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PRIME MINISTER

**ADDRESS BY THE PRIME MINISTER, THE HON P.J. KEATING MP
TO THE AUSTRALIAN NATIONAL TRAINING AUTHORITY CONFERENCE,
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I am very grateful for the opportunity to speak to you, at this first Australian National Training Authority conference.

The National Training Authority has a special significance for me: I might say a special place in my heart - and in my mind.

Vocational training is like that - warm hearts and cool heads are what we need.

And I don't think I have to tell you - I'm a TAFE person. I was an early leaver - a normal leaver in those days - and I picked up a formal qualification at Belmore Technical College.

ANTA was one of the first major creations of the Keating Government: prefigured in One Nation - of which vocational education and training initiatives were a \$720 million centrepiece - and announced at a Youth Summit later in 1992.

It seems an eternity ago - three Budgets, a major economic statement, the White paper on Employment, the statement on the arts and the new media, an election, three Opposition leaders and much else.

Even in those three years there have been quite remarkable changes in the lives of our people, in our national life: changes both in our economy and society, and in our understanding of ourselves and the world around us.

Unemployment is at last falling, employment growing more strongly than ever before in our history, we have the fastest growing economy in the OECD, investment is booming.

Our perspectives and expectations have changed. Our role in the region has materially altered and appreciation of it is deeper and more sophisticated.

The information highway is upon us. Much more than we did three years ago, we talk about information technology, information highways, new media, Internet.

Because it is happening before our eyes, we are more aware that our children will learn things we never knew, by means we never had - and I fear we will never really understand.

The same goes for work: the revolution in work we are living through, particularly the rise of knowledge-based industries, is changing much more than our working lives - it is changing the structure of our society.

And if we do not address and facilitate these changes, we will disastrously fail the generations of the next century.

That is why ANTA is so important - it was created to address and facilitate the changes. Its success is crucial to our future.

That is why I said ANTA has a special significance for me and for the Government: because there is nothing more gratifying in a political life than to have created something for the times ahead.

Governments do not always discern the currents of change. This time I know we have.

When we do these things there is a buzz of approval and enlightened interest - and it lasts about 10 minutes and fades.

But the reality doesn't fade with it, and nor do the challenges which face us.

And now, three years later, we have in ANTA a body to meet and confront them.

I think of ANTA as a bridge by which Australians can get from the old to the new - into the realm of new opportunities, into the new jobs, into the new technology.

From fading industries to the industries of the future.

It is a bridge, but not an unchangeable, inflexible one, I hope - not an impregnable bureaucratic edifice.

It needs to reflect the change it is dealing with. That means it must be adaptable, flexible, portable, approachable.

It has to get women across, working mothers, new migrants, poor Australians and their children, Aboriginal Australians.

It has to be a bridge for people in the growing number of industries where retraining of various kinds is necessary as often as every two years.

It is not the only bridge we have, but it is an essential one. It provides the framework for the journey.

As our economy and society changes it has to give Australians the training they will need to keep up, to make the transition from unskilled to skilled, from manufacturing industries to knowledge-based industries, from school to work, from unemployment to employment.

In the last Atlantic Monthly, Peter Drucker declared that in future there would be "no poor countries. Only ignorant countries."

Australia simply cannot afford to be an "ignorant country".

Nor can we afford to stand still. We can't afford to let old ways of thinking govern our response to present needs, or let old institutions administer to the future.

Remarkably enough there are still influential people in Australia who tell us that the 1950s was a period we might usefully try to imitate. There were so many jobs in the fifties, after all.

For once a bureaucratic answer is the right one. "Not applicable".

Certainly there were jobs in the fifties.

I can personally vouch for it - I left school to take one.

But, I hardly need to tell this audience that my job and most of the others of that era have gone - gone as emphatically forever as those in farming, which a century ago were still the most numerous of all.

I may not need to tell this audience - but it is very important that all Australians know the way the wind is blowing.

It is likely that by early in the new century a third or more of jobs in Australia will be in the so-called knowledge-based industries.

That does not mean our manufacturing industry will shrink - quite the opposite.

