



Senator the Hon Michaelia Cash

Minister for Small and Family Business, Skills and Vocational Education

Reference: MS18-001800

Mr Don Perlgut
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Dear Mr Perlgut

I write in regard to the Liberal National Government's announcement of an independent review of Australia's vocational education and training (VET) system.

The Prime Minister, the Hon Scott Morrison MP, has appointed the Hon Steven Joyce, former New Zealand Minister for Tertiary Education, Skills and Employment and former Minister of Finance to lead the review, which will consider how the Australian Government's investment in VET can better deliver for Australia's jobseekers and employers.

As the Minister responsible for Small and Family Business, Skills and Vocational Education, I have met with a wide range of stakeholders, including those working within the VET system and those who use it. I have heard from stakeholders about the need for the VET system to meet new challenges, including enabling people to update their skills at any point during their working life. Vocational education must not only focus on specific employment skills, but also build up literacy and numeracy capability and foundation skills.

The Review will consider these challenges and build on the Liberal National Government's recent VET reforms. These reforms have stopped dodgy providers from exploiting vulnerable students, invested heavily in apprenticeships, put industry in charge of designing VET qualifications and ensured quality remains at the heart of the VET system.

Our Government knows that by investing in VET we are investing in the future of the Australian workforce and the benefits this brings to our economy.

With a substantial set of reforms in place to stabilise the VET system after the reputational damage caused by VET FEE-HELP and arrest the decline in apprenticeships and traineeships, the Government is now looking to identify and address future challenges.

Mr Joyce will bring his extensive experience in government, including in the areas of VET and employment, to this task. He will deliver a report to Government in March 2019, focused on practical steps the Australian Government could take to improve our VET sector, alongside a longer-term road map for the future.

Mr Joyce will consult with a range of stakeholders, including states and territories, industry, employers, students and other relevant stakeholders. The Review will accept submissions with a deadline of 25 January 2019. I look forward to your participation in the Review.

I have enclosed a copy of the Terms of Reference.

Yours sincerely



Senator the Hon Michaelia Cash
30 / 11 / 2018

Encl.

TERMS OF REFERENCE

Expert review of Australia's vocational education and training system

Context

Vocational education and training (VET) is central to the growth of Australian businesses and to the capacity of millions of Australians to succeed in a changing labour market.

The Australian VET system is complex, delivered through Commonwealth and state/territory funding, policy and regulation, and a network of public, private and industry providers. It provides services to 4.2 million students (24.1 per cent of the Australian population aged 15 to 64 years) and encompasses 4200 registered training providers. Against this backdrop, significant shifts have occurred in Australian industry and its workforce, with demand for skills shifting from manufacturing to the services sector and emerging industries such as advanced manufacturing and ICT.

It is timely to consider how the system can better deliver for Australian job-seekers and employers now and into the future. As well as ensuring the system can better respond to skills shortages, there is a need to capitalise on available data to drive improvements in quality, results and employment outcomes. The system should be positioned to meet the information and training needs of school leavers to support them to secure employment, and to enable people to update their skills at any point during their working life. Industry feedback suggests that vocational education must not only focus on specific employment skills, but build up foundational life, literacy and numeracy capability.

Objective

The Review will focus on how the Australian Government's investment in VET could be more effective to provide Australians with the skills they need to be successful throughout their working life. It will also focus on ensuring Australian businesses, including small and family businesses and businesses in rural and regional areas, have the skills they need to support their business growth.

Leadership

The Expert Review will be led by the Hon. Steven Joyce, former New Zealand Minister for Tertiary Education, Skills and Employment, and Minister for Finance, who will bring fresh eyes to consideration of Australia's VET sector and insights from the New Zealand reform experience.

Mr Joyce will host a series of focused discussions with states and territories, and industry, employer, student and workforce groups. Mr Joyce will deliver a report to Government in March of next year, focused on practical steps the Australian Government could take to improve our VET sector, alongside a longer term road map for the future. The Review may seek information from any persons or bodies that it considers relevant. It will accept submissions from interested parties, with a deadline of 25 January 2019.

Terms of Reference

1. The Review will have regard to VET funding, policy and regulatory settings and how they can be optimised to support both school leavers and workers to maximise the achievement of relevant skills and employment outcomes from the VET sector.
2. It will examine skills shortages in VET-related occupations, in particular any tension between VET outcomes and the needs of industries and employers, and what might be done to better align these.
3. It will consider expected changes in future work patterns and the impact of new technologies and how the VET sector can prepare Australians for those changes and the opportunities they will bring.
4. The Review may consider the flexibility of qualification structures, particularly for mid-career workers, and for industries seeking rapid deployment of new skills.
5. The Review may have regard to community perceptions of the effectiveness of the VET sector and the accessibility and utility of information about VET options and outcomes, both for employers and students, including information linking training options to employment outcomes.
6. It may review whether additional support is needed for vulnerable cohorts, including those currently unemployed and at risk of unemployment, or those with low literacy and numeracy skills.
7. The Review may seek out case studies of best practice in VET, and consider whether specific trials should be undertaken to test innovative approaches likely to deliver better outcomes.
8. The Review should have regard to the scope and outcomes from any previous or forthcoming reviews, consultation to date, and inputs made by industry and peak groups.