

The Labour Market Constraint

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Pressures on the Labour Market and the Education and Training System

- Globalisation and technological change
- The ageing population
- The productivity slow-down
- Structural change resulting from the resources boom, terms of trade and exchange rate effects
- The tight labour market

An increasingly tight labour market

- 750 000 net new jobs in the past three years
- Massive pipeline of investment forecast in the resources sector in the years ahead with unprecedented demand for labour and skills across a range of industries
- Treasury forecasts in the Budget predict an additional 500 000 jobs will be created by 2013 as the economy once again hits full capacity.
- Unemployment rate is predicted to fall to 4.5 per cent
- Increasing evidence of some skills shortages especially in mining related sector and particular regions. Some evidence also in health, education and ICT occupations

Policy Responses

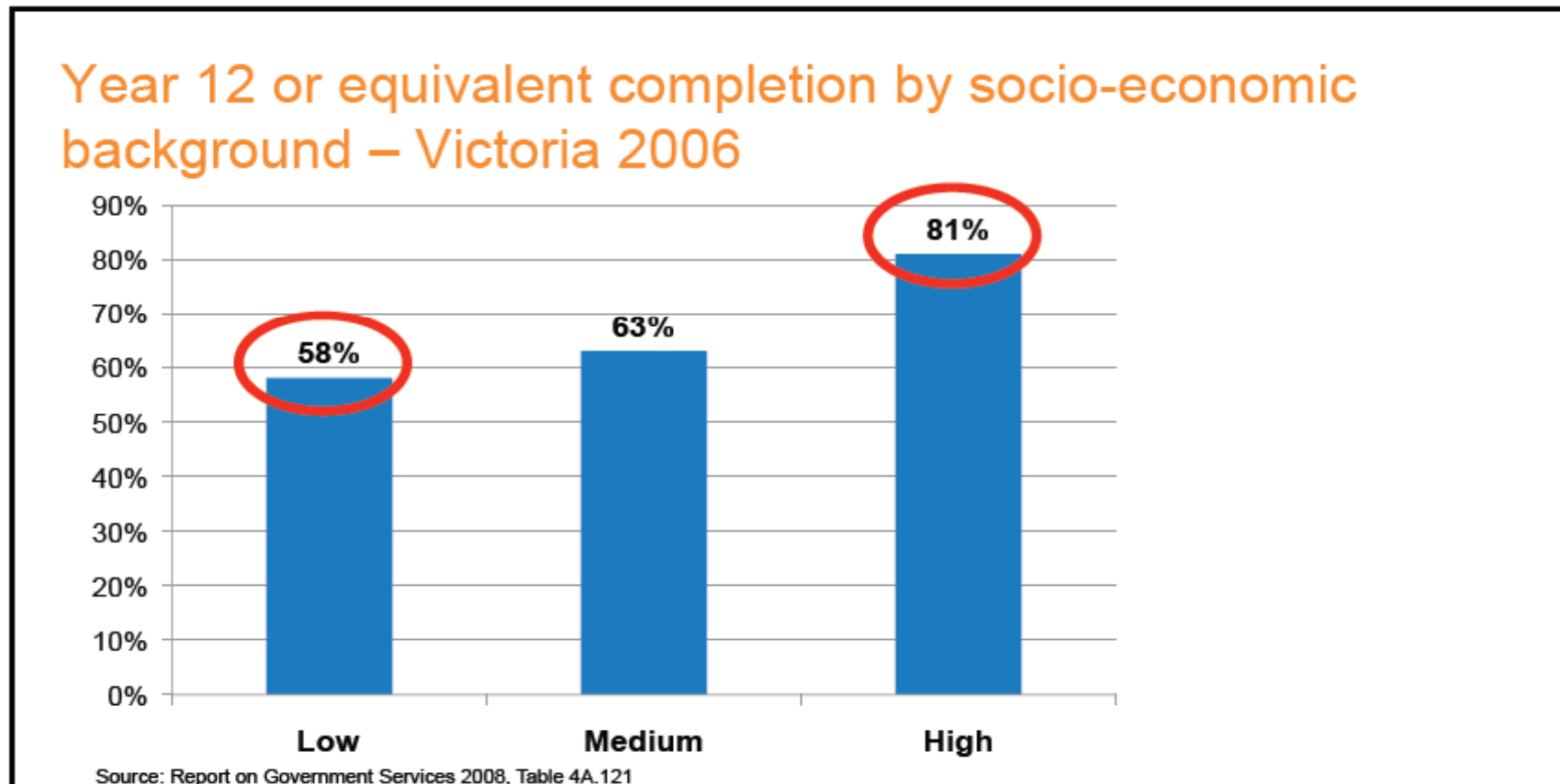
- COAG National Productivity Agenda and the “Education Revolution”
 - aimed at ageing population and productivity slowdown
 - investments in early childhood, schools, vocational education and higher education to increase participation and productivity in the medium to long term, and to grow the proportion of the workforce with high level skills / qualifications
- May Federal Budget
 - training aimed at skill shortages
 - accelerating apprenticeships
 - encouragement to states and territories to reform vocational education (e.g. following Victoria’s contestability and training to make it more responsive
 - increase in work incentives through tax and welfare system
 - language, literacy and numeracy for the workforce
 - kept the Bradley higher education reform going
 - uncapped places
 - Indexation
- The role of immigration?

The Policy Agenda from here

1. A long run agenda aimed at children and youth

- Early childhood – especially the under 3s
- Schools
 - continuing reform to raise teacher quality and student outcomes especially for low SES students
 - A more coherent system addressing the federal / state, public / private divide
- School-university partnerships to raise aspirations and achievement of low socioeconomic status students

Year 12 or equivalent completion (by age 19) by ses background – the State of Victoria



The Policy Agenda from here

2. A short to medium term agenda aimed at the current workforce and those entering the workforce soon

A more coherent and responsive tertiary education and training system for the current and future workforce

- Tertiary education is Cert 4 to Ph.D.
- Reform national training packages for vocational education and training
- Reform federal and state funding of universities and TAFE's, and the income-contingent loan scheme to allow for more flexible combinations of education and training at different levels of the Australian Qualifications framework.
- Work-integrated learning and learning-integrated work
- Closer relationships between education and industry

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