In the past ten years our manufacturing output has increased by over thirty per cent, but the number of people directly employed in manufacturing is actually less than it was a decade ago.

In manufacturing, we produce more - vastly more - but with fewer people.

Increasingly those people need skills and training. And, of course, so do the people in the industries where the new jobs are - the service industries, the knowledge based industries.

The unmistakable fact is that, if we are to serve this and future generations, we need ANTA; we need the initiatives in Working Nation; we need NETTFORCE; we need a vocational education and training system as good as any in the world.

We need more of these things to be a competitive and efficient country, a country in the front rank of nations - and a fair and equitable social democracy.

ANTA is more than a bridge between old industries and new ones, old lives and new ones - it is a bridge between the past Australia and the future. It will be an essential underpinning of our success as a nation in the 21st century.

I said before that there had been dramatic changes even in the three short years since ANTA was first proposed.

One of those changes has been in education and training itself.

We pledged those \$720 million dollars in One Nation because we had reached an impasse: schools and universities had grown rapidly, but TAFE was actually declining.

And budgetary problems left the States unable to expand the system.

The changes have been remarkable. We all might take a little uncomplacent pride in them, and even allow ourselves to think that, if we can do these national things in vocational education, we can do them in other spheres of great national importance.

In short, we now have national strategic planning of vocational education and training; cohesion and cooperation in place of the dislocation and inefficiencies of the past.

We have certainty of funding for the States - triennial funding and through-growth funding.

We have two spheres of government working through a ministerial council; employers and unions working together on an industry-controlled board.

And, in what may one day be seen as a landmark in our national development, we have ANTA established in

Brisbane, one of the dynamic regions of Australia: one of the regions of the future, with many of the industries of the future.

Over the period 1993-97 the Commonwealth will have contributed \$1.5 billion to vocational education and training.

We have more than doubled our expenditure since 1989.

Most importantly of all, by the end of this year we will be able to say that in the last four years the number of people enrolled in TAFE has grown by 25 per cent - that more than a quarter of a million Australians have entered the system.

This expansion of training will soon be transforming the Australian workforce.

To illustrate this: in 1986, 45 per cent of Australian workers held post-school qualifications. In 1995 we are on track to a figure of 65 per cent by 2001.

In other words, from a country where a significant majority of workers held no post-school qualifications to one where two-thirds do.

In addition, ANTA is now spearheading the implementation of Australia's new entry-level training system - the Australian Vocational Training System - which will combine education and training with experience in workplaces.

This will mean a more integrated framework for existing training pathways, such as apprenticeships and traineeships; and it will enable young people to combine more traditional academic school subjects with vocational education.

I think we can say now that we are well on the way to making a reality the concept of an employment, education and training entitlement for young people leaving school.

And I might say in passing, that while Governments bear the ultimate responsibility for achieving that objective, we should set ourselves the complementary goal of seeing it become a community value - one held by parents, schools, employers and, of course, young people themselves.

Nor should we forget that in the modern economy the need for retraining among older workers and older unemployed people can be as profound as that of our young people.

The process of workplace reform and enterprise-bargaining, and the drive to high quality and best practice, is generating demand among companies - demands

and opportunities for people in occupations regarded in the past as semi-skilled or unskilled.

You have clients who have had no formal education and training for perhaps fifteen or twenty years.

Many will have had no education or training in this country.

There can scarcely be a greater responsibility than the one which is placed on those who provide it - and I suspect that, whatever short term frustrations you may encounter, in the long run fulfilling that responsibility will be a uniquely rewarding experience.

You are involved in a quiet revolution, one which is recognised and admired abroad; and, more importantly, one which will significantly shape the Australian economy and society in the next century.

Now I could spend the remainder of this speech listing further achievements - like the fact that today almost the same number of young people are studying at TAFE the year after leaving school as are going to university.

Or I could instance some of the many benefits of growth in the training sector.

. The kinds of benefits which flow from the Vehicle Industry Certificate which has been developed at Ford.

. Or the on-site training which is providing skills and learning opportunities to workers in food processing companies in the Murray Goulburn area.

