

Future of Work

Vocational Education and Training

Background Paper

ACTU CONGRESS 2003

Quick Fact:

The availability of qualified labour is now regarded as one of the most serious constraints to business. Yet, in 2003, only one in ten private sector employers are delivering structured industry training leading toward a national qualification and less than one quarter of employers are providing training through traineeships or apprenticeships.

CONGRESS 2000

1. In supporting an increase in the number of quality traineeships and apprenticeships, the union movement at Congress 2000 supported:
 - provision of higher levels of public funding from the Federal and State governments to the VET area;
 - the introduction of a properly policed training levy;
 - better marketing of VET;
 - additional government assistance to group training companies;
 - industry skill centres for the upgrading of skills of current industry employees to higher levels;
 - government procurement policies which incorporated an obligation regarding training;
 - improvements to the profile and depth of the auditing of training providers;
 - practical recognition of prior learning opportunities for existing workers;

- existing workers without vocational qualifications being given access to government funding to assist with structured training leading to a recognised qualification; and
 - better integrating VET in schools with the mainstream vocational training system.
2. In addition the policy at Congress 2000 stated:

The ACTU calls for a commitment from all political parties to develop Australia as a high skill, high value added nation. The future of employment levels, living standards and national development will depend on the skills and ability of workers to participate in high value added competitive enterprises.

DEVELOPMENTS SINCE CONGRESS 2000 (AND THE 90'S)

3. In the 1980s and early 1990s, the Australian trade union movement was instrumental in seeking major reform to Australia's vocational education and training system through the creation of a national training reform agenda. At the time, industry was experiencing ongoing skills shortages in traditional trades and professional areas. Little or no structured training was available or undertaken in the service sectors, or the new and emerging areas of the economy. Many workers also had no access to formal vocational training and qualifications.
4. Businesses were facing the impact of globalisation, and skills formation was seen as an important pathway to help improve the nation's productivity and help Australian industry through the transition.
5. Part of the solution was to seek major reform to the vocational education and training system. The objectives of this reform included:
 - shifting eight separate systems of vocational training into an industry and union led national framework that met the needs of industry,
 - developing a system that was demand rather than supply driven, and
 - developing a system that helped improve the career paths and working aspirations for Australian workers.
6. This new national training system was accompanied by major reform to the award system with new wage classification structures created around the achievement of competencies and qualifications for individual workers. These changes were sought in order to enable

workers better access to more mobile and flexible career paths within their industries and occupations.

7. Strategies were also implemented that were designed to increase training investment by employers through the introduction of the training guarantee levy system. At the same time, long-standing apprenticeship pathways into trade occupations and industries were expanded through the introduction of the traineeship system designed to facilitate training across a broader range of occupations and industries through shorter term training contracts, supported by training wages for young people.
8. However, after over a decade of reform there remain a number of fundamental issues requiring attention. A truly national training system has not been achieved. The capacity of trade unions to have effective influence within the system is being undermined. There are growing problems with quality of training delivery and outcomes.
9. Training delivery is not always integrated with or responsive to industry needs, skills development and employment outcomes. There is also a deliberate shift from government to downgrade industry, including trade union advice, and input.
10. Variable outcomes from traineeships, despite their rapid growth has detracted from training for skills development linked to fair and productive employment outcomes. And the rapid growth in private training providers fed through access to government funding has contributed to a reduction in quality of training delivery and outcomes. The needs of existing workers for training and skill recognition are not being addressed effectively.
11. Major changes in the labour force, such as the high growth in non-standard forms of work, business reorganisation, increasing economic pressure and a non-interventionist approach to the labour market and economy have all contributed to a decline in training investment across industry.
12. Australian industries continue to face skills shortages and recruitment and retention difficulties. Our nation has already missed one innovation cycle with the information technology revolution. We can not afford to miss another.
13. It takes on average four to seven years to train our trades and professional people to an entry level standard. And with Australia's rapidly ageing population, more than half the population are expected to be aged 45 or over by 2010. Government and industry need to take action now if we are to skill our young people as well as re-skill, up-skill and recognise the skills of our existing workforce.

14. Unions need to take action to ensure the original objectives of a national training reform agenda are met. Workers should have a right to receive appropriate financial reward for the acquisition of skills and knowledge relevant to their employment and used in their job, and to have this skill and knowledge also recognised through portable nationally recognised industry training qualifications. Unions also need to ensure training and skills development is a priority in every workplace.
15. To do this, the union movement needs to show leadership and take action to see improved quality of training delivery and outcomes, and to ensure workers receive recognition of their skills as well as access to vocational training and national and portable industry based qualifications.

