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Apprenticeship reforms are long overdue and must be acted on to provide a skilled labour force

Major reforms are needed to Australia's apprenticeship system to meet the future skills needs of the Australian economy and its workforce, say unions.

The ACTU has welcomed the final report released today of the expert panel review of the apprenticeship system and backs its recommendations to address skill and retention concerns.

However, ACTU President Ged Kearney urged the Government not to immediately rule out any recommendations, including that of an Employer Contribution Scheme.

Ms Kearney said apprenticeships had always been a major source of skilled labour for the economy and of meaningful and sustainable jobs, but reform was needed to make apprenticeships more responsive to the needs of industry, and to lift the low rate of completions.

"The apprenticeship system has a crucial role in the Australian labour market," Ms Kearney said.

"Without an effective apprenticeship system, Australia would be placed in an unsustainable situation of reliance on skilled migration. With the resources boom again putting pressure on the supply of skilled labour, we have to make sure the apprenticeship system is up to scratch so forecasts such as a shortfall of 36,000 tradespeople in the resources sector can be overcome.

"Apprentices and trainees represent a significant number of Australians with approximately 425,000 students currently engaged in vocational training as an apprentice or trainee.

"This work-based model of training is fundamental to the skills development of over 1.2 million people employed in technical and trade occupations. But it is unacceptable that less than half of the people who begin an apprenticeship complete their training and qualify with a trade."

The report identifies a critically low retention and completion rate which places further pressure on trade industries already experiencing a skills shortage.

"A first year apprentice can earn as little as \$300 a week, making it easy to see why the scheme is experiencing poor retention and completion rates.

"Considering the change in the average age of an apprentice over the last decade, it would be very difficult for an apprentice to support himself not to mention his family on this wage. Unions have been calling for a broad review of apprenticeship wages for some time now and we're glad that the report recommends that FWA undertake this review."

The report also recommends that the responsibility of training apprentices should be shared between the government and industries.

"The establishment of an Employer Contribution Scheme will encourage industry to train future workers by pooling funds from all organisations in certain industries and providing a rebate for those organisations that take on apprentices and provide them with quality on-the-job training.

"Recommendations to redirect funding towards structured support services for employers and their apprentices are also important. Research shows the value of these services, like mentoring and pastoral care, in improving the quality of training and lifting completion rates."

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