

Equipping & re-skilling Australia for a sustainable low carbon future

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Today is an important milestone on the road to a low carbon economy. It is the first stage of a broad mobilisation to ensure Australia's workforce can respond to the growing demand for green skills and that we marshal those skills to take advantage of the economic opportunities that lie ahead.

I want to thank my Departmental Secretary, Lisa Paul, and her staff for organising this event, Tony Mackay for agreeing to act as our facilitator, and Professor John Thwaites for the presentation he's just given on the crucial issue of climate change and social policy.

A number of you have come a long way to be here, including our special guest speaker, Dr Adarsh Varma. Today Adarsh provided some important insights into experiences of the European Community.

In particular I want to thank members of the Working Group whose valuable contribution has been instrumental in developing the draft Agreement. Members have been both committed and enthusiastic and I thank them for their efforts.

Climate Change is About What People Do

We've all come here today because we accept the most significant challenge of our age – to build a more sustainable economy.

Doing so will involve big changes for all of us – encompassing the way we live, work and do business, and the mix of what we do in our economy.

These changes won't be easy. But the potential benefits are huge.

Tackling climate change will create new jobs, transform and save many existing jobs, and produce increasing average incomes for our people.

This is something the previous Government failed to understand. Instead they dithered, denied and delayed.

As a result Australia lost investment opportunities and failed to sow the seeds of innovation required for this country to become a low carbon economy leader.

The Climate Institute and the European think-tank E3G recently compared the low carbon competitiveness of G20 countries for the first time. They found the countries best placed to improve on their current carbon pollution are France, Japan, the UK, South Korea and Germany. Australia ranked fifteenth.

So it falls to this Government to develop the vision and policies to enable Australia to transition to a green economy

As you know, currently our Parliament is debating whether or not to introduce the Carbon Pollution Reduction Scheme.

Despite the turmoil it has caused in some quarters, it is vital we have an emissions trading scheme on its statute books before the year is out.

Under our Carbon Pollution Reduction Scheme, national employment is projected to increase by 1.7 million jobs from 2008 to 2020, and by 4.7 million by 2050, while reducing carbon pollution levels by at least 60 per cent from 2000 levels in 2050. Average income is projected to increase by \$4,300 per person by 2020, with strong growth also in GDP and GNP.

Responding sensibly to climate change will create jobs, not destroy them. It is true in some sectors the mix of jobs will change. But the overall result will be a major gain for working

Australians.

One thing is for sure. Delay will result in much larger future costs and risks. Delay will cost us jobs. And it will cost us future prosperity. This means every Australian has a stake in how we respond to climate change.

These facts are straightforward. And they demonstrate something of profound importance to the addressing climate change: it is really about people.

Too many want to make climate change a debate between duelling economists and accountants, about actuarial concepts very few can understand. And so far we've seen claim and counter-claim that have gone over most people's heads.

But addressing climate change isn't about accountants' calculations or economists' curves. It's about people, their job security and their children's future.

Accountants and economists won't stop global warming any more than they started it. It's going to be stopped by technology, by new production processes and by adopting sustainability as a core principle of business and of life.

And those technologies and processes are going to be operated by our family members, friends, neighbours and workmates. This makes policies like emissions trading ultimately about us.

Big enabling policy changes like the Carbon Pollution Reduction Scheme, the Renewable Energy Target and the National Strategy on Energy Efficiency are a vital first step. But they're really just enablers of something much more important – what we will do in the workplace. They're going to transform the things we make and how we make them.

This change will be gradual, and it will occur at a pace we can adapt to with ease – but only if we think ahead. And thinking ahead is going to require major and far-reaching changes in the nation's training and employment systems.

Cleaner power generation, hybrid and electric vehicles, more efficient houses and buildings, improving river flows, recycling, capturing carbon. A low carbon economy will be more efficient and more productive.

If we can, on a major scale, reduce waste, conserve and better manage water, develop more energy efficient cities and sustainable transport systems - these will be inherently good things. Not just to meet treaty obligations or because of what will happen if we fail.

These steps are in themselves powerful measures to improve the cost base and competitiveness of our industries, they will be better for the health of Australians and good for our environment.

None of these things can be done unless our people are given access to the knowledge and skills necessary to do the job. This makes climate change an argument about skills as well as an argument about the environment.

A Major Economic Transition

This is a crucial moment for our nation. There's a lot at stake.

Our society has been at this sort of economic transition point before.

Consider the impact of the industrial revolution. When technology changed a century and a half ago, many communities were decimated. In fact, the social dislocation this created was one of the catalysts for the European settlement of Australia. It was a huge moral failure, which helped shape our national values.

The failure to ensure that all citizens are included in economic transformation is something we've repeated on a smaller scale a number of times since – as we did during the waves of de-industrialisation in the 1970s, '80s and '90s. One enduring outcome is the pockets of long-term unemployment that persist in some part of Australia to this day.

Today, though, we need to be smarter. We need to harness public policy to assist individuals and communities make the transition to new economic realities.

Blocking change isn't an option. Slowing it down will simply make the problem worse.

The smartest policy and the only policy with any hope of success is to empower our people to make the transition and benefit from it.

Creating a Green Skills Base

That's why we are here today – to progress one of the most important education and re-skilling efforts so far in our history.

Australia has made a strong start.

Four programs are already underway to help 50,000 Australians to acquire green jobs and skills:

- 30,000 apprentices will graduate over the next two years with qualifications that include clean and green skills
- 10,000 unemployed 17 to 24 year olds will be able to access a 26-week environmental work experience and training program through the National Green Jobs Corps initiative
- 4,000 training opportunities will be made available for insulation installers upon completion of their employment in this field
- And 6,000 new local green jobs are allowing unemployed Australians to contribute to environmental sustainability in priority local communities.

