

Election 2019: Labor Policy Analysis



Digital Skills

“And the world of work increasingly expects average Australians to have higher levels of digital skills”

Who’s responsible?

Senator the Hon Doug Cameron, **Labor Senator for NSW**, Shadow Minister for **Skills, TAFE and Apprenticeships** (until the Federal election as Senator Cameron will not be recontesting his seat)

[Senator the Hon Kim Carr](#), **Labor Senator for Victoria**, Shadow Minister for **Innovation, Industry, Science and Research**.

The Hon Tanya Plibersek, **Member for Sydney, NSW**, Shadow Minister for Education and Training.

The Hon [Ed Husic MP](#), **Member for Chifley NSW**, Shadow Minister for the **Digital Economy** and Shadow Minister for **Human Services**.

The [Hon Chris Bowen](#), **Member for McMahon NSW**, Shadow **Treasurer**, and Shadow Minister for **Small Business**.

Budget-In-Reply Aspiration

In his Budget Reply speech, the Hon Bill Shorten provided an aspirational vision of a highly skilled, research and high-tech capable Australia, successfully competing and leading in global markets.

Links to the complete policy statements are provided where available.

How are these policies being funded?

The ALP has committed to provide detailed costings of all policies prior to the May 2019 election. They have also indicated the following: *“We will pay for it by making multinationals pay their fair share of tax and closing tax loopholes used by the top end of town.”*

Skills - “Putting Australia on the High Road to the Future”

There are a range of ALP policies relating to “skills” spanning – early childhood education; the need to address urgent skills-gaps in traditional industry areas as well as gaps in high tech digital “trades”, through to initiatives to both better control low skilled immigration while encouraging high tech overseas talent.

The ALP [has acknowledged](#) that “90% of all jobs created over the next four years will require a university degree or VET qualification” and that they will “launch a national inquiry into Australia’s post-secondary education system within its first 100 days in office” and “invest in massive upgrades in skills formation and human capital, from universal access to preschool for three and four year olds, to better and fairer schools funding, to a massive investment in TAFE and a reversal of cuts to universities.”

Broadly put, the big-ticket ALP tertiary education investment policies total well over **\$650 million**, with some targeted investment on growing digital skills capacity and capability in the areas of AI and blockchain.

The ALP’s **\$3.3 billion** [Australian Investment Guarantee](#) will be a definite business stimulus for business-led digital skills investment.

Some ALP Vocational Education initiatives, such as the fast-tracking of 20,000 adult trade apprenticeships, could be specifically targeted to the digital skills domain, particularly if a commitment to an accredited, tech-focused micro-credentials eco-system is supported.

The establishment of the [Australian Skills Authority](#) brings opportunity for Government and industry collaboration in addressing digital skills priorities.

In amongst the many policy statements directed to increased scrutiny of skilled migration the ALP has confirmed that they are [committed to the continued use of skilled migration](#) to meet workforce demand for critical technical skills.

The ALP has also released policies designed to boost local jobs by providing [more opportunities for local businesses](#) and solving local skills shortages through investment in local infrastructure projects. While some initiatives are specific to regional areas (see below) there will also be trickle down impacts relevant for digital skills from the broader spending, for instance the **\$1 billion** earmarked for tourism infrastructure will definitely result in demand for digital services.

ALP Specific Policy Announcements

Australian Investment Guarantee

The ALP's **\$3.3 billion** [Australian Investment Guarantee](#) "is a pro-growth, pro-jobs reform that rewards businesses making new investments in Australia. It will be a permanent feature of the tax system, so all companies have the confidence to invest for the long term". All businesses in Australia will be able to deduct 20% of any new eligible asset worth more than \$20,000, with the balance depreciated in line with normal depreciation scheduled from the first year.

Regional Digital Skills Hubs

As part of their proposed **\$245 million** investment to improve regional connectivity and to close the city/country digital divide, Labor intends to spend **\$25 million** on a regional network of **digital skills hubs**. The new centres will help to boost the digital skills of 500,000 Australians living in our regions. They will offer training in professional digital skills and in how to launch a digital business. The hubs will target in particular older Australians, Indigenous Australians, people living with a disability, newly arrived migrants, and the long-term unemployed. The hubs will be associated with existing community centres, libraries, and not-for-profit social enterprises.

Full STEAM Ahead - Melbourne

The ALP will invest **\$10 million** to build a [Science, Technology, Engineering, Arts and Mathematics \(STEAM\) Innovations Centre](#) in Preston, Victoria.

The Centre will connect industry, universities, and local schools to create new forms of partnerships in education and research and provide facilities for students from local schools to access the latest

technology and provide pathways to high skill jobs in industry.

Artificial Intelligence Hub for Melbourne

In July 2018 the ALP committed **\$3 million** to establish a [National Centre for AI Excellence](#) in Melbourne, with the Victorian State Government pledging in April 2019 an extra **\$1 million** for the initiative.

The AI Hub "will be a champion of the development of ethical AI", "will advance the generation of new jobs", and "will encourage all levels of government to think about the evolution of AI and plan for its use to improve policy and decision making".

Blockchain Academy over West

The ALP will commit **\$3 million** to establish a [Blockchain Academy](#) in Perth.

