

Thursday, August 7, 2025

## **New national skills levy so employers help pay to bridge the skills gap**

With national priorities from the energy transition to AI requiring the reskill and upskill of thousands of workers over the next decade, Australian Unions have thrown their support behind a national skills levy.

The levy would compel medium to large employers to contribute to the cost of training workers - something they are currently failing to do - as a key component in developing the higher-skilled workforce needed to boost national productivity.

Australian Unions are seeking the urgent revival of the National Training Guarantee that imposed a levy of 1.5 per cent of payroll for medium and large businesses, with an annual turnover above \$500,000, unless they spent the same amount on work-related training.

A recent CEDA study showed that fewer workers are receiving training and those who do, receive less time to do it. CEDA reported that the number of workers receiving work-related training from their employer has dropped by 14 per cent since 2007 and those receiving training spent 17 per cent less time in training. The last time a levy like the National Training Guarantee was imposed in the 1990s, expenditure on training by employers rose by 18 per cent – despite the recession occurring at the same time.

A government review of the program found it increased the quality of training available to employees. Employers also benefited and were between three and six times more likely, than other employers, to report training had a positive impact on management attitudes, planning, and staff consultation.

The National Training Guarantee Levy would complement a similar research and development levy proposed by the Australian Academy of Science – that would also deliver investment in skills and training, as an important precursor to the transformational R&D that workers want to be a part of.

The Levy would also provide a much-needed reboot for apprenticeships in Australia.

Apprentice and trainee opportunities have dwindled in many industries, with apprenticeship starts down on the 25-year average and only about 50 per cent of apprentices and trainees finishing their qualifications.

While the shockingly low apprentice pay is a key factor behind poor apprentice commencement and completions, the declining level of employer-funded training requires a strong response from Government.

### **Quotes attributable to ACTU Assistant Secretary, Liam O'Brien:**

"A higher-skilled workforce leads to higher productivity. The demands of a modern economy driven by an energy transition, industrial diversification and significant technological innovation will require a deeper investment in skills and education underpinned by an approach of lifelong learning.

"Employers have underinvested in both the formal skills and education and important on-the-job training that are necessary for Australia to succeed, with work-related training plummeting 14 per cent since 2007.

"Rather than seeing workers as assets they want to invest in, many employers have seen them as costs to reduce. The National Training Guarantee worked in the 1990s to lift work-related training and should be on the table when it comes to policies aimed at lifting productivity.

"We also need to address the collapse of apprentice commencements and completions. Alongside paying and supporting apprentices better, more investment in training will help reduce the skills shortage that is holding back further economic growth."

**ENDS**

**Media Contact:** Luisa Saccotelli (0400) 149 901