

VTA State Conference 2011

Kym Peake – transcript

I would like to welcome everyone to the conference, and also acknowledged the traditional custodians of the land and pay respects to their elders. I would like to share some reflections on the changing Tertiary landscape. And what that means for what we think about the themes of the conference outcomes.

I think it is interesting and notable that quality of life is dominating the public imagination in public mind.

Population debates, debates about carbon energy really are where the public mind is. For economists it is widely recognised that labour productivity accounts for most of the growth in income is on the wrong term. Productivity isn't everything but in the long run it is important. John Daly noted that an Australian worker produced more in 1995, but we have seen since that time a loss of momentum. Labour productivity growth slowed to 1% in the later half of the 2000. In Victoria, average annual productivity growth slowed. We are behind the national average. That was a theme for those who saw the Treasurers speech yesterday.

So far we have seen families being insulated from the slowdown. Massive increases in exports prices have shored up our national income. If that export would end, we would be in trouble. It is important to make sure we are prepared for any scenario.

What do we do? Whether as policymakers or as vocation education managers, what is going to make a difference to our economic security? A major policy focus should be to position ourselves, not only to benefit in the short term but in the long term from the growth of China and India. It is important we don't peek into the trap of picking winners. Other industries will need to be maintained because they will be crucial to our growth after the mining boom is ended. Since the mining boom began there has been no growth in the services sector other than in the mining sector. That trend seems to be set to continue. The tertiary education sector within this has a key role to play in thinking about that productivity challenge but thinking about that workforce challenge.

We should create a higher skilled and more flexible labour force. And be proficient and familiar with the new technologies and innovations in business practices that continue to emerge. Looking at the institutions we have with a history of education. Australian's workforce participation rate at the moment is fair. As the graph on this slide shows, there has only been a slight increase, and none since 2006. Australia's participation rates will decline to less than 64% by 2025, largely because of the ageing population. That is not a great forecast. That forecast decline is avoidable. The capacity for increased workforce participation can be increased. It is seen in the unemployment figures. Training presents a powerful tool. It is the training sector that is responsible for giving workers the skills that are relevant for today and tomorrow's workforce. We can increase workforce participation and share any associated gains for productivity with a trained skilful workforce.

Where are we in Victoria? We have a training system which is the envy of the rest of Australia. The demand for higher level skills - we have higher proportions of people in this state with workers who have high-level qualifications. These findings are not surprising in a system with educational pedagogy.

We are driven to the amount of people with higher education with our student driven educational model. With the Victorian training guarantee.

There was a 27% increase in enrolments compared to 2008. We are seeing continuous positive increases in those rates. More Victorians who left school without completing it were enrolling in government funded training. 20% more in 2011 than was the case in 2010. In the first quarter of 2011, 4000 of that 4300 young people took the village of the government reintroducing of fees.

Early indications are that this training is happening with the majority of industries experiencing increases in enrolments in 2010.

These trends are encouraging but we continue to face challenges. We need to be honest about them. We know we have about 1 million working Victorians without post school, called the patients. Equity groups remain underrepresented. There are challenges in sustaining tertiary opportunities in some parts of the state. There are persistent deficiencies in fundamental literacy and numerous capabilities. Half of them with a Certificate II or Certificate IV as the highest qualifications lack the necessary literacy and numeracy skills.

To create new opportunities and address these challenges, Australia as a whole needs to take the next step. Today is an excellent opportunity to continue the conversation as to what the next step in tertiary education looks like. The themes of the conference focused on three of the key aspects. Outcomes, equity and innovation.

The largest question that confronts us is what the tertiary education should look like in five, 10, 15 years? If we are to ensure we have more tertiary graduates - employers consistently tell us that they want employees with generalist and vocational skills. They also said that they are not sure our current structures are conducive to this. We need to increase participation targets, and the types and configurations of tertiary education institutions come to the fore. The pattern of delivery is changing. Multiple universities are registered training organisations, delivering diploma and certificate qualifications. There are also delivery and franchising arrangements. Different assessment practices in developing programs.

Institutes are creatively examining how to best ensure their own viability, particularly in the education markets and in infrastructure of industries. The Skills Australia Roadmap has blending between the educational sectors.

I think this is an important starting point for today's conversation. Victoria is uniquely placed to take advantage of the emerging changes in tertiary education and to grow participation.

We have experience in vocational and higher education, dual sector institutions, experience in TAFE delivering higher education and pathway programs. Victoria has always been a leader in innovating driving better outcomes for business and learners. The best thing government can do is get out of the way.

