

Senator the Hon Christopher Evans

Minister for Tertiary Education, Skills, Jobs and Workplace Relations

10 May, 2011

Media release

Building an educated and skilled workforce

A \$3 billion investment in skills and training initiatives over six years will deliver the skilled workers the economy needs and ensure more Australians can benefit from our growing prosperity.

Through the *Building Australia's Future Workforce* package the Government is:

- Placing industry at the heart of the training effort, with a new \$558 million National Workforce Development Fund;
- Investing to meet the longer-term needs of the economy through a reform focused National Partnership with States and Territories worth \$1.75 billion over five years (from 2012-13); and
- Reforming the apprenticeship system to make it modern and flexible including accelerated apprenticeships and mentoring support;
- Increasing workforce participation by giving disadvantaged Australians the skills they need to get a job.

Minister for Skills and Jobs, Senator Chris Evans, said unemployment is now at 4.9 per cent and 500,000 new jobs are expected to be created in the next two years.

To help meet emerging skills needs, the Australian Government will work with industry and state governments to deliver 370,000 training opportunities over the next four years.

“We have a unique opportunity to increase productivity by encouraging Australians to enter the workforce and break persistent cycles of social and economic exclusion,” Senator Evans said.

“That’s why the Australian Government is picking up the pace of reform in the skills and training sectors to boost productivity, increase workforce participation and ensure our social compact with Australians to deliver the dignity of work is continued.”

A new partnership with industry

The Australian Government will drive productivity through new direct partnerships with industry to deliver an estimated 130,000 high quality training places.

A new National Workforce Development Fund will be created, to respond to the most critical emerging skills needs facing the Australian economy.

New training places will require co-investment from industry, recognising the shared responsibility for training between government and industry.

“Industry has asked to take a hands-on role to ensure it gets the critical skills it needs and is able to grow the workforce,” Senator Evans said.

To support the new partnership with industry, the Australian Government will also establish a new \$25 million National Workforce and Productivity Agency.

The independent Agency will deliver the \$558 million National Workforce Development Fund directed to industry-based training initiatives over the next four years. It will be formed from an expanded Skills Australia.

“The Agency will provide independent advice on the skills needs of industry sectors, regions and disadvantaged Australians to enhance national workforce capability and productivity,” Senator Evans said.

Driving national reform to meet the skills needs of the future

The Australian Government will set new benchmarks for improved quality, transparency and outcomes from the states and territories as a condition for its base agreement on vocational education and training (VET), worth \$7 billion over five years.

In addition, the Australian Government will offer an additional \$1.75 billion over five years (from 2012-13), the same period for those jurisdictions that are prepared to sign up to a more ambitious reform of the performance and quality of their respective public training systems.

Reform of VET will be a major priority for COAG during the remainder of 2011.

The Australian Government will be seeking ambitious reform that ensures our VET system:

- delivers better quality, higher level training which meets the needs of employers and students, supports competitive industries, and is better matched to future jobs growth;
- offers greater transparency, so it is clear Australian Government funds are being properly targeted to skills needs, and employers and students can choose the training organisations, which perform well and best meet their needs;
- is more efficient by ensuring investments in skills deliver the right skills to the economy at the right time; and
- supports equity through increased participation by groups not currently fully engaged in work.

“These measures complement the Australian Government’s record investment in Australia’s universities, which has seen an extra 100,000 undergraduate students enrolled at university in 2011 compared to 2008.”

Apprenticeships that work for more Australians

The Australian Government will continue its historic investment in apprenticeships to ensure the system delivers more trained workers faster.

More Australians than ever before are embarking on a career through an Australian apprenticeship, but only about half complete their training.

To lift apprenticeship completions and the supply of skilled workers to the economy, the Australian Government will invest:

- \$100 million over four years to Accelerate Australian Apprenticeships, to support innovative training models that enable apprentices to move more efficiently through their training and advance to the next level of learning and pay, provided quality is met.
- \$101 million over four years for an Apprenticeship Mentoring package, helping individuals to choose the right training pathway and supporting them to complete their training.

“Since 2007, the Australian Government has almost doubled funding for apprentices and their employers to almost \$1.1 billion last financial year,” Senator Evans said.

The measures are the first steps towards a comprehensive response later in the year to the recommendations of the Expert Panel report on *Apprenticeships for the 21st Century*.

Building better skills for workforce participation

The Australian Government is taking action to deliver more skilled workers to the economy by continuing its record investment in improving the basic skills of all Australians.

This Budget provides further support to improve the numeracy and literacy of unemployed Australians and ensure disadvantaged people, who are encouraged to participate in work, have the opportunity to develop the skills they need.

An additional \$263 million investment will include:

- \$143 million to expand the Language Literacy and Numeracy Program to assist an additional 30,000 job seekers gain the foundation skills necessary to participate in training and employment;
- \$80 million for job-related training through states and territories for more than 30,000 sole parents seeking to return to work;
- \$19.7 million for the Australian Apprenticeship Access Program to help more than 5,000 vulnerable job seekers develop the skills needed to succeed in an apprenticeship;
- \$20 million in additional investment for the Workplace English Language and Literacy program to assist a further 13,000 people currently in the workforce, who have low levels of language, literacy and numeracy skills.

“Not only is this Australian Government continuing its fundamental reform of the education system to improve facilities and results, but it is addressing the gap in adult literacy and numeracy as part of a national foundation skills strategy with states and territories,” Senator Evans said.

“This Budget will build on the \$500 million we have already invested to improve the language, literacy and numeracy skills of Australian adults in the last four years – bringing the total investment over the next four years to \$760 million.

“This investment is critical, if we are to ensure that Australian adults are job ready and realise their full potential.”

These new initiatives are in addition to the More Help for Older Workers measure to provide up to \$2000 for skills assessments and \$2000 for training to employers to ensure up to 7500 mature age workers (2500 workers per year) are provided with the opportunity to improve their skills.

Media Contact:

media@deewr.gov.au