

Feds Inject \$56 M To Boost Engineering Places And Confront Skills 'Challenge'

The federal government will invest \$56 million over four years to fund an extra 500 engineering places at university from 2008, Prime Minister John Howard has announced.

These places are in addition to 510 new engineering places commencing from 2007 which were announced on 24 July this year. The investment is part of the government's Skills for the Future package, comprising \$387 million in new investments to help address the skills 'challenge' facing the nation.

Howard said Education, Science and Training Minister Julie Bishop will work with universities on how the places will be allocated between universities. "Universities will be free to utilise the places in particular areas of engineering which are in demand", he said.

"This is consistent with a broad approach to skills development given the degree to which Australians with professional, associate professional and trade-level engineering qualifications are widely employed across the economy."

In July, the government released the first ever audit of science, engineering and technology skills in Australia. It found that the domestic skills base in this area is substantial relative to overall employment, with about 13.5% of employed Australians holding relevant qualifications.

"While this compares reasonably well with many OECD countries, we must not be complacent", Howard said. "Increasingly, Australia faces a global market for talent. We need to work hard to train and retain our science, engineering and technology workers."

"The skills audit found that Australia potentially faces a declining number of engineers available to meet industry needs due to demographic trends. Engineers Australia has also highlighted that a large proportion of current engineers who graduated in the 1960s and 1970s will retire over the next 10 years. Against this backdrop, the government believes there is a strong need to increase Australia's investment in engineering skills."

He said the primary focus of the Skills for the Future package is on raising the skills of Australia's adult workforce. "It also carries a clear message about the importance of upgrading skills over the course of an individual's working life and responds to demands from employers for a higher level of skills, a broader range of skills and more frequent updating of skills", he said.

Howard denied Australia was facing a skills crisis, preferring to call it a 'challenge'. He said an analysis from the Department of Prime Minister and Cabinet had made the essential point that some level of skills shortages is part of the normal functioning of a healthy and dynamic labour market. "As pressures emerge, people re-skill and respond to wage signals in order to adapt to changes in labour demand", he said.

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He said the economy is adjusting well to demands of the commodity boom, with a large increase in labour supply and contained wage growth. "The government's policy framework has allowed the economy to run at a high level of capacity utilisation without igniting high inflation."

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“ While it is clear that claims about a skills crisis are exaggerated, Australia does face real skills challenges arising from an ageing population, rapid technological change and an increasingly competitive global economy. ”

He said business has to bear its share of the responsibility for improving the skills of Australia's workforce. "The oft-heard claim that people are the greatest asset of a company should be more than an employer slogan. Training and skills development must be a part of core business."

Another component of the package included \$408 million over five years to support people aged 25 years and over who do not have Year 12 or equivalent qualifications. Each year, up to 30,000 vouchers valued at up to \$3,000 will be made available to individuals in this group. In priority order, vouchers will be allocated to:

- Unskilled workers wishing to acquire qualifications;

- Income support recipients, such as parents and carers returning to the workforce, who will face active job search requirements in the next two years;
- Unemployed job seekers in receipt of income support and participating in the Job Network who are undertaking active job search; and
- People not in the labour force, either voluntarily or because of carer responsibilities, who intend to seek work after achieving their qualification.

The incentive will be either paid to an employer or direct to the apprentice.

From January 2007 the Australian Apprenticeships Incentive Programme will be extended in three ways to support training at the diploma and advanced diploma level with an investment of \$54.4 million over five years.

"First, we will remove the rule which prevents workers with prior qualifications at a Certificate III and IV level from receiving benefits", Howard said. "Second, we will open the programme to an employer's existing workforce, not just new employees. And third, in consultation with industry, we will increase the range of eligible higher level qualifications in engineering, complementing the provision of more engineering places at university."

Australian Petroleum Production and Exploration Association Chief Executive Officer, Belinda Robinson, welcomed the additional university places for engineering students and the voucher system to improve skills training.

"Our high tech industry employs, and needs to employ more, quality engineers." Robinson said the Australian upstream oil and gas industry was facing a severe shortage of skilled and knowledgeable workers, now and into the future.

"The \$3,000 voucher system will hopefully provide incentives to those adults who need to improve their literacy and numeracy standards, or to learn a vocational skill, in order to apply for one of the many jobs available in the oil and gas industry," she said.

"Many of our current employees have years of experience, but little or no nationally recognised or accredited qualifications. The funding under *Skills for the Future* to support Australians in the workplace who wish to upgrade their qualifications to diploma or advanced diploma level is a great incentive."

"As well as providing evidence of underpinning knowledge required to perform tasks competently, these qualifications give a great confidence boost, particularly for older workers." ■