



Innes Willox, Chief Executive of the national employer association Ai Group

Statement to Jobs and Skills Summit Friday 2 September

Morning Session – 0800am: Skills and Training for the future labour market.

Thank you Minister (Brendan O'Connor) for the opportunity to contribute today.

My name is Innes Willox, I am the Chief Executive of the national employer association Ai Group.

As has been referred to, a golden thread that ran through all of yesterday's discussion – all the discussion around the jobs of the future, around gender equality, around workplace relations – the golden thread was the need for skills, a proper skills base and a proper program for skills development.

The reality is, is that our future depends on a highly skilled workforce. We have no option but to focus on skills in a significant and focused way.

Another reality is that there are significant pay increases occurring right now within workplaces, that they are primarily focused on the skilled component of those workforces – those who are highly sought after, highly contributive and seen as highly valuable.

Catherine Livingstone yesterday went back to the 2020 Summit of 2008 and talked about a 'groundhog day'. My experience is a little bit later than that.

In 2016, with others, I stood in front of the then Prime Minister and the Premiers at a COAG meeting – don't worry none of you were there then, so you are not being held responsible – but we talked then of the skill shortages that industry was experiencing and of the crisis that was unfolding before us, and here we are. We still have crippling labour and skill shortages with no relief in sight. And to be blunt, there is no more important issue for employers.

We need urgent and wholehearted action that makes a significant down payment on developing a pipeline of skilled workers for at least the next decade. Enough of the excuses.

This plan must deliver bold, generational reform. A history of tepid reform has left us unprepared and wasted precious time and money. It now seems that our teenagers would rather be influencers than engineers.

We are now at a critical juncture, with no option but to step up to the challenge.

As I see it, there are seven priority areas for reform and I will touch on them quickly:

- 1) The first is new entrants. Reinvigorating our apprenticeship system, evolving it to a model that embraces higher and degree apprenticeships, traineeships and cadetships across more occupations is crucial. It must become a system that people are keen to join, keen to complete and is the primary skill development pathway for industry.
- 2) For existing workers, we need to focus on the skills of those currently in the workforce, to ensure their skills remain contemporary. This will involve developing a lifelong learning framework that builds skilling options for existing workers and mature age people seeking employment. A particular focus is on developing a range of 'industry endorsed' micro-credentials enabling shorter and sharper and targeted upskilling and reskilling. Careers are no longer linear and predictable, and every worker – young and old – needs to be flexible, adaptable and capable of rethinking how best to use and grow their skills and their capabilities.
- 3) The high paying, high skilled jobs of now and the future are digital. We need a national strategy that includes digital capability standards and a framework that supports the digital transformation and enablement of our economy. Nobody should be left behind. We need to provide the skills to power our companies, large and small. Industry knows this, but the education and training system is just catching up.
- 4) The fourth point is foundational Skills – Without a successful foundation you can't build something that you are proud of. Without language, literacy, numeracy and digital skills we will not have successful participation in employment and the necessary capacity to upskill.
- 5) On the Tertiary sector – if we are really serious about focussing our education and training sector on our future needs we need a coherent and connected tertiary sector – a sector that equally values vocational and higher education in a fluid, seamless and dynamic way. Full implementation of the Noonan Review of the Australian Qualifications Framework is an essential first step. We also need a tertiary system that consistently provides high quality, trusted education and training, worthy of our investment. This means lifting our game on funding and regulation to ensure that every dollar invested – public or private – delivers for us all.
- 6) Pathways from schooling are crucial – our nation's skills will better match those that industry needs where young people move into careers that are right for them. Our systems of careers advice, from an early age, still need great improvement.
- 7) Funding – None of these actions will be possible without adequate funding of our tertiary education and training sector. Yesterday's announcement was fantastic but to be blunt, as Mary alluded to, more will be needed (Mary Faraone TAFE Directors Australia). We need urgent action which restores investment levels in VET (Vocational Education and Training), remedying long-term declines. We need federal and state governments to be together and working off the same page.

Six years ago we told the Prime Minister and the Premiers that building our skills base was the great national challenge and it still is. Thank you.