ISSUES FOR POLICY AT CONGRESS 2003

16. After over a decade of change, we need new objectives and renewed strategies to make skills development the critical issue for Australian workplaces and workers.
17. These objectives have been jointly developed among unions and reflect the key concerns and goals of unions today. They include:
 - the achievement of a nationally consistent training system with agreed standards across all jurisdictions;
 - maintaining an industry led vocational education and training system that responds to and meets the needs of Australian industry and workers;
 - improving the quality of training delivery and outcomes for the benefit of Australian industry and employees;
 - improving the links between training effort and investment to skills development and employment outcomes;
 - developing more effective training strategies to help young people in transition from school to work;
 - implementing specific strategies to recognise and assess skills and to re-skill and up-skill the existing workforce;
 - developing strategies that give equitable access to vocational education and training opportunities to the non-standard workforce and for disadvantaged people within the labour market;

- establishing vocational education and training and skills development as a priority industrial issue within industry and at the workplace; and
- maintaining and improving the TAFE system as a viable public provider that is responsive to the needs of industry, employees and the community.

The Achievement of a Nationally Consistent Training System with Agreed Standards Across all Jurisdictions

18. The achievement of a nationally consistent vocational education and training system is pivotal to deliver national and portable industry based skills and qualifications for Australian businesses and Australian workers.
19. Over the past decade there has been much reform to Australia's vocational education and training system, first with the creation of a national training authority to oversee a national system of training delivered through the various states and territories.
20. In recent years, the focus has been on ensuring a single system of registration for training providers to operate across jurisdictions, and the introduction of national training packages to provide for nationally recognised industry qualifications through the national training framework. Under this framework, the development and implementation of training packages for industries has been a major achievement of industry and unions, helping to expand access to nationally recognised qualifications for over 85% of the labour force.
21. However, the training effort and quality of training courses for the same national qualification are not sufficiently consistent between providers and states and territories. If the promotion of national and truly portable industry based qualifications are to remain a keystone of a national system of training, these issues will require resolution through standardising arrangements between the states and territories.
22. Industry concerns also remain about underpinning learning resources and strategies within national training packages. Where industry parties are in agreement, learning strategies should become a part of the endorsed component of training packages in order to provide more consistent and quality training delivery and outcomes.
23. Further concerns from industry and unions are that training packages are being approved without the inclusion of industry preferences for training delivery and assessment methods, such as where industry has strongly indicated a preference for work-based learning rather than simulated learning for identified qualifications and occupations. If the

system of national training packages is to retain key industry support, then these industry needs and views should be incorporated.

24. Ensuring the quality of training delivery by registered training organisations is also a key component of the Australian Quality Training Framework. To secure improvements in quality of training delivery and through monitoring a number of identified risk areas, the Australian Quality Training Council has overseen a number of more strategic audits of registered training organisations operating within particular industries. These audits have directly resulted in lifting the standard of quality of training of providers within those areas.
25. There is, however, a specific need for states and territories to engage in a wider range of strategic auditing, involving industry and union players to help improve these processes. To ensure there is a greater focus on training outcomes, strategic auditing should also include assessment of individual learning outcomes and take account of the direct experiences of trainees and apprentices who have undertaken training.
26. Improved checks and balances on the use of the traineeship system, in particular, are also in need of implementation. More scrutiny is required by governments of how and where employer incentives are being paid. This will require improved information-sharing and cooperation between the Commonwealth, state and territory governments over the use of incentives as a mechanism to promote training for young people.
27. For instance, Commonwealth, state and territory training databases should highlight those employers seeking to place or who have placed, significant numbers of employees on to traineeships. This information should then be provided to the relevant state or territory training authority so that strategic inspections and audits are able to be undertaken to ensure quality training outcomes.
28. There also needs to be greater consistency between the Commonwealth, states and territories about the operation of an employer incentive system for traineeships and apprenticeships. Agreement should be reached nationally about its operation, and funding provided through the states and territories as part of the tri-annual ANTA funding agreement.
29. This would ensure a nationally consistent approach to the application of incentives, incorporating industry profiles at a state and regional level, as well as establishing one government authority as the body responsible for the monitoring of the payment of incentives in conjunction with the approval of training agreements. In this way, there would be a more informed training database, and also greater monitoring of training patterns within industries and with individual employers.

30. A nationally consistent employer incentive system should also better target identified skill shortage areas which would also include those industries offering significant employment opportunities, emerging and growth areas of the economy, as well as those industries with low take up rates of structured training as well as taking account of gender and other equity considerations.
31. Incentives should also be designed to encourage greater levels of training effort and should increase more sharply with the level of qualification undertaken, as well as for longer-term traineeships and apprenticeships.
32. A number of these issues can be improved through the implementation of agreed standards and conditions under the Australian Quality Training Framework and across all training jurisdictions, including:
 - implementing improvements to ensure equity and parity of qualifications and proper mutual recognition of all nationally endorsed VET qualifications across all jurisdictions;
 - improving industry acceptance and quality of training outcomes by incorporating learning strategies as part of the endorsed component of training packages where specified by industry;
 - ensuring capacity of training packages to specify industry preferences in respect of delivery and assessment, with incentives only available where the modes of delivery meet industry requirements;
 - improving inspections/audits of registered training organisations, including wider implementation of strategic auditing (with industry involvement), that also includes assessment of individual learning outcomes; and
 - improving levels of funding and a coordinated holistic approach by the Commonwealth, states and territories to employer incentives linked directly to quality, industry, economic and community objectives.

