

The Minister for Employment Participation

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Speaking Notes

Australian Higher Education Industrial Association (AHEIA)

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INTRODUCTION

- Thank youfor that introduction and to the conference organisers for the invitation to speak today.
- I am pleased to deliver the keynote address at this important event. Having attended last year's conference in Opposition, it is a pleasure to attend this year as the Minister for Employment Participation in the Rudd Government.
- As many of you here today will already know the Rudd Government wants to take a fresh approach and improve Australia's Higher Education system.

Past Decade

- It has been globally recognised that investing in knowledge, skills and innovation is one of the best means to ensure a nation's long term prosperity.
- Evidence shows that investment leads to economic growth and better education and work opportunities.

- Yet it would seem that over the past decade Australia's higher education system has been overlooked.
- We know that our universities have been allowed to decline and their funding cut.
- Between 1995 and 2004 public funding of tertiary education increased by an average of 49 per cent across the OECD but **declined** by four per cent in Australia – Giving Australia the dubious honour of being the only OECD country where the total level of tertiary education public funding **decreased** during that time.
- We also know that the academic workforce has been allowed to age with more than **two-thirds** of all academic staff above the senior lecturer level over 50 and just **under half** of all academic staff at the senior lecturer level aged over 50
[source: recent DEEWR research].
- Unless we can attract and retain more people to the higher education sector it will join with many other industries currently experiencing acute skills shortages.
- This could result in increased competition between the sector and industry as well as shortages in key areas of research and development which in turn could have major repercussions on the international competitiveness of the Australian higher education sector.

Review of Higher Education

- Our Government knows the education system is important not only for its contribution to the economy but also in building critical thinking and giving us a better understanding of our place in the world.
- That's why the first major commitment Kevin Rudd made when elected as Opposition Leader was to an Education Revolution.
- This revolution which we have begun implementing as the Government includes:
 - Access to 15 hours a week, 40 weeks of the year of high quality preschool education delivered by a qualified early childhood teacher
 - Every secondary student has access to a computer
 - Ensuring that nine out of 10 children complete year 12 or the equivalent vocational training by 2020
- We recognise education must be improved at the early years as well link into a national system that connects to and enhances vocational education.
- The Deputy Prime Minister and Minister for Education, Julia Gillard, has also announced a major review of Australian higher education to help shape the next steps in the Education Revolution for our universities.

- This will be the first independent evidence-driven review for some time and will report on:
 - the future direction of the sector;
 - its capacity to meet the needs of the Australian community and economy;
 - and options available for ongoing reform.
- Emeritus Professor Denise Bradley, the former Vice-Chancellor of the University of South Australia, will chair the Review Panel.
- The Review panel will look at and advise on how to progress a number of key objectives for higher education
- The first is the creation of a diverse set of high performing, globally-focused institutions, each with its own clear, distinctive mission.
- The second is improving the sector's contribution to increased economic productivity and labour market participation.
- In making recommendations on this point, the Review will take into account current economic, workforce and demographic trends.
- The third is the improvement of funding arrangements for the sector, taking into account public and private contributions and

the development of funding compacts between the Australian Government and institutions.

- The fourth will be widening access to higher education and improving student support programs so as to promote social inclusion and individual opportunity.
- The fifth is to ensure the highest possible standards - because ultimately the future of the system rests on the quality and reputation of its teaching and research.
- Finally there is the creation of a broad tertiary education system with proper articulation between universities and vocational education and training.
- The Review will provide a report on priority action by the end of October and a final report by the end of the year.
- It will consult State and Territory tertiary education authorities and invite submissions from the sector and the community.
- It will collaborate with and take account of the work of the Review of the National Innovation System and the Government's new skills advisory body Skills Australia.
- I understand work on the Review is underway with Expert Panel already writing to key stakeholder groups seeking their views.

- The review will be a document of great importance that will inform the preparation of the Government's policy agenda for higher education for decade ahead.

HEWRRS

- I would also like to talk about workplace relations in the higher education sector.
- The Government trusts universities to manage their own workplace relations and that is why one of the first Bills introduced to Parliament by the Rudd Government was legislation to remove the Higher Education Workplace Relations Requirements (or the HEWRRs) and the National Governance Protocols (the NGPs) as a condition of funding.
- To make our intentions clear, we have amended Chapter 7 of the Commonwealth Grant Scheme Guidelines which sets out the HEWRRs and the NGPs to remove the detail of the requirements. This has the effect of removing the HEWRRs and NGPs as a condition of funding as of 28 February this year.
- To ensure providers were given certainty about Government funding before the removal of the HEWRRs, the Deputy Prime Minister announced in February that she had found all 43 eligible higher education providers compliant with the HEWRRs and NGPs as at 31 August 2007.
- Providers will retain all their conditional funding in 2008.

- The removal of the HEWRRs is consistent with the Government's commitment to abolish Australian Workplace Agreements (AWAs). The HEWRRs include a requirement that universities must offer AWAs to employees.
- We have also removed from the higher education Workplace Productivity Program any requirement or expectation that AWAs be implemented through projects funded by the program.
- While universities' governance arrangements will no longer be regulated through funding conditions under the Commonwealth Grant Scheme, the Government will of course encourage universities to pursue good governance practices, and also to increase productivity and efficiency.
- Under the Rudd Government, our universities will be freed from restrictive, directive requirements that have diverted time and effort away from where it is needed most – the delivery of quality teaching and research.
- The Government is taking the boot of the throat of Universities.

