



Australian Government

BUILDING AUSTRALIA'S FUTURE WORKFORCE

Skills to promote increased participation

The *Building Australia's Future Workforce* package provides a \$3.02 billion investment over six years for a new approach to deliver the skilled workers the economy needs and ensure more Australians have the opportunity to share in the nation's prosperity. This is on top of new funding of more than \$2 billion over the next four years for Australia's university sector.

The package has four components:

- Putting industry at the heart of the training system
- Modernising apprenticeships
- Skills to support increased participation
- Reforming the national training system

The skills developed through vocational education are key drivers of greater social and economic mobility in Australia. Having opportunities to develop vocational skills builds bridges into work at any stage of life and the more skills people have, the more likely they are to be in employment and to be in better paying jobs.

What is the Government doing?

Through the following five initiatives, the Government will provide a comprehensive skills and training offer—from foundation skills training through pre-vocational training, work skills and qualifications—that will promote increased participation and place those who are unemployed or not fully engaged in work because of skill-related barriers on a more sustainable employment pathway.

1. Improved access to the Language Literacy and Numeracy Program (LLNP). The Government will further expand the number of places available under the LLNP to enable an additional 30 000 job seekers to access the program over the next four years.

The expansion also includes a more targeted work experience component. Participation in the program will assist job seekers to be more competitive in the job market and help them to complete further training.

2. A continuation of the current number of places and levels of service available under the Australian Apprenticeships Access Program supported by additional funding commencing from 1 July 2012.

The program helps vulnerable job seekers with pre-vocational training linked to an Australian Apprenticeship pathway, individualised intensive job search assistance and post-placement support.

3. An expansion of the Workplace English Language and Literacy Program (WELL) by providing more than 13 000 additional training places over four years. The WELL program provides financial support to employers, on a co-contribution basis, to assist their existing employees improve their literacy skills for sustainable employment and further training.

4. Training to support the return to work of single and teenage parents. The Government will provide additional funding to states and territories to help meet increased demand for training places resulting from changes to participation requirements for single and teenage parents.

5. More Help for Mature Age Workers. Over the next three years, 7500 workers aged 50 years and over with trade relevant skills but no formal qualifications will have the opportunity to have their skills assessed and formally recognised. Training to address skills gaps will also be funded. Workers in industries with a high proportion of trade occupations will be targeted.

Why is the Government doing it?

These initiatives have been developed in recognition that the most disadvantaged Australians need additional support to get the skills to obtain or retain a job.

As Skills Australia recently noted in their report *Skills for Prosperity – A roadmap for vocational education and training*, 'significant economic and social opportunities await us – depending on how effectively the nation deals with the challenges of an economy at near full employment and record terms of trade driven by the

resources export boom'. To meet these challenges, we need to significantly increase workforce participation rates.

A large proportion of the adult population have low language, literacy and numeracy skills. As the Industry Skills Councils recently pointed out, 'language, literacy and numeracy are the essential underpinning skills that enable people to be productive in their work, to continue to learn and develop, and to participate fully in society'. The evidence is clear that improving language, literacy and numeracy skills will improve workforce participation.

The best way to improve social inclusion is to ensure that all those who want to work, can. We know that children whose parents have higher skill levels and employment, do better.

A number of single and teenage parents who receive income support payments will be facing changed participation requirements as a result of other Budget initiatives. Training opportunities that are flexible to meet the needs of these parents will provide an opportunity to gain the skills and confidence needed when it comes time to consider returning to the workforce. This is especially so for those who have spent long periods out of the workforce.

In addition, providing increased training opportunities for mature age workers, many of whom have pre-existing skills, will increase overall participation in the labour market and help alleviate the current demand for skilled labour. Older workers have much to offer and are vital to addressing Australia's productivity and skills shortages.

What has the Government already done?

These initiatives to support skills development and increased participation build on the Government's education reform and productivity agendas.

The foundation skills initiatives in this package build on the investment made by the Government in last year's Budget to improve the foundation skills of adult Australians.