Maintaining an Industry led Vocational Education and Training System that Responds to the Needs of Australian Industry and Workers

33. The creation of an industry led training system was a key objective underpinning the establishment of the Australian National Training Authority and the subsequent reforms to Australia's vocational education and training system to create a more responsive system to meet the needs of industry and employees.

34. The establishment of bipartite union and employer advisory structures was also fundamental in ensuring fair and balanced input into, and ownership by industry parties of the national training system.
35. Yet changes in recent years have seen the influence of industry decline and training effort now largely being driven by access to training dollars instead of skills development needs.
36. Government has increasingly sought to place individual employers and individual learners at the centre of their training strategies, at the very same time that training investment has declined and skills shortages continue across a range of industries and occupations. This is exacerbated by the lack of industry policy or active labour market policies and interventions.
37. Recent changes to the board of the Australian National Training Authority now see it lacking vital industry input and ownership. And while all evidence points to the need to have proper industry structures in place from a regional, state and national level, there is a down grading of, and reduced funding for, national industry advisory structures. At the same time funding has been abolished for state industry advisory bodies.
38. If government wants continued industry support for a national vocational education and training system, there needs to be proper industry leadership on the ANTA Board, as well as strengthened bipartite industry membership on national, state and territory boards. This includes the need for proper resourcing of bipartite advisory structures that recognise industry advice on skills development needs and strategies, and training products for their industry.
39. Recent proposals to restructure national ITABs into Industry Sector Skills Councils have raised significant concerns in these areas. The ACTU and unions believe that any restructuring should only occur in accordance with the following principles:
 - opposition to any forced amalgamations of ITABs;
 - acknowledgment that there are some ITABs which may no longer be viable or which may wish to amalgamate with others, with a preparedness to consider alternate proposals;
 - rejection of the move towards ANTA and governments bypassing the ITABs and trade unions and seeking and funding direct advice from employers and employer organisations;
 - seeking urgent improvement in funding for the ITAB network. The proposals for rationalisation have largely been driven by the fact

that funding for ITABs has effectively been halved due to the cut to State ITAB funding and the diversion of funds to support forecasting data and links to Cooperative Research Centres;

- agreement that the role of ITABs should be expanded to meet current requirements; and
- support for initiatives for links with Cooperative Research Centres, innovation, research and development, as well as improved labour market and training demand forecasting and appropriate consultative forums to inform this work, where there is bipartite employer-union involvement, and this is undertaken in conjunction with the relevant industry advisory body.

Improving the Quality of Training Delivery and Outcomes for the Benefit of Australian Industry and Employees

40. Over the past decade great advancements have been made through the expansion of the traineeship and apprenticeship system to provide a broader range of entry level training and qualifications for many young people across a wide range of industries and occupations. For many workers, this has given them their first opportunity to participate in structured forms of vocational training and receive qualifications recognising their skills and the work they undertake.
41. However, there are major concerns with the quality of training outcomes associated with the growth in the number of traineeships being undertaken over the past five years. This is illustrated by the very high proportion of traineeships which are not being completed, a high number of which do not involve any structured off the job training, as well as the large number of traineeships which cover basic entry level enterprise skills which employers would previously have provided without Government subsidies or reduced wages.
42. Within this context, the purpose of the traineeship system has become blurred. Originally established to support young people and the long term unemployed into the labour market, it has since been expanded to include older and existing workers, and it has been used and promoted as a labour market program as well as a wage subsidy scheme.
43. Today, almost half of all trainees are aged over 25, and around four in every ten are not completing their training. Almost one in three trainees are existing workers, many of whom have undertaken a traineeship as the only training mechanism available that recognises their competencies and skills, and in order to gain access to formal qualifications. In other cases, employees have been forced into traineeships so that brokers (such as New Apprenticeship Centres), providers of training and employers can access subsidies and, in some

cases, discounted wages. The quality of the traineeship system clearly needs to be improved.

