OUR PLAN

FOR DELIVERING HIGH QUALITY SKILLS AND VOCATIONAL EDUCATION
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KEY POINTS

The Liberal and Nationals Government will create 1.25 million jobs over the next five years, including 250,000 new jobs for young Australians.

A world-class, modern and flexible vocational education and training (VET) system is crucial to meeting this goal. We need to ensure:

- Australians develop the skills to succeed in a changing labour market.
- Businesses have access to the skilled workforce they need to grow and prosper.

The Liberal and Nationals Government’s plan for a stronger economy will:

- **Create another 1.25 million jobs** over the next five years, including 250,000 new jobs for young Australians.
- **Deliver the largest personal income tax relief in a decade**, with tax relief of up to $1,080 for single income families earning up to $126,000. For a dual income family that’s up to $2,160 back in families’ pockets in a few weeks’ time.
- **Ensure Australians have the skills they need** through a new $585 million skills package with more than 80,000 new apprenticeships. This includes doubling the number of new apprentices supported through the Australian Apprentice Wage Subsidy trial, with further investment of around $60 million.
- **Establish 10 Industry Training Hubs** to better connect local industry and schools in areas of high youth unemployment.
- **Expand the Youth Jobs PaTH Program** to pilot up to 10 industry-led job pathway programs to better target the training and internship experiences of young people.
- **Expand the successful Transition to Work service** to allow young people aged 22 to 24 years to also voluntarily access pre-employment services that help prepare them for work.
- **Transform our employment services system** to help Australians who need extra support to get a job.
- **Strengthen small and medium businesses** by lowering business tax, improving access to finance and equity, ensuring small business is paid on time by big business and government, and increasing and expanding access to the instant asset write-off.
- **Better connect people to jobs, their homes and their communities**, and allow businesses to connect to domestic and global export markets through a $100 billion infrastructure plan.
- **Ensure the Government lives within its means** with disciplined fiscal management without increasing taxes.

We believe that learning through a vocational education is just as valuable as a university degree.
That’s why we are transforming the way we deliver skills, support employers and fund training.

We are creating hundreds of thousands of new apprenticeships and trainee places to guarantee a pipeline of Australian tradies and skilled workers.

Our plan will ensure that VET is responsive and flexible to meet changes in the way we work and the demand for new skills.

Labor’s track record shows they cannot be trusted with VET.

Their failed VET FEE-HELP policy was a lightning rod for dodgy providers who ripped off young Australian students, saddling them with debt and no qualification to show for it.

The Liberal and Nationals Government has restored the integrity of Australia’s VET system.

OUR PLAN

With a modern economy that is changing the way we work, there is a growing demand for new skills and occupations. The Liberal and Nationals Government is committed to ensuring our VET system is responsive, so students and employers reap the benefits.

We commissioned former New Zealand Minister for Tertiary Education, Skills and Employment the Hon Steven Joyce to review how Australia’s VET system can better deliver for Australian job-seekers and employers.

The Review suggested immediate steps and a longer-term roadmap.

The Liberal and Nationals Government will build on our existing support to the VET sector by implementing a $565 million package to:

- Reduce the shortfall of skilled workers in key occupations and create up to 80,000 new apprentices by introducing a Skill Shortages payment of $4,000 for eligible employers and $2,000 for apprentices.
- Further expand the successful rural wage subsidy to support employers in rural and regional Australia to take on even more apprentices.
- Streamline incentives for employers of apprentices and trainees and update the skills need list to ensure it responds to labour market demand.
- Address youth unemployment in regional Australia and create better connections between school students, employers and the VET sector by establishing 10 industry training hubs.
- Support more young Australians to gain a VET qualification through the Commonwealth Scholarship Program for Young Australians.
• Raise the profile of the VET sector and improve the career advice given to students and others transitioning to a new career by establishing a National Careers Institute and appointing a National Careers Ambassador.
• Support high impact programs that create innovative partnerships between schools, tertiary providers and employers through new competitive grants.
• Increase support for those with low levels of education to identify and address language, literacy, numeracy and digital skills deficits, including in remote Indigenous communities.
• Give students ownership over their education records and support the lifelong learning of Australian workers by expanding the Unique Student Identifier and creating a centralised digital Tertiary Learning Repository.
• Promote a nationwide approach to skills development, enhance research and analysis of future skills needs and give industry a greater role in designing training courses (by establishing a National Skills Commission and Skills Organisations across the country, starting with the growth areas of human services and digital technology (including cyber security).
• Support thousands of young Tasmanians to gain new skills to boost the state’s renewable electricity generation sector and bring the Battery of the Nation plan to life.