In the 2010-11 Budget, the Government indicated that it was determined to tackle the language, literacy and numeracy deficits that impact on the future employment and earning prospects of more than 4.5 million adult Australians. In that context, it announced the development, in conjunction with the states and territories and other stakeholders, of a National Foundation Skills Strategy for Adults to be finalised later this year and implemented by 1 January 2012. This strategy will ensure that action to address foundation skills deficits is co-ordinated across jurisdictions, and focused on nationally agreed priorities.

Underpinning that strategy, the Government is providing \$116 million to the Foundation Skills Package, to fund additional training and a number of strategic initiatives aimed at addressing the social stigma associated with

low levels of language, literacy and numeracy skills. For example, the Foundation Skills Package funded the expansion of the adult Language Literacy and Numeracy (LLN) teacher scholarships program and the mapping of embedded LLN in vocational training against the Australian Core Skills Framework.

The Foundation Skills Package and the initiatives in this Budget build on the work being done in the schools sector to improve literacy and numeracy. Through the Smarter Schools National Partnership for Literacy and Numeracy, the Government is making available \$540 million over four years to facilitate and reward the implementation of evidence based strategies that improve student literacy and numeracy skills. In addition, to help close the gap in literacy and numeracy levels between Indigenous and non-Indigenous students the Government has provided \$56.4 million over four years to trial and expand intensive literacy and numeracy programs in schools to assist Indigenous students who are not meeting national minimum standards.

We are also beginning to see the benefits of national testing of literacy and numeracy skills in our schools. The 2010 National Assessment Program – Literacy and Numeracy (NAPLAN) results are very encouraging with improvements in literacy and numeracy results.

Future school leavers will therefore be better equipped to get higher skilled jobs. Together, over time, these initiatives in both the vocational education and the schools sectors will lead to a more highly skilled workforce and higher participation rates.

More Help For Mature Age Workers builds on the \$43.3 million investment in programs for mature age job seekers and workers delivered through Experience+ as part of the *Productive Ageing Package*.

The *Productive Ageing Package* includes the Consultative Forum on Mature Age Participation. The Forum has been formed to provide advice on strategies to address barriers to employment for mature age people, with a particular emphasis on addressing negative employer and community attitudes toward mature age people. The Forum is overseeing a number of projects, including the *Investing in Experience Tool Kit*, designed to encourage employers to recruit and retain more mature age workers.

Who will benefit?

Adults with low language, literacy and numeracy skills, whether they are in the workforce or looking for work, will benefit from the additional training places available for them to improve their skills.

Unemployed single and teenage parents in receipt of benefits who have been out of the workforce due to parenting responsibilities, can access training opportunities to refresh, update or build their skill base, improving their chances of finding employment. These opportunities will be available from 1 January 2012.

Employers can also take advantage of the expanded Workplace English Language and Literacy (WELL) program for their employees with low language, literacy and numeracy skills.

Industry and employers will benefit from an increase to the pool of available skilled work-ready labour, helping to meet industry demand in skill shortage areas and increasing economic productivity.

What funding is the Government committing to this initiative?

The Government is investing a total of \$292.8 million to support this enhanced skill and training service offer. An additional \$182.8 million over four years will be provided for foundation skills programs including:

- \$143.1 million for improved access to the LLNP creating an additional 30 000 places from 1 July 2011
- \$19.7 million for the continuation of the current levels of service for the Access program from 1 July 2012, and
- \$20 million for the expansion to the WELL program providing more than 13 000 training places from 1 July 2011.

The Government is contributing an additional \$80 million to states and territories over four years for training to promote increased participation for single and teen parents moving into the workforce. Funding will be made available to state and territory Governments from 1 January 2012.

The Government contribution will supplement existing training already available for this group through the national Vocational Education and Training (VET) system.

From 1 July 2011, the Government is investing \$30 million over three years (\$10 million each year) to implement the More Help for Mature Age Workers initiative.

For more information:

Visit www.skills.gov.au or www.deewr.gov.au/budget or call 1300 363 079.