44. Central to ensuring maintenance of industry confidence in the apprenticeship and traineeship systems are equity and parity of qualifications issued through the Australian Qualification Framework system. Currently, the allocation of qualification levels is not adequately linked to the intensity of training effort required to achieve them. There is also inadequate consistency between providers of training as to the amount and quality of training delivered for the same qualification.
45. There is a bias against apprenticeship training which needs to be rectified by reviewing and increasing some of their qualification levels. And the system of classifying qualifications in accordance with levels within the framework is in need of review if industry, union and worker confidence is to be restored. The Australian Qualification Framework and the Australian Quality Training Framework system need to be further developed to overcome these problems.
46. A further quality issue related to the expansion of traineeships and maintenance of apprenticeship numbers, is the quality of training delivery and experiences through group training organisations. Group training has become a key feature of the apprenticeship and traineeship system over the past two decades growing from a base of some 360 to around 2,400 in the mid 1980s, to almost 40,000 today. It is now the second largest employer group of apprentices and trainees, employing around fifteen per cent of all apprentices and trainees across Australia.
47. While group training continues to support trade training and smaller and medium-sized firms in particular, it has also played an important role in promoting training opportunities for disadvantaged groups within the labour market and community. For instance, group training accounts for almost half of all school based apprenticeships and traineeships, and over half of all group training apprentices and trainees are teenagers.
48. Importantly, group training also employs a large number of indigenous persons and has also been successful in creating opportunities for people with a disability. In some instances, group training has also played an important role in promoting employment and training opportunities within particular regional areas, working closely with industry parties and clusters of local employers.
49. However, while the group training system has provided some benefits to industry, to apprentices and trainees, and to the community in general, some improvements also need to be made. Specifically, there are concerns that some group training organisations have become

quasi-labour hire organisations where issues such as quality of training and pastoral care are being neglected.

50. Particular concerns relating to quality of training include the lack of planning in relation to placement of trainees and apprentices who are in many cases being used as a cheap supplementary form of labour hire, rather than being engaged to undertake proper and quality training. A related issue is the degree to which trainees and apprentices are stood down without pay.
51. These issues could be improved through unions pursuing industrial strategies that include claims to increase the minimum placement time of apprentices and trainees with a host employer, and through agreement to payment for down-time. Where trainees and apprentices are subject to down time, this should also be linked to options for undertaking trade related training, cross-training or placement with other hosts during non-peak placement periods. There is also a need to ensure a greater linkage between individual training plans, proper training and supervision and placement with individual employers.
52. Quality of training issues could also be improved through the adoption of a Code of Practice or Charter of Quality Training backed by appropriate regulation, award provisions and inspections, and through unions pursuing industrial strategies within their own industries to improve the quality of training of trainees and apprentices as outlined above.

Improving the Links Between Training Effort and Investment to Skills Development and Employment Outcomes

53. Over the past decade job opportunities for many people aspiring to meaningful work have decreased. Almost 90% of jobs created in the 1990s were in low paid, part-time and casual work. There were also significant increases in contractor and labour hire work, accompanied by trends towards reduced employment security for all. Many others are also underemployed and many more are unemployed.
54. Within this environment, many workers have been denied access to quality training because of lack of training effort or because they have been marginalised in the labour force.
55. At the same time, there has been a lack of coordinated research and planning to address current and future skills needs, and industry continues to face skills shortages and recruitment and retention difficulties.
56. The vocational education and training system needs to be more responsive to current and future industry needs and labour market changes. A higher priority needs to be given to securing productive and fair employment outcomes for people undertaking training.

57. Some states are moving toward integrating employment and training initiatives at a regional and local level. These initiatives need to be expanded and involve co-investment strategies developed in agreement between local employers, group training companies, industry organisations, unions and government. Such strategies should also recognise the need to include equitable access to structured forms of training for the non-standard workforce and for disadvantaged people within the local employment market.
58. Overall, industry needs to improve its training effort and to increase expenditure in structured industry training leading toward national qualifications. To achieve this, both government and industry need to implement a coordinated labour market and future skills forecasting system, and link industry and skills profiles to specific industry training interventions.
59. Commonwealth, state and territory governments need to develop integrated skills profiles and planning processes at national, state and regional levels. Government and industry also need to agree on specific training interventions to meet agreed training targets. Training interventions should take the form of targeted training levies, tax credits, industry partnerships and agreed industry-union training strategies.
60. A key objective of a national vocational education and training system should be to meet the needs of Australian industry and employees. A national training system should also seek to balance both economic and social objectives by securing improved investment in and strengthening of Australian industries, by securing productive jobs for Australian workers, and by providing meaningful employment for those who seek work and career opportunities.
61. Government funding of training, including assistance for traineeships and apprenticeships, purports to treat all training as equal and is based on the concept of a free training market between training providers. There is no clear distinction between the supply and demand side of training. Priorities for Government funding must therefore be more strategically linked to training effort and to economic, industry, social and employment priorities and objectives.

