

**SENATE EMPLOYMENT,  
WORKPLACE RELATIONS  
AND EDUCATION  
REFERENCES COMMITTEE  
INQUIRY INTO  
CURRENT AND FUTURE  
SKILLS NEEDS**

**SUBMISSION BY**

***SHOP DISTRIBUTIVE & ALLIED EMPLOYEES'  
ASSOCIATION***

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The Shop, Distributive & Allied Employees' Association is Australia's largest, single trade union with over 200,000 members working in industry areas such as retailing, wholesaling, warehousing, hairdressing, beauty, modelling and associated trades.

The primary responsibility of any Australian government is to secure the well-being of the nation's citizens by ensuring that all families, and the members thereof, can live decently with dignity.

At the same time all individuals have the right to be able to develop their potentialities and aspirations to the full. Government has a role to play in this regard.

The surest safeguard against poverty is for an individual to have a job. Employment provides people with the capacity to be able to live decently with dignity and to develop their skills and knowledge.

The more secure and the better paid that the job is, the more this is the case.

Education and training are increasingly becoming pivotal factors in whether individuals can obtain, hold and advance in employment.

Government has a role to play in ensuring that Australia's educational and training systems are structured and funded in a way that will allow access and outcomes for individuals in line with their reasonable desires.

As such our educational and training systems should be seen as instruments of social policy, as tools for social development.

At the same time our educational and training institutions can also play a key role in developing the knowledge and skills base of the nation so as to

meet the needs of employers to have a workforce which can maximize productivity.

There must however be a balance maintained between the social and economic imperatives, between the needs of individuals and employers.

The issue of skill needs must be seen as a long term as well as a short term issue. In order to determine skill needs on a long term basis assessments must be made as to the long term capacity of an industry to grow and to provide employment. **Skill development cannot be separated from or seen in isolation to industry or labour force policy.**

**The WRAPS industries (i.e. retail, wholesale, hairdressing and beauty) employ almost one quarter of the workforce.**

The retail trade is the largest employing industry with 1,399,800 persons employed in November 2001, accounting for 15.2 per cent of total employment (ABS, Labour Force Survey).

The Retail industry is the largest employer of teenagers, accounting for 50.3 per cent of employment of those aged 15 to 19 years in November 2001. The next largest employer of teenagers is the Accommodation, Cafes and Restaurants industry, with 11.2 per cent of teenage employment (ABS, Labour Force Survey).

By comparison, teenagers comprise 7.2 per cent of total employment (all industries).

Those aged 25 to 34 make up the second largest age group in the Retail industry, accounting for 20.3 per cent of employment.

The employment share that 20 to 24 year olds represent of the Retail industry is greater than their share of total employment

Three industry sectors accounted for more than half (52.3 per cent) of Retail industry employment in August 2000. These industry sectors are

Specialised Food Retailing, Supermarket and Grocery Stores, and Motor Vehicle Services.

Specialised Food Retailing accounts for 21.4 per cent of Retail industry employment and encompasses retailing of meat, fish, poultry, fruit, vegetables, liquor, non-alcoholic drinks, bread, cakes, confectionery and takeaway food, milk vending and tobacco products retailing.

Supermarkets and Grocery Stores represent 16.7 per cent of Retail industry employment.

Motor Vehicle Services accounted for 14.2 per cent of employment in the Retail industry and includes automotive fuel retailing, automotive electrical repairing, smash repairing and engine, transmission, muffler and windscreen repairing, and tyre retailing.

Sales Assistants and Shop Managers account for almost half (47.4 per cent) of the 1,306,300 persons employed in the industry in August 2000 (latest detailed data available to DEWR).

Sales Assistants compromise 34.4 per cent of industry employment, with the Shop Managers accounting for a further 13.0 per cent

The Retail industry is the main employer of both Sales Assistants and Shop Managers, with 84.6 per cent of Sales Assistants and 82.8 per cent of Shop Managers employed in the industry. A further 3.3 per cent of Sales Assistants and 6.7 per cent of Shop Managers are employed in a closely related industry – Wholesale Trade.

Employment growth has varied quite considerably among retail occupations, with some growing strongly, while others have grown at a modest rate..

Numerical growth over the 2 years, 5 years and 10 years to November 2001 was largest for Sales Assistants, reflecting the very large size of this occupation.

