

SPEECH

**Karen Andrews MP
Member for McPherson
on behalf of
the Minister for Industry**

**Address to open the
2014 Australian Council for Adult Literacy Conference
“Future Landscapes for Adult Literacy and Numeracy in
Australia”**

Crowne Plaza Hotel, Surfers Paradise

9.05 am Friday 3 October 2014

Acknowledgments

- Ms Jenni Anderson—President, Australian Council for Adult Literacy
- Dr Ann Kelly—President, Queensland Council for Adult Literacy
- Dr Jean Searle—Vice-President, Queensland Council for Adult Literacy; conference convenor
- My fellow speakers:
 - Professor Diana Coben—Director, National Centre of Literacy and Numeracy for Adults, University of Waikato, New Zealand; Emeritus Professor of Adult Numeracy at King's College London, UK.
 - Professor Stephen Reder—Professor of Applied Linguistics, Portland State University
 - Professor Trevor Gale—Professor of Education Policy and Social Justice, Deakin University
 - Dr Darryl Dymock—Senior Research Fellow, Griffith University and Adjunct Lecturer, adult and vocational education program

Introduction

I am very pleased to be able to open your conference on behalf of the Minister for Industry, Ian Macfarlane.

The Minister is unable to be here today and sends his apologies, as well as best wishes for the conference.

He is of the view that skills and training go to the heart of our economic prosperity as a nation and is keen to see this conference help shine a light on the best way forward in tackling challenges in this area.

I hope everyone feels welcome here, especially our guests from the United States, Canada, New Zealand, Timor-Leste and Laos.

I also hope you can find time to enjoy some of the things that spring has to offer in beautiful Surfers Paradise and other places in Australia.

I want to thank the Australian Council for Adult Literacy for its strong commitment to promoting awareness and research in adult literacy, as well as facilitating discussion on this important subject.

That this annual conference has been going for nearly four decades is testament to this commitment.

This year's conference is very timely given the recent OECD adult literacy and numeracy survey results.

While we compare well internationally, the results show there are many who can benefit from improved literacy and numeracy skills.

This has obvious implications for our nation building efforts and that is why forums like this are so important.

By bringing together eminent scholars, adult literacy and numeracy practitioners, policy makers and education institutions, we can analyse the issues and offer solutions in a well-informed and concerted fashion.

The big picture

The need for strong foundation skills has often been examined in the contexts of the wellbeing of individuals and organisational needs.

At the personal level, the focus has been on how individuals can engage successfully in work and life.

In the organisational context, it is often about the skills identified by employers as critical for effective performance in the workplace.

However Australia has now reached a stage in its socio-economic development where the national context also merits greater attention.

Reading, writing, numeracy, problem solving, computer literacy and other foundation skills are not just about the wellbeing of individuals and organisations; they are also about the future of our nation.

Not too long ago, the repetitive and manual nature of work in many of our key industries meant businesses could compete globally on the back of a workforce with little or no foundation and other skills.

Truck drivers hired by mining companies to cart coal, iron ore and other minerals from mines only needed a heavy truck drivers' licence and work experience to do their job.

Today, specially trained technicians sit in control rooms that may be hundreds of kilometres from the mines, monitoring the activity of driverless trucks on computer screens.

In the past two decades, however, we've seen a dramatic transformation in the types of tools used in the trades.

Computer controlled machines are now replacing manual ones.

The once mechanical measuring tools like callipers are giving way to electronic and digital versions.

Changes like these are occurring right across the Australian economy and the economies of other OECD countries.

The fact is Australia stands at the edge of the third wave of economic transformation.

This transformation is from one reliant on heavy manufacturing, agriculture and commodity-based industries to higher value-added, advanced or high-tech manufacturing and professional services.

Indeed, the services sectors, in particular the aged care and health sectors, are predicted to expand significantly.

We have great opportunities to seize on our doorstep, as the massive growth of the Asia–Pacific middle class delivers unprecedented opportunities for Australia's export and service sectors.