Developing more Effective Training Strategies to Help Young People in Transition from School to Work

62. In 2001, only 80% of young Australians are achieving a Year 12 or VET qualification, well behind countries such as France, Canada, the United States, Germany and Japan. At the same time, over 40% of early school leavers are either unemployed, in part-time work without being in study, or are not in the labour force just five months after leaving school.

63. Australia's relatively low level of educational attainment directly impacts on significant numbers of young Australians by limiting their opportunities for economic independence and long term employment prospects and wages, depriving industry of valuable skills development essential to drive further economic growth, and by limiting labour force participation rates.
64. All of these factors, however, improve with the length of time in school and vocational education. Statistics reveal that seven years after leaving school, only 7% of all year 12 leavers are unemployed. For young men who have left school in year 9, 21% are unemployed, while for women it is almost 60%.
65. Those most at risk include those with relatively low literacy and numeracy skills, who may come from a lower socio-economic background or whose parents have low levels of educational attainment, from those who live in regional and rural locations, along with many young indigenous Australians.
66. There is, therefore, a need to urgently examine alternative ways to support young people into quality training and employment pathways, particularly those identified at risk, including undertaking a reshaping of the existing traineeship pathways.
67. The Australian traineeship system was originally established to help create training pathways for young people in transition from school to work after the collapse of the youth labour market in the 1980s. However today, almost half of all trainees are aged over 25 and young people continue to predominate in intermittent, low paid, casual and part-time work.
68. In today's labour market, work often accompanies schooling and/or tertiary studies for many young people. Jobs for young people are likely to be segmented within the labour market, with youth employment in the retail trade, and in the accommodation, cafes and restaurants industries comprising almost 40% of all employed persons, and casual jobs almost half.
69. And while it can be argued that some young workers accept casual or part-time arrangements to help subsidise study because of the changes that have occurred in the labour market, many young workers can only find employment in these type of jobs which are often available only as traineeships. These are also the types of industries and occupations in which traineeships have rapidly expanded.
70. While many young people have gained qualifications through the traineeship system, many others have also received training that is questionable in terms of its value and its outcomes. The type and numbers undertaking training within specific qualification levels,

occupations and industries needs to be examined, particularly within the context of employer motivations to pay subsidised training wages.

71. As a minimum to improve educational and training opportunities, all levels of government should commit to the principle that every young Australian should have the right to at least twelve years of publicly funded quality education and learning as a minimum benchmark - through schooling, vocational training and structured work-based learning.
72. To ensure this, the current vocational education and training programs within secondary schools also require review. The number of students who have undertaken one or more units of competence through a Vocational Education and Training in Schools program (VET in Schools program) has grown rapidly from 60,000 in 1996 to more than 185,000 in 2002, representing 41% of all senior secondary students undertaking VET within their senior secondary certificate.
73. 95% of secondary schools offer a VET in Schools program. Tourism and hospitality, business and clerical, computing and general education and training account for over half of all enrolments. Consideration needs to be given to the effectiveness of these programs to meet skill shortage needs and the requirements of industry. To do this properly, there is an urgent need to undertake a national mapping process of the post labour market experiences of students who have undertaken a VET in Schools program.
74. The need to re-examine the effectiveness of these programs is also apparent given the lack of industry support for some VET in Schools programs. Not all programs involve structured workplace learning or placement with only 60% of participating students undertaking some form of structured workplace training, raising serious concerns for industry about parity between VET qualifications and VET in Schools qualifications.
75. On the job experience has become an issue, for example within the retail sector, which has indicated its preference for school based new apprenticeships within the industry over VET in Schools qualifications in order to ensure on the job experience is gained.
76. There are also concerns about the lack of linkage between VET programs on offer within schools and subsequent labour market experiences and employment outcomes, as well as a general lack of integration with skills shortages areas. Industry experience of teachers delivering VET in Schools programs is another issue which requires improved industry exchange arrangements for teachers.
77. These have raised credibility issues about the value of many VET in Schools qualifications with many not recognised in practice by industry. These issues require urgent examination, particularly at an industry sector level, and improvements sought.

Implementing Specific Strategies to Recognise and Assess Skills and to Re-Skill and Up-Skill the Existing Workforce

