

## **Senate Education and Employment Legislation Committee**

### **QUESTIONS ON NOTICE**

Migration Amendment (Skilling Australians Fund) Bill 2017 and the Migration (Skilling Australians Fund) Charges Bill 2017 [provisions]

### **Australian Small Business and Family Enterprise Ombudsman**

#### **Question No. 1**

Senator Cameron asked on 30 January 2018 on proof Hansard page 28.

**Senator CAMERON:** Do you agree that the funding in the VET system has declined over the last period?

Answer

State and territory governments have responsibility for running their own training systems. As part of this, state governments decide how much funding to provide to training and how it should be spent. As reporting practices vary, state and territory ministers for skills are best placed to provide accurate information on funding arrangements in their jurisdiction. From the National Centre for Vocational Education Research (NCVER) *Financial Information 2016*, the state's funding of VET has decreased from around \$3.8 billion in 2014 to just under \$3 billion in 2016. The details are provided at Table 1.

Changes in Commonwealth funding reflect budget decisions and also a range of Commonwealth programs that are demand-driven, including the Australian Apprenticeships Incentives Program, for which funding fluctuates between financial years based on numbers of participants.

Historical payments to states and territories, and Australian Government spending on its own programs, are updated on the Mid-year Economic Fiscal Outlook 2017-18 and provided at Table 2.

**Table 1 State and territory VET funding 2012-2016 (\$ billions)**

State	2014	2015	2016
NSW	1.16	1.07	0.88
Vic	1.02	0.86	0.75
Qld	0.62	0.57	0.54
WA	0.46	0.45	0.36
SA	0.30	0.22	0.18
Tas.	0.10	0.08	0.08
NT	0.09	0.08	0.08
ACT	0.07	0.07	0.08
<b>Total</b>	<b>3.82</b>	<b>3.40</b>	<b>2.96</b>

Source: NCVER Finance Collection, note 9. Includes recurrent and capital funding.

**Table 2 Australian Government VET expenditure**

Australian Government VET Expenditure (\$ billions)	2014-15	2015-16	2016-17	2017-18 (estimate)
National Agreement on Skills and Workforce Development SPP	1.44	1.46	1.48	1.50
National Partnerships	0.38	0.37	0.53	0.35
Australian Government own programs	1.27	1.00	1.05	1.22
<b>Total</b>	<b>3.08</b>	<b>2.82</b>	<b>3.05</b>	<b>3.07</b>

Source: MYEFO 2017-18 and unpublished departmental figures

## **Australian Small Business and Family Enterprise Ombudsman**

### **Question No. 2**

Senator Cameron asked on 30 January 2018 on proof Hansard page 29.

**Senator CAMERON:** Is it true to say that in the past many small businesses have relied on bigger businesses and, say, state government instrumentalities to train apprentices?

### **Answer**

The Department of Jobs and Small Business collect data in relation to jobs and skill shortages. This is published as 'The Skilled Labour Market: A pictorial overview of trends and shortages'. The most recent edition of this report was 4 September 2017. Whilst identifying trends and skill shortages the report does not make clear whether the burden of training is falling on big business as opposed to small business.

The report did show that apprentice and trainee numbers, including in the skilled Technicians and Trades Workers occupations, have been falling.

### **Additional information**

Senator Marshall asked a question on 30 January 2018 on proof Hansard page 29.

Some further information is set out below to add to the answer provided by Ms Scott.

**Senator MARSHALL:** So how many skills or jobs are not being filled in small business at the moment?

### **Answer**

Ms Scott stated, 'We haven't got a specific number other than every centre we go to will say that there are skills shortages. It's a recurrent top-line thing that comes from every consultation'.

To add to that answer the Department of Jobs and Small Business surveys employers who have recently advertised vacancies. The results are summarised in a graph in 'The Skilled Labour Market: A pictorial overview of trends and shortages' report issued 4 September 2017.

The graph doesn't quantify the number of unfilled vacancies. Rather it shows the percentage of skilled vacancies that remain unfilled. The percentage is significant. In 2016-17 the unfilled percentage was 35%. The percentage remaining unfilled in the previous years were 32% and 27% respectively.

In answering this question Ms Scott pointed to the lack of data in relation to this matter. To the extent that it is collected it needs to be disaggregated from the current collections or specifically surveyed to provide the detail asked by the Committee. The Department of Jobs and Small Business does undertake research into shortages for skilled occupations across Australia. The data collected though does not currently include information on the size of the business being surveyed. This is a matter the Australian Small Business and Family Enterprise Ombudsman will explore further.