The need for action

Australia needs to be well placed to respond to these changing needs, and there is more work to be done as the recent OECD survey has shown.

This is particularly the case for those workers in transitioning sectors of the economy, like manufacturing.

The OECD results tell us nearly two million Australians aged 15 to 64 have literacy skills at the lowest level.

The numeracy skills of three million Australians also rank at the lowest level.

We see a comparatively weak performance of Australians whose highest level of educational attainment is a VET qualification and a link to poor apprenticeship retention rates cannot be ruled out.

Small wonder productivity growth has slowed across industry, including in some key sectors, and the cost of doing business continues to rise.

The link between the skills level of the workforce and productivity is gradually becoming clear and Australia needs to get its act together.

Responses such as on-the-job-learning, upskilling by formal training, and ongoing mentorship have become critical to filling this skills void.

However, modern industry's need for more well-rounded and skilled employees means we will also have to lift our foundations skills levels.

These skills provide not only the building blocks of learning for school students, but also the substructure from which adults can build their career and make the transition to new jobs and the jobs of the future.

Employers are demanding higher order reading, writing, math skills, and the ability to use PCs, smart phones and the internet intelligently.

There's also a growing demand for science, technology, engineering and maths skills, so improving our foundation skills capacity will also play a key role in helping meet this need.

It will help Australia increase workforce participation, lift productivity and provide a strong base for economic growth.

Of course, the benefits to individuals are also well documented, like the increased likelihood of getting a job and earning higher incomes.

Government support for core skills

The Australian Government will continue to work with the state and territory governments to deliver core skills and training that lead to jobs or further education.

At the federal level, help with core skills continues to be available through programs such as the Skills for Education and Employment program and the Adult Migrant English Program.

The Skills for Education and Employment program is intended to help job seekers improve their core skills in speaking, reading, writing or basic maths skills, boosting their chances of getting and keeping a job.

There's also the Adult Migrant English Program, which is the Government's largest settlement program.

It has been providing free English language tuition to new migrants and humanitarian entrants for nearly seven decades.

Both of these programs were identified for review following significant changes in the program models used and the transfer of the Adult Migrant English Program from Immigration to the Industry Department.

Stakeholder consultation will start shortly and details will be made available on the department's website as they become available.

We are also working to develop assessment tools needed to help employers and students pinpoint what skills areas they need to focus on.

The Government is working to better target assistance like this so VET graduates will be better equipped to meet the needs of Australian businesses.

Extensive consultation and testing have proved invaluable for the project's development.

I understand some of you have contributed to this process and I thank you for your input.

New support through Industry Skills Fund

Recent initiatives by the Australian Government highlight recognition of the crucial role foundation skills can play in lifting workforce productivity and business competitiveness.

The Government is investing more than \$476 million in an Industry Skills Fund growth stream to help businesses take up growth opportunities by improving training outcomes.

The fund will assist businesses in upskilling and reskilling their workforce in a range of skill areas, including literacy and numeracy.

Over four years, it will deliver 200,000 targeted training places and training support services, especially to small and medium enterprises.

The fund will start on 1 January 2015.

Last month the Prime Minister announced an additional \$44 million investment in the Industry Skills Fund that may be used for foundation skills training as part of a new youth stream of the fund.

This investment will go into piloting two new programs that will extend the opportunities for acquiring a skill to more young Australians.

In particular, those who live in regional areas and those who are disengaged from education and training.

The first pilot, the Training for Employment Scholarships programme, will be available to smaller employers who take on a new worker aged 18 to 24 in regional Australia and areas with higher levels of youth unemployment.

The Government will provide 7,500 of these scholarships in 2015.

Employers will have the power to choose training specific to the needs of the young person and the job they are doing.

Training could cover language, literacy and numeracy, work skills, short courses and licences, or pre-apprenticeship pathways.

Through this programme, we are responding to employer needs and ensuring young people undertake training linked to a specific job.

