



# Critical Skills Investment Fund

## What is the Critical Skills Investment Fund?

The Critical Skills Investment Fund (the Fund) provides Australian Government co-funding for industry partnerships to undertake projects that provide training and employment opportunities in critical industry sectors.

The goal of the Fund is to help increase the supply of skilled labour for enterprises in critical industry sectors. To achieve this, the Fund will support projects that train and place job seekers into available positions, and that up-skill existing workers to meet new demands.

The Fund is initially focusing on the resources, construction, renewable energy and infrastructure sectors, but will also be used to address other emerging skills gaps, including shortages created by workers leaving their current jobs to work on major new projects.

Emphasis will be given to increasing the workforce participation of labour market segments that are under-represented in these sectors, such as Indigenous Australians, women, mature age and young people. Funding will support training for job seekers and existing workers.

The Fund is part of the Skills for Sustainable Growth initiative in the 2010-11 Budget. The Fund may also be used to support the recommendations of the National Resources Sector Employment Taskforce (NRSET).

## How much funding is available and what will it achieve?

The Australian Government will contribute \$200.2 million over four years to the Critical Skills Investment Fund, to match industry contributions to training. At least \$66 million will be allocated to regional businesses and workers.

Funding will be available on a competitive basis to support any, or a combination of, the following:

- up-skilling eligible companies' existing workers;
- training for unemployed job seekers and new workers;
- training for mature age tradespeople at the Certificate IV or diploma level to allow them to move into a role as a supervisor, workplace trainer/assessor or mentor, to support young workers, including apprentices;
- other projects that address issues identified by the National Resources Sector Employment Taskforce.

It is estimated that, over four years, the Fund will support up to 39,000 people gaining new qualifications or skill sets. Training supported by the Fund may include bridging and skill set training, as well as complete qualifications and skills recognition.

## How do organisations access the Fund?

The Department of Education, Employment and Workplace Relations will call for proposals for funding through Funding Rounds. Information on Funding Rounds, including dates and priorities for each round will be published on the Fund website at [www.deewr.gov.au/criticalskillsinvestmentfund](http://www.deewr.gov.au/criticalskillsinvestmentfund).

There will be a two-stage Application process for each Funding Round:

- *Stage One – Expression of Interest (Open)*: To reduce the administrative burden on applicants, the EOI seeks limited information by which proposals that are likely to be most competitive for a particular Funding Round can be selected.
- *Stage Two – Application (Invitation Only)*: To obtain comprehensive information on workforce needs, training and recruitment solutions, and participating organisations, by which competitive assessment against the selection criteria and selection of projects for funding can be made. An invitation to submit an application is not a guarantee of funding.

## The Partnership Approach

The funding program encourages employers, registered training organisations and recruitment organisations to form partnerships that build workforce capability at an enterprise or regional level.

Each partnership will have a Lead Organisation that coordinates the participating organisations, submits a proposal based on a workforce development plan, and if successful, manages project resources and reporting. The proposal will need to explain how recruitment strategies and training solutions will meet the workforce needs of participating employers.

There are many different partnership arrangements that could be proposed, for example:

- A recruitment organisation in partnership with a registered training organisation and a large mining company might submit a plan to up-skill existing employees who do not currently have nationally recognised qualifications, and to train job seekers in qualifications that are needed for entry level positions at a particular mine site.
- An industry association might apply for funding for a training program to provide a group of unemployed people with the skills required for available jobs in a region. Employers could work with Job Services Australia providers to select suitable job seekers and support them through training and into work.
- A number of small employers looking to retain and up-skill their current workforce might form a partnership to apply for funding. A registered training organisation could be contracted to train experienced tradespeople to enable them to move into roles as supervisors, workplace trainers/assessors, or mentors for young workers and apprentices.

## How does the industry co-contribution work?

Employers that participate in partnerships will contribute to the funding for the training that occurs under partnership arrangements. This funding will be supported by the Government on a sliding scale, depending on the size of the organisation. For example, the Government would fund 50 per cent of the cost of training for large organisations (with a workforce of 200 or more), and up to 90 per cent of the cost of training for small businesses (with a workforce less than 100).

## What is the Critical Skills Investment Fund Advisory Board?

An Advisory Board with industry, labour market, training and employment expertise will advise the Minister for Tertiary Education, Skills, Jobs and Workplace Relations on priority skills issues and strategic directions for the Fund.

The Advisory Board includes seven external members selected for their expertise, and four ex-officio members from Commonwealth and state governments and Skills Australia.

The Advisory Board will also engage with industry and education stakeholders and provide advice on performance and evaluation of the Fund, and how it could be applied to aspects of the National Resources Sector Employment Taskforce report. It does not have a role in selecting individual projects or organisations for funding.

## When will the Critical Skills Investment Fund begin?

The first funding round opened on 15 March 2011. Expressions of Interest submissions must be received by 2pm on 8 April 2011.