

# FEDERAL LABOR LEADER KEVIN RUDD MP

## ***SKILLING AUSTRALIA* – FEDERAL LABOR’S PLAN TO FIGHT INFLATION BY CLOSING THE SKILLS GAP**

A Rudd Labor Government will fight inflation in the Australian economy by closing the skills gap – the gap between the demand for and supply of skilled workers.

*Skilling Australia* will increase and deepen the skills capacity of the Australian workforce and ensure demand for skills and skills training are matched.

Federal Labor’s plan for our future skilled workforce will close the skills gap in the Australian economy in three key ways:

- Fund an additional 450,000 skilled training places over the next four years - 200,000 more than the Howard Government
- Ensure that 90 per cent of these places lead to a higher qualification than the Howard Government’s proposed new training places.
- Place industry demand at the heart of the skills training system – so that training providers equip Australians with the skills that industry needs.

Twenty times in the last three years the Reserve Bank of Australia has warned that capacity constraints – including skills shortages - are driving up inflation.

A Federal Labor Government will not repeat the Howard Government’s mistake of ignoring Reserve Bank warnings.

Under *Skilling Australia*, skilled training places for those outside the workforce will be available from April 2008. This will ensure that some of these courses could be completed as early as June 2008 thus stimulating participation in the workforce.

### **Closing the skills gap – 200,000 more training places under Labor**

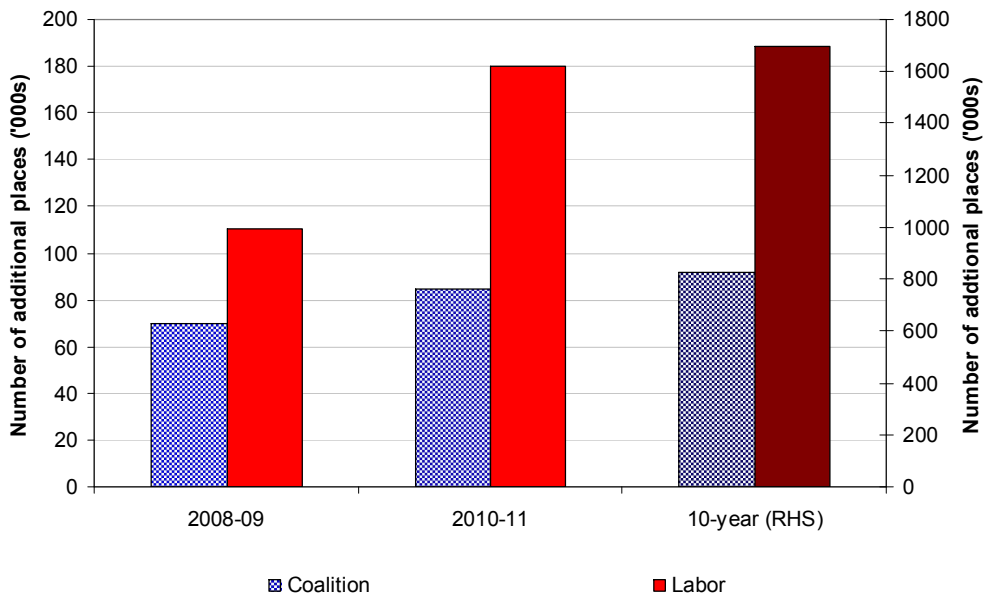
A Rudd Labor Government will fund an additional 450,000 skilled training places over the next four years - 200,000 more places than the Howard Government.

One-third of the additional places will be allocated to people currently outside or marginally attached to the workforce; to equip them with the skills they need to gain employment.

The remaining places will be dedicated to training people who are currently employed but who need to upgrade their skills.

*Skilling Australia* will support up to 65,000 apprenticeships over the next four years.

