

The Coalition Government

Election 2007 Policy



“GO FOR GROWTH”

NEW SKILLS: VOUCHERS FOR TRAINING

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EXECUTIVE SUMMARY

Since the election of the Coalition Government, Australia has experienced more than 11 years of strong economic growth and now has the lowest unemployment rate in a generation. This has given rise to unprecedented opportunities for Australians to pursue vocational and technical careers.

A re-elected Coalition Government will continue to implement the policies necessary to deliver a strong economy with the goal of achieving full employment over the next term of office. The Coalition's target will be to achieve an unemployment rate of 3 per cent.

To help achieve this target, a re-elected Coalition Government will uncap the Work Skills Voucher programme providing an estimated 110,000 additional \$3,000 vouchers between 2007-08 and 2010-11.

This will provide opportunities for thousands of Australians to enter the workforce with practical and marketable skills. Additional funding of \$392.9 million will be provided to deliver on this commitment. This will result in an estimated 60,000 vouchers per year.

Over the last four years, 544,000 Australians have completed an apprenticeship, compared with just 30,900 in 1996 when Labor was last in office.

This exciting initiative will build on the Coalition Government's \$2.9 billion annual investment in skills training.

Uninterrupted economic growth, combined with a rapidly ageing population, has led to labour shortages – too many jobs chasing too few people.

These labour shortages lead to skills shortages. In 1992, when there were nearly a million unemployed people, there were no skill shortages.

The Coalition Government has addressed these labour and skill challenges on a number of fronts. We are:

- Encouraging people to once again value technical and vocational training and careers;
- Providing incentives to those in the existing workforce to train, retrain or top-up skills throughout their working life; and
- Encouraging anyone who can work into work, or to stay in the workforce.

SKILLS TRAINING – VOUCHERS FOR TRAINING

Improving the basic skills of the Australian workforce is essential to better skill those who are entering the workforce, help people who are already in employment move into higher level positions and assist people cope with new technology in their workplace.

A re-elected Coalition Government will continue to implement the policies necessary to deliver a strong economy with the goal of achieving full employment over the next term of office. The Coalition's target will be to achieve an unemployment rate of 3 per cent.

To help achieve this target, a re-elected Coalition Government will give more Australians the opportunity for more skills training by committing additional funding of \$392.9 million to the Work Skills Voucher programme. This decision will uncap this program so that anyone eligible for a Work Skills Voucher will be able to benefit from increased skills. Funding for this measure is included in the Mid Year Economic and Fiscal Outlook.

This commitment will provide an estimated 110,000 additional \$3,000 Work Skills Vouchers on a demand driven basis between 2007-08 and 2010-11. This will result in an estimated 60,000 vouchers every year.

The Work Skills Voucher programme was introduced in January 2007 to improve the basic skills of Australians aged 25 years and over. It provides those without Year 12 (or equivalent) or certificate level II (or higher) qualifications with up to \$3,000 to access training. The most popular courses currently taken under this programme include studies in business administration, transport and distribution, hospitality and IT.

Unskilled workers without a year 12 qualification, thousands of Australians currently receiving unemployment benefits or on income support such as parenting payments and those simply outside the labour force will now have the opportunity to develop new, sought after skills. This initiative will directly contribute to Australians finding new opportunities for satisfying and productive careers.

Since January 2007, more than 45,000 work skills vouchers of up to \$3,000 in value have been taken up under this highly popular initiative.

This new funding will take the programme to a new level – with 110,000 new work skills vouchers taking the total available to 200,000 over four years.

HIGHLIGHTS OF THE GOVERNMENT'S ACHIEVEMENTS

Since 1996 the Coalition Government has invested \$24 billion in skills and training. This compares with the \$1 billion spent by Labor in 1995-96.

Specific initiatives include the \$837 million *Skills for the Future* package which included mature apprentice wage subsidies, \$3,000 Work Skills Vouchers, \$500 Business Skills Vouchers and more engineering places at Australian universities.

Over the last four years 544,000 apprentices have completed an apprenticeship, compared with just 30,900 completions in 1996.

The number of Australian apprentices currently in training has increased by 168 per cent since 1996, from 154,830 to 415,000.