78. With Australia's rapidly ageing workforce and ongoing skills shortages, there are also increasing needs to develop appropriate training strategies and mechanisms to train the existing workforce. Many industries have low levels of training expenditure, and to date for many workers, training contracts have been their only opportunity to undertake training and receive recognition and qualifications for the skills they have acquired and hold.
79. Around \$360 million of government funding is spent annually on training of existing workers through employer subsidies and funding for registered training organisations. This funding would be better allocated through the creation of a workplace development training fund that is appropriate for training and assessment of existing workers. Such a fund should also seek to leverage greater investment from individual employers toward structured industry training, including commitments towards undertaking assessment and recognition of the existing skills of the current workforce within agreed workplace/enterprise training plans.
80. One of the major barriers to participation by firms and existing workers in training which leads to national qualifications is the cost and difficulty of recognising existing workers' skills and what it is that needs to be learned for the future. Current funding of registered training organisations does not facilitate partnerships with firms and industry sectors to achieve this. Within the skills development context, the effective implementation of a system to train or retrain existing workers and to recognise their current skills is therefore long overdue.
81. The Commonwealth, state and territory governments should therefore create a specific training initiative for better skilling Australia's workforce. Under this system, individual enterprises and industry sectors could apply to seek funding where they satisfy specific criteria, including:
 - matching the funding provided by employers on at least a dollar for dollar basis;
 - a partnership being established with a registered training organisation to recognise existing workers' skills towards national qualifications, identifying training needs, and delivering further structured industry training leading towards national qualifications;
 - funding being applied in agreed target areas, including identified skill shortage areas, emerging and growth areas of the economy, as well as industries and occupations with low take up rates of structured training, as well as incorporating gender and other equity considerations;

- structured training and assessment being undertaken in accordance with an agreed workplace training plan between employers, unions and employees; and
 - specific priority being given to collaborative arrangements, covering industry sectors in areas of labour hire, casual, contract and seasonal employment.
82. Combined with this strategy, unions should also seek to intervene at the workplace level to encourage the uptake of structured industry training through the implementation of pilot programs of Worker Training Representatives. Specific objectives of the Worker Training Representatives program would be to:
- encourage the uptake of structured industry training leading to national qualifications at the enterprise or workplace level;
 - raise awareness and education among workers about the benefits of undertaking structured industry training;
 - promote negotiation between workers and employers for the implementation of workplace training plans for existing workers, including establishing effective training mechanisms that facilitate and take proper account of the recognition of current competencies;
 - establish liaisons between employees within workplaces and external training bodies such as industry advisory bodies, registered training organisations and others, to promote structured training at the workplace level; and
 - enable workers to participate effectively within workplace skills audits, to develop and negotiate skills training plans and undertake workplace assessment.
83. This will also require support for union organisers and other union officials through education and awareness programs about the national training system, associated industrial issues and broad union objectives for VET, and effective strategies to ensure across the board support for such a program.

Developing Strategies that Give Equitable Access to Vocational Education and Training Opportunities to the Non-Standard Workforce and for Disadvantaged People Within the Labour Market

84. Changes in the labour market over the last ten to fifteen years have seen rapid growth in non-standard forms of work. Major increases occurred in part-time and casual work, while more than one third of workplaces contracted out some work functions and now use labour hire or contractors to perform work originally undertaken by employees.
85. Many of these workers are low paid and/or dependent on one employer for their work. They are also excluded from many training opportunities, or are expected to undertake training at their own initiative and expense. At the same time, many disadvantaged people within the community, such as indigenous persons, people with a disability, older retrenched workers and the long term unemployed, have limited access to the labour market or to training opportunities to assist them into secure and productive employment.
86. Yet the demand for training that addresses skills development and meaningful employment outcomes continue. In some states, in response to pressures from declining industry investment in structured forms of training, government funding is now being directed to limited areas of industry to address skill shortages, or to act solely as labour market programs.
87. Nationally, there is a need to develop coherent strategies aimed at increasing the skills of all people within the workforce, to help skill young people and assist them in transition from school to work, to help train and redeploy displaced workers into new and emerging industries, and to assist others back into the workforce.
88. Access to training is essential for all workers, but is particularly so for those with poor literacy skills. The development of literacy skills for both the general population as well as those in the workforce is critical for both the future development of industry as well as to maintaining social fairness, equity and cohesion for Australia. Based on existing surveys, almost half of Australians aged 15 to 74 have poor or very poor literacy skills and can be expected to experience difficulty using many of the printed materials they encounter in every day life. Only one in three are considered to hold the skills necessary to enable them to cope with the literacy demands of daily life and work.
89. The focus on improving literacy skills through embedding core competencies in national training packages has had some success, however the majority of existing workers do not have access to structured forms of industry training.

