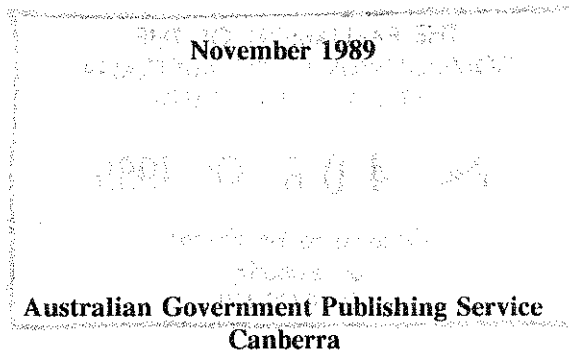


**The Parliament of the Commonwealth of Australia**

# **WORK IN PROGRESS**

## **Award Restructuring and Industry Training**

**Report of the House of Representatives  
Standing Committee on Employment, Education and Training**



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## MEMBERSHIP OF THE COMMITTEE

The House of Representatives Standing Committee on Employment, Education and Training was established by sessional order on 24 September 1987.

Chairman	Mr John Brumby, MP
Deputy Chairman	Dr Bob Woods, MP
Members	Mr Bruce Cowan, MP Ms Wendy Fatin, MP Mr George Gear, MP Mrs Carolyn Jakobsen, MP Mr Gary Johns, MP Mr Chris Miles, MP <sup>1</sup> Mr Roger Price, MP Mr Geoff Prosser, MP Hon Ian Robinson, MP Mr Rod Sawford, MP <sup>2</sup>
Secretary to the Committee	Ms Lindy Smith
Adviser to the Committee	Mr Rod Pickette
Inquiry Staff	Ms Anne Cronin Miss Laura Gillies Ms Helen Reid

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<sup>1</sup> Mr Chris Miles, MP replaced Mrs Kathy Sullivan, MP from 5 October 1989. Mrs Sullivan was the Deputy Chairman of the Committee.

<sup>2</sup> Mr Rod Sawford, MP replaced Mr Ross Free, MP from 24 May 1989.



## **TERMS OF REFERENCE OF THE INQUIRY**

Within the broad context of industry training and award restructuring, examine

- workforce flexibility (broadbanding and multiskilling)
- the development of career paths
- the provision of appropriate, structured post-entry level training
- implications for apprenticeships, traineeships and for educational institutions (schools and TAFE) in terms of curriculum, delivery, competency testing etc.

The Committee was asked to look at one or more industries and examine the success or otherwise with which these issues are being addressed. The vehicle manufacturing, tourism, and textile, clothing and footwear industries were selected.



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# ABBREVIATIONS

TAFE	Technical and Further Education
TCF	Textile, Clothing and Footwear



## PREFACE

Perhaps more than any other issue, award restructuring illustrates the domestic and international challenges facing Australia in the final decade of this century. The success with which we meet these challenges and take the opportunity award restructuring offers to make our whole workforce more innovative, more highly skilled and more appropriately rewarded will to a large degree determine the future shape of Australian industry and Australian society.

The process of reform demands the commitment and involvement of people in both the public and private sectors, at all levels — involving as it does a fundamental reorientation of not only our labour market, but also our education and training schemes.

If award restructuring is to be successful, then those directly involved must have a full understanding of its rationale, the general process involved and its detailed application in the workplace. In other words, they must be kept informed, consulted and encouraged to fully participate in the process.

Award restructuring is an innovation which must not be confined only to the larger centres and larger employers; indeed its spread throughout the entire workforce is essential.

The needs of particular groups whose productive capacities are inhibited by inflexibilities in current working, training and skill recognition arrangements must be addressed as part of the process.

Major reforms must be made in our training systems, in order to support the changed organisation of labour. The Technical and Further Education and higher education systems will be a vital element of the strategy to increase the quantity, relevance and articulation of training. But they cannot act alone; the private sector must also play its part by improving the quality of, and access by employees to, training opportunities.

