

Senate Standing Committee on Education Employment and Workplace Relations

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

Outcome 3 - Higher Education

DEEWR Question No.EW0185_12

Senator Nash provided in writing.

Question

National Workforce And Productivity Agency

With regard to the Budget this agency will be established by expanding the role and functions of Skills Australia and will administer the new National Workforce Development Fund. It says Skills Australia will be transitioned into the new agency through 2011-12, with the agency starting 1 July next year [2012].

- What is the aim of these changes?
- How will the outcomes differ from those achieved by Skills Australia?
- What will the total cost be compared to the funding provided for Skills Australia? How much was provided to Skills Australia?
- Will more staff be employed, if so, how many and at what cost?
- The agency will be responsible for the new Workforce Development Fund that aims to focus on critical skills needs where they're needed. Does this include the agriculture sector?

Answer

What is the aim of these changes?

These changes aim to support workforce development within enterprises and a better match between the supply of skills and the demand for skills needed in the workplace. The Agency will engage directly with industry on workforce development issues and will direct skills funding to industry needs. The Agency marks the start of a new partnership with industry. It is resourced for intensive engagement with industry, industry skills council, employer associations and unions.

How will the outcomes differ from those achieved by Skills Australia?

Skills Australia provides independent advice to the Minister for Tertiary Education, Skills, Jobs and Workplace Relations. In addition to this role, the new agency will administer the National Workforce Development Fund. It will undertake research regarding the future nature of work in Australia. It will also undertake research in productivity including the role of leadership and management in improving productivity and driving better skills utilisation within workplaces. It will be responsible for ensuring that available resources are targeted to areas of greatest need. It therefore has the capacity to drive industry engagement on workforce development, apprenticeships and VET reform.

What will the total cost be compared to the funding provided for Skills Australia? How much was provided to Skills Australia?

The new Agency has been allocated an additional \$25 million over 3 years from 1 July 2012. The total budget allocation for Skills Australia since its formation in April 2008 to 30 June 2012 is \$19.6 million. In the first years of operation the Skills Australia budget was approximately \$3 million per year rising to \$5 million per year in the final 2 years.

Will more staff be employed, if so, how many and at what cost?

More staff will be employed. At this stage the transition to the new agency is still in planning phase. Once the new operational and administrative functions of the new Agency are finalised then staff numbers will be calculated.

The agency will be responsible for the new Workforce Development Fund that aims to focus on critical skills needs where they're needed. Does this include the agriculture sector?

The government has identified that the priority sectors to be targeted in 2011-12 will be construction and aged care in addition to the sectors currently targeted under the Critical Skills Investment Fund (resources, construction, infrastructure and renewable energy industry sectors). There will also be funding available to support occupations in critical shortage as advised by Industry Skills Councils in sectors not covered by the Critical Skills Investment Fund or in the construction and aged care sectors.