It is estimated that over 680,000 vacancies were filled in retail occupations in the year to February 2000. The largest number of vacancies filled among retail occupations is for Sales Assistants, accounting for some 265,000 or 38.8 per cent of retail job openings (see Table 7 and Figure 16).

The comprehensive survey of the retail industry, conducted by the Australian Bureau of Statistics in 1999 found that:

- At the end of June 1999 there were 70,436 employing businesses (management units) operating in the retail trade industry.
- Specialised food retailing was the largest sector comprising 35% of all businesses and contributing to 26% of employment. Supermarket and grocery stores generated the greatest turnover (32% of the industry's total) and contributed to 25% of employment.
- Compared with 1991-92 the number of employing businesses in the retail industry (excluding motor vehicle retailing and services) increased by 18%, employment grew by 38% and total income by 57%. The sector experiencing the greatest growth in number of businesses was furniture, houseware and appliance retailing (34%), whilst employment growth was highest in specialised food retailing (58%).
- Between 1991-92 and 1998-99, the number of pharmacy businesses decreased from 4,881 to 4,632 (-5%), whilst employment grew by 40% to 49,382. At the same time, turnover increased by 104%.
- Between 1991-92 and 1998-99, the number of businesses in flower retailing grew by 18% to 1,376; employment rose by 5% to 4,343; and total income by 21%.
- At June 1999, 5% of the employed workforce were working proprietors and partners, 35% were full-time employees, and 60% were part-time employees.

- 40% of the retail workforce (excluding the motor vehicle sectors) is male; 60% is female. 68% of the part-time workforce is female.
- Small businesses (with fewer than 20 persons employed) accounted for 95% of all businesses in the retail industry but only 36% of total employment and 34% of retail income. Conversely, the 193 businesses employing more than 200 staff contributed 49% of total employment and 52% of total income.

The rate of employment growth over the decade to November 2001 was strongest for Fast Food Cooks (81.6 per cent) and Checkout Operators and Cashiers (72.6 per cent).

Job turnover (the number of jobs arising from individuals leaving an occupation) has a similar pattern to vacancies filled. Sales Assistants have the numerically largest job turnover.

**Employment growth is expected in each of these sectors between 2000-1 and 2008-9.** Over this period, employment in the WRAPS industries is predicted to increase by a total of 15.4% or 1.8% per annum, reaching 1.7546 million persons by 2008-9. The WRAPS workforce is expected to be the fifth fastest growing, behind Recreation, Finance, Community Services and Health, and Cultural Industries (Monash University, Centre of Policy Studies (COPS), December 2001, Employment growth by ITAB industry).

**The WRAPS industries – of which retail is the largest component – play a vital role in the economy.**

In the period June 2001-June 2002 the WRAPS industry gross value added (chain volume measures) to the Gross Domestic Product of the nation was 12% of the total added.

**The WRAPS industries have a major involvement in the VET system.**

In 2001 the two top Training Package qualifications in terms of apprentice and trainee numbers in training were Certificate II in Retail Operations and

Certificate III in Retail Operations. In 2001 the Retail Training Package alone had more apprentices and trainees than any other Training Package. Overall, over 7% of all Training Package enrolments were in retail. Hairdressing remains one of the largest traditional apprenticeship areas.

The National Wholesale, Retail and Personal Services ITAB represents 16.8% of Australia's workforce, or 18.4% of the workforce with ITAB coverage. Employment in 2001-2 in the industries covered by the WRAPS ITAB is estimated to be 1.55 million, and is roughly divided between the retail (63%), wholesale (25%) and personal services (12%) sectors.

In summary the WRAPS industries in general, but the retail industry in particular, provide significant employment especially for young people and women. Moreover they are growing industries where the demand for staff will continue to be strong. They are industries where there is a high labour turnover, especially at the lower end. The WRAPS industries and especially the retail industry are staring skill shortages in the face if the current levels of industry training are not maintained and expanded. This requires maintenance and expansion of the current resource allocation to the WRAPS industries. Especially for those who are appropriately trained it offers significant career opportunities.