I could itemise the progress and talk at length about some of the more remarkable achievements of recent times.

I could, for instance, talk about the initiatives in Working Nation - the most comprehensive response to the aftermath of the international recession of any country in the world.

But it is mandatory on occasions such as this to point out that there is still a great deal to be done and many obstacles to overcome along the way.

Mandatory and necessary.

We have made tremendous progress, but not yet as much as we made in expanding secondary and higher education in the 1980s.

We transformed the university sector from an elite to a mass education system, and we doubled retention rates in secondary schools.

We need a revolution of at least the same proportions in vocational education.

If it is true that, as Peter Drucker says, "knowledge is the only meaningful resource today", we have to deliver knowledge to the workforce as a whole.

The imperatives of economic success demand it. The equal imperatives of social equity and cohesion demand it.

To provide it, we will need to dissolve the boundaries between schools and training, and between training institutions and industry.

We are competing with countries like Germany, Sweden and France, which have well developed links between employer associations, training institutions and schools.

Asian economies like Taiwan and Korea are rapidly moving in the same direction. We must move just as quickly.

If we want a high wage/high skills economy with high levels of employment, a world class training system is absolutely essential.

Let me, then, briefly address three areas which it seems to me, we will need to tackle if we are to develop and maintain such a world class system.

First, we will need to improve the quality and responsiveness of the system.

Second, we will need to expand it - expand it to the point where vocational education and training is the norm, not the exception.

And third, we will need to get the balance right - the balance between different types of education and training.

Quality, understandably enough, is often measured by the standard of buildings and the qualifications of staff.

Given the standards of a few years ago compared with the world class facilities and teachers we now have, we could be forgiven for thinking that we are rapidly approaching our quality goals.

Ultimately, however, the quality of our training system has to be measured by its responsiveness to clients - its responsiveness to industry and students alike.

I am well aware that over the last few years industry has sometimes complained that the training reform agenda is hard to comprehend, and that the system assumed a knowledge of industry's requirements instead of taking steps to actually find out what they are.

The skill needs of industry and individuals are changing so rapidly there must be mechanisms to ensure that training and industry are moving hand in hand.

Consider for a moment just two statistics: in the German metals engineering industry knowledge turns over every five years, and in the German information technology industry it turns over every two years.

We need to ensure that training reform keeps up with the astonishing rate of industrial change. We therefore need to ensure that training reform is industry driven.

Working Nation set us on that course and since then ANTA has undertaken its own review of the reform agenda.

I am pleased to say a number of key reforms are in train.

For instance, an Enterprise Stream has been developed to cater for the special training requirements of larger enterprises.

And ANTA will be undertaking a series of pilots of user choice which will allow firms to choose the provider for off-the-job training.

The second great challenge is to expand the coverage.

By 2001, 95 per cent of 19 year olds will have completed Year 12 or an initial post-school qualification, or be participating in formally recognised education and training.

That is the goal agreed to by all Australian governments.

In Working Nation we announced a series of measures to extend the coverage:

- . The Youth Training Initiative, to enable fifteen to seventeen year olds to get into education, training or work through individual case management;

- . The Australian Student Traineeship Foundation to enable Year 11 and 12 students to receive vocational training and work experience; and

- . The National Employment and Training Taskforce - NETTFORCE - which, under the leadership of Bill Kelty and Lindsay Fox, has already approved the establishment of 21 industry training companies and consulted with State training authorities to streamline their accreditation arrangements.

These reforms will make a difference, but they need the support of other players.

Employers will have to take on more trainees, and State school systems will have to become flexible enough for

students to combine vocational training with academic study.

It seems to me we should consider moving towards a European model where employer associations take a key responsibility for training.

It may be possible to encourage larger employers to pool their incentive payments with an employer association, so that projects can be undertaken to improve training within an industry.

When we speak of coverage, we also need to recognise that the current system is not doing enough for women.

Women are woefully under-represented in trade training.

And only half as many women as men receive financial or other support from their employer when they undertake education.