Australian School-based Apprenticeships have increased from 4,410 in 2001 to 16,760 in December 2006 – a 280 per cent increase. The Coalition Government created this path from school to work by removing industrial relations barriers and funding incentives such as the Tools for your Trade, Commonwealth Trade Learning Scholarships, Apprentice Wage Top-Up, Training (Fee) Vouchers, Living Away From Home Allowance and employer incentives.

The Coalition Government has also established 28 Australian Technical Colleges since 2004, at a cost of \$530.9 million. The Colleges allow students to complete their high school education while doing an apprenticeship and provide a valuable link between education and industry. It is expected that participation at Australian Technical Colleges will rise from its current level of 2,000 students to 8,000 to 10,000 students by 2009.

More than 72,000 apprentices have benefited from the \$1,000 tax-free Commonwealth Trade Learning Scholarship, which has now been extended to include apprentices who complete their training before the end of their first or second year.

The Coalition Government has established a new National Skills Needs List (NSNL), ensuring thousands more Australians became eligible for a wide range of incentives for apprenticeships in areas experiencing skills shortage.

We have distributed nearly one million comprehensive apprenticeship guides, for the first time bringing together in one place important information for students and their parents, and first and second year apprentices.

New measures to support Agricultural and Horticultural apprentices have been introduced, with these apprentices now able to access tool kits worth up to \$800 and the \$1,000 Apprenticeship Training (Fee) Vouchers.

The 2007-08 Budget contained \$638 million worth of initiatives aimed at addressing skills needs including keeping apprentices in training and supporting higher level training.

Annual federal funding for vocational and technical education has increased by 97 per cent in real terms since 1996, to a record \$2.9 billion this financial year. This \$2.9 billion investment in vocational and technical training falls includes:

Apprentice and Student Support (up to \$800 million) including:

- \$13,000 wage subsidy for apprentices 30 years of age or over;
- \$2,000 tax-free wage top-up;
- \$1,000 training (fee) voucher;
- \$800 tool kit;
- \$1,000 Commonwealth Trade Learning Scholarships;
- \$500 Business Skills Vouchers;
- Living Away from Home Allowance; and
- Austudy.

Employer Apprenticeship Incentives (more than \$450 million) including:

- \$4,000 employer apprenticeship incentive;
- \$1,500 Diploma/Advanced Diploma Incentive;
- \$1,000 Rural and Regional Skills Shortage incentive;
- \$750 mature aged incentive;
- \$750 Australian School-based Apprentice incentive; and
- Extending support to employers who take on apprentices with prior qualifications through access to incentives.

Australian Technical Colleges (\$100 million this year) including:

- 21 Colleges open;
- 7 Colleges to open over the next 18 months; and
- Nearly 2,000 students enrolled in the first year and 8,000 to 10,000 students enrolled by 2009.

LABOR'S RECORD

Labor's plan for technical training in Australia, to create so-called trade-training centres in every secondary school across Australia, is one dimensional.

It focuses on training at schools, with no attention being paid to the fact that in this modern economy training and re-training must be a lifelong process.

When last in office, Labor made "apprenticeships" and "trade training" dirty words. If they win office, they will do it again.

At a time of a skills and labour shortage, Kevin Rudd has admitted that a future Labor government would cut funding in the vital area of vocational and technical education – but he won't say how much, when or where.

Mr Rudd has said that a six month razor gang enquiry will look into what he described as the "murky" area of vocational funding.

The only thing murky about this area is where Mr Rudd will make major cuts.

Cuts to any one of the Government's current programmes will severely undermine efforts to cope with the labour shortage.

Where will Labor cut programmes?

Which Australian Apprenticeship centres will they close?

What apprenticeship incentives will they scrap?

Where will they cut TAFE funding?

What Australian Technical Colleges will they shut?

What employer incentives will Labor abolish?

COSTINGS SUMMARY

NEW SKILLS: VOUCHERS FOR TRAINING					
Policy Measure	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	TOTAL \$m
Work Skills Vouchers *	-	-	-	-	-

* Funding for this measure is included in the Mid Year Economic and Fiscal Outlook.