Building a fair and balanced workplace relations system

- Universities will now be able to operate within the Government's new fair and balanced workplace relations

system, unencumbered by funding tied to compliance with a raft of unfair workplace relations requirements.

- The initial steps to a fair and balanced workplace relations system have already been taken with the passage last month of the Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008.
- From the commencement of that Act on 28 March 2008 no new Australian Workplace Agreements can be made.
- We now know from data obtained from the Workplace Authority that:
 - 70 per cent of AWAs removed shift work loadings;
 - 68 per cent removed annual leave loadings;
 - 65 per cent removed penalty rates;
 - 49 per cent removed overtime loadings; and
 - 25 per cent removed declared public holidays; and
 - The list goes on.
- These agreements, which stripped away the pay and conditions of so many hard-working Australians, will never return under a Labor Government.
- And from 1 January 2010, once our transition arrangements have been completed, it will not be possible to make any form of individual statutory agreement.

- In the place of one-sided individual statutory agreements, employees will be free to bargain collectively with their employer, in good faith, without excessive government rules and regulations to tilt the balance against one or the other side.
- We're doing this because we believe enterprise-based collective bargaining offers the best way for employers and employees to increase the productivity of their workplaces.
- Good faith bargaining obligations will ensure that an employer cannot simply refuse to talk to its employees when the majority of them want to reach a collective agreement.
- Good faith bargaining obligations will be simple and effective, and ensure that the parties focus on the matters that need to be addressed in order to reach agreement, rather than on extraneous and irrelevant disputes.
- When the Government's new system is fully operational from 1 January 2010, all employees will have the benefit of a strong safety net, which can't be stripped away.
- 10 National Employment Standards will protect important conditions like hours of work, public holidays, redundancy entitlements as well as annual, personal, parental and long service leave.

- Employees earning \$100,000 or less will have the benefit of modern simple awards that will contain ten minimum conditions, covering minimum wages, hours worked, overtime, penalty rates superannuation and rights to consultation.
- And under the Government's new workplace relations system, when a collective agreement is made, it will only be approved if it at least meets and the standards set by the NES and leaves the employees under the agreement "better off overall" when compared with the modern award.
- Employees who choose not to collectively bargain will be able to have common law agreements that build on the safety net.
- There will be strong protections for freedom of association under the Rudd Government to ensure that every employee has a real right to join or not to join a union and to ensure employees are fully protected from discrimination and other unlawful behaviour when they exercise that choice.
- And while restrictions will remain on unprotected industrial action and secondary boycotts, industrial action will be protected when approved through a democratic secret ballot of employees in connection with bargaining for a collective enterprise agreement.
- We want the workplace relations system to promote cooperation, not conflict, which is the best way to raise productivity and make our prosperity sustainable.

SKILL SHORTAGES

- Increasing productivity will be critical for Australia in the coming years, particularly under the cloud of the current skills shortage.
- A lack of investment by the former Liberal Government in education and training has led our nation to the biggest shortage of skilled labour ever experienced
- This neglect – including in higher education has resulted in a chronic shortage in:
 - Australian trained doctors and nurses;
 - Early childhood educators, teachers in key areas such as maths and science; and
 - Qualified engineers to staff the resources and construction boom.
- These skill shortages are driving up the cost of business and have been identified by the Reserve Bank as being a factor contributing to higher inflation and higher interest rates.
- Investment in education, skills and training of our people is critical to expanding the productivity side of the economy.

- By increasing education and training, we can not only increase our nation's productivity.
- The Rudd Government wants to build a new system which provides better opportunities for training, and a more skilled workforce.
- An important aspect of this system will be 450,000 additional Vocational Education Training places including 175,000 for people who are currently outside the workforce.
- The first 20,000 places were launched last week and are currently being rolled out.
- As well as training places, our Government wants to ensure that people are receiving training where industry has the greatest demand.
- One of the first Bills this Government introduced into Parliament was the *Skills Australia Bill 2008*, which will establish Skills Australia, a new statutory body that will provide independent, high level expert advice to help the Government in helping businesses and workers in tackling skills shortages.
- Skills Australia will be a powerful new consultative mechanism which will place productivity, industry development and business needs at the heart of the skills training system.

- One of Skills Australia's most important tasks will be to provide the Government with the information that will help drive ongoing reforms to the education and training sector.

CONCLUSION

- The number of students in higher education in Australia continues to grow strongly, reaching nearly 900,000 in the first half of 2007, an increase of 5.5 per cent from the same period in 2006.
- The Rudd Government will help universities to maximise our potential academically and tap into the potential of these 900,000 students by freeing the sector from the restraints imposed by the Howard Government and allowing Universities to get on with doing what they do best.
- I look forward to working with you in the coming months and years to reach these goals.
- Thank you again for the opportunity to address you this morning, I hope you enjoy the rest of conference.
- ENDS