90. There are other positive examples of literacy programs being delivered in the workplace through the Workplace English Language and Literacy (WELL) program. These however will need to be expanded if they are to have any impact on the existing workforce. Increased funding could also be provided for cooperative ventures between employers, unions, workers and other bodies (such as TAFEs and other RTOs, or group training companies) to promote basic literacy and numeracy training within workplaces.
91. In general, there is a need for increased funding to be provided to TAFE as the public provider to:
- ensure access to training for all young people;
 - ensure increased support for people with a disability in apprenticeships and traineeships;
 - increase the participation of indigenous people in the labour market; and
 - assist existing workers to achieve secure employment and career opportunities.
92. The development and implementation of regional and industry sector training and employment strategies, involving partnerships between government, employers, TAFE, other registered training organisations, and group training companies, should also include specific strategies to train casual, contract and labour hire workers who are often excluded from access to vocational training opportunities.
93. To address the growing numbers of displaced older workers, a number of strategies could also be adopted including cooperative approaches between government, industry and unions to retrain workers who are likely to be displaced as a result of technological change or industry restructuring.
94. This could include the introduction of requirements for increased notice of potential redundancies by industry to government, unions and affected employees, and the provision of publicly funded retraining opportunities primarily through TAFE and employment search assistance in such instances.
95. Governments should actively engage with industry, unions and the community through promotional activities as well as joint ventures to promote the direct employment of both older workers and young people.
96. Governments as direct employers, should also adopt employment policies to promote secure, ongoing employment for young people and

older persons in public sector jobs (in addition to traineeships and apprenticeships).

Establishing Vocational Education Training and Skills Development as a Priority Industrial Issue Within Industry and at the Workplace

97. The award restructuring process of the early 1990s saw a number of key awards varied to incorporate skills based classification structures based on the achievement of individual competencies and skills. However, a number of other awards were restructured at the time without national industry competencies or training products available. Since then, much effort has been focused around the development of national training packages, with training opportunities opened up across a range of industries and occupations.
98. It should therefore be a priority for unions to seek improved wages based on achievement of industry competencies linked toward national qualifications where this has not occurred. Unions will need to update and vary their awards and agreements to incorporate skills based career paths that reward and recompense workers for skills used in their work where this has not occurred. Unions will also need to play an active role in the bipartite process of developing industry training agendas as well as establishing a higher profile for skills acquisition and wages within the workplace.
99. Unions also need to improve the rights and conditions of trainees and apprentices. At the end of 2002, there were around 270,000 apprentices and trainees in training (excluding existing workers). The significant majority of these are not members of a union, yet surveys continue to indicate that most employees would prefer to be in a union. With the limited industrial and training rights and conditions of trainees and apprentices, they are perhaps in need of the most protection and should therefore be a priority for unions.
100. Greater national consistency is required toward improving the rights of trainees and apprentices regulated through state and territory vocational education and training legislation, as well as under federal and state industrial laws and instruments. In most jurisdictions, trainees and apprentices are excluded from access to remedies for an unfair dismissal under industrial laws, with variations in termination provisions existing across state and territory vocational training legislation.
101. In many cases, the rights of existing workers who commence traineeships are also not clear. Greater uniformity that gives rights to a remedy for an unfair dismissal for all trainees and apprentices, and that improves and strengthens the rights of existing workers undertaking a training contract are needed.

102. Unions should also develop and implement industrial and organising strategies around the recruitment of trainees and apprentices in combination with strategies designed to improve their industrial and training rights and conditions.
103. The profile and demographics of people undertaking apprenticeships and traineeships has also changed rapidly particularly over the past decade. Factors such as increasing school retention rates, parental attitudes, changing composition of industries, growing employer expectations of employability skills, as well as changing work and life aspirations within the community have all impacted on movement into the labour force, contributing to current and future industry skills shortages, general recruitment and retention issues, as well as affecting patterns of work and life.
104. Within this changing environment however, there has been little change to the system of apprenticeship wages, originally established for a youth labour market. Apprentice wages were set on the basis that they were Year 9 or 10 school leavers. Now many apprentices have completed Year 12 and are much older on commencement. Training wages for trainees were also established for a youth labour market and the long term unemployed.
105. There are ongoing disparities between apprentice and trainee wages, where apprentices are paid less during their initial period of training in comparison to trainees. There is clearly a need to review and improve wages for apprentices as well as to review current training wages for trainees.

Maintaining and Improving the TAFE System as a Viable Public Provider that Is Responsive to the Needs of Industry, Employees and the Community

106. The TAFE system across Australia has undergone major change over the past decade in response to the demands of the new national training framework. These changes have taken place within an environment of increasing economic pressure, intense competition between TAFE Institutes and with private training providers, and expectations that TAFE continue to deliver both quality training for industry and training that addresses community needs.
107. Within this environment, Australia continues to face skills shortages and skills mismatches on the one hand, and on the other, many Australians continue to be underemployed or unemployed. This paradox has been exacerbated by the increasing un-met demand for training, where demand in many cases outweighs available training opportunities. For instance, Australian Bureau of Statistics surveys reveal that each year around 40,000 Australians are being turned away from TAFE.