The Committee is grateful for the assistance provided to it by the individuals and organisations who hosted inspections, participated in discussions and which made submissions. The Committee is especially gratified by the involvement of managers and staff of both large and small establishments and appreciates their generous and frank contribution.

The Committee sees this participation as evidence of the commitment in the Australian community to continue to make progress in work reform. The Committee is optimistic that with the implementation of its eight recommendations, the process will be expedited and further improvements in the way work is organised will be realised.



## **SECTION 1: STRATEGIES FOR PROGRESS**

1.1 There is general agreement that Australia's manufacturing and service industries need to become more competitive internationally, if we are to increase exports and improve our standard of living.

1.2 The strategy developed by government to achieve this goal has three main components:

- macro economic policies designed to improve Australia's trading position;
- long term industry plans, such as those which apply in the textile, clothing and footwear and motor vehicle industries; and
- micro economic measures to encourage efficiency and productivity at the workplace level.

1.3 Award restructuring is a vital element of micro economic reform and also a necessary part of the longer term restructuring of manufacturing. It is a vehicle for many measures being implemented in the labour, education and training areas. These measures are designed to improve labour productivity by making the Australian workforce more innovative and more receptive to, and able to take advantage of, changing technology, work practices and work organisation. In practical terms, award restructuring aims to reduce the number of awards and job classifications, boost skill levels and link skills and career paths more closely as an incentive for workers to continue to participate in skill formation.

1.4 Part of the impetus for change is technology. The world economy is proceeding through a 'fourth phase' of rapid technological change characterised by the computerisation of virtually all facets of human endeavour. The range of applications to which computer technology is being adapted is fundamentally altering the nature of work, the work environment and the characteristics of the workforce. The continuing revolution in technology requires a more highly skilled workforce and a sophisticated workplace in which there is greater interaction of functions and work processes. Award restructuring can overcome fragmentation of tasks and improve the flow of information, thereby capitalising on the productive improvements offered by technological change.

1.5 Training and education are other important elements of the labour market reform strategy. Major changes have occurred in Australia's education and training arrangements in recent years in the higher education and training sectors and, to a lesser extent, in the school sector. All of these changes are designed to improve the quality of education and training experiences and to make opportunities more widely available. The changes also recognise the substantial investment already made in this area, and seek to ensure that this is used to maximum advantage.

1.6 The process of micro economic reform of course does not only emanate from government policy. The Industrial Relations Commission, for instance, is directly encouraging changes in work practices and organisation through the wage fixing system, in particular through the structural efficiency principle which has replaced movements in the Consumer Price Index as the main basis for wage adjustment.

1.7 In this way micro economic reform is being effected by a combination of the mechanisms of wage fixation, specific industry plans and improvements in the national training effort.

## **SECTION 2: THE INQUIRY**

2.1 The Committee was asked by the Minister for Employment, Education and Training to look at one or more industries to examine the success with which award restructuring issues, and particularly industry training issues, are being addressed. The Committee chose to look at three industries — vehicle building; tourism; and textiles, clothing and footwear (TCF).

2.2 These industries were chosen because of their widely differing characteristics and because of the opportunities they presented to examine a range of responses to the pressures for change.

2.3 It became apparent at a very early stage of the inquiry that there are wide differences in the rate of progress in award restructuring and workforce training, not only between industries but within them as well. In the TCF industry, a broad-banded structure to replace the multiplicity of separate classifications and to introduce new job specifications is being tested. The motor vehicle building industry is well advanced in reassessing work classifications, career paths and industry training requirements. The tourism industry differs markedly from sector to sector. Most progress in that industry has occurred in the hospitality sector; the travel and transport sectors are less advanced.

2.4 In conducting the inquiry, the Committee has placed primary emphasis on consultations with the employers and employee representatives in each industry. The Committee was especially grateful to have visited over a dozen operating establishments and to have followed these visits with brief questionnaires to obtain operational material on a consistent basis. Appendix A of this report outlines further details of the conduct of the inquiry, including the establishments visited. The information and impressions gained from the industries during these visits and discussions were complemented by 21 written submissions, the majority of which came from government and semi-government bodies. Appendix B lists the submissions received by the Committee.

