objectives of raising the system's quality and diversity, and achieving across Australia a better match of training and the needs of young people, industry and the labour market.

It is a step we are prepared to take.

I recognise that we could not achieve such a system overnight.

In the meantime, it is critical that the pressing demand for more places in TAFE be addressed. I would therefore propose for the 1993-1995 triennium that the States maintain their current effort on TAFE and, where necessary, lift their effort from their own resources to reach an agreed national standard of provision.

For its part, the Commonwealth would commit additional funding for the growth and improvement of the vocational education and training system.

As part of the arrangements for the triennium, we would seek an inter-governmental agreement at Heads of Government level to raise the quality and responsiveness of the mainstream TAFE system.

In order to steer the system towards national objectives, the Commonwealth would use part of its growth funding to purchase courses directly from institutions and industry to encourage an active involvement by the private sector.

Whatever happens, we must settle matters as soon as possible.

The Government is determined that Australia will have a world class vocational education and training system and we will not be deflected from that objective.

The Commonwealth will therefore support the development of a network of high profile institutions, catering for the advanced technical training needs of specific industry sectors.

In this way the Commonwealth would also be in a position over time to build institutes of vocational education in connection with industry, as well as maintain our recurrent effort for the existing TAFE system.

I have spoken today about the far-reaching reforms of the education and training systems for young people. But more can be done to help those young people who are unemployed now.

In addition to the initiatives I have already mentioned, the Government is considering some measures in the Budget context.

I am not convinced that more of the same is needed. This is why I was keen to address you today. One of the aims of this forum is to hear ideas from different sectors of society. I trust you will take my presence here as an indication that I want to hear the views of young people and others who are grappling with the issues.

There is no one answer.

I know from some initial discussions with business and industry that there are a lot of good ideas around - many of them are already being put into practice.

Business is saying that it has a role to play in addressing youth unemployment: that it is not the Government's sole responsibility.

We need, I believe, a national effort to find solutions.

In some cases, business is linking up with community organisations - for example, by developing training and work experience programs for homeless kids.

They are working in partnership with Government - for example by employing young people through the Government's Jobstart program.

In many other cases they are going it alone and employing unemployed kids above their normal requirements.

In addition to considering our own initiatives on youth unemployment, I see a role for Government in consolidating and promoting the good ideas of others.

I think we can encourage other businesses to consider what role they can play.

I will be holding a national meeting of business people and others who are taking a lead in this area with a view to developing a national response to youth unemployment. A national initiative.

I believe we can learn from each other. I believe we have to.

This forum today will make a considerable contribution to the debate. Thank you again for inviting me.

I wish you well in your discussions and I will be interested in your conclusions.