

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 3 - Tertiary, Skills, International and Indigenous Strategy

DEEWR Question No. EW0637_12

Senator Nash provided in writing.

Critical Skills Investment Fund

"On September 19, the Government announced \$28 million for new training programs under the \$200 million Critical Skills Investment Fund, aimed at reducing critical skills shortages. The Minister, Chris Evans, says more than 7500 workers will benefit from the \$28 million program which will be distributed to 40 businesses to train new workers and up-skill existing workers to meet demand.

Question

- **What does the training involve, when does it start, how is it delivered and how long go for?**

Training supported under the Critical Skills Investment Fund must be a nationally endorsed qualification or a Training Package Skills Set recognised under the Australian Qualifications Framework. Training is matched to the skills needs identified in a project's workforce planning documents submitted with a funding application. Training delivery methods are determined by the project partners, and may include on the job, simulator, classroom and on-line learning.

Approximately 40 per cent of the training announced on September 19 will be at Certificate III level. A further 30 per cent will be at Certificate IV and more than 10 per cent at Diploma or Advanced Diploma level. The remaining training is job entry Certificate II training and Training Package Skills Sets.

Training in most projects is scheduled to commence before the end of the year. The length of training varies between projects, but the average length of a project is approximately 18 months. All projects will be completed by June 2014.

Question

- **What is the extent of the shortage in each of these chosen sectors - resources, construction, infrastructure and renewable energy?**

The Critical Skills Investment Fund targets the resources, construction, renewable energy and infrastructure sectors, as these sectors are expected to experience strong growth in demand for new labour and skills in the short to medium term.

According to DEEWR modelling, in the five years to 2015 -16:

- the mining sector is projected to grow by 6.1 per cent per annum, the strongest growth of all industry sectors.

- Electricity, Gas, Water and Waste Services, which encompasses the Infrastructure and Renewable Energy sectors, is expected to grow by 3.9 per cent per annum.
- The Construction sector is expected to grow by 3.6 per cent per annum.

Question

- **What about the critical shortage of labour/skills in the agriculture sector?**

Labour demand in the Agriculture, Forestry and Fishing sector is projected to increase by 1.4 per cent per annum over the five years to 2015 -16. The agriculture sector was not specifically targeted by the Critical Skills Investment Fund.

The Critical Skills Investment Fund is supporting a number of projects that are based in rural and regional areas. Subject to the finalisation of contract negotiations, approximately 44 per cent of training will be in regional or remote locations.