2.5 One of the clearest lessons learnt from the visits, discussions and submissions is that the process of change in work organisation and training will not be completed in the short term, or even perhaps the medium term.

2.6 There is an enormous amount of material already available on the objectives, rationale for, and training implications of, award restructuring. Much less has been written about the process or the achievements of award restructuring. One could not expect otherwise at this early stage of implementation.

2.7 Accordingly, the Committee has not attempted to reproduce or paraphrase other reports. Rather, by presenting essentially only its findings and conclusions in key areas, the Committee hopes to contribute to the process of award restructuring in a timely and succinct way.

## **SECTION 3: AWARD RESTRUCTURING**

### **Understanding and Awareness**

3.1 The institutional arrangements and related procedures for award restructuring have been established in broad form in the Industrial Relations Commission decisions since August 1988. Framework agreements have been established in all of the industries selected for study by the Committee although these agreements do not necessarily cover all parts of those industries. The agreements identify the key issues for consideration and the parameters for negotiations.

3.2 The Committee found management and union representatives with whom it met to be apprehensive about the task of translating the general agreements reached at peak level into practical details at the enterprise level. While the broad intent of the framework agreements were often clear enough, the level of understanding about award restructuring, and the degree of commitment to it, appeared to decline the further removed the participants were from the peak level negotiations. In general, the level of awareness also declined the smaller the firm and the further it was from the capital cities.

3.3 The Committee is aware of the Workplace Reform Program which is designed to facilitate the change process at the enterprise level through the provision of advice and support services and the sponsorship of pilot projects and training programs. However, more needs to be done. A union delegate in a clothing factory in provincial Victoria complained, for example, that the information received and proposals put forward for the industry kept changing without explanation. In contrast, a tourist operator in Northern Queensland knew of award restructuring only by what had appeared in the local papers.

3.4 While confusion and frustration is understandable, it is not desirable. If award restructuring is to meet its objectives at the enterprise level, the people most affected — the employees and the enterprise managers — must understand what it is they are seeking to achieve and precisely what their respective roles will be in the process. At least they should be kept informed of the National Wage Case decisions which have a bearing on their activities.

3.5 The motor vehicle industry has been able to achieve substantial progress in award restructuring and training because of the commitment and enthusiasm of the peak groups and supporting committees and the relatively concentrated nature of the industry. Yet, even in this industry, awareness is not uniformly high:

Anecdotal evidence based on comments of union and company officials, recent workplace interviews and recent disputation in the industry suggests there is significant room for increased awareness of award restructuring in the workplace and at the enterprise level <sup>1</sup>.

3.6 The Committee concurs with these views and believes that increased awareness and understanding of both the short and longer term benefits of award restructuring are essential preconditions to achieving significant workplace reform across all industry sectors.

### **Process and Outcomes**

3.7 There is ongoing change in production methods in most industrial or commercial organisations as a result of the introduction of new technology or changes in customer tastes. Given that change is endemic and to some extent disruptive, and given the momentous changes ahead for all workers, the Committee is concerned about the apparent lack of formal consultative arrangements for award restructuring in the majority of the enterprises it visited. While the framework agreements applying make specific reference to the establishment of consultative arrangements, these commitments have not yet been matched in practice at the grass roots level.

3.8 Effective consultation is vital if the goals of award restructuring are to be achieved. The process of introducing change will have an important bearing on the changes made and the Committee believes that the Industrial Relations Commission should try to facilitate the consultative process. The Commission could ask employer or union parties involved in proceedings pursuant to the structural efficiency principle to identify the consultative arrangements in place in the industry as a way of determining whether agreements put forward for ratification have a good chance of dispute-free implementation.

3.9 To further bolster the incentives to undertake consultation, government agencies which are assisting the parties in award restructuring should make financial support at least partially conditional on a consultative arrangements plan being adopted by the particular industry, sector or project.

3.10 While the process of consultation on award restructuring is being encouraged by projects such as the Workplace Reform Program, the Committee is concerned that adequate support be given to the implementation stage of workplace reforms at the enterprise level.