Expand the Australian Apprentice Wage Subsidy

The Liberal and Nationals Government is determined to ensure that young Australians in rural and regional areas have the opportunity to secure an apprenticeship, while ensuring that regional small businesses have access to the skilled workforce they need to grow and prosper.

From 1 January 2019, a new trial wage subsidy program began to support eligible new Australian apprentices located in regional areas facing skill shortages. The trial has enabled businesses in rural and regional areas to take on around 1,600 more apprentice plumbers, mechanics, electricians, painters and hairdressers than they would otherwise have been able to do.

Under the subsidy, eligible employers are able to receive payments based on the apprentice’s relevant award wage rates. Subsidies are provided at 75 per cent of the apprentice’s award wage in the first year, followed with 50 per cent in the second year and 25 per cent in the third year.

The Coalition is committed to growing regional communities and businesses and to giving young Australians more opportunities to train for a rewarding career in the regions. That is why a re-elected Liberal and Nationals Government will expand the current successful trial program and double its size from 1 July 2019, providing additional support for young Australians and small businesses across rural and regional Australia.

Skill Shortage payment
Apprenticeships provide a pipeline for skills, particularly trade skills that are essential to keeping our economy strong.

From 1 July 2019, the Liberal and Nationals Government will introduce a new apprenticeship incentive to create up to 80,000 additional apprentices in Australia’s top 10 areas of skills shortage:

- Eligible apprentices will receive $1,000 after 12 months of their apprenticeship and $1,000 more upon completion.
- Eligible employers will receive $2,000 after 12 months of the apprenticeship, and $2,000 more upon completion.

Support for employers and apprentices in occupations of skill shortage will boost the supply of skilled workers and help businesses grow.

This new incentive will be in addition to existing incentives.

**Streamline incentives for employers of apprentices and trainees – and modernise skills**

The Liberal and Nationals Government will establish a new streamlined system of incentives underpinned by a priority occupations list that employers can navigate easily, ensuring that current skills needs are targeted.

To boost the economy, our apprenticeships system must be able to quickly adapt to emerging skills areas such as information technology and cyber security.

The skills needs list will be updated regularly in response to changing labour market demand.

**10 Industry Training Hubs**

The Liberal and Nationals Government will establish 10 industry Training Hubs to address the challenge of high youth unemployment in regional areas.

The Hubs will create better connections between local industry and schools to improve outcomes for students, employers and the VET sector. They will be an on-the-ground presence where new approaches are needed to help students transition from school to training and work.

The Hubs will facilitate additional education for trainers as well as career advice and mentoring for young people with a specific focus on traditional in-demand trades. A career facilitator will form partnerships between industries in sectors of local skills shortages and those providing advice and education to students.
This initiative will support Year 11 and 12 students at the following 10 selected pilot sites across Australia:

<table>
<thead>
<tr>
<th>State</th>
<th>Location</th>
<th>Youth Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>Grafton</td>
<td>20.4%</td>
</tr>
<tr>
<td></td>
<td>Gosford</td>
<td>12.0%</td>
</tr>
<tr>
<td>NT</td>
<td>Alice Springs</td>
<td>11.8%</td>
</tr>
<tr>
<td>QLD</td>
<td>Maryborough</td>
<td>17.8%</td>
</tr>
<tr>
<td></td>
<td>Townsville</td>
<td>17.9%</td>
</tr>
<tr>
<td>SA</td>
<td>Port Pirie</td>
<td>21.9%</td>
</tr>
<tr>
<td>TAS</td>
<td>Burnie</td>
<td>16.5%</td>
</tr>
<tr>
<td>VIC</td>
<td>Shepparton</td>
<td>14.9%</td>
</tr>
<tr>
<td>WA</td>
<td>Wanneroo</td>
<td>15.8%</td>
</tr>
<tr>
<td></td>
<td>Armadale</td>
<td>15.0%</td>
</tr>
<tr>
<td></td>
<td><strong>Australia</strong></td>
<td><strong>11.5%</strong></td>
</tr>
</tbody>
</table>

