

**LOCAL GOVERNMENT MANAGERS AUSTRALIA
REGIONAL EMPLOYERS ALLIANCE PROJECT
NATIONAL SHOWCASE FORUM**

26 NOVEMBER 2008

Speaking points

Introduction

- Thank Ray Pincombe, National President, Local Government Managers Australia, for his introduction.
- On behalf of the Deputy Secretary Jim Davidson, welcome attendees to this LGMA National Showcase Forum. Jim sends his apologies and wishes you well today.
- We will be hearing quite a bit about REAP today, so I will leave that to the project and regional managers, except to provide a brief background to the project.
- Then I would like to bring you up to date with elements of the Australian Government's strategy to improve Australia's productivity.

Project Background

- The Regional Employers Alliance Project, or REAP as it has become known, evolved from a project concept to establish alliances to progress skills development and career pathways across the resource and infrastructure industry sectors. The project was funded under the *2005-08 Commonwealth-State Agreement for Skilling Australia's Workforce*.
- The *Agreement* sets out the arrangements by which the Commonwealth and the states and territories contribute to the funding of the national training system.
- The *Agreement* includes a commitment, under the Strategic National Initiatives element, for all jurisdictions to work with local industry and

community to address national skills shortages. This is done through the Commonwealth-State Skills Shortage Initiative.

- The purpose of the Initiative was to ensure that the national training system was well positioned to meet the evolving needs of business, industry, individuals and the community.
- *Commonwealth-State Skills Shortage Initiative* projects were developed to showcase innovative and strategic directions for the national training system.
- Projects are approved by the Ministerial Council on Vocational and Technical Education and some 26 projects have been carried out since 2006, involving more than \$27 million.
- For example, in addition to REAP, *Commonwealth-State Skills Shortage Initiative* projects in 2007 and 2008 managed out by the department included:
 - a project carried out by the Australian Industry Group to develop good practice models that blend informal and formal adult learning strategies to up-skill the existing workforce; and
 - a project carried out by the South Australian Government to address the needs of redeployed workers and build the capabilities of small to medium enterprises to meet the needs of defence industries.

Council of Australian Governments (COAG)

- But what of REAP? It has been an important program connecting communities to government reform and industry needs.
- REAP supports and complements the COAG agenda by:
- Developing a more mobile workforce to help meet skills needs.
- Developing a more flexible and responsive training system through implementing pilots which demonstrate the maximum flexibility in training for employers and individuals, to either support redeployment of

existing workers, or the building of skills and capabilities of workers and owners of small to medium enterprises; and

- Addressing aspects of the next stages of reform such as meeting the growing need for higher level skills within industry and small to medium enterprises; and building stronger relationships between firms and training providers to deliver relevant training at times and in modes that meet the needs of industry, employers and individuals.
- DEEWR has been very pleased to have been associated with these projects and their outcomes.

Economic Context

- When this project was designed, Australia was in the midst of significant economic expansion in the minerals sector which was having a detrimental effect on the availability of skilled labour in a number of industry sectors. LGMA identified a need to bring together these industries and create an alliance between them, to attract, recruit, and provide long term structured, mobile, career opportunities for people across Australia.
- The economic downturn has not diminished the need for the project, although the circumstances that lead to the project may not be as dominant as they were then. Even though circumstances have changed, the reasons remain relevant.
- Whatever the impact of the Global Financial Crisis, we must be positioned to take advantage of the next stage of the economic cycle, and REAP is contributing to that.

Productivity

Australian Government Policy

- Productivity growth is driven by many different forces in our economy, but at the core are the skills and capabilities of our people.

- In last weekend's Weekend Australian Financial Review that Mr Rudd made it clear that he would not let the global financial crisis deter him from making major reforms to improve productivity.
- "The government's organising matrix is this: productivity, productivity, productivity," he said.
- Mr Rudd said ahead of next weekend's Council of Australian Governments meeting that the overriding priority in determining which state infrastructure projects received funding would be whether they added to national productivity.