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<sup>1</sup> Department of Industrial Relations, *Submission*, p.19.



## Equal Participation

3.11 One of the most striking features of employment in the three industries studied is the division of labour by sex. In the vehicle manufacturing enterprises, for example, women are congregated in the seat and upholstery manufacturing departments, primarily as machinists. This is despite the fact that both of the manufacturers visited have equal employment opportunity policies. In the TCF industry, where women are numerically dominant, they tend to be congregated far more in process or clerical jobs than the trades or management jobs.

3.12 The factors which have brought about this situation include lack of skill recognition, sex biases in the apprenticeship system, the poor development of career paths for women and lack of leave for training in the sorts of industries in which women have traditionally worked.

3.13 Award restructuring, even when not directly targeting women, can help present new work and career options provided there is appropriate regard to the way in which skills are defined and recognised. In the whole process of award restructuring, it is necessary to bear in mind the systemic arrangements which have led to the underutilisation of a significant part of the labour force.

3.14 A comprehensive approach must be taken to address the barriers which have blocked women's open and equal access to employment. The booklet, *Guidelines on Women and Award Restructuring*,<sup>2</sup> released in November 1989 by the Minister for Employment, Education and Training, provides useful suggestions to assist industry representatives concerned with the position of women in the process of award restructuring and their position at a particular workplace.

3.15 While award restructuring may reduce gender segregation through the development of career paths, it is not a foregone conclusion. There should be stronger commitment to providing supportive measures in the industrial environment, such as employing women's organisers or women's officers in unions; involving women in enterprise-based committees, in the skill auditing process and in training positions; and appointing more women as trades teachers in Technical and Further Education (TAFE) colleges.

3.16 It is necessary also that awards acknowledge the dual role of employees and parents. Child care is a major concern for many employees, and must be addressed if firms are to attract and retain mature age workers now that, in many cases, demographic trends have made young workers less readily available. The Committee supports initiatives such as those taken overseas which have successfully used family packages of wages and conditions, including child care support and flexible hours, to attract a stable and productive workforce.

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<sup>2</sup> National Board of Employment, Education and Training, *Guidelines on Women and Award Restructuring*, Report by the Employment and Skills Formation Council, AGPS, Canberra, 1989.

## Industry and Enterprise Bargaining

3.17 An industry-wide award restructuring strategy relies on the consistency and order derived from a nationally negotiated framework agreement. Enterprise bargaining, on the other hand, is based on the expressed priorities of the enterprise's workers and management and the bargains struck may differ from others in the same industry, and even in the same region.

3.18 The centralised system of wage fixation underlying the industry bargaining approach seeks to use an orderly path to labour market deregulation, national awards and established relativities, procedures and guidelines. The enterprise bargaining approach allows the market to play a more significant role in shaping both the process and the outcomes.

3.19 The Committee found that with some exceptions a market-oriented, enterprise-bargaining approach was not generally favoured by employers. Those who supported the use of a broad industry framework in bargaining, for example operators in different parts of the vehicle industry, nonetheless stressed their desire to press quickly forward with labour market reforms in their own enterprises to maintain and improve their labour productivity. The Committee was interested to learn, for example, of the profit sharing scheme being operated at one firm to encourage labour stability. The Committee commends such innovations.

3.20 It appears that the number of unions involved in the workplace is an important influence on whether employers are able to negotiate enterprise level changes, even in an industry-wide framework. The number of separate unions represented on site and the number of work classifications are often major concerns in tourism. One operator of a large tourist attraction which the Committee visited explained that he had to deal with 15 unions, numerous awards and a multiplicity of classifications. He went on to say that his company favoured an enterprise agreement because this made administration much more simple.

3.21 While the Committee accepts the need for conditions at the enterprise level to be appropriate to the firm's needs, it is also necessary to integrate relationships between key classifications in major awards as the foundation for vertical and horizontal career paths. A narrow enterprise-based focus could inhibit the development of an adaptable and mobile workforce which is able to transfer recognised skills from firm to firm and perhaps industry to industry.