**Commonwealth Scholarship Program for Young Australians**

The Liberal and Nationals Government will establish a Commonwealth Scholarships Program for Young Australians to help more young people enter the vocational education and training sector and gain the skills they need for a successful and rewarding career.

Four hundred Commonwealth Scholarships will be available to students in regions surrounding the pilot industry training hubs to provide a comprehensive pathway for young job-seekers in those regions.

Successful students will receive scholarship funding up to $17,500, depending on scholarship length and the type of study or training, for a maximum period of three years.

Priority will be given to eligible applicants in the following cohorts:
- individuals who have exited from the Australian Defence Force (ADF) in the previous 2 years (the age criteria will not be applicable for ADF applicants)
- Indigenous young Australians
- young Australians with a disability, and
- young Australians from culturally and linguistically diverse backgrounds.

**A National Skills Commission and Skills Organisations**

In line with recommendations of the Joyce Review, the Liberal and Nationals Government will establish a National Skills Commission to build a nationwide approach to skills development that
serves students, industry and drives long-term VET reform.

The Commission will undertake research and analysis of future skills needs and investigate the efficient and fair price of qualifications.

The Commission will also play a role in promoting apprenticeships, including by collaborating with industry to assess and respond to workforce needs.

Linked to the Commission, new Skills Organisations will be piloted in areas of future jobs growth. The Organisations will provide industry-based advice and develop industry partnerships to trial new ways to develop VET qualifications.

The initial pilots will be in the growth areas of human services, digital technologies and cybersecurity.

**National Careers Institute and National Careers Ambassador**

The Liberal and Nationals Government will establish a National Careers Institute to transform the delivery of career advice for Australians across the life of their education, training and employment.

This will be supported by a National Careers Ambassador who will have strong relationships with key stakeholders and raise the profile of VET.

The institute will address a current gap in quality careers information to support the transition from school to further study or training.

As the expectations of employers evolve, young people and others transitioning through multiple careers and jobs need to know what to study to match their ambitions to the demand for skills.

**Innovative partnerships between schools, tertiary providers and employers**

The Liberal and Nationals Government will establish a competitive grants program to support high impact programs that build innovative partnerships between schools, tertiary providers and employers.

This will enable employers to play an active support role in developing the skills they need for the jobs of the future.

Grants of up to $350,000 will be available for eligible partnerships. The National Careers Institute will administer the program.
New national program to address language, literacy, numeracy and digital (LLND) skills deficits

The Liberal and Nationals Government will establish a new national program and a series of pilots to address low language, literacy, numeracy and digital literacy skills among employed and recently unemployed Australians.

One in five Australians have poor literacy and numeracy, robbing them of the fundamental skills for employment or career progression.

This program will help participants engage with further training and job opportunities. Foundational skill levels are an even greater concern in remote Indigenous communities. Pilot programs will be undertaken in four locations to address the needs of adults in these communities with LLND skills deficits. The pilots will be co-designed with local Indigenous community members.

Support lifelong learning

The Liberal National Government will expand the Unique Student Identifier to all tertiary students, giving more power to students to track their education.

The Government will also create a Tertiary Learning Repository to allow higher education providers to record an individual’s education and training records.

These measures provide a necessary down-payment for developing a more flexible system of learning across a worker’s lifetime.

Energising Tasmania

With the Energising Tasmania initiative, the Liberal and Nationals Government is providing additional support to Tasmanians to train in areas of priority skills.

We will partner with the Tasmanian Government to provide fee-free training, ensuring Tasmania can build a skilled workforce to power its pumped hydro capabilities, energy infrastructure and Battery of the Nation project.

