

PM asks states to back VET plan

EXCLUSIVE

By **GEOFF CHAMBERS**, FEDERAL POLITICAL CORRESPONDENT

12:00AM AUGUST 7, 2019

Scott Morrison will try to win support from states and territories to back his overhaul of the troubled Vocational Education and Training sector, in a move to better equip Australian workers and stimulate the economy.

The Australian can reveal the Prime Minister will push his VET reforms at the Council of Australian Governments meeting in Cairns on Friday, aiming to sign up state and territory leaders to the \$525 million skills package announced by the Coalition in the April budget. A key plank of the federal government's reforms will be focused on the co-design of the Skills Organisations and National Careers Institute models, which would lay the foundations for a standardised approach to quality and regulatory issues in the sector.

With commonwealth and state investment in the sector declining by 12 and 28 per cent respectively since 2012, Employment Minister Michaelia Cash told *The Australian* it was time to "put aside political differences and end the blame-shifting".

"There is no question that we need to continue our path of reform, but meaningful change cannot be achieved without the states and territories joining us on this journey," Senator Cash said.

"Agreement has never been achieved through antagonism. We need the VET system to work for everyone, and we need it to work for them now."

Senator Cash said industry was "crying out for a nationally consistent and flexible system".

"We as governments need to match that with co-operation and delivery," she said.

Mr Morrison, who has signalled VET reforms as a key reform agenda priority, is working to address the challenges outlined in the Joyce review, which declared confidence in the sector was declining, outcomes were inconsistent and not aligning with industry needs and that the system was too complex to navigate for students.

A key driver behind the fall in commonwealth investment traces back to 2012-13 reductions in incentives that weren't improving skills, cleaning up the VET FEE-HELP scheme and decreases in payments to the states. Since 2012, funding from Victoria dropped by almost 40 per cent. NSW, Queensland and Western Australia have also reduced investment by between 12 and 30 per cent.

The Australian understands the long-held focus on TAFEs, with only 25 across the nation, would be broadened, with about 4200 Registered Training Organisations currently operating, including 3200 private RTOs.

According to department figures, 61 per cent of students are enrolled with private providers and only 16 per cent at TAFE.

The shift to VET reforms comes amid a national debate over raising the Newstart allowance, and pressures being faced by employers experiencing recruitment difficulty.

Taking aim at the government over what he described as an attempt to “publicly shame vulnerable Australians”, Labor employment spokesman Brendan O’Connor said the Coalition was “deliberately making it difficult for Australians relying on Newstart” by incentivising people to get into work by “punishing them”.

“The problem is it is not working — people either aren’t getting jobs or if they are, it is taking a long time,” he told *The Australian*.

Mr O’Connor said Australian Bureau of Statistics data showed the typical jobseeker search time and long-term unemployed search times “have risen under this government”.

“The latest (ABS) labour force data shows the government’s abysmal track record of getting people off Newstart and into work,” he said.

“For every one job vacancy, there are three unemployed people. The typical job search time in Australia is nearly four months at 15.6 weeks. This length of time has been increasing to almost an extra month on average since the Liberals were elected in 2013.”

Mr O’Connor said the average search time for long-term unemployed — people unemployed greater than 52 weeks — was 112.8 weeks.

“The government hasn’t lived up to its rhetoric on getting people off Newstart and into work.

“Perhaps instead of publicly shaming people with new media stories week after week, the Morrison government should address the problems inherent in the labour market and the employment services system it oversees. Everyone other than this government knows the labour market system must work better, connecting unemployed Australians with decent, stable jobs,” he said.

“Labor believes in mutual obligation arrangements for jobseekers, but that means the government has an obligation to ensure that the job active service is value for money.”

On Monday, *The Australian* revealed new Department of Employment research showed almost one-in-two employers were finding it difficult to hire workers, with prospective employees expressing a “lack of interest”, not being interested in the “occupation or work conditions” and presenting with inadequate qualifications.

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