3.22 The Committee notes that certified agreements provisions of the *Industrial Relations Act 1988* allow for enterprise-specific arrangements within the broad framework of industry bargaining. While the Committee acknowledges that there are differing industry and political views about the future shape of labour market reform, it believes that, within the current system, the provisions are a useful mechanism for implementing change at the enterprise level.

## **SECTION 4: TRAINING IMPLICATIONS**

4.1 A new awareness has emerged of the value of training in a market economy. Firms and governments have realised that: it is necessary to develop the inherent capacities of the workforce; our economy should place greater emphasis on the production and supply of high value added goods and services; and, in order to translate production into sales, it is necessary to compete not only on the basis of product price, but also on the basis of the product quality and reliability of supply. Efforts to link wages policy and skill formation and to improve the training system are addressing these competitive priorities. Award restructuring is the mechanism to forge these links.

### **Skills Formation and Career Paths**

4.2 The Committee supports the view that training should be broadly based. Training should provide not only technical skills and knowledge but also social and work skills, occupational health and safety skills, and cognitive and problem solving skills. These are the basic skills which allow workers to be more adaptable and mobile. Such basic training could apply across a range of related occupations and could be complemented by modules which address the specific skill requirements of the job. The representatives of a vehicle manufacturing firm the Committee visited supported this approach as a way of reducing the wasteful segmentation and associated replication of training schemes. They were also most supportive of a modular approach as a way of reducing the barriers to worker mobility.

4.3 Moves towards more broadly based and transportable training and skills raise questions about traditional divisions between occupations. Creating career paths similarly can undermine established boundaries.

4.4 A career path enables the worker to progress vertically through higher skill levels after undertaking training, and/or to progress horizontally within a skill to be able to undertake a wider range of duties at that level. The opportunity for workers to advance along a career path through the acquisition of skills is one of the most important incentives for obtaining workforce and trade union commitment to award restructuring and training reform.

4.5 The classification structures in the three industries studied do little to provide career paths at present and there is much work to be done. For example, at present a production worker in the vehicle building industry could not enter a trade without starting afresh. Similar barriers inhibit the experienced gardener becoming a qualified greenkeeper. If employees are to be able to embark on career paths, there must be appropriate training and skill formation opportunities and classification structures.

## Skill Recognition

4.6 The Committee identified two priorities for action in the area of skill recognition:

- accreditation of informal training acquired either on or off-the-job; and
- the development of nationally consistent standards for accreditation and recognition.

4.7 Informal, on-the-job training is provided in each of the three industries considered. The Committee found, especially in the tourism industry, that most is enterprise specific and therefore not readily transferable. One operator in the *hospitality sector*, for instance, stated that he pays virtually no attention to the level of formal or informal training undertaken by candidates when considering them for employment. He places overriding importance on their attitudes and then sets about giving them the training and experience they need for his establishment.

4.8 Informal training covering health and safety issues, industrial rights, company policy or product promotion training has a place in employee training. Such courses add to the skill, knowledge and employability of the worker. It is only appropriate that this be recognised.

4.9 The Committee was impressed with Ford Australia's work with Broadmeadows and Gordon TAFE colleges on the development of a methodology to recognise skills acquired formally from study in the TAFE systems, and informally through life experience and work experience. This effort will set the groundwork for other firms and other industries to recognise, in a consistent, structured way, skills acquired in a range of settings.

4.10 One comparatively recent addition to the formal training system, the Australian Traineeship System, received mixed reviews in the industries studied. One of the strongest criticisms made by members of the hospitality sector and the clothing industry is that the scheme teaches a wide range of skills superficially when enterprises prefer a much greater degree of specialist or intensive skill development. Several hospitality operators also complained that frequently trainees want to progress almost immediately to management areas of the industry because they consider their overview of the industry during the traineeship to be adequate. Those operators attributed this attitude partly to the ethos of the scheme itself.

4.11 A manager of a resort in South Australia suggested that many functions in the hospitality industry, such as working on the front desk, require considerable personal skills and maturity. The fact that mature people are excluded from participation in the scheme under its age provisions appears to ignore industry requirements.