This proposal will:

- Provide support to fund the gap between the existing state subsidy and the total course cost for training in priority skills.
- Provide up to $1000 per person to cover other costs associated with training, such as books and materials, and student amenity fees, opening up training to those least able to pay.
Supporting skills in the regions

The Liberal and Nationals Government is committed to supporting small businesses and jobseekers in rural and regional areas and we understand that providing a skilled workforce will strengthen local economies and communities.

Our skills plan contains several measures targeted to address skills shortages and elevated youth unemployment in rural and regional Australia.

- We will expand the Australian Apprentice Wage Subsidy Trial by allowing more small businesses and apprentices in rural and regional areas to benefit.
- We will establish 10 Industry Training Hubs in regional areas to forge better connections between local schools and businesses, ensuring that training courses are designed to tackle the specific skills needs of the regions and help reduce youth unemployment.
- We will make 400 VET scholarships available to young Australians in regional areas.
- We will establish four pilot programs in remote Indigenous communities to improve foundational language, literacy, numeracy and digital skills in those regions.
- We will increase the lifetime loan limit available to aviation students studying at a VET Student Loans approved provider to $150,000, up from $104,440. This will help to cover the cost of training for the licences and ratings issued by the Civil Aviation Safety Authority. This change has also been extended to those who study at higher education providers.
- We will invest $15 million to build a new Royal Flying Doctor Service Aeromedical Training Centre in Bundaberg.

The Liberal and Nationals Government is delivering a comprehensive pathway for young Australians in rural and regional communities to take them from their education into training and work.

THE CHOICE

Labor cannot be trusted when it comes to VET and skills.

Labor’s failed VET FEE-HELP scheme left thousands of students with debts and no qualification – and caused significant reputational damage to the sector.

The Liberal and Nationals Government has cleaned up Labor’s VET FEE-HELP mess. We are supporting affected students and restoring integrity to the system.

Between 2011 and 2013, Labor cut employer incentives to businesses employing apprentices a total of nine times (at a cost of $1.2 billion).
While Bill Shorten was Employment Minister, the number of apprentices and trainees in training collapsed by 22 per cent or 110,000 – the biggest annual decline ever.

By contrast, the Liberal and Nationals Government is supporting employers with a range of incentives that will be streamlined to make them easier to navigate.

Labor and their union mates have consistently opposed the successful trial of the Australian Apprentice Wage Subsidy program, describing it as “shameful” and rewarding employers with a hand out (Buzzfeed, 2 November 2018). Labor’s opposition to this program demonstrates their lack of interest in supporting young Australians and small businesses in rural and regional Australia.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Labor</th>
<th>Liberal and Nationals</th>
</tr>
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<tbody>
<tr>
<td>Unemployment</td>
<td>5.7 per cent in September 2013.</td>
<td>5.0 per cent in February 2019.</td>
</tr>
<tr>
<td>Economic growth</td>
<td>2.1 per cent when Labor left office.</td>
<td>The economy is forecast to grow by 2.75 per cent in 2019-20.</td>
</tr>
<tr>
<td>Supporting apprentices</td>
<td>Bill Shorten as employment minister oversaw the largest single drop of apprentices and trainees in training on record (110,000 in one year).</td>
<td>Via new training hubs and scholarships, new incentive payments and better links between industry and schools.</td>
</tr>
<tr>
<td>Small business</td>
<td>$387 billion in higher taxes, including on 300,000 small and family businesses through changes to family trusts. Labor voted repeatedly against tax cuts for small and medium business.</td>
<td>Tax cuts for small and medium business – from 30 per cent to 25 per cent by 2021-22.</td>
</tr>
<tr>
<td>VET FEE-HELP</td>
<td>Allowed dodgy training providers to rip off vulnerable students and taxpayers for loans that delivered no training outcome, including for energy healing and Chinese medicine for pets.</td>
<td>Replaced Labor’s failed VET FEE-HELP scheme with VET Student Loans to finance high quality training in skills linked to workplace needs.</td>
</tr>
</tbody>
</table>
THE COST

The Liberals and Nationals will invest around $60 million to support additional apprentices being employed through an expansion of the Australian Apprentice Wage Subsidy trial.