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## **Communiqué for the COAG Industry and Skills Council Meeting – 3 April 2014**

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The COAG Industry and Skills Council met in Brisbane today for its inaugural meeting. The Council is chaired by the Hon Ian Macfarlane MP, Australian Government Minister for Industry, and members are drawn from State and Territory ministers with responsibility for industry and skills portfolios. The government of New Zealand has also been invited to participate.

Minister Macfarlane spoke to the Australian Government's new industry policy, including the development of a unified and coordinated industry growth plan to provide a national focus on securing new investment, exports and jobs. He also spoke of the Government's commitment to deregulation across all industry sectors and the positive feedback that had been received from the recent "repeal day".

In the first session of their meeting, Ministers met with leaders from various industry sectors.

Discussion focused on opportunities for reducing red tape and overlapping or inconsistent regulation. Key issues raised by industry stakeholders included the need for an integrated approach to training, education and employment, and for data that supports governments and industry to better understand future job needs. A key area of focus was consideration of reducing regulation in apprenticeships training. Food and beverage processing, chemicals and pharmaceuticals were identified as areas which presented opportunities for regulatory reform. Ministers also noted work to be done around beef and dairy processing.

Ministers discussed the impact of the announcements by Ford, Holden and Toyota to cease making cars in Australia by 2017, including future employment, training and skills and diversification, and the need to ensure there was greater flexibility in existing programs for workforce and industry adjustment.

Ministers agreed to work together to foster internationally competitive manufacturing by focussing on regulatory reform, access to infrastructure, attracting investment, skills development, export facilitation and innovation and support of enabling industries such as ICT. It was agreed that employment and export growth would benefit from the development of scale in sectors where Australia has competitive advantages. In addition to food, Ministers agreed manufacturing opportunities include health and biomedical products, mining equipment technology and services, oil and gas equipment technology and services and advanced manufacturing, including defence and aerospace.

Ministers also considered approaches to support workers displaced from automotive employment. A key priority for governments will be to work collaboratively to increase the capacity of the national training system to respond effectively to automotive and other workers in transition, and to ensure training assists them into more sustainable, higher skilled jobs.

Ministers also noted that while the Vocational Education and Training (VET) system has significant strengths, ongoing reform is necessary to ensure it effectively supports the current and future skills needs of businesses across all sectors of the Australian economy.

Ministers agreed on objectives for reform of the VET system:

- a national VET system which is governed effectively with clear roles and responsibilities for industry, the Commonwealth and the states and territories;
- a national system of streamlined industry-defined qualifications that is able to respond flexibly to major national and state priorities and emerging areas of skills need;
- trade apprenticeships that are appropriately valued and utilised as a career pathway;
- a modern and responsive national regulatory system that applies a risk-management approach and supports a competitive and well-functioning market;
- informed consumers who have access to the information they need to make choices about providers and training that meets their needs; and
- targeted and efficient government funding that considers inconsistencies between jurisdictions or disruption to the fee-for-service market.

The three key priorities agreed by Ministers are to:

- examine the standards for providers and regulators to ensure they better recognise the different level of risk posed by different providers, enable the regulators to deal more effectively with poor quality in the sector to improve confidence, and meet the Australian Government's deregulation objectives
- reduce the burden on the VET sector arising from the constant updates to training packages; and
- ensure that industry is involved in policy development and oversight of the performance of the VET sector and to streamline governance arrangements and committees.

*The next meeting of the Industry and Skills Council is planned for the second half of the year.*