**There is a compelling case to maintain and increase the amount of funding available for training in the WRAPS areas.**

**There is a relationship between available skills and the willingness of employers to train staff.**

The primary responsibility of any Australian government is to secure the well-being of the nation's citizens by ensuring that all families, and the members thereof, can live decently with dignity.

At the same time all individuals have the right to be able to develop their potentialities and aspirations to the full. Government has a role to play in this regard.

The surest safeguard against poverty is for an individual to have a secure, well paid job. Employment provides people with the capacity to be able to live decently with dignity and to develop their skills and knowledge.

The more secure and the better paid that the job is, the more this is the case.

Education and training are increasingly becoming pivotal factors in whether individuals can obtain, hold and advance in employment. As such it follows that **governments should put in place policies which encourage employers to train.** To maximise the benefit of training, policies which encourage employers to retain skilled staff should also be encouraged.

The contemporary period has been characterised by substantial changes in the structure of the paid workforce. We have seen a decline in full-time employment and the rise of non-traditional and more precarious employment practices.

Casual employment has more than doubled as a percentage of paid employment in Australia since 1982, having risen from 14% of the workforce to 26.4% in 1999. Moreover, 71.4% of all employment growth between 1990 and 1999 was casual.

Women are more likely to be employed as casuals than men. A paper released by the federal government in 1999 stated that, "*ABS data indicates that many casuals have been with their current employer for lengthy periods of time*", indicating that casual employment is now an entrenched part of employers' overall employment plans .

Permanency is increasingly being replaced by employment insecurity. Many young couples are reluctant to "start families" until they "get established". At least in part this is due to the insecurity of most employment and worries of "how will we cope if we do not have a job".

While on one hand casualisation and other forms of non permanent employment have increased, on the other there is a **reluctance by most**

**employers to invest in training staff they regard as unlikely to be with them for a lengthy period.**

Casualisation is inexorably linked to the decline in training effort and investment by employers.

The distribution of available paid work in Australia is becoming increasingly concentrated. This is, in part, related to the fact that employers seek to maximise their return from the available, often shrinking, skill pool. On one hand we have what might be described as job rich households where more than one person in the household is employed and on the other hand we have job poor households where no-one is employed. This "increased inequality in the distribution of employment", with more two-income families and more no-income families than ever before, is continuing to grow.

Australia today has 70,000 people on unemployment benefits who have been unemployed for five years or more. The outcome of entrenched unemployment is socially disengaged citizens, poverty and social alienation. Statistics also show that ill-health is higher among the unemployed.

In terms of working hours, only 53% of the employees in full-time employment now work a "standard" working week with no overtime. Of other full-time employees, 15% work paid overtime and 28% work unpaid overtime (4% have second jobs).

According to the Centre for Applied Social research at RMIT University, between 1982 and 2000 full-time male workers increased their working week by 4.3 hours and women by 3 hours. In the past two years, an average of 48 minutes was added to the working week. The study estimated that without the increased hours, 55,000 extra full-time jobs would have been created.

Those with full time jobs and requirements to "do extra hours" complain at the lack of time they have to interact with their partner and children.

A two-tiered labour market, polarised between high and low wage earners, has also emerged. This is precipitating increased social inequality and division.

We now have a labor market where in addition to substantial unemployment there is also a widespread fear of unemployment. In such circumstances employees are increasingly concerned with maximising income on the short term basis and increasingly reluctant to accept a training wage today as an investment in tomorrow.

**The Workplace Relations Act should be amended to encourage full-time, permanent employment. Limitations should be placed upon the working of excessive hours. All workers should be entitled to receive a living wage.**

**This would have the effect of building a workplace where there was more permanent and secure employment. In such an environment where there was a reasonable likelihood that the employee may be with the employer for a lengthy period the employer may be more likely to train staff and employees may be more prepared to accept a training regime.**

Non-completions of apprenticeships and the high attrition rates of skilled staff are key issues. The evidence suggests that **low wage rates and poor work conditions are a critical factor in the retention of staff, especially trained staff.**

In 2001 the Victorian Wholesale Retail and Personal Services Industry Training Board was funded by the Victorian government to undertake a Destination Survey of hairdressing graduates. ( This survey is available from the Wholesale, Retail and personal Services Industry Training Board, Skipping Girl Place, Suite 10, 651-653 Victoria St., Abbotsford, VIC, 3067)

"The Hairdressing Destination Survey was planned to identify the reasons behind the skills shortage and attrition rate with the following clear objectives:

1. To ascertain why the industry was having difficulty retaining staff.
2. To determine why young people were not selecting hairdressing as a genuine career choice.
3. To provide adequate data to support critical decisions regarding the development of training, marketing and promotional activities, which will ensure that an appropriately skilled workforce is available to support the hairdressing industry.