4.12 In support of the scheme on the other hand, a union representative in the TCF industry explained that the traineeships provided young workers with a good overall appreciation of the types of work and opportunities available in their industry, and gave them an opportunity to try several types of functions.

4.13 There are a number of steps which should be taken to structure training and skill development and skill recognition. These were outlined in the recent report of the Employment and Skills Formation Council entitled *Industry Training in Australia : The Need for Change*<sup>3</sup>.

4.14 The Committee considers that the structure outlined in that report is appropriate. It involves:

- national standards for competencies from which industry training programs can be developed;
- a core curriculum using industry-established skill standards, supplemented by additional training modules as necessary for the particular firm;
- accreditation of courses by independent bodies in the States;
- national registration of accredited courses;
- award of certificates to those who have successfully completed training programs; and
- credit transfer between training and education institutions on the basis of formal or informal skills acquired or courses completed.

### **Competency Based Training**

4.15 The Committee found widespread union and employer support not only for more training, but also for stronger emphasis on the quality of training. A management representative of a large and diversified tourist complex summarised the training need in the hospitality sector as 'high and even'. Competency based training is one means of contributing to the achievement of the twin goals of providing more training which is also of better quality.

4.16 Vocational training can be delivered more effectively if completion is based on the trainee's competence or standard of skills acquired. Traditionally, vocational training has been delivered on a time served basis. The competency based approach places stronger emphasis on attaining the required standard of competency within a more flexible time period. It may be possible to reduce the training period for some employees while making the purpose of the training — the enhancement of skills and proficiency — explicit.

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<sup>3</sup> National Board of Employment, Education and Training, *Industry Training in Australia : The Need for Change*, Interim Report by the Employment and Skills Formation Council, AGPS, Canberra 1989 pp.33-38.

4.17 The Committee strongly supports this shift in approach.

### **Group Training**

4.18 Group training schemes rotate trainees through a range of placements with different employers in the relevant industry. This rotation is done in a structured way taking into account the needs of the employer and the trainee. The scheme expands the opportunities among establishments which are perhaps too small or specialised to take a trainee for the whole traineeship or apprenticeship period.

4.19 The concept of group training is a good one. It is also operating well — particularly for tourism operators in the Whitsunday region of Queensland who have been involved in the Mackay Regional Group Scheme.

### **Multiskilling**

4.20 The Committee sees the implementation of multiskilling as one of the most difficult reform tasks. It is an issue which impinges on the trade/non-trade boundary between employees. It also raises the concern that to depart from specialisation will reduce output.

4.21 There was only limited multiskilling in the manufacturing establishments visited. In the future, production workers in parts of the vehicle manufacturing industry may be able to undertake tasks such as welding which are traditionally performed by a metal tradesperson. Multiskilling was more prevalent in the smaller tourist establishments.

4.22 The Committee appreciates the concerns of manufacturers who fear that production will fall if work is organised around a range of tasks rather than a very limited number of operations, as is currently the case in much of the TCF industry. The payments-by-results system in many textile and clothing plants makes employees less willing to take measures which will reduce their output (and pay). However, other factors such as job satisfaction and reduced absenteeism may offset the immediate costs associated with the redefinition of tasks. A shoe manufacturing company found that the introduction of a production circle incorporating a range of tasks for a small team of workers resulted in better quality shoes. There was also an improved work attitude by those employees. They were more frequently on time, absent less often, and required little supervision on the job.

4.23 Absenteeism and labour turnover have significant implications for the training effort. Absenteeism in the motor vehicle plants the Committee visited averaged 20% per day for production line workers. Labour turnover was also high in each industry. In clothing it was 15-40% per annum and approximately 94% in one tourism complex. While the returns to the business from training an employee cease when the person leaves or are disrupted when the person is absent from the job, many employers were convinced that training would help to reduce absenteeism and labour turnover by making the worker more committed to the organisation and its objectives.