It can also play an important role in enabling and encouraging innovation. Ensuring policy, regulatory and funding setup don't hinder progress. The qualifications framework is a very important first step in this regard. Government can help achieve learning and business outcomes and support governance outcomes. They can inject seed funding and support targeted local research to understand the factors influencing student choice in relation to tertiary education.

The other role government can play is through facilitating the sharing of information about the outcomes regarding student pathways, teaching and learning, institutional arrangements.

I want to raise some examples raised by a couple of institutes. Some are offering clusters of qualifications. Another example in collaborating - RMIT received funding to allow students to finish up with a TAFE qualifications and a bachelors degree.

The Victorian government agrees with the DA that improved participation and attainment would best be achieved by formalising the tertiary sector and introducing new ways of students and navigating the system.

We need to ensure that we maximise our strength as a whole Victorian system. Competition sometimes blurs the ability to make the best of this. Many opportunities come through strategic alliances and partnerships that deliver mutual benefit.

Some of the questions in my mind when we talk about the future visions for tertiary education in Victoria - what are the structural barriers to enable more flexible models? What are the cultural shifts or adaptive challenges required within the sector to continue to build those strategic partnerships and alliances? In a demand driven environment, what drives the decisions and choices of those learning? How can institutes, industry and government copped to align student preferences with labour needs? What would be the benefits in extending practical placements in all fields of study? Overall, how could Victoria position itself as a regional hub for tertiary provision? How do we attract more offshore students to increase investment in Victoria?

The second thing is equity. One of the challenges is to make more tertiary education available to those who don't have strong aspirations or who are not fully prepared for tertiary study. Many of these cohorts are underrepresented in postschool training and employment. This has ramifications for a whole workforce participation rate as well as for social inclusion. It is widely acknowledged that these individuals require additional support to take up the opportunities to succeed. There are fantastic examples of programs across the system in Victoria. There are initiatives across the northern suburbs of Geelong. The

challenges in engaging and supporting learners with higher needs are real and confront teachers and administrators every day. Young people who are disengaged, men in the workforce who have had no training for many years, or others.

During the recent economic downturn, 30,000 young people lost their jobs. Almost none re-engaged in education and training.

What are the most effective models of engagement, training and delivery, it recognised the complete cities of people's lives and their learning outcomes? What could we do to improve connections in social support? How do we equip Victorians with technical skills and who are vulnerable to the exporting of jobs offshore with skills they need for an emerging economy? Do our funding models incentivise and recognise the inclusion of learners with more conflict needs? If not, what would make a difference? How effectively do the funding models between school, vocational and higher education interact to meet student needs and facilitates student pathways?

Finally, innovation is the theme underpinning everything I am talking about so far. I think the big questions of delivery outcomes, innovation and equity must leave us to consider the roles and relationships involved. Victoria has a world-class education and training system that is leading the way in research and innovation and providing skills and opportunities that individuals need for work and community life. But are there more ways we could systematically link research and innovation activities of higher education facilities with the workforce and skilling strategies of vocational providers?

Two weeks ago, the Minister announced new funding to support a university to pursue this opportunity. Enabling workforces in Geelong to be trained in new technologies. All looking to attract new jobs to the region. The Minister has been asking us about the issue of architecture for industry and employers to innovation. There was a scheme in the 1990s which is focused on education and training.

As we strive to increase participation, it is active to ask whether this will be fit for the purpose as the landscape evolves? Do we have the systems to make available timely, usable advice on labour market trends, the man and skill needs. Opportunities to enhance roles and processes both industry groups and employers are understanding group curriculum in all stages of education and training.

What do we need to do to increase the level of employees in industry engagement in developing new pathways from school in VET? How can we make this work with industry and individual employers? Other opportunities to build on the strong partnerships that already exist between employers and RTOs? To assist individual workers, particularly workers who are at risk of becoming redundant, can we help them build their skills? And for skilled increasing workforces to adopt skill and innovation? What should the state and federal governments do to encourage industry to maximise its own investment in skills development?

I don't shy away from the fact that all of those questions are really big questions. They go to the heart of how we work together in shaping the delivery of tertiary education in Victoria and across the nation. That goes to the heart of how to deliver this to Victorians. We deliver everything by the workforce by continually promoting the value of education and training including the role of public providers.

One of the strengths of the sector is to adapt and respond to the changing needs of the labour market and different groups of students. We're on the cusp of unprecedented innovation and change. I think everyone in this room agrees that it brings absolutely fantastic opportunities. I am confident that Victoria is the best place to take those opportunities and secure a prosperous future for Victorian communities and businesses and students. Thank you.