We are backing this investment in people with support for the hardware needed to train workers in new green technologies and systems. The Teaching and Learning Capital Fund for VET is providing around \$200m to upgrade the capacity of TAFE to train in areas such as green plumbing, eco smart electricians, efficient heating, ventilation and air conditioning systems and hybrid cars.

Green knowledge and research in education is also being funded through the sustainability round of the Education Investment Fund. That round will pump up to \$650m into supporting universities and TAFEs to research, demonstrate and apply green technologies to the Clean Energy initiative and to transform the environmental performance of further education facilities across the country.

There is still a long way to go however. New training places and targeted job opportunities are a beginning. The challenge is to engage the whole workforce, not only new entrants and those out of work due to the global recession.

And there's no denying it's a major task.

The CSIRO, the Australian Conservation Foundation, the Climate Institute and the Dusseldorp Skills Forum have calculated that meeting Australia's sustainability targets and goals will require us to re-equip or re-skill millions of Australians between now and 2025.

Businesses across the country are making the change. This is not an advertisement for Lend Lease, but at that company, for example, all Executive Management Team members have a key performance indicator to complete the Prince of Wales Business and Environment Program. All Bovis Lend Lease employees, from executives to project site staff, are required to undertake a sustainability training program developed in-house to meet the needs of the business. And the company has 284 employees in Australia that are green building trained with 152 professionals accredited by the Green Building Council.

The benefits to industry from the co-ordinated up-skilling and re-skilling of the workforce around sustainability principles are substantial.

The benefits will be felt at an enterprise level as businesses respond to growing consumer

demand for green products and services.

There will also be considerable benefits at an industry and national level. For example there is a great opportunity to bring the skills and expertise we have in water management and conservation and in green building design and construction to the world.

Achieving this, however, will require widespread change across our universities and institutes of further education because sustainability principles affect almost every discipline.

The science of climate change will increasingly inform the paradigms of key disciplines such as economics and accounting – as mentioned – as well as engineering, architecture, geography, physics, biology, law, agriculture and forestry, amongst others.

Climate change science will also have a major impact on our vocational education and training sector.

So we're devising a new dynamic approach to skills and training.

Every Australian will be included.

There will be better pathways for low-skilled workers. New competencies will be embedded in every area of the economy. And existing workers will be helped to retrain or assist their industry become cleaner and greener.

Some are trying to create fear by claiming that this is all about replacing existing highly-paid and highly-skilled blue-collar jobs with low-paid employment programs. But the truth is industries like coal have a future and can provide highly-paid jobs in the years ahead by harnessing new knowledge, technologies and skills.

This is a difficult issue for all involved but I have to say that I've been impressed with the level of realism and foresight shown across the economy in confronting it. The issues are hard, but the science points us all in the same direction.

A New National Agreement for Green Skills

Because it involves people's livelihoods, addressing climate change has to be a democratic exercise, involving partnerships between governments, businesses, unions and the community.

That's why we're here today to work together as major stakeholders to help advance the National Green Skills Agreement between the Commonwealth and the States and Territories.

The Agreement has a number of important elements.

First, it will review and update Training Packages to include sustainability principles and competencies.

We are not starting from a blank page. Significant work has commenced in a number of industries.

However this Agreement will ensure the timely, structured and ongoing review of all Training Packages to embed skills for sustainability components. I view the response of the training sector to this challenge as a test of its true flexibility. This is not a time for delay or obstruction or excuses.

I expect that all green skill gaps in Training Packages will be identified by the end of March 2010 and that the revision of the suite of Training Packages, including the necessary industry consultation and validation processes, will be substantially completed by the end of 2010. The Government will make additional resources available to ensure this work proceeds.

Second, it will develop national standards of sustainability practice and teaching in vocational training. This may involve the addition of specific criteria or the adjustment of current standards to reflect sustainability practice and teaching in vocational education.

Third, it will consider the best available national and international evidence to modernise the

skills of the VET workforce to ensure that sustainability training provided by teachers and instructors is useful, relevant and applicable.

And **fourth**, it will ensure that workers are provided with the pathways and options that they need to work in emerging green jobs and the jobs of tomorrow.

The Agreement has been informed by significant consultation with industry and the training sector. This consultation continues today, and you will get the opportunity to discuss the Agreement and the broader implications for transitioning to a low carbon economy later this morning, as part of the panel discussion.

A National Green Skills Action Plan

However, this Agreement is only the beginning of the story. As is the case with any Agreement, the value is in the implementation.

In 2010, the Australian Government and state and territory governments will work with employer and employee representatives, the VET sector and community organisations to build the Action Plan that will give this Agreement real life. This Action Plan will present a consolidated, forward-looking framework for the training sector, business and the community as we move towards a sustainable, low carbon future.

Conclusion

We've talked about these issues for some time. Now it's time to bring the work that has been done to a point so we can get on with the reforms needed by industry and by the training sector.

It's the Government's intention that this Agreement will be submitted to the Ministerial Council on Training, Education and Employment (MCTEE) meeting next month, with a recommendation that it be endorsed at COAG in December.

With the CPRS now before the Parliament and the decisions at Copenhagen imminent, this is the right time to get the green skills agenda in place

We're gearing up for a major change in our economy. If we do this in the right way we will create new economic opportunities for Australia. The National Green Skills Agreement is a pivotal part of this policy agenda.

So today we have a hugely important and increasingly urgent task – to get close to finalising the National Green Skills Agreement and to make it as effective as possible.

I thank every one of you for being part of the solution to climate change by working together to give Australia the skills it needs to succeed in the climate change era.

http://www.deewr.gov.au/Ministers/Gillard/Media/Speeches/Pages/Article_091023_125628.aspx