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SPEECH

***CHECK AGAINST DELIVERY ***

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I have a long association with local government, having worked for more than a decade as an advocate for council workers in my previous life. And I have high regard for Local Government as a result.

The Rudd Government also acknowledges the importance of local government, and the Prime Minister himself has committed to “a new cooperative engagement with local government in Australia”.

In particular, in these difficult economic times we recognise how critical local government is to our national economy.

Local government directly supports more than **168,000** jobs around the country and underpins hundreds of billions of dollars of economic activity.

Local government has the most direct community interface of any level of government, as you know. They deliver projects that make a difference to families and communities where they live. It is no wonder then that local government is critical to our response to the Global Financial Crisis.

At the inaugural meeting of the Australian Council of Local Government in November last year, the Prime Minister took decisive action to stimulate the Australian economy announcing a **\$300 million** program to build local community infrastructure, and help support local economies and jobs.

Only Last week the Government added another **\$500 million** to the Regional and Local Community Infrastructure Program as part of the Nation Building and Jobs Plan.

The **\$42 billion plan** also provides opportunities for local councils to pursue innovative employment programs that will spur job creation and social entrepreneurship through a new \$200 million *Get Communities Working fund*.

Another \$300 million fund will provide one-off \$2 million grants to local councils and community organisations for pilot projects that generate employment opportunities for the unemployed or under employed including through the

construction of local infrastructure, and through social projects such as recycling and home maintenance.

This funding injection, to be delivered by 30 June, is expected to translate very quickly into real projects, with real jobs, on the ground, in local government communities.

It will create thousands of jobs—for labourers, tradespeople, engineers and administrators. And this will have a multiplier effect

Retaining and creating jobs is critical. But we also need to make sure that we have the appropriately skilled people to do these jobs, now, and beyond the financial crisis.

Skills shortages may persist in some occupations even when vacancies are falling. The challenge for us all is how we connect newly unemployed workers with the opportunities that exist now, and the opportunities that will exist in the future.

This is why another very important initiative is doubling the number of Productivity Places Program training places this financial year, taking the total number of new training places to 701,000. Helping people who are outside the labour force retrain and get the skills they need to put them into jobs is critical to seeing us through the tough times ahead.

While taking early and decisive action to reduce the impact of the global financial crisis, we recognise that there are no easy solutions or quick fixes to this problem.

But what this crisis has underlined is the need for all levels of government to work together to put people into jobs, or keep them there, and deliver better services and infrastructure to local communities.

Against this background, it was extremely timely for the Government to convene the inaugural meeting of the Australian Council of Local Government in November last year.

This was a very important first step in establishing a new, stronger and more coherent relationship between the federal and local spheres of government.

In turn, the Australian Government is committed to investing in, and partnering with the sector in a long term reform program that better serves the nation, the economy and local communities.

To this end we are implementing a number of important initiatives to ensure that we have the skills and workforce development we need to build and sustain vibrant, viable local communities into the future.

Of course, we can not achieve this alone or in isolation, and it is great to see the LGMA being so proactive in convening this forum to develop an action plan to meet your skills needs over the next five to ten years.

As you know, improved workforce capability is critically important to your sector's growth and sustainability.

The rapid development of new technologies, globalisation, changes in employment patterns and the ageing of the labour force has resulted in workforce skills shortages in areas such as management, engineering and urban planning, just to name a few.

And the fact that local government workforces are substantially made up of workers over **45** years of age compounds this problem.

You also face significant challenges in attracting and retaining skilled local government staff, ensuring the ongoing training and development of local government personnel and establishing local government as an employer of choice.

These issues have been recognised at the state level, and state governments are undertaking valuable work in collaboration with state-based local government associations and the LGMA.

However, across Australia there is a lack of coordination and uptake of training opportunities which address local government skill needs.

To help address this, the Government has taken steps to support and enhance the capacity of the local government workforce.

For example, we are contributing up to **\$8 million** in funding for a new centre of excellence for workforce development for local government. This initiative was recommended in the LGMA's National Skills Shortage Strategy for Local Government.

We are also providing an endowment to showcase innovation and best practice across local government and encourage the wider adoption of innovative practices and solutions.

More broadly, on the national front we are implementing a comprehensive reform agenda to lift productivity, increase workforce participation and build a more socially inclusive Australia.

I would like to highlight some of the initiatives we are pursuing under this agenda.

Our *Skilling Australia for the Future* initiative is designed to target skills shortages and lift productivity. It is a vital response to the need to increase and deepen the skills capacity of the Australian workforce and ensure that the training system is more industry driven.

A key part of this initiative is the Productivity Places Program, which has been designed to address skills shortages by opening up a range of new training places.

Under the program, we have committed **\$1.9 billion** to deliver **701 000** training places over five years in areas of skills shortage.

Of these, **392 000** training places will be allocated to existing workers to gain or upgrade their skills, and **309 000** places will be allocated to job seekers.

To date, **41** qualifications under the Government Skills Australia Industry Skills Council are available on the Priority Occupations Productivity Places Program List, with **17** of these being specific to Local Government.

Of the **17** unique qualifications, five Local Government related qualifications are being delivered by **9** RTOs ranging from Certificate II to Certificate IV in local government, and including specialisations in Operational Works and Health and Environment.

As at 6 February this year, **100** participants have enrolled in local government related qualifications, with **91 (91%)** having commenced training and **20** participants (**20%**) having completed their training under the program. The majority of the enrolments are located within the Brisbane, Sydney and Adelaide labour market regions.

