



Our People – Our Future



Heather Ridout
CEO
Australian Industry Group

October 13 2006

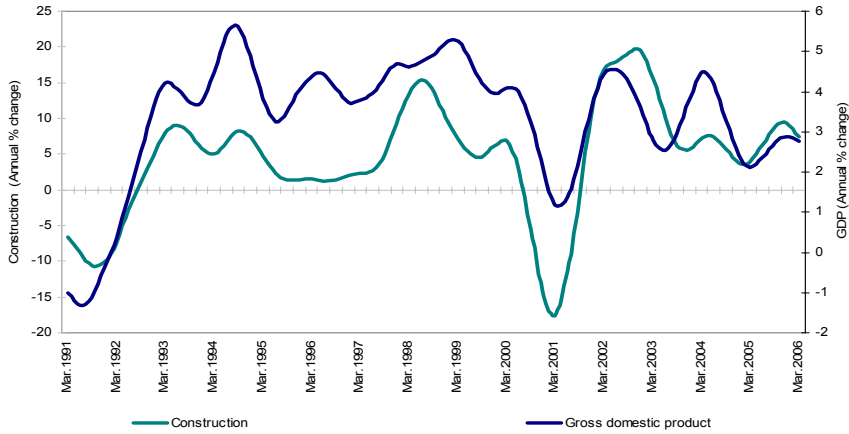


Australia's Recent Superior Economic Performance

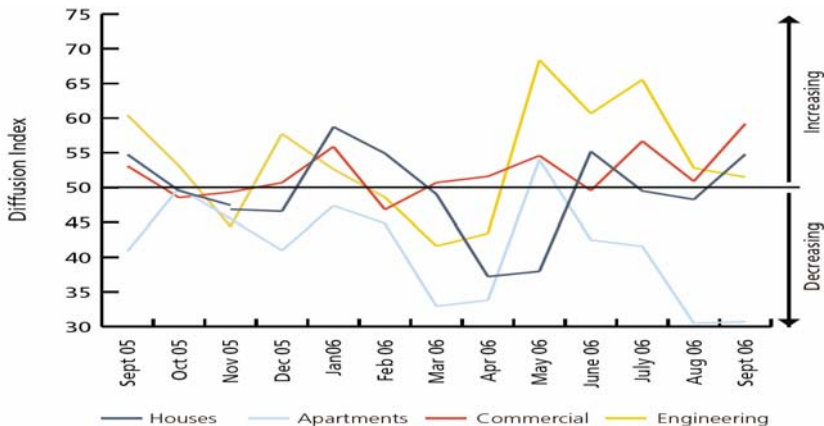
	Australia	Total OECD
	Increase 1993 to 2005 (%)	
Real GDP	55	37
People in employment	30	14
Real wages*	21	15

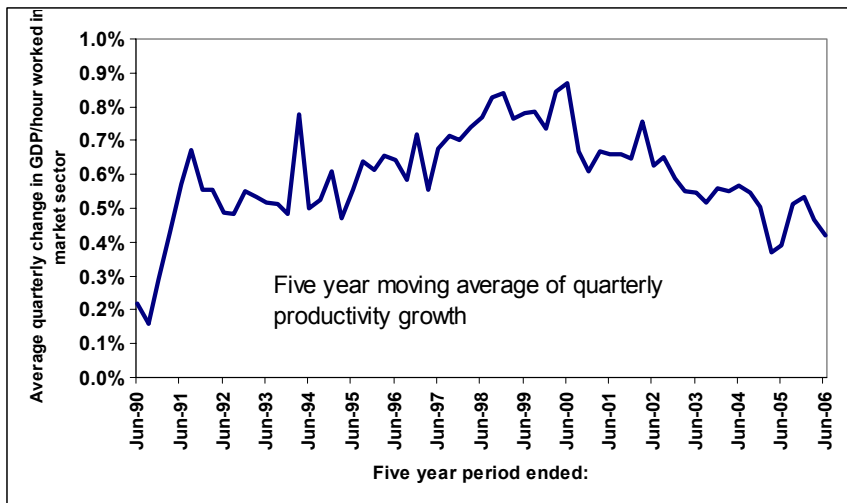
Construction and the Economy



Construction activity has been growing in the past few months



The End of the Miracle? Productivity in Australia 1985 - 2006



The World Class Skills for World Class Industries Report

- Analyses the perspectives of employers on the current state of skilling in Australia
- Develops an understanding of future skilling needs
- Provides a set of strategic policies to impact on skilling