### Additional Skills Places - Labor vs Coalition



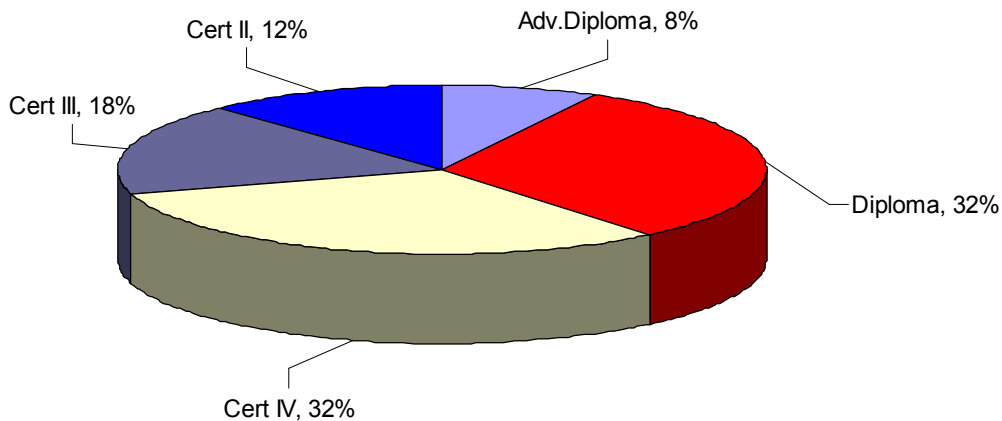
### Deepening Australia’s skills base – 90 per cent Certificate III or above

90 per cent of the additional training places funded by a Rudd Labor Government will be at the Certificate III level or above. By contrast, the Howard Government will only fund additional vouchers at the Certificate II level.

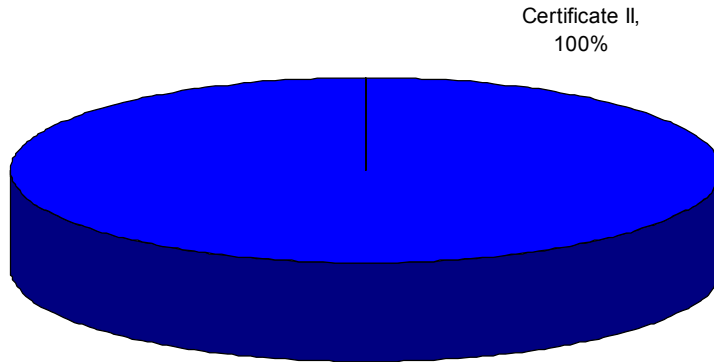
The new places funded by a Rudd Labor Government will offer high-quality training opportunities which better suit the needs of our economy in the future.

Evidence shows that Australia’s economy needs higher level skills. And key employer groups – including the Business Council of Australia and the Australian Industry Group - agree.

### Labor's new high-quality training places



## Coalition's new training places



### **Matching skills with industry's needs - industry-led training**

In a significant reform, a Rudd Labor Government will put industry needs at the heart of the skills training system. All new places funded by Federal Labor will focus on current, emerging and future skills required by industry.

Part of the problem in increasing our national skill level has been that training has not matched industry's needs.

Businesses have not been provided with enough assistance to enable them to diagnose, predict and tailor training to their future workforce needs.

Federal Labor's major reforms will centre on better diagnosis of Australia's skills needs and making new training places more responsive to industry needs.

A Rudd Labor Government will allocate new training places directly to industry.

Drawing on the advice of *Skills Australia* – a new independent body – a Labor Government will allocate training places to strengthened Industry Skills Councils.

Industry Skills Councils will work with employers to identify their skills needs – and match those needs with tailored training.

Industry Skills Councils will also work with Employment Service Providers to give the unemployed access to training which matches industry and employers' needs.

Australia's training system must shift to a system that is driven by, and which responds to, the needs of business, industry and the economy.

A Rudd Labor Government will deliver such a system - combined with additional, high quality training places – to help tackle inflation and create high skilled better paying jobs in the future.

## Financial implications

Federal Labor's *Skilling Australia for the Future Plan* is fully costed and funded.

FINANCIAL IMPLICATIONS – IMPACT ON UNDERLYING CASH BALANCE (\$M):

	2007-08	2008-09	2009-10	2010-11	Total
Skilling Australia#	75.9	187.2	351.2	557.6	1171.9
<b>Gross Total</b>	<b>75.9</b>	<b>187.2</b>	<b>351.2</b>	<b>557.6</b>	<b>1171.9</b>
<i>Work Skills Vouchers</i>	-51.5	-190.4	-190.4	-190.7	-623.0
<i>Business skills vouchers for apprentices</i>		-2.7	-3.2	-4.0	-9.9
<b>Total Offsets</b>	<b>-51.5</b>	<b>-193.1</b>	<b>-193.6</b>	<b>-194.7</b>	<b>-632.9</b>
<b>Net impact</b>	<b>24.4</b>	<b>-5.9</b>	<b>157.6</b>	<b>362.9</b>	<b>539.0</b>

# Includes additional funding for Industry Skills Councils

**BRISBANE**

**14 NOVEMBER 2007**

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