
**Communiqué for the COAG Industry and Skills Council Meeting
26 September 2014**

The COAG Industry and Skills Council met in Adelaide today for its second meeting. The Council is chaired by the Hon Ian Macfarlane, MP, Australian Government Minister for Industry, with all jurisdictions represented by their State and Territory ministers with portfolio responsibility for industry and skills. The Government of New Zealand is also a member of the Council.

Minister Macfarlane spoke to the Australian Government's *Industry, Innovation and Competitiveness Agenda* and reforms to the vocational education and training sector.

The Minister also held an industry forum to engage with stakeholders regarding key industry issues, actions taken by the Australian Government and matters of concern to business including addressing skills needs, which will further inform policy development in the vocational education and training sector. Feedback from industry made it clear that there are significant challenges in ensuring that young people are engaged and have the right foundation skills to be effective in the workplace. This is of particular importance with restructuring in industry and the rate of technological change in the workplace. The challenges of cross border issues around licensing and apprenticeships were also raised as a concern for industry. Ensuring that training is of a high standard also remains key for industry competitiveness. A central theme for all is that there should not be training for training's sake, but training for jobs.

In recognition of the competitiveness and productivity gains that come from cutting red tape, Ministers agreed to work together on improving ways to analyse the cost of regulation on business. A consistent approach to costing regulation will result in further economic gains for business, industry and individuals. The Council committed jurisdictions to look for further opportunities to ease red tape such as through streamlining and aligning processes.

Ministers noted that reporting on the COAG beef and dairy project will be prepared by Victoria and South Australia for COAG's next meeting in October 2014. These project leads are also working in consultation with the Commonwealth on recommendations for COAG to consider out-of-session in December 2014.

Ministers noted the preliminary report prepared by the Commonwealth on the key regulatory issues for beef and dairy processors and their supply chains. The issues raised by industry stakeholders included the cumulative impact of regulations across all levels of Government and the need for greater harmonisation of State and Territory regulation. These issues have significant impacts on businesses operating across multiple jurisdictions, particularly in areas such as environmental regulation and transport. This is not unique to the beef and dairy industries and is in line with the experience of the wider business community and other manufacturers. Industry stakeholders also identified food quality and safety regulation as important in underpinning Australia's reputation for high-quality, safe food.

A Skills Action Agenda

Ministers discussed reforms to ensure that the vocational education and training sector supports the current and future skills needs of business and the transition of the Australian economy. While

Ministers noted that there are many positives about the sector, there is always the ability to make the sector stronger.

Recognising a key goal is to provide industry with skilled and productive workers, the training system needs to capitalise on the opportunities of the future, and to give young people and workers in declining industries the best opportunity to get a job.

Current completion rates of qualifications are too low and there is insufficient focus on employment outcomes. Ministers agreed to work to achieve higher completion rates of qualifications and greater focus on employment outcomes to support Australia's future productivity, labour force participation and economic growth.

Ministers noted that progress is being made against the reform objectives and priorities agreed at the previous COAG Industry and Skills Council meeting in April 2014. Work is underway to support reform of the VET sector with improvements in regulation resulting in less red tape, more targeted training subsidies, and more flexible publicly-owned providers.

To succeed in creating a truly national system focussed on good training and employment outcomes further steps are needed.

Ministers agreed on a number of priority actions to achieve a modern and responsive national regulatory system, with less red tape, for providers and training products including:

- to continue to work on apprenticeship harmonisation
- revised standards for registered training providers and regulators, noting further work is required regarding the qualification for teachers of the Certificate IV in Training and Assessment
- a review of training packages and accredited courses and
- streamlining data reporting for training providers.

Governments provide significant support for VET with over \$6 billion per year through the State and Territory systems. In addition, the Commonwealth provides about \$1.4 billion per year in direct programmes. Ministers agreed that further steps were needed to improve the outcomes from taxpayer funded programmes to lift completion rates and employment outcomes. Clearer information about the funding of skills and about how the money is used will be provided in future.

Australian Industry and Skills Committee appointments

Ministers agreed to the Terms of Reference, functions and structure of the Australian Industry and Skills Committee, which will be an industry-led body that provides advice on the implementation of national vocational education and training policies. The Committee's role is to provide advice to ensure that the directions taken by Ministers are informed by an industry-based perspective focused on the quality and relevance of the national training system. Where required, the committee will be delegated authority to approve industry-defined training qualifications.

National VET Provider Hotline

It was agreed to implement a National VET Complaints Hotline for consumers to streamline and simplify the reporting of complaints. The hotline will be run by the Commonwealth and will direct complaints to relevant authorities, while also acting as a 'clearing house' for general feedback. Stronger consumer feedback will help authorities deal with poor quality providers.

The Commonwealth, States and Territories are working jointly to finalise the design of the hotline complaints processes so that it can be in operation before the end of 2014.

Ministers agreed to hold the next meeting in the first half of 2015.