



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

Trade Support Loans Bill 2014

Second Reading

SPEECH

Monday, 23 June 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Taylor, Angus, MP

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Mr TAYLOR (Hume) (19:36): Few issues can be more important for the future of this country and certainly the future of my electorate than the twin problems of chronic youth unemployment and chronic skill gaps. To understand the situation we have and the trade support loans bills that are before the House, it is worth going back over some of the problems created by the last government. From 2004 to towards the end of 2007, under the previous Howard government we saw 13 per cent increases in youth employment rates but between 2008 and last year we saw an eight per cent reduction in youth employment rates, whilst the overall employment market increased by eight per cent, and we saw the participation rates for people under the age of 25 falling from 71 per cent to 66 per cent, having climbed in the previous five years. We are at the point now where we have youth unemployment rates of 12.4 per cent, compared to just under six per cent for the overall economy. We are now at the point where one in three unemployed people are aged under 25 and we have hot spots of youth unemployment in places like Bernie and Devonport of over 20 per cent. So this is a very serious problem that the previous government failed to address.

Let us take a deeper look at apprenticeships and training. In the final quarter of 2013 commencements in apprenticeships dropped 19.6 per cent when compared to the previous year and completions decreased by 24 per cent relative to the previous year. These numbers are worrying but the numbers are even bleaker for trades and technical training in particular. We see—and we have heard this from previous speakers—that fewer than 50 per cent of people are finishing their courses. We are consistently seeing that now.

The Department of Employment has done some notable research in the area. In a 2013 report it demonstrated that shortages exist for a number of occupations, particularly amongst the trades. The concentration of skill shortages within trades is demonstrated by the fact that six professions were in shortage in 2013 and 18 technicians and trade worker occupations were in shortage. Some of the specific areas, which are of great concern to my electorate, include: food trades, where only slightly over 50 per cent of the positions are filled; construction trades; and resource related trades, where again slightly over 50

per cent of the positions are filled. Further, that report said, with regard to food trades:

Recruitment of food trades workers remained difficult in 2013, with around half of surveyed vacancies filled ... and 1.5 suitable applicants per vacancy (compared with 1.8 in 2012).

In addition to that research, the Australian Industry Group employer survey from 2012 shows that technicians and trade workers represent the most significant areas of skill shortage. It is a much larger number than for any other occupational group, with 33.3 per cent of survey respondents noting shortages in this area. The AiG report summarises:

Completion rates for Australian Apprenticeships are unacceptably low at approximately 55.4%. This represents a significant economic cost—

and it is a great problem for the economy. Our policy, which is in the legislation in front of the House, is aimed at addressing this. I will not repeat the details of the policy. In contrast to what we heard from the member for Shortland, it is worthwhile looking at what the experts have to say about this legislation. Again the AiG, the Australian Industry Group, said:

The Trade Support Loans Scheme is a positive step, enabling apprentices to access financial support over the course of their apprenticeship. We particularly commend the completion incentive built into the loan structure.

That is a very important part of the structure of this policy because it is designed to get people to finish their courses. We know that is as big a problem as getting them to start. Finally, we heard from the NGO by the name of BUSY, whose CEO is Paul Miles:

The Trade Support Loans are a fantastic solution to ease the financial burden by providing apprentices with real support while they complete their skills training

I commend this legislation to the House.