## Training Wage and Paid Training Leave

4.24 The Committee supports the recent agreement by Commonwealth and State Ministers for Labour on the introduction of youth and training wages. The Committee agrees that suitable provision should be made in this process for transition arrangements, particularly to support unskilled young workers.

4.25 The Committee believes that, by and large, there are adequate measures to support the development, introduction and implementation of structured entry level training.

4.26 There is, however, an ongoing need for sound careers advice for people contemplating entry into an industry. The Committee reiterates the comments it made in its reports<sup>4</sup> tabled earlier this year on the need for students to be well informed about their career and work choices. Being well informed about career options presupposes good links between school and industry and in this respect the Industry Training Councils have a role to play in the development of career advice materials for schools.

4.27 An important influence on participation in post-entry level training is access to paid training leave. Careful consideration will have to be given to the costs, equity and management of paid training leave if skill development policies are to be effective.

## TAFE

4.28 The TAFE systems will be the key providers of training as the goals of award restructuring are translated into action. There has been, and will continue to be, increased demand for their services and pressure on their resources.

4.29 Industry attitudes to the performance of TAFE colleges varied, but a frequent comment both from employers and TAFE representatives was the apparent lack of course co-ordination within and between TAFE systems. This has led to inconsistencies in the curricula, entry requirements and functional objectives of equivalent courses.

4.30 In the environment emerging, TAFE colleges cannot meet the extra demands for training unless their access to resources is significantly improved. One suggestion made to the Committee was that TAFE systems should reconsider the balance between vocational and non vocational subjects. They should not replicate the general subjects offered in schools, for example.

4.31 The prime issue for TAFE systems is the level of funding support forthcoming from governments and industry. While it is generally anticipated that industry will contribute more, there is concern that governments have not clearly signalled their intention in this regard. Governments are not moving quickly enough to clarify the financial arrangements which will apply.

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<sup>4</sup> House of Representatives Standing Committee on Employment, Education and Training, *An Apple for the Teacher?*, AGPS, Canberra, 1989 and *The Restless Years*, AGPS, Canberra, 1989.

## SECTION 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 The Committee believes that award restructuring and the associated changes to training have the potential to significantly improve the way in which Australian industry operates and the nature of employment within it.

5.2 While the process is only in its early days so far, certain patterns are becoming apparent. The Committee's industry visits and discussions with people in management, on the shop floor and with people involved in training, have presented valuable opportunities to gain a practical appreciation of the progress being made and the issues which are emerging.

5.3 Much work is being done, and by and large there is an admirable degree of co-operation being exercised. However, the process of adjustment could be facilitated and the costs reduced if further specific measures to improve consultation and co-ordination between the parties were implemented. The Committee recommends that:

1. When the Industrial Relations Commission reviews progress of the structural efficiency principle and minimum rates adjustment exercises in May 1990, it request the parties to identify and evaluate the consultative arrangements they have put in place as part of the award restructuring process. (Paragraph 3.8)
2. Provision of assistance by Commonwealth Departments for award restructuring be contingent upon the beneficiary agreeing to develop and implement a plan for appropriate union/employer consultation. (Paragraph 3.9)
3. The Workplace Reform Program administered by the Department of Industrial Relations further support the implementation phase of the award restructuring process in enterprises. (Paragraph 3.10)
4. The Office of the Industrial Registrar provide employers and unions with regularly updated booklets containing concise summaries of National Wage Case decisions for distribution to management and employees at the enterprise level. (Paragraph 3.4)
5. The upper age limit on commencement of traineeships under the Australian Traineeship System be removed and the guidelines permit training arrangements to be structured more closely to industry requirements. (Paragraphs 4.10 and 4.11)
6. State and Territory training authorities adopt the skill recognition structure proposed by the Employment and Skills Formation Council of the National Board of Employment, Education and Training. (Paragraphs 4.13 and 4.14)



7. The Department of Industrial Relations immediately commence a comparative study of labour turnover and absenteeism in selected industries to determine the impact of award variations pursuant to the structural efficiency principle. (Paragraphs 4.22 and 4.23)
8. The Department of Industrial Relations, in consultation with the Department of Employment, Education and Training, develop a package of principles for paid training leave to assist the industry partners in award restructuring negotiations. These principles should ensure that employees who seek to undertake post-entry level training to advance their careers and enhance their skills are treated equitably. (Paragraph 4.27)

**JOHN BRUMBY**

*Chairman*

30 November 1989



## **APPENDIX A**

### **Conduct of the Inquiry**

On 28 September 1988 the Committee was asked by the Minister for Employment, Education and Training, the Hon J S Dawkins, MP, to conduct an inquiry into industry training and award restructuring. The terms of reference appear at the front of the report.