"Analysis of the data has identified some problems within the industry that will need to be addressed before the industry can successfully move on. An example being that 18% of respondents left the industry for another career, 4% left because of the training issues, 7% decided they had made an incorrect career choice and 41% citing working conditions being the reason for leaving their current employer. This included employer exploitation, superannuation not being paid and general dissatisfaction with the industry. The attrition rate, the identified skills shortage and the number of respondents who have left the industry and have said they would never return are major concerns.

"Full time college graduates have reported that 23% leave their first place of employment because of working conditions and 10% change career paths within the average 21 months after becoming qualified. 2% of full time respondents don't commence work in the hairdressing industry after graduating.

"19% of full time graduates leave their first place of employment to become salon owners. It would be appropriate for marketing information to be developed and distributed, identifying the pitfalls of becoming an employer so early in one's career. This information could lead to business training prior to purchasing a salon.

"Many secondary students interviewed stated that they made their career selections based on their participation and experience through their

schoolwork experience program. There are sound reasons for this program to be structured to ensure students are given a realistic view of the industry, and not just cleaning the salon as many students identified. Other key factors are the influence of career teachers and the Job Guide.

"Salon owners were critical of the lack of commitment, enthusiasm and work ethics of the current entrants and cited these reasons for the vast turnover in staff. This could also be attributed to the entrant's lack of understanding about the hairdressing industry before seeking employment. Salon owners also identified the difficulty they faced in employing senior staff, citing examples where advertisements placed in the Age newspaper over periods of weeks did not attract any applicants. This has led to salon owners exploiting other means of engaging staff to enable them to grow their businesses. 25% of employers have concerns with the quality of training delivery....."

Industrial relations regulation was not cited as a problem in the recruitment or retention of staff by the employers interviewed.

Staff attrition places great financial strains upon businesses. Fear of attrition appears to be a major factor in employers not training.

The National Training Wage provides rates that are lower for the same age group than the relevant junior rate in the relevant Enterprise Agreement. This may be defensible if the trainee receives proper training, a credential of standing and reasonable working conditions.

It is a constant complaint of trainees that they get the worst rosters, inadequate on-job training and are expected to work overtime without pay. Trainees are not protected by unfair dismissal legislation and are consequently often afraid to complain for fear of losing their job. There is a recurring pattern of some employers refusing to release students for off-the-job training in accordance with Training Plan specifications.

**It is clear that whilst "enhancing the capacity of business to employ more people" is important, it is at least equally important to enhance**

**the capacity of business to retain trained staff. This means ensuring reasonable working conditions and wages, including the right of trainees to claim for unfair dismissal**

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The "*Pregnant and Productive*" report (1999) has shown many employers actively discriminate against pregnant workers and women with young children. In doing so they set aside the skills held by these women and then complain about skill shortages. **The government should commit to introducing the recommendations of the "*Pregnant and Productive*" report, including ratification of ILO Convention 103.** The government should also commit itself to the ILO Convention 156 "*Workers With Family Responsibilities*".

It should be noted that while over half of all retail workers are women only 28% of retail employers report that they have in place any work-life initiatives. Lack of control over working hours and roster arrangements which do not take into account employees family responsibilities are a major reason why staff leave their jobs , according to "Balancing the Till"(Department of Employment and Workplace Relations, 2002)

In particular the right of women to take longer than twelve months maternity leave should be established. So should their right to be able to return to work from maternity leave on a part-time basis, even if their former position was full time.

Further, the provision of arrangements for parents or carers to be able to take leave of absence without loss of pay or other entitlements in order to cater for sick children or other relatives, should be established.

**Making workplaces more family friendly, which includes having employers more receptive and supportive of women when they are pregnant or have children, is critical to the well-being of families and therefore of the nation. It would substantially help in addressing skill shortages by making it possible for women to combine work and family, thus retaining their skills within the system**

Too often skills are being lost permanently because women who leave work to care for children find it too difficult to break back into the "system". Many women with young children prefer part-time employment as it helps them balance employment and family roles. However, many find that they are unable to break into secure full-time employment when they wish to pursue a career.

