



AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

ACCI Chief Executive Peter Hendy on ABC Radio's The World Today Program - 12 May 2006 - ALP Skills Training Policy

Beazley promises investment in skills training

Reporter: Andrew Geoghegan

ELEANOR HALL: If there's one consistent criticism that business has had of the Government's Budget this week it's been the lack of funding for skills development.

Industry has been warning that a skills shortage is threatening the competitiveness of Australian business.

Now Kim Beazley says he'll address that concern by promising that a Labor Government will invest heavily in skills training.

Finance Correspondent Andrew Geoghegan has been gauging how the business community is reacting to the Labor leader's proposals.

(sound of factory operations)

ANDREW GEOGHEGAN: Manufacturers have long recognised if they're to remain competitive they need to improve their skills base.

Australia's skills shortage has led to production bottlenecks and limited trade opportunities.

What's more, it's putting pressure on wages as companies pay more and more to find skilled workers.

Kim Beazley says he has a solution.

KIM BEAZLEY: When Australians want to learn a traditional trade to become one of the skilled workers the country desperately needs, they shouldn't have to pay.

ANDREW GEOGHEGAN: Labor plans to scrap TAFE fees if it wins Government.

KIM BEAZLEY: I want to get more of the skilled workers our economy needs. So we need to get rid of TAFE fees for the 60,000 traditional apprentices who start training each year.

Labor's priority is clear: train Australians first, train Australians now. And that's why I announce tonight that a Federal Labor Government will set up what I call "skills accounts" to help Australian families save for training and skills.

We'll make an initial deposit of \$800 per year for up to four years in an apprentices skills account to get rid of up-front TAFE fees.

ANDREW GEOGHEGAN: Business and industry were disappointed that the Government's Budget didn't offer more in the way of funding for skills and innovation.

So how's Labor's plan been received by industry?

BOB PATTON: I think some of the things that Labor's announced are good. In overall terms they're trying to address areas where perhaps there could be some improvement – take the pressure off young people as they look towards training, move through apprenticeships.

ANDREW GEOGHEGAN: Bob Patton is the chief of Manufacturing Skills Australia, which offers help to more than 75,000 businesses in developing skills.

While welcoming Labor's initiative for apprentices, Bob Patton is concerned that both major parties are failing to re-train older workers.

BOB PATTON: I think we're missing an opportunity now where it's ... probably industry is ripe for change in some areas. An example of that is that the number of young people who are presenting for jobs is diminishing, and we need to actually improve both the quality of skills base within the existing workforce and the retention of existing workforce. And I don't mean just people retiring.

But there's a fairly high churn rate of people coming out of training, and within five years many of them have left their industry of choice, original choice. We need something that will actually try to attract that.

ANDREW GEOGHEGAN: The Australian Chamber of Commerce and Industry is sceptical that Kim Beazley will succeed in abolishing TAFE fees, because ultimately that's a State Government responsibility.

Peter Hendy is the Chamber's Chief Executive.

PETER HENDY: I don't know to what extent he's secured state support for his changes, but the fact is that we need long-term structural change of TAFE. It might be that fees are part of that long-term structural reform.

ANDREW GEOGHEGAN: But it's the Labor plan to help protect Australian wages by banning foreign apprentices that has been dismissed by business.

Peter Hendy.

PETER HENDY: There are skills shortages across the country. Mr Beazley has



acknowledged that. And one of his solutions, perversely, is to actually worsen the skills shortage problem by stopping skilled migrants coming in.

ELEANOR HALL: That's Peter Hendy from the Chamber of Commerce and Industry, ending that report from Andrew Geoghegan.