The Committee was asked to look at one or more industries and examine the success with which these issues are being addressed and it selected the vehicle manufacturing, tourism, and textile, clothing and footwear industries.

The Committee wrote to Commonwealth Ministers, State Premiers and a wide range of organisations connected with the three nominated industries inviting them to make written submissions. Twenty-one submissions were received, as listed at Appendix B.

In addition, to help provide the Committee with an overview of award restructuring and training developments, representatives of government, major employer, union and training bodies connected with the three industries briefed the Committee between March and May 1989.

The Committee decided that the most effective method of examining the issues which were raised in the submissions and at the briefings was to undertake a series of industry inspections. Such inspections enabled the Committee to obtain first hand information from company representatives and their employees about award restructuring and training issues but moreover allowed the Committee to understand the working environment in which these issues are being developed and applied.

Altogether the Committee visited 16 establishments in the three industries in three States during June, July and August 1989. A number of the establishments contained a range of separate operations such as retail outlets, tour operators and restaurants, each of which was consulted individually. The Committee also sent a questionnaire to those establishments to gain more detailed information on their industrial and labour force characteristics. Nine establishments responded with information. In addition, the Committee met with representatives from industry training bodies and technical and further education colleges.

The program of briefings and inspections is shown below.

- 8 March 1989 Department of Industrial Relations
- 10 May 1989 Textile, Clothing and Footwear Council of Australia  
Textile, Clothing and Footwear Unions Federation
- 24 May 1989 Vehicle Builders Employees' Federation  
Australian Council of Trade Unions  
General Motors-Holden's Automotive Limited  
Ford Motor Company of Australia Limited
- 31 May 1989 Federated Liquor and Allied Industries Employees Union  
Australian Council of Trade Unions  
Tourism Training Australia
- 26 June 1989 Flair Men's Wear Pty Ltd  
Bradmill Textiles Limited  
Windsor Smith Shoes Pty Ltd
- 27 June 1989 Ford Motor Company of Australia Limited  
Flexdrive Industries Ltd  
Hilton Hosiery Company
- 28 June 1989 Crestknit Aywon
- 18 July 1989 Mitsubishi Motors Australia Ltd  
Slatters Pty Ltd  
Barossa Junction Resort  
Tourism operators and training practitioners
- 19 July 1989 Barossa Motor Lodge and representatives of motel chains
- 2 August 1989 Hyatt Regency — Sanctuary Cove Resort  
Dreamworld Productions Pty Limited  
Sheraton Brisbane
- 3 August 1989 Hamilton Island Resort
- 4 August 1989 Hamilton Island Cruises

## **APPENDIX B**

### **Submissions Received**

ACT Institute of Technical and Further Education

Australian Chamber of Manufactures

Australian Hotels Association

Australian Tourism Industry Association Ltd

Commonwealth Department of the Arts, Sport, the Environment,  
Tourism and Territories

Commonwealth Department of Employment, Education and Training

Commonwealth Department of Industrial Relations

Commonwealth Department of Industry, Technology and Commerce

Federated Liquor and Allied Industries Employees Union of Australia

Minister for Immigration, Local Government and Ethnic Affairs

National Union of Workers

New South Wales Department of Technical and Further Education

New South Wales Government

Northern Territory Government

Restaurant and Catering Association of Victoria

South Australian Government

Tasmanian Government

Vehicle Builders Employees' Federation of Australia

Victorian Government

Western Australian Government

Women's Employment, Education and Training Advisory Group

