

MEDIA RELEASE

INCREASING WORKFORCE PARTICIPATION: THE KEY TO AUSTRALIA'S FUTURE ECONOMIC AND SOCIAL PROSPERITY

Australia risks missing out on the full benefits of future global economic growth and the dividends from its investment in education unless it commits to a significant increase in the workforce participation level over the next 15 years, and takes urgent and immediate action to raise adult core skills including language, literacy and numeracy levels.

There is also a critical need for Australian employers to more effectively use the skills of the existing workforce.

These are among the key recommendations in a major new strategy released today by Skills Australia, which has called for a fundamental overhaul in the way the nation approaches and supports workforce development—at a national, industry and enterprise level.

Australian Workforce Futures was presented today to the Deputy Prime Minister, Julia Gillard, by the Chair of Skills Australia, Philip Bullock.

“We believe Australia is now at a critical juncture, with signs of global economy recovery. A National Workforce Development Strategy provides us with the framework for effectively tackling the skills and workforce issues we will face, ensuring we have a sustainable and innovative workforce. Tackling this challenge is not just the responsibility of governments—industry and employers have a crucial role to play as well,” said Mr Bullock.

“There is definitely room for Australia to improve in terms of workforce participation levels, particularly among some groups, such men of prime working age, women aged 25 to 34, and older Australians.

“We believe Australia should aim to raise its overall participation rate by four per cent, to 69 per cent, by 2025. This is an ambitious target given our ageing workforce but certainly achievable with the right measures and a genuine commitment from governments, industry, employers and education providers. An increase of this magnitude would place us in the top league of OECD countries in terms of participation levels.”

“We’ve also called for a comprehensive national adult language, literacy and numeracy (LLN) strategy to lift the unacceptably low LLN levels. 40 to 50 per cent of the working age population has low literacy and numeracy skills, and there’s been little improvement in recent years.”

Other recommendations in *Australian Workforce Futures* include providing additional funding to the education and training sector to meet the cost of helping more Australians—particularly vulnerable learners and the disadvantaged—gain additional qualifications to meet future workforce demands; targeting ‘specialised occupations’ to address emerging and future skills shortages; using public training funds to encourage workforce development at the enterprise level; and establishing a new ‘Workforce Development Observatory’ to promote best practice.

Australian Workforce Futures is available at www.skillsaustralia.gov.au.

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Australian Workforce Futures - Summary of Recommended actions

Sustain economic growth and raise productivity by increasing skills and avoiding future skills shortages.

Recommendation one: Australian governments to endorse a three per cent increase in Australia's education and training effort to 2025 in order to deepen the level of skills in the workforce as projected in the Open Doors scenario.

Recommendation two: Skills Australia to lead a collaborative workforce and skills planning framework, featuring a new targeted approach to specialised occupations. Skills Australia will develop and maintain a list of specialised occupations based on its methodology and coordinate consortia of industry and professional bodies to prepare skill strategies on an annual basis for these occupations.

Lift workforce participation to 69 per cent by 2025 to provide the required workforce and improve social inclusion.

Recommendation three: The Council of Australian Governments to adopt a 2025 workforce participation target of 69 per cent, with specific targets to increase the workforce engagement of groups with relatively low participation rates,

- women aged 25-34
- men aged 25-64
- older Australians 55-64

to the level of comparable high performing OECD countries.

Recommendation four: The Australian Government to provide additional funding to address the complex skill needs of vulnerable learners and the disadvantaged in the VET sector, similar in scope to that being implemented to raise enrolments of low SES students in higher education.

Lift the unacceptably low level of adult language, literacy and numeracy to enable effective educational, labour market and social participation.

Recommendation five: The Australian Government to develop and implement a national adult language, literacy and numeracy strategy to drive significant improvement.

Recommendation six: Significantly upscale successful approaches such as the Workplace English Language and Literacy Program for existing workers, and the Language, Literacy and Numeracy Program for jobseekers.

Increase productivity, employee engagement and job satisfaction by making better use of skills in the workplace.

Recommendation seven: Australian governments to use public funding to leverage workforce development at industry and enterprise level, with a special focus on small business.

Recommendation eight: Australian governments to encourage greater flexibility in resources and VET provider accountabilities to encourage tertiary education sector/industry partnerships that align training with business strategy.

Position the tertiary education sector to ensure it has the resourcing and workforce capacity to deliver skills for the new economy.

Recommendation nine: Enhance tertiary education and training provider capacity to meet future skill needs.

Recommendation ten: Develop and implement a workforce development strategy for the tertiary education workforce.

Lead a new partnership approach to workforce development at government, industry and enterprise level.

Recommendation eleven: The Council of Australian Governments; Ministerial Councils for tertiary education, industry, workplace relations and regional development; and industry peak bodies to endorse a National Workforce Development Reform Agreement and commit to cross-jurisdictional and industry wide implementation.

Recommendation twelve: The Australian Government lead a collaborative approach between government and industry to build adaptive capacity in the workforce, including the establishment of a 'Workforce Development Observatory'.