Improving Productivity

The Australian Government's strategy to improve productivity includes:

Productivity Places Program

- Investing in people's skills and learning across the lifecycle, from the early years to post-retirement;
- Empowering Australians to aspire to more and contribute more, making meaningful choices about their own pathways through work and learning and accessing the resources, including training through the Productivity Places Program, which allows them to pursue those choices over time;
- The Productivity Places Program for jobseekers, which has delivered over 58 000 enrolments across Australia with 15 000 people already completed training;
- Providing incentives, like the National Enterprise Productivity Places Program trials announced two weeks ago, a joint venture between the Industry Skills Council network and large national enterprises to offer more than 1250 training places to increase the skills of existing workers to increase collaboration between governments, employers, and others with a stake in improving productivity growth; and

The national trials build on the projects already underway in partnership with a number of States and Territories including Western Australia, South Australia, Northern Territory, Tasmania and Queensland.

Reforming the System

- Reforming the institutional frameworks through which education and training services are delivered, to create higher capacity, higher expectations and higher performance;
- For example, the Government announced, in March this year, a major review of Australia's higher education system, The Bradley Review, which will examine and report on the future direction of the higher education sector.
- focussing on identified skill shortages in these areas.

Skills Australia

- Early this year the Government created Skills Australia to provide expert and independent advice to the Deputy Prime Minister on matters relating to Australia's current, emerging and future workforce skills and workforce development needs.
- Skills Australia is establishing and maintaining relationships to gain and assess evidence from industry stakeholders. They will provide the Government with advice on current and future demands for skills and facilitate alignment of priorities for responses to skills needs. Some of you, as industry stakeholders, will have already been contacted by Skills Australia.
- In setting up Skills Australia, the government is looking to you to provide them with the information and evidence they need.

Trade Training Centres

- The Australian Government is also delivering \$2.5 billion for Trade Training Centres in Schools that will benefit all Australian secondary schools. Trade Training Centres are being established to help increase the proportion of students achieving Year 12 or an equivalent qualification and help address skill shortages in traditional trades and emerging industries.
- The Commonwealth and State and Territory Government and non-government Education Authorities are working closely to enable better opportunities for secondary students across Australia.
- Schools will have an opportunity to apply for funding to build new, or upgrade, existing trade or vocational education and training facilities

Summary and link to REAP

- REAP is another example of the productivity investment.
- Projects like REAP enable people to become more resilient to future challenges; that where they are affected by adverse conditions they are better able to bounce back quickly and seek opportunities in new areas.

Where to from here?

- Explore ways you can work together to build on this initial project;
- Promote the methods and outcomes of the projects throughout your networks;
- Contact state or territory governments for additional funding; and/ or
- Consider proposals for Workforce Innovation Program funding.

BIG Skills Conference

- In March next year, the department is hosting the BIG Skills Conference in Sydney.

- This is the first major national conference on skills and training hosted at the Federal level in recent times, and it has the support of many organisations and individuals involved in tertiary training and education. The Conference will be forward looking and it will bring together major national and international players with an interest in skills and training to debate issues, think differently and stimulate change in the Australian tertiary education sector.

Close and thanks

- I have deliberately kept my remarks fairly general.
- I look forward to hearing in more detail about the pilot projects that have been conducted in the Hunter Valley, Central Queensland and in Northern Tasmania.
- On behalf of DEEWR, thank those who have been involved, particularly the REAP regional managers, Michael (Michael Murray, CEO Pegasus Management Group) , Liz (Liz Alexander, Director, Blue Dog Agribusiness) and Trevor (Trevor Forshaw, Consultant, SED Consulting, Tasmania).
- Congratulate LGMA, in particular John (John Ravlic), Bev (Beverley Kliger and Associates, Senior Manager, Workforce Development, LGMA) and Angela (Angela Zivkovic Manager, Workforce Development, LGMA), for the work that they have done to bring the Regional Employers Alliance Project to this Showcase Forum.
- Look forward to the seeing the outcomes of this afternoon's group discussion "Beyond the Pilot Implementation" and how you and LGMA can promote the outcomes of this project to the wider community.

Thank you.