No doubt there are complex reasons for this imbalance. But one thing is perfectly clear - we will not be able to say that we have reformed training if we have replicated the inequities of the old system.

It may be that we should give priority to developing new training arrangements for industries which do not currently train their employees.

We know that it is in these industries, like community services, that the largest number of women work - women who have not had access to recognised training.

It may also be possible to encourage the establishment of group training companies for women only. Such companies might coordinate the placement of female trainees and apprentices between small businesses, and give trainees the support they need to enter training and see it through.

The third great challenge might be expressed as a question: have we been expanding universities at the expense of vocational education and training?

Parenthetically, I might acknowledge that there is an irony to this in Queensland which has a deficit of higher education places - a deficit, I can assure you, which we intend to rectify.

Nationally, however, the figures are a cause for some satisfaction.

Commonwealth funding available to higher education has risen from \$3 billion in 1983 to \$4.8 billion in 1995 - an increase of more than 60 per cent.

In the same period, student numbers have increased by more than 70 per cent.

There is no question that over the last two years, across Australia, it has become much easier to get into a university.

The fact is we need more entrants to the labour force with trade and vocational qualifications.

In every recovery up to now we have found ourselves importing trade qualifications and vocational skills.

To reverse that phenomenon we probably need to reverse a popular attitude: we need to raise the status of vocational training both in reality and in the minds of our young people.

For, while some surveys show us that more than half of Year 12 students aspire to professional status, only 14 per cent of the workforce have professional status.

The point is - vocational skills and the teaching of them should have a comparable status.

There is every reason to believe that the perception and the reality are both changing.

Unmet demand for TAFE places is now 36 per cent higher than unmet demand for higher education.

ANOP surveys show that the proportion of students who are choosing TAFE over university entrance has increased from 15 to 25 per cent.

There is no question that TAFE is gaining acceptance as one of the two major pathways in tertiary education.

So, by way of coming to a conclusion: we are doing well, no one should doubt our resolve or our belief that the direction we are taking is the right one.

But we are also very conscious of the size and complexity of the task and the hurdles we have to negotiate.

Of all the points I might stress this morning, I would choose this one: the issue of vocational education and training transcends all other loyalties - whatever they might be - to States and Territories; regions; social groups; gender, race or ethnicity; and personal political affiliations.

It is truly a national issue.

It is in the first place, a national issue of equity.

Expanding vocational education to the degree that we are expanding it, is very likely to assist those among our young people who are relatively disadvantaged.

And it is certainly the case that once individuals acquire post-school qualifications, their lifetime incomes and opportunities are significantly increased.

Without doubt, it will be the best investment they ever make.

In other words, the challenge we have taken on - all of us in this room - is probably the single most important policy initiative we can take to redress lifetime income inequalities in Australia.

Vocational education and training is, in the second place, a national issue of efficiency.

There is a parallel here with the Job Compact. The Job Compact works by assisting the long-term unemployed back into the mainstream of the workforce, a move which helps not only some of the most disadvantaged in the community, but the economy itself to reach its collective full potential.

In the case of vocational education and training, we have to recognise - as a nation - that we are not just increasing the life chances of the disadvantaged, but guaranteeing our economic competitiveness.

Technological change does not drop from the sky or emerge from the mind of a particularly brilliant professor of physics or sociology.

We now know that, in the main, technological change comes from the adoption of innovation in ways that suit particular workplace environments.

And there is now considerable evidence that the level of training of a firm's workforce substantially determines how efficiently new processes are converted into productive output.

That is to say, skill formation begets technical change - and we all know that technical change begets productivity, and productivity begets prosperity and material well being.

That is what I mean by saying we need warm hearts and cool heads.

So this is a great enterprise: not so much a revolutionary one, as one which must keep pace with the revolution which is already taking place.

I think we all know that there is going to be no end to the challenge, and that success itself will present new challenges.

We should tell ourselves that this is in the nature of our era.

The reward will not be a day when we can say the task is done.

Rather, it will be knowing that by our efforts countless Australians of this and future generations will have opportunities that would be otherwise denied them.

That they will have crossed the bridge to the 21st century and Australia will have too.

ENDS