



Australian Government

Department of Education, Science and Training

Backing Australia's Skills at a Glance

Reinvigorating the Vocational and Technical Education System

Australia's economic growth over the past decade has seen a dramatic increase in the demand for skilled workers. Today, Australian businesses report that their greatest challenge is finding people to take up skilled jobs.

Australia's vocational and technical education system is well equipped to respond to the challenge.

Each year, the publicly funded training system educates and trains more than 1.7 million Australians, an increase of half a million people since 1995. The system has grown in sophistication and prestige, and is now recognised as a world leader. It is not surprising that vocational and technical education is increasingly a first choice for many of the 70% of young Australians who do not go directly from school to university.

The Australian Government has set a new and challenging agenda for vocational and technical education. In 2004, the Australian Government announced more than \$1 billion of new initiatives to provide for skills needs in traditional trades – the biggest ever commitment to vocational and technical education by any government. The Howard Government's 10th Budget delivers that, and more, to achieve its key goals by providing \$10.1 billion over the next four years.

This year alone, the Australian Government will spend a record \$2.5 billion on vocational and technical education, including an additional injection of over \$280.6 million for a suite of new initiatives designed to address skill needs, particularly in the traditional trades.

The National Training System

From 1 July 2005, the functions of the Australian National Training Authority will transfer to the Department of Education, Science and Training. This provides a structure to build on successes to date and ensure that the national training system continues to improve – providing the skilled people required by industry to maintain Australia’s strong economic growth.

Our goal is to ensure that in the future, Australia’s training system will be even more responsive to the ever-changing needs of industry. The training system will continue to build its reputation with young Australians, broadening their options after school. It will attract mature aged Australians back to study, and provide them with specialised skills, and pathways to new careers.

The new national training system demands a cooperative and collaborative approach between the Australian Government, States, Territories, business and industry to deliver nationally recognised qualifications of a consistently high quality.

Elevating the Status of Trades

Every young Australian should be encouraged to find and reach their potential. For too long, students have been pushed to consider university as the one and only acceptable option for achieving status and success after school.

Progressively people are realising that a vocational qualification can lead to a challenging, diverse, independent and, for many, lucrative career.

Today there are almost 394,000 New Apprentices in training, compared with around 144,000 in the mid 1990s. New Apprenticeships are available in more than 500 occupations – commencements in trades and related New Apprenticeships increased by 19% in the 12 months to September 2004.

The Australian Government will continue to provide choice and ensure that young people are aware of their options.

What this Budget will provide in 2005-06:

- \$65.4 million to establish 24 Australian Technical Colleges across Australia to promote pride and excellence in teaching and acquiring trade skills at the secondary school level. The Colleges will provide high quality education and training for capable and committed students, who want to pursue a career in trades such as metal and engineering, automotive, building and construction, electrotechnology and commercial cookery. Local industry and community representatives will take a

leading role in the governance of each of the Colleges. The Colleges will send a powerful signal to young Australians that trade skills offer a proven path to a rewarding career.

- \$4.3 million to establish the Institute for Trade Skills Excellence which will elevate the status of the trades and trades education by providing industry with the capacity to identify, acknowledge, reward and promote excellence in trade skills development. The Institute will also undertake promotional activity aimed at improving the quality of trade training and elevating the status and attractiveness of selected trades.
- \$12.6 million for an additional 5,000 places in the New Apprenticeships Access Programme which assists job seekers who experience barriers to skilled employment to obtain and maintain a New Apprenticeship.
- \$5.8 million towards an additional 7,000 School-Based New Apprenticeship opportunities and up to 4,500 pre-vocational training places in the trades over the next four years through group training arrangements.
- \$15.3 million for scholarships for New Apprentices who successfully complete the first and second year of a New Apprenticeship with a small to medium sized business, in a trade experiencing skills needs.
- \$27.5 million for the Australian Network of Industry Career Advisers to ensure that all 13-19 year olds have access to professional career advice to achieve a successful transition through school and from school to further education, training and work.

Rewarding and Encouraging Participation

The investment in a New Apprenticeship is significant - for both employers and the New Apprentice themselves. In the trades in particular, a period of training, mentoring and apprenticeship can extend over three or four years.

The first years of a New Apprenticeship can be tough with New Apprentices facing the expense of setting up in their job, acquiring the tools of their trade and, for many, moving out of home – all on a training wage.

A new suite of measures will reward both New Apprentices and their employers for toughing it out - in the knowledge that they will end up with a nationally recognised qualification and a strong prospect of a personally and financially rewarding career.

Greater participation in trades will be encouraged with an extra 31,500 places over the next four years, through the New Apprenticeships Access Programme, pre-vocational training and School Based New Apprenticeships outlined above.

What this Budget will provide in 2005-06:

- \$28.7 million for a tool kit for each New Apprentice starting an apprenticeship in specific trades from 1 July 2005.
- \$478,000 to extend entitlement to the Living Away From Home Allowance to third year New Apprentices (currently only first and second year New Apprentices are eligible).

- \$120 million to extend entitlement to the Youth Allowance, Austudy and Abstudy to New Apprentices to ease the financial burden they face in the initial years of training.
- \$253,000 for incentives for employers of young people who have obtained a recognised qualification at their own expense after leaving school (currently they are not eligible to attract incentives).
- \$227,000 to minimise poaching of New Apprentices nearing the completion of their apprenticeship by recognising the contribution of each employer who provided more than 25% of the training for the New Apprentice.

Reinvigorating Vocational and Technical Education - Funding of New Initiatives by Major Element (\$m)

Measure	2005-06	2006-07	2007-08	2008-09	Total
Australian Network of Industry Careers Advisers	27.5	37.7	38.7	39.4	143.2
Australian Technical Colleges	65.4	86.3	102.5	95.0	349.2
Institute for Trade Skills Excellence	4.3	6.8	6.8	4.8	22.9
Tools For Your Trade	28.7	29.5	30.4	31.2	119.8
Trade Learning Scholarship	15.3	29.4	30.3	31.1	106.0
Opening Up Eligibility	0.3	0.7	0.8	0.9	2.6
Increased Residential Support	0.5	1.7	1.8	1.8	5.8
Extending Youth Allowance	120.0	128.0	136.1	142.4	526.6
Eliminating New Apprentice Poaching	0.2	0.1	0.1	0.1	0.7
Extra places in the New Apprenticeships Access Programme	12.6	12.8	13.0	13.2	51.6
School Based New Apprenticeships through Group Training	1.4	4.4	8.9	11.3	25.9
Pre-vocational Training through Group Training	4.4	4.4	5.5	5.6	20.0

NB: totals may not add due to rounding