**Access to education and training, employment placement assistance and career advice, financial assistance and a taxation system which recognises the difficulties of returning to employment are all important to help people re-establish themselves in the paid workforce. Such moves would help in maximising the available skill pool.**

Figures provided by the government suggest that Australia has a large number of older people who are either unemployed, underemployed or working with no real opportunity of promotion notwithstanding the fact that they may have skills or potential.

The training and employment systems operate in ways that lead to many workers having their skills ignored.

**Much more needs to be done to convince employers that older workers have much to offer. Substantial skill bases are being allowed to atrophy.**

Many of these people were early school leavers (they left school before completing Year 12) and they have never had any government funded post-school training.

They are also often low income earners who cannot afford to pay their own course costs. The expense of completing a qualification could thus prevent a person from being able to maintain an employment situation or otherwise confine them to low wage positions for the whole of their working life.

**It is time for Australia to adopt a position of guaranteeing all people, including those currently in the workforce, a minimum training**

**entitlement. Such an entitlement could be means tested and only be available for the achievement of a first post-school qualification.**

At the same time greater funding for basic training in literacy and numeracy is required if many people are going to be able to successfully participate in vocational training.

Recognition of prior learning has long been promoted as a feature of the new training landscape. In practice it has had limited application, primarily due to the funding systems operative in the states. Under current funding arrangements most states and providers find that RPL is a costly exercise. Consequently it has been applied only on a limited basis.

Many existing workers, through extensive on the job work experience could complete all or a substantial portion of an AQF II or higher qualification via a recognition of prior learning process. This would be a cheaper exercise than applying the costs of a full course.

It is not unreasonable that these employees should have the costs of RPL for an AQF II or AQF 111 qualification met by government.

This inquiry should consider recommending that all Australians should be entitled to a fair share of the post school training dollar. The funding would cover either course or RPL costs.

**Access to adequately funded RPL must be expanded. Adequate resources must be allocated to this area. Employers who implement valid RPL processes for their workers should be rewarded , either through subsidies or tax credits. Many talented people are not having their skills recognised and the nation has a skills shortage. Effective implementation of a recognition of prior learning system would go a long way towards overcoming skills shortages.**

The training system exists to meet the needs of individuals and industry. It is therefore appropriate that employers and unions play the key roles in determining the content of training packages, any curriculum, delivery and

assessment processes. In this context **the role of bi-partite Industry Training Advisory Bodies ( ITAB's ) is pivotal and critical.** Industry Training Advisory Bodies should be supported and adequately resourced.

For industries such as retail to have moved to the extent they have in embracing structured, accredited training has involved a major shift in thinking, especially by the larger employers. The existence of incentive payments and subsidies played a role in the bringing about of this mindset change.

It needs to be recognised by the federal government in particular that when industries which have not had a strong training tradition embrace such initiatives certain dislocations within the industry may occur.

The current **arbitrary restrictions upon the availability of incentive payments** further complicates the situation. Incentive payments are not available to people such as those above where they have been with their employer for a considerable amount of time. This is inequitable and effectively **denies access to quality training to many working people, thus substantially limiting the potential skills pool.**

The current incentive payments system also operates to restrict quality training. For example, a person may complete a level 2 course with an incentive payment applying. Unless they move onto a level 3 course within a defined timeframe the employer loses access to further subsidy. There may be occasions when it is in the interests of both employee and employer for there to be a time lapse of longer than twelve months before the employee moves to a level 3 or higher course. Such cases may occur when the higher course is a supervisory type course. At the present time students are moving straight on from level 2 courses to supervisory type courses so that the employer can gain access to the incentive payment applicable. Students are consequently struggling at the higher level due to inadequate workplace experience, even though they may have the innate ability required to complete the course. Quality training is being jeopardised by inadequate incentive payment arrangements. The answer is not to criticise the employer but to allow flexibility in the applicability of incentive payments so as to

cover such situations. This would improve outcomes and have the effect of reducing attrition.

Whilst recognising that substantial abuse of the incentives system has occurred it should also be recognised that the same system has served as a major encouragement to employers to embrace training and to employ trainees.

