

# Statement of Common Interests Between the ACTU, Ai Group, ACCI and BCA On Skills & Training



Australian Council of Trade Unions



Australian Industry Group



Australian Chamber of Commerce and Industry



Business Council of Australia

## **Aims and purpose**

The Australian Jobs and Skills Summit provides a unique opportunity for the representatives of employers and employees to come together and collaborate in the national interest.

In this statement of common interests, the Australian Council of Trade Unions, Australian Industry Group, Australian Chamber of Commerce and Industry, and the Business Council of Australia outline key principles to reform the skills and training systems to the mutual benefit of learners, employers and employees, as well as the Australian economy and society more generally.

We also outline a series of priorities for federal and state governments to focus on at and following the Jobs and Skills Summit. These priorities reflect the need to tackle the acute skills and workforce shortages Australia faces today, as well as building up and modernising our skills and training system to ensure it can respond to future opportunities and challenges.

The scope of this statement is explicitly limited to the skills and training stream of the Commonwealth Government's upcoming Jobs and Skills Summit and not the Industrial Relations, Climate or other streams. It also reflects only areas of common ground. It should be noted that each of the parties will hold views about the education and training system that are not reflected here and these will be subject of further consultation, including at the Summit.

## **Statement of principles**

- Building and investing in the skills and capacity of our national labour market is critical to creating greater economic and social opportunity in Australia
- The voice of Industry (both unions and employers) is essential to our national skills and training systems' success, and needs to be heard at every level of the system
- Vocational education and training (VET) is at the foundation of our broader skills system and needs to be a core part of our workforce development strategy and properly integrated into our overall tertiary education and training system
- Investing in skilling and reskilling Australians is a priority we share and all beneficiaries of an efficient and effective national education and training system have a responsibility to contribute, aided by appropriate supports and incentives.
- Australia's system for apprenticeships and other on-the-job training can be world leading but needs to be reinvigorated, expanded, adapted and supported to meet workforce needs now and into the future, including in digital skills

- Governments should maintain a strong commitment to the provision of high-quality training in VET by robust, innovative and properly supported public TAFEs along with private, non-profit and enterprise training providers
- Increasing inclusion and diversity in the workforce, including gender diversity, and improving workforce participation, is critical to overcoming long term disadvantage, improving labour market outcomes and supporting a fairer society
- Foundational skills in language, literacy, numeracy and digital capability should be guaranteed, with funded access for all Australians, including people who missed out at school or need to catch-up later in life
- All Australians should have options for lifelong learning and recognition of the skills they acquire as they upskill and reskill throughout their careers

## **Practical Reform Suggestions to implement these principles**

### **1. Urgently Establishing Jobs & Skills Australia**

The establishment of Jobs & Skills Australia (JSA) will go a long way to improving the national skills system and ensuring it will meet Australia's current and future needs. JSA would act as an umbrella organisation responsible for producing advice to governments and industry partners on economy-wide workforce needs to guide the allocation of skilling investments for all industries.

JSA's aim should be to map out and connect our immediate and long-term labour market (human capital) needs, support industry initiatives and projects that boost our skills pipeline, and take a strategic, coordinating role that boosts our national capacity to manage and prepare for economic transition.

JSA should also work closely with and oversee the soon-to-be-established Industry Skills Clusters, both in relation to its workforce planning roles as well as performing the function of approving minor reviews of VET training packages and endorsing major reviews of training packages for ministerial approval.

The parties to this agreement call for urgent establishment of JSA in an interim form, so that it can support skills and workforce planning while governments, industry and unions consult on its ongoing form, function and priorities.

### **2. Investing in Vocational Education and Training**

The new national agreement on skills and workforce development between the Commonwealth and the State and Territory Governments needs to reinforce the importance of the VET system and include a real and sustained funding increase to ensure the system can meet Australia's growing and evolving skill needs. The new agreement should have a focus on outcomes for learners, and build in increased accountability for this.

There is also a need to develop a workforce development plan for our entire VET education system and ensure that trainers and assessors in our VET system have the skills, expertise and adaptability to support the broader workforce. Coordinating and ensuring the highest possible standards of TAFE and other providers will be critical, as will adopting new initiatives and incentives to encourage expert practitioners to share their expertise.

### **3. Reinvigorating and Adapting our Apprenticeship System**

Australia's apprenticeship system was once world leading but has struggled to maintain consistent growth and combat falling completion rates over the last decade. Additional support through the pandemic boosted commencements of apprenticeships and traineeships and it is vital that we maintain and build on this momentum, and translate the rise in new commencements into a sustained uplift in completions.

An increase in funding for apprenticeships and traineeships is warranted, with support for both the employer and employee. Support should be provided across all occupations, as the apprenticeship model is a highly effective way to deliver real-world skills while providing an initial foothold into rewarding long-term careers, particularly for young people with little or no previous experience. It is proposed that support should be implemented from the October 2022 Budget to ensure there is no drop-off in commencements and an improvement in completions.

For commencements, this should include increased wage subsidies, especially in the first year, and for completions it should consist of incentive completion payments to both employers and apprentices, as well as mentoring programs for apprentices.