The Academy "will explore industry specific applications of Blockchain, connecting corporations with start-ups, academia and students to help spot opportunities for using the technology in specific business use cases".

The ALP said there is a need to invest in blockchain development skills to meet the "high demand" from industry, citing a recent industry report that suggested that there was 14 job opportunities available for every one blockchain developer.

Higher Education Initiatives

The ALP will create a **\$300 million** [University Future Fund](#) for higher education infrastructure and priorities.

The ALP will invest an extra **\$174 million** to help ensure all Australians get the chance to [study at university](#).

This commitment will go towards mentoring, support and other specialised programs designed to boost opportunities for university study in communities where graduation rates are low.

Vocational Education Investment -

The ALP will:

- Waive the upfront fees for 100,000 TAFE students.
- Invest \$200 million in TAFE facilities, and revitalise TAFE campuses across Australia.
- Guarantee TAFE at least two thirds of public vocational education funding.
- Keep quality regional campuses open to support industry and the community.

- Provide **150,000 additional Apprentice Incentives** to employers and apprentices to reverse the decline in apprenticeships.
- Make sure that one in ten employees on Major Commonwealth and Defence projects in an apprentice.
- Require at least one in 10 jobs on all major Commonwealth and defence projects to be filled by an apprentice or trainee.
- Help **10,000** young job seekers choose the best apprenticeship for them by providing nationally recognised, industry endorsed, 20 week pre-apprenticeship training.
- **Fast-track** quality trade apprenticeships for up to **20,000 adults** who need to retrain because of changes in the economy.

IT Apprenticeships

Labor intends to consult industry on a plan to extend to major government IT suppliers the ratio of one employee in 10 being an apprentice. The aim is to encourage IT providers to government to open up job pathways and play their part in reducing skills shortages. Only companies involved in government contracts over \$5 million and running longer than a year would have to take on apprentices in the ratio mentioned.¹

Australian Skills Authority

The ALP will develop local solutions to skills shortages including:

- Establishing an independent [Australian Skills Authority](#) (ASA) to project Australia's future skills shortage so that local workers are trained for these jobs, and restrict temporary work visas to jobs where there is a genuine skills shortage.

The ASA will have equal representation from government, unions and employer groups and be supported by a dedicated independent labour market analysis resource.

Additionally, the ALP plan to maintain Australian skills standards by:

- Cracking down on unqualified and underqualified temporary workers by strengthening enforcement of skills assessment and occupational licencing requirements.

- Investing \$510 million over 4 years to restore fairness to Australia's Skilled Visa System.
- Strengthening the current skills assessment processes by ensuring offshore assessment and testing of overseas workers is by a Trades Recognition Australia approved Registered Training Organisation before being granted a visa.
- [Temporary skilled visas](#) will only be available when a genuine skills gap cannot be met with local workers.
- The ALP will increase the cost of temporary visas to send a strong price signal to employers that they should be looking for and training local workers first and will not waive labour market testing requirements for any new Free Trade Agreements.
- The ALP will lift the Temporary Skilled Migration Income Threshold (TSMIT), which has been frozen under the Liberals since 2013, to \$65,000 with annual indexing. This will ensure it is not cheaper to bring in an overseas worker than pay a local worker.
- The ALP will close loopholes that allow employers to artificially inflate salaries in order to meet the TSMIT – such as providing substandard accommodation and inflated or excessive overtime hours.

Think Global, Act Local

The ALP will boost local jobs by providing [more opportunities for local businesses](#) and solving local skills shortages through investment in local infrastructure projects. Specifically, the ALP will:

- Require government departments to work with local firms to ensure they can benefit from government contracts, and properly value the economic benefit that local businesses provide.
- Ensure that more public and large private projects will be required to put in place plans to give Australian firms a chance to win work on major projects.

Reduction on Contractors, Consultants and travel

It is worth noting that the ALP is planning to achieve significant reduction on contractors,

¹ [https://www.itwire.com/government-tech-policy/86928-labor-pledges-\\$25m-for-regional-digital-skills-hubs.htm](https://www.itwire.com/government-tech-policy/86928-labor-pledges-$25m-for-regional-digital-skills-hubs.htm)

consultants and travel with \$409 million proposed to be saved over the 19/20 period.

Links

- [Labor's Budget plan May 2019](#)
- [AIIA Pre-Budget Submission to Treasury 2019](#)
- [AIIA Skills Policy Position Statement](#)
- [Bill Shorten's Budget Reply Speech, April 2019](#)
- [Labor's Policies for A Fair Go For Australia](#)
- [A Fair Go For Australia - Labor National Platform](#)
- [Australian Investment Guarantee](#)
- [Australian Skills Authority](#)
- [Blockchain Academy](#)
- [National Centre for AI Excellence](#)
- [University Future Fund](#)
- [Building TAFE for the Future,](#)
- [University Pathway Fund](#)
- [Labor's Plan for Local Jobs](#)
- [ALP Transcript - Press Conference - GLADSTONE - 23 April 2019](#)
- [The Hon Chris Bowen address to the National Press Club 10 April 2019](#)
- [Labor's new skilled visa crackdown](#)
- [Labor to invest \\$10m to prepare students for the jobs of the future](#)