Skilling the Bay – the next chapter

In June 2014, Skilling the Bay reaffirmed its commitment to education and employment for Geelong, and expanding it to include skilling and reskilling workers transitioning to the new economy. This extended commitment is supported by an investment by the Victorian Government of a further $4.6 million in Skilling the Bay over 2014-17.

Speech given at the launch of the new initiatives Thursday 19 June.

In attendance:

- The Hon Nick Wakeling, MP, Minister for Higher Education and Skills
- David Koch MP Member for Western Victoria Region
- John Eren MP, Member for Lara
- Andrew Katos MP, Member for South Barwon
- Lisa Line CEO The Gordon
- Skilling the bay Advisory Group members

I wish to begin by acknowledging the Wathaurong people of the Kulin nations, the traditional custodians of the land on which we are gathered today. We pay our respects to them for their care of the land.

Most of us would agree that preparing people to compete in today’s complex economy is one of Australia’s most urgent considerations.

As a region we face some serious challenges. You have heard me talk of our region’s history – initially built on the enormous wealth of wool and now experiencing a painful transition to manufacturing. We are watching the sun set on old style manufacturing in Geelong, industries which secured Geelong’s future for nearly 70 years.

The challenge of transitioning to the knowledge industry and the digital economy is highlighted almost daily as businesses struggle to survive in an economic paradigm which turns on its head long accepted ways of doing business.

A decade ago, workers worried about jobs being outsourced overseas. Today, it’s entirely possible to assemble a team in the cloud to take on all of a company’s sales and customer support functions.

Alongside this, in a global market, Australia looks well paid and expensive; our housing, transport and energy costs are the highest in the world. All of which detracts from our attractiveness as a destination, as a business and as an investment.

In this 21st century industrial revolution, internet analytics, smart machines and new media are just some of the drivers reshaping our organizations. It’s a very different world; 3-D printing technology seamlessly links the digital and physical world across time zones and is expected to be worth $5 billion by 2017. Our clunky assembly lines for car or tinned fruit manufacturing just can’t compete.

So what can we do? And, importantly, what should we, the people in this room, the leaders and shapers and opinion makers, do? Predicting what jobs are needed is problematic: the 2013 IBIS Capital Review reported that 65% of primary-school aged children in America will end up in jobs that
haven’t been invented yet\(^1\). But as smart machines take over routine manufacturing and services jobs, there is an increasing demand for the kinds of skills machines are not good at, the thinking skills that can’t be codified. Knowledge, ideas and knowhow will be the critical currency for Geelong’s twenty-first century economy.

In an age when information is outdated before we hit print, the ability to deal nimbly with complex and often ambiguous knowledge is far more important than the accumulation of facts. In my view it is education and innovation that will drive the productivity and economic growth our region needs to survive and thrive.

The Skilling the Bay Advisory Group, which I chair, is charged with looking at how best to negotiate the troubled waters we face.

**Our most significant and immediate long term problem** is therefore this: did you know the retention rate for schools in the Barwon-South Western region is 67% compared to 90% for metropolitan regions\(^2\). Our Geelong region youth is 2.5 times less likely to go on to HE or VET and acquire skills than their peers in Melbourne, who are but a train ride away.

Breaking down the barriers to education is imperative for Geelong. A US study\(^3\) reported that by 2020, two thirds (heading for 70%) of all jobs will require education beyond high school—up from roughly 25% 40 years ago — this is American data but the pattern is just as true here.

So our task is to make sure education is seen as acceptable, as sexy as playing for the Cats or the Pies ... to make it a desirable as well as an achievable goal — to understand and address the barriers to aspiration. This is our greatest challenge and it means we need to focus on family and community not just on individuals. It will not happen overnight but for our region to thrive it must happen.

**Northern Futures** do fabulous work to encourage education. **The Whittington Works Alliance** Partnership works to link education to employment opportunities to provide skills to those at risk of long term un-employment.

**The Northern Bay Guarantee**, the Shell funded initiative to educate young parents who were not able to finish secondary education.

**The Northern Bay Promise**, developing supported and funded pathways to higher education and employment for vulnerable young people and focussing too, on persuading parents of the value of education.

In the medium term we must further investigate education and training opportunities which address the re-skilling challenges facing Geelong. We now have a few Ford workers at Deakin and in Carbon Rev – they appear to like it surprisingly. They have retrained.

The bigger game is to build entrepreneurship, leadership, management and innovation capability that translates to improved business performance in the SME sector because that’s where the jobs will be and they will drive growth.

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\(^1\) IBIS Capital *Global eLearning Investment Review* 2013.

\(^2\)*Summary Statistics Victorian Schools* DEECD 2012

The big icons are probably gone forever. We should look to support the implementation of entrepreneurship and innovation programs in secondary schools. To have the skills to work in small companies, to be able to create their own wealth and future must be an ambition.

**A huge medium term opportunity** is to focus on what we have on our doorstep. For example Skilling the Health and Community Services Workforce – surely a huge opportunity for our region but we must ensure a coordinated workforce development plan with established pathways from VET to University and into work.

**In the short term** however we must support those who are currently vulnerable. We must engage with retrenched workers and their families and other workers to ensure they see the future. This is essential. Not every retrenched worker will wish to participate. The over 50 or over 60s may well retire despite evidence that the new economy is not as age-ist as the last.

We should also make sure that some of these people and our new secondary students choose STEM subjects. Acquire the technical skills and scientific thinking necessary for the jobs and skills of the future.

We must stay open for business. Build a town that is tech savvy, diversity savvy and that understands the needs of SMEs. A town with good infrastructure and facilities. *Skilling the Bay* is helping to do some of this work.

Minister, thank you, on behalf of the Advisory Group, and the citizens of Geelong for your interest and support. We most certainly appreciate it and will not disappoint you.

Ladies and Gentlemen, the Minister for Education and Skills, the Hon Nick Wakeling MP

*Jane den Hollander*

*Vice Chancellor Deakin University*