108. And while the training market has been opened up to competition between the public provider TAFE and other registered training organisations through user choice funding models, expectations are that TAFE continue to play an integral role in ensuring quality training delivery and outcomes for industry, for the community and for individuals. Importantly, there are expectations that TAFE also continue to provide training opportunities to meet social obligations for many disadvantaged people within both the labour market and within the community.
109. TAFE remains the principal provider of trade based training with employers, unions and the community strongly committed to its maintenance to ensure quality industry based training. In many regional areas, TAFE is also the only viable training provider.
110. Yet, within ongoing funding constraints and pressures, some TAFE Institutes are closing down their training infrastructure for trade training, and thereby exacerbating skill shortages within many trades and particular regions. This infrastructure is not being replicated elsewhere.
111. The effects of the user choice policy, competition and reduced growth funding on the system therefore need to be mitigated if the TAFE system is to continue to survive and operate in an efficient and effective manner. This will require a significant injection of recurrent funding to ensure it can remain viable and functioning. User choice funding for New Apprenticeships should also be capped at an agreed level across states and territories.
112. To ensure the viability, in particular of trade training, there should also be a standard limitation applied to user choice allocations to non TAFE training providers where this would otherwise compromise the viability of training delivery for industry. As well, the adoption of co-investment strategies between government, industry, registered training organisations and clusters of employers could also help alleviate pressures on current training infrastructure.

Worker Training Representatives

Introduction

113. Vocational training and skills development are one of the most important issues for Australian workers today. Acquiring and recognising skills is a prerequisite in today's labour market to secure a job or to be promoted at work. Vocational training and skills are also about improving job security for all workers in an increasingly insecure labour market.
114. Within this context, major structural changes in the labour market, accompanied by rapid advancement in new technologies and new and

emerging forms of work, have given rise to increasing demands of industry for improved and new skills of the workforce.

115. At the same time, skill shortages continue to plague trades, professional occupations and some service sector jobs. The availability of qualified labour is now regarded as one of the most serious constraints to business. Yet, in 2003, only one in ten private sector employers are delivering structured industry training leading toward a national qualification and less than one quarter of employers are providing training through traineeships or apprenticeships.
116. Further pressures are also being placed on the training system with Australia's rapidly ageing population. At least half of all Australians will be aged 45 years and over by 2010, and with a shrinking labour market, it will be more imperative for government and industry to improve the skills of all workers.
117. However, rather than tackle the issue of improving our training rate and replenishing our skills base, many employers are responding by attempting to undermine existing trade and professional training, seeking to downgrade and fragment qualifications needed to perform skilled work. This is something unions and workers need to fight against.
118. Taking into account that training time for most entry level trade and professional occupations ranges on average between four to seven years, it is clear that now is the time to take action and for unions to take control of the agenda.
119. Unions therefore need to adopt more pro-active policies to improve the quality of training and drive the uptake of structured industry training.
120. To do this, the ACTU and its constituents will need to work more closely with state and territory governments in particular, who are responsible for implementing the vocational training system across Australia. Unions will also need to start negotiating skills development and training needs at both an industry and workplace level.

The need to skill the existing workforce

121. To date, limited attention has been given to training programs that recognise competencies or prior learning, or that provide skilling opportunities for existing workers.
122. Where employers have been providing training, it has been largely through traineeships and apprenticeships, which is not always a suitable training mechanism for the vast majority of the existing workforce. At the same time however, many existing workers have been forced onto training contracts as the only available and funded

mechanism to gain recognition of their skills. In the process their industrial rights are being undermined and eroded.

123. Unions need to look at new ways to increase employees access to industry based training and to put skills and career paths back onto the industrial agenda. Unions need to make sure they are directly negotiating industry training needs in each workplace.
124. Unions also need to make sure their awards and agreements are restructured so that workers are appropriately rewarded for their skills and qualifications.

The UK experience

125. In the United Kingdom, unions have been successful with negotiating increased training opportunities in the workplace through support for and development for a Union Learning Representatives program.
126. In the past four years, the Trade Union Congress has trained over 4,500 workplace representatives to encourage co-workers to access skills development initiatives and to negotiate specific training outcomes for their workplace.
127. UK unions report the program has proved extremely successful in increasing access of members to training. Union profile and interest in these issues has also grown and because of this, grass-root networks established under the scheme have proved a valuable organising resource.

Building on our strengths

128. Australia is in an even better position than many UK unions. In the past decade, Australian unions have invested significant time and resources in establishing and supporting the national training framework.
129. National training packages now cover 85% of the workforce, giving a wider range of workers the opportunity to have their skills recognised and improved through access to national and portable industry based qualifications.
130. It is now time for unions to use this system to ensure the maximum benefit for our members.
131. A renewed and reinvigorated program of worker training representatives supported by unions will help promote and achieve increased training outcomes at the workplace level.
132. The program is a logical step to the implementation of the national training agenda with vocational training plans in place at the

workplace level, based on the achievement of industry competencies leading to national qualifications.

133. Unions need to put these and other training issues on the bargaining table and take back control of the training agenda.