By encouraging employers to take on more young people, we are also helping reduce youth unemployment in regional Australia.

The second pilot, the Youth Employment Pathways programme, will fund community organisations for individualised training support.

Disengaged youth aged 15 to 18 years who live in regional areas and areas of higher levels of youth disengagement will benefit.

We will fund 3,000 training places in 2015.

Training could include life skills programs and intensive case management to address non-vocational barriers, and mentoring and support to link participants to school, training or employment.

This could mean assisting participants in getting back into school, pursuing a vocational training pathway or getting into the workforce.

Without this intervention, many of these young Australians are at serious risk of not getting a job and being marginalised, creating significant challenges for them and for the broader economy.

These initiatives will have a positive impact not only on the individuals living in regional Australia, particularly in a time of high youth unemployment, but also on their towns and communities.

Reforming the training system

In addition to these initiatives we are overhauling Australia's training system to ensure industry gets the skilled labour it needs to succeed.

Australian businesses are looking for employees with the higher skills needed to meet industry's changing needs in a competitive world.

The Government's VET reform package will give industry a greater say in the type of training that is delivered so training is better linked to job outcomes.

We have also taken action to reduce the regulatory burden and cost pressures on training providers.

We want providers to be able to focus on their core business of training, not on excessive regulatory compliance and paperwork.

From 1 July 2014, providers no longer have to apply—and pay a fee—to the training regulator to update their scope of registration for a new qualification deemed equivalent to one already on scope.

The Australian Skills Quality Authority has already removed the requirement for all existing providers to be subject to a financial viability assessment as part of the re-registration process.

Also, providers will now be rewarded for upholding the standards as part of a move towards an ‘earned-autonomy’ regulatory system.

To achieve this, ASQA will delegate the power for training providers to make decisions about changing their own scope of registration.

This will apply to training providers who have consistently shown the highest of standards and regulatory compliance.

They will no longer have to seek permission from ASQA to make changes to their scope.

ASQA will still deal with any clear cases of breaches of the standards according to the law, including the operations of rogue training brokers.

RTOs will be responsible for the conduct of any brokers subcontracted by them under the new standards.

This means ASQA will be able to take regulatory action against an RTO using a broker that breaches these standards.

Last month the Government announced a new package of reforms that elevates the trades and vocational education to the centre of our economy and ensures they meet the skills needs of industry.

The reform package will see a new Australian Apprenticeship Support Network replace the existing model of apprenticeship centres, which are bogged down in red tape.

Additionally, Trade Support Loans announced in this year's Budget will help apprentices complete their qualifications and help Australia boost its low apprenticeship completion rates.

The loans will provide support for the day-to-day living expenses of apprentices and will be crucial for people especially in the early years of their apprenticeship when the risk of dropping out is highest.

Conclusion

Ladies and gentlemen, we are witnessing a period of complex and fast-moving transformation of the Australian economy.

This is bringing great opportunities and challenges.

Industries across the nation are being redefined and transformed through technology and greater integration into global markets.

New industries are being born and the world of work is vastly different to what existed just 10 years ago.

In this time of significant change, it is absolutely necessary we stay on top of things; otherwise Australia will be left behind.

The Government is doing everything it can to make sure we have the right environment to support our prosperity well into the future.

Foundation Skills initiatives and the VET sector will play a key role in helping us meet the challenges and make the most of the opportunities.

But our training system will have to be flexible and responsive to industry needs if it is to keep pace with these changes.

It's why the Government's reform of the VET system is so important.

It will ensure training outcomes are linked to jobs in the labour market.

It will ensure students are job ready by the time they graduate.

It will also ensure industry has the right skills to lift workforce productivity and stay internationally competitive.

The need for the more well-rounded and skilled employees in modern workplace that are often the product of strong foundation skills also means we need to lift our game in that space.

We all have to work together—governments and foundation skill practitioners, researchers and teachers—to tackle the challenges.

I'm sure your deliberations at this conference will offer many ideas for all of us to work with.

Thank you.