#### **4. Guaranteeing Foundational Skills**

As the economy moves out of the COVID-19 crisis, there is an urgent need to address the foundational skills of Australia's workforce, as well as those seeking to enter it. Many employers report low levels of literacy and numeracy among their workers, which is of serious concern. People without adequate foundation skills are at greater risk of disengaging from learning and face barriers to fully participating in the workforce as well as society.

Poor language, literacy and numeracy levels will continue to constrain productivity, labour mobility and the capacity of the economy to achieve the higher skills needed for an increasingly knowledge-based and digital economy. Digital literacy is now an additional foundational skill, and one that will require continual updating to keep pace with technological change. Individuals need access to digital training, both in the workplace and in order to gain access to employment and services. As our economy evolves and skills and education become increasingly essential to securing future jobs, it is critical that we don't leave Australians behind just because they have missed out on the basics. That's why we think that funded access to foundational skills should be guaranteed.

An updated National Foundation Skills Strategy for Adults should recognise the impact that digital transformation is having on the workforce, especially on lower skilled workers performing tasks in jobs, occupations and industries impacted by digital disruption. Workplaces need support under a refreshed national language, literacy, numeracy and digital (LLND) skills strategy that includes tangible and realistic KPIs, to ensure state and federal government accountability against universal standards. In support of this there needs to be a greater capacity for data collection on LLND to provide more real-time information on the scale of the issue.

A better picture of the size and distribution of unmet need can guide future funding. This should include an expansion of national Foundation Skills initiatives that provide the support required for companies to deliver LLND training that up-skills and re-skills their employees, along with additional investment through the new national skills agreement.

## 5. Supporting Lifelong Learning

As technology advances and our economy changes over time, lifelong learning will become increasingly essential and valuable. To embrace the productivity gains and benefits of new technology and capture the opportunities that come from future industries, Australians need to be able to upgrade their skills throughout their lives.

Our education and training system is geared to support Australians to secure initial post-secondary qualifications, but it is less well-suited to enable people to re-enter the workforce or pick up new skills later in life. We need a better set of options for people to upskill and reskill quickly and then have those skills recognised and shared with employers and education providers.

To drive forward lifelong learning, we need to increase delivery and integration of short, stackable training options, including micro-credentials. This kind of education and training is particularly suited to mid-career Australians, who are more likely to have existing qualifications and working or caring responsibilities that make it difficult to engage in full-time or long-term study.

A lifelong learning strategy needs to be developed and adopted that provides better options and support for Australians seeking reskilling and upskilling opportunities across their working life. This strategy needs to identify measures that support shorter form credentialing, recognition of prior learning, and fit-for-purpose funding mechanisms.

Lifelong learning will be particularly important to enable Australians to update and refresh their digital skills in response to fast-changing technology. In an increasingly digitised economy, digital fluency will be essential for all Australians, and we will need to facilitate this with responsive learning options that range from foundational to advanced capabilities. For this reason, a lifelong learning strategy should include a digital skills plan that meets this challenge and sets Australia up for success in a digital world.

## **Parties to the agreement**

### **The Australian Council of Trade Unions (ACTU)**

The ACTU is the peak national representative body of the union movement in Australia. The ACTU provides a singular voice for our 43 affiliated unions and state-based trades and labour councils, which represent more than 1.7 million union members in industries and regions across the country.

We believe in cooperation and collaboration to build a strong, growing, productive economy for the twenty-first century which helps all Australians achieve their aspirations. This economy can only be built if working people have a strong representative voice in the debates that will shape Australia's future.

### **The Australian Chamber of Commerce & Industry (ACCI)**

ACCI through our network of State & Territory chambers of commerce and over 80 industry associations represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

### **Australian Industry Group (Ai Group)**

The Australian Industry Group (Ai Group®) is a peak national employer organisation representing traditional, innovative and emerging industry sectors. We have been acting on behalf of employers across Australia for nearly 150 years. Our purpose is to create a better Australia by empowering industry success.

Together with partner organisations Ai Group represents the interests of more than 60,000 businesses employing more than 1 million staff. Our members are small and large businesses in sectors including manufacturing, construction, engineering, transport & logistics, services, labour hire, mining services, the defence industry, civil airlines and ICT.

### **Business Council of Australia (BCA)**

The BCA represents Australia's largest employers, advocating for good policy on behalf of the business community and the Australians they employ.

BCA members operate across all sectors of the economy, including health, manufacturing, infrastructure, IT, mining, retail, finance, energy and transport.

## Signatories

For the ACTU

A handwritten signature in black ink, appearing to be 'Sally McManus', with a horizontal line extending to the right.

ACTU Secretary Sally McManus

For the Ai Group

A handwritten signature in blue ink, appearing to be 'Innes Willox', with a horizontal line underneath.

Ai Group Chief Executive Innes Willox

For the ACCI

A handwritten signature in black ink, appearing to be 'Andrew McKellar', with a horizontal line extending to the right.

ACCI CEO Andrew McKellar

For the BCA

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BCA CEO Jennifer Westacott