Overall, the uptake of training delivered under the PPP nationally has been very encouraging. As at 30 January:

- **77 615** participants had enrolled in the program, with almost **62 000** participants having commenced training and **26 000** participants having completed training
- **14 000** participants had been referred by an employment service provider (ESP) and completed training, with **3000** of these either employed or moved onto further study.

Late last year, the Council of Australian Governments (COAG) established the Productivity Places Program National Partnership which enables the administration of the program to be progressively transferred from the Commonwealth to the states and territories from 1 January this year.

Under the National Partnership the Australian Government has committed to providing states with **\$1.2 billion** from 1 January to 30 June 2010. States would be required to contribute **\$463 million** and put in place arrangements to collect a private contribution of **\$116 million**.

To access these places, the local government sector should work with Government Skills Australia (GSA), and their relevant state and territory government.

As part of the *Skilling Australia for the Future* initiative, the Government has strengthened the role of Industry Skills Councils (ISCs) to provide up-to date industry intelligence and ensure industry is at the centre of Australia's training system. The ISCs have received an increase in funding of **\$83 million** over five years.

The ISCs' expanded role will help tailor industry development to meet the rapidly changing and emerging needs of business as this century unfolds.

The Government Skills Australia council (GSA) is the ISC responsible for the local government sector and as such, has conducted extensive industry consultation with the sector.

This council has established a Local Government Industry Advisory Committee which has a representative from the LGMA. This committee provides advice to the ISC on training and skills needs of the local government sector.

In its environmental scan, GSA has identified recruitment and training of workers such as engineers, environmental health officers, planners and accountants as a major challenge for local government.

A number of emerging areas such as asset maintenance and protection, finance management and child care will also need to be considered in the skills context.

To address these skills and training needs, GSA has recently completed a continuous improvement process with the Local Government Training Package. As a result, units and qualifications in environmental health and planning will be enhanced to encourage the training of para-professionals and other staff to assist

the industry in addressing critical skill shortages in these areas. A higher level vocational Graduate Certificate qualification will also be introduced to meet the needs of senior managers within Australia's councils.

Within its sphere of responsibility, GSA is working closely with education institutions and industry associations such as the LGMA to ensure skill needs for the local government sector are addressed.

The Government has also established Skills Australia, an expert and independent body to provide advice on matters relating to Australia's current, emerging and future workforce skills and workforce needs.

Skills Australia plays a central role in analysing emerging skills needs and forecasting demands across industry sectors. Specifically, it identifies future skills shortages, so they can be addressed before they negatively impact on economic activity.

Another government program helping address skill needs, particularly in regional Australia, is the Targeting Skills Needs in Regions program.

There are a number of projects funded under this program which are managed by regional development boards or similar organisations which have links with local government.

For example, the local skills development project in the Surat Basin in Queensland provides a unique model of collaboration. This project brings together local government representatives and business groups who combine resources in delivering local on the ground solutions to a range of skilling and economic development issues as a result of the expansion of the energy and mining resource sector in the region.

I'm sure many useful lessons could be learned from this project and from the other 'best practice examples' which are the subject of one of your sessions this afternoon.

Tomorrow's forum agenda also provides the opportunity to focus on the important issues of social inclusion and workforce participation.

The Australian Government believes that Australia's long-term prosperity and social development depends on creating opportunities that enable the full social, economic and civic participation of all Australians.

By developing new approaches and effective partnerships between all levels of government, businesses and the community sector, we can ensure all Australian have the opportunity to connect with and contribute to their local community.

A key area of focus for Australians during this current economic climate is the development of employment services that provide assistance to all job seekers.

As you may be aware, the Government has undertaken an extensive review of Australian employment services to ensure that the services are responsive to contemporary needs and circumstances and the most disadvantaged job seekers.

This has resulted in new employment services to be introduced on 1 July 2009.

Under the new employment services there will be a stronger focus on equipping job seekers with the skills and training required to gain a sustainable job and meet employers' labour needs. Support will be targeted to ensure job seekers are equipped to help address regional skills shortages.

To support our goal of assisting the most disadvantaged job seekers and locations Government is making available **\$41 million** through an Innovation Fund, which will allow the delivery of projects offering place-based solutions to address barriers to employment for groups of the most disadvantaged job seekers.

And to ensure the new services have a distinct focus on employers, we will provide **\$6 million** over three years to fund Employer Brokers, specifically for areas of skill or labour shortage.

The guidelines for both of these programs, available on the Government's website, allow for projects to be developed with a regional focus, and may be of benefit to those here today in developing solutions to social inclusion or skills issues that may be prevalent in your Local Government Area.

The Department will speak to you tomorrow about social inclusion and workforce participation in more detail. This will provide a good opportunity to hear more about the Government's efforts to engage job seekers in the workforce.

The many initiatives I have outlined this morning demonstrate how the Government is putting in place the right policy settings to support Australians during the economic downturn and ensure Australia's continued growth beyond the current financial crisis.

However, developing the flexible, skilled and sustainable workforce that Australia needs should not and cannot be the role of the Australian Government alone. This task requires new partnerships and approaches with local, state and territory governments, businesses, training providers, the community sector and individuals.

I believe this forum, and in particular, the scheduled discussions, present a timely opportunity to examine how local governments can address current and future skills needs innovatively and effectively.

I look forward to hearing the outcomes of these discussions and thank you for the opportunity to contribute today.