Arbitrary across the board restrictions on incentive payments penalise those seeking to operate within the system in a proper manner as well as those abusing the system. The real solution is not to arbitrarily stop or restrict funding but to **demand accountability** from recipients of incentive payments. A pre-condition of receiving incentive payments should be a commitment to ensure the delivery of quality training according to the requirements of the training plan.

**Structural problems in the system limit the production of sufficient numbers of appropriately trained people.**

Increasingly industries and employers are operating on a national basis. People move more freely between states than ever before in our history and consequently require their skills to be portable. The need for a single national VET system seems apparent.

The states and territories, along with the Commonwealth, have committed themselves to the concept of a national system. In practice there is still a considerable way to go.

The principles behind the national framework, while vocally supported by all Australian governments are not always being put into practice. One area where the national framework is falling down is in the area of mutual recognition.

For example a person may become a qualified hairdresser in Victoria through successfully completing an AQF Level III course at a registered private provider yet be denied the right to carry on their trade in New South

Wales because that state does not recognise the qualification as it rejects recognition of the full time training mode of delivery.

The issue here is not which state government is right or wrong but the breakdown in national consistency between states. If we have a national system with mutual recognition as part of that system then a qualification legally obtained in one state must be recognised in another state. **Achieving national consistency across training jurisdictions is an important step towards addressing skill shortages and meeting future skills needs.**

A hallmark of the new system has been the expansion of structured accredited training based upon training packages incorporating competency based training. Training packages are developed with and have the support of the industry players, both employers and unions.

Assessment of competency is measured against the units of competency in the Training Package.

Some state governments continue to pursue or support curriculum development as an alternative system to training packages. Such approaches are generally tritely justified on the grounds that the relevant national training package is “inappropriate”. This approach has the potential to undermine training packages and constitutes a threat to the successful implementation of the national system.

This fragmentation of the national system as a result of the actions of some state governments must be addressed.

For a training package or any other training instrument or structure to have and retain support it must have integrity and credibility. Critical to this is the matter of quality.

**There is increasing concern as to whether the current system is producing consistent quality outcomes . In a number of states there is no effective monitoring or audit process in place in regard to assessment.**

All key players have supported the creation of a more flexible system.

**"Flexibility" has been used in a number of instances to effectively deregulate the system and to introduce highly questionable training processes.**

The emphasis upon increased flexibility within the system is jeopardising quality.

Introduction of fully on the job training, through mechanisms such as the Small Business Traineeship is a classic illustration.

While there may have been examples where the Small Business Traineeship delivered skills and credentials to participants there are also numerous examples where it delivered credentials but skills insufficient for a person to obtain employment.

The reasons for the inadequate outcomes appear to be:

- a) the required "on-the-job" training was never delivered by the employer or the RTO and the trainee was simply used as 'cheap' labour.
- b) no check was ever made by the provider or the relevant state training authority that the employer was meeting their obligations.
- c) the employer lacked the capacity to provide adequate training, supervision or assessment.
- d) the curriculum was so generic that it did not provide the trainee with sufficient skills to find on-going employment,
- e) the traineeship was conceived as a short term labour market programme and insufficient attention was given to the long term needs of the trainee.

There are fundamental problems across the board with training programmes that are delivered solely on the job. Abuse of on-job training by employers is widespread and too often neither providers nor governments make sufficient efforts to try and ensure quality outcomes.

**There is a critical need for State Training Authorities to put in place processes which require training providers to adequately supervise on the job delivery with penalties applicable for both providers and employers who abrogate their responsibilities to delivery quality outcomes.**

**In a number of cases RTO's lack staff with adequate qualifications, have inadequate resources to deliver training and assessment, minimise their obligations in respect of training, supervision and assessment and/or do not comply with requirements of the relevant training package. More needs to be done to ensure that all states have effective processes in place to address these matters.**

**Allocating funds to providers or areas which do not produce industry acceptable qualifications is a waste of scarce resources.** These problems, however, are not peculiar to the Small Business Traineeship alone.

Further it is not completely unusual for trainees to be placed in inappropriate courses either because the placement agency did not have sufficient knowledge of what the appropriate course should be or because the RTO did not have registration to deliver