The centrality of skills

- The Report highlights that skills are seen as integral to competitiveness.
- There are three main implications for skilling:
 - ✓ the need for **higher** level skills
 - ✓ the need for a **broader** range of skills
 - ✓ skills need to be **updated more often**



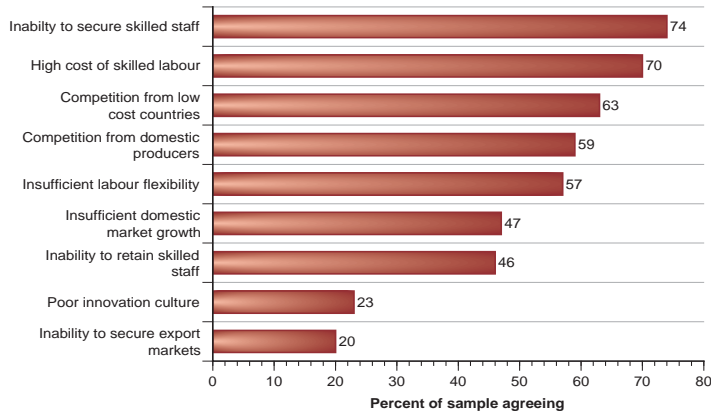
The importance of skills

STRATEGIES FOR REMAINING COMPETITIVE OVER THE NEXT THREE YEARS



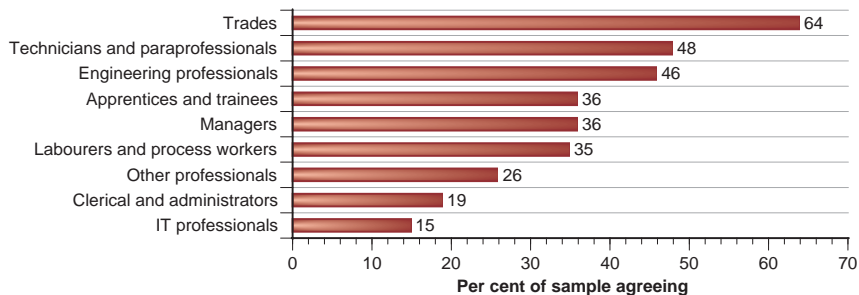
Skill shortages a major threat to competitiveness

BARRIERS TO COMPANY SUCCESS OVER THE NEXT THREE YEARS



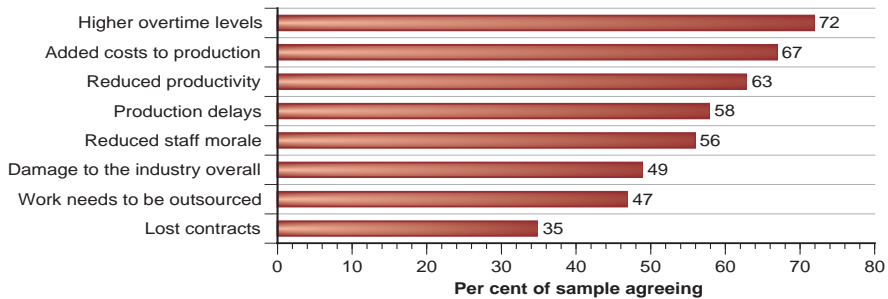
Skills in demand: where the skills shortages are

DIFFICULTIES SECURING SKILLS (BY TYPE OF EMPLOYEE) IN THE LAST 12 MONTHS



Impact of skill shortages

IMPACT OF SKILL SHORTAGES ON BUSINESS



Qualifications for jobs and the qualification profile

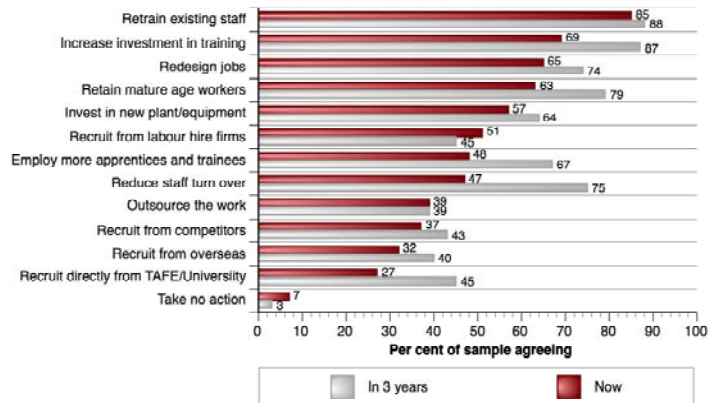
Potential qualifications pathways for jobs	% of employment
• Jobs that currently and potentially have a university pathway	24.0
• Jobs that currently and potentially have a VET pathway	62.3
• Jobs not requiring qualifications	13.7

Current qualifications profile of the population	% of 15-64 pop.
• University qualifications	20.0
• VET qualifications	29.9
• No qualifications	50.1



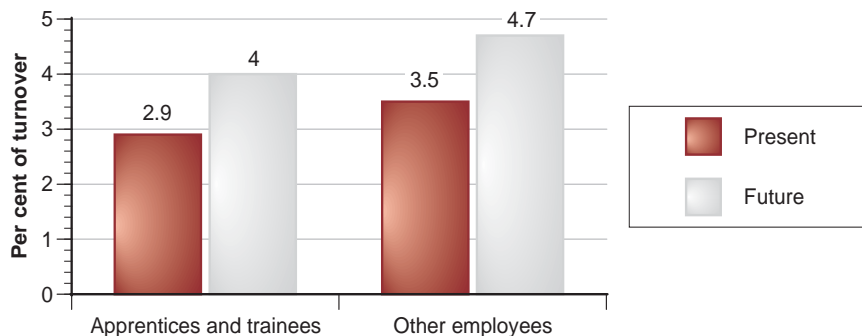
Action to overcome skills shortages

ACTION TO OVERCOME SKILL SHORTAGES NOW AND IN THREE YEARS



Employers signal a step-up in their efforts to meet skill needs

FORMAL AND INFORMAL LEARNING, AUSTRALIAN COMPANIES, NOW AND IN THREE YEARS, PER CENT OF TURNOVER



What needs to be done?

- Australia not yet skilling in a world class way.
- The responsibility for change is shared between:
 - employers
 - individuals
 - employer groups
 - providers
 - governments



Ai Group Initiatives

- Australian Skills Fund
- Careers Advice Australia
- Adopt a School
- Apprenticeship Reform
- Immigration



Skills for the Future

Work Skills Vouchers	\$408m
Support for Mid-Career Apprentices	\$307m
Business Skills Vouchers for Apprentices	\$12m
More Engineering Places at University	\$56m
Incentives for Higher Technical Skills	\$54m



 An Australian Government Initiative

 AUSTRALIAN INDUSTRY GROUP



CONNECT TO YOUR FUTURE
Career Advice Australia

Career Advice Australia Network

- **Young People (13-19 Years)**
 - Sustainable Career Opportunities
- **Australian Business, Industry**
 - Sustainable Workforce



Career Advice Australia Network

- **Consists of:**
 - 10 National Industry Career Specialists (NICS)
 - 57 Regional Industry Career Advisers (RICAs)
 - 213 Local Community Partnerships (LCPs)



National Industry Career Specialists (10)

- Agri-Food
- Community Services & Health
- Construction & Property Services
- Innovation & Business
- Electro Communications & Energy Utilities
- Manufacturing
- Services Industries
- Resources & Infrastructure
- Transport & Logistics
- Government & Community Safety



Adopt a School Program (ASP)

Aims to:

- Build links between businesses, students, teachers and the broader school community through activities that increase knowledge and opportunities for careers and further education.
- Example of this is the Solar Car Challenge, that incorporates industry, multiple schools and community organizations working towards a common goal.



Contemporary Apprenticeships for the Twenty-First Century

Five strategies:

- Reform Employment and Industrial Arrangements
- Rationalise Regulatory Frameworks
- Review Funding Model
- Review and Restructure Incentive Payments
- Improve delivery

 AUSTRALIAN
INDUSTRY
GROUP



 AUSTRALIAN
INDUSTRY
GROUP

Skilled Immigration

	2001/02	2005/06	Change %
Total	88,900	131,593	48%
Skilled	36,036	59,507	65%
Skilled : Total	41%	45%	

457 Visas

- 66% increase in the last 3 years
- 40,000 applications last year (70,000 people)



 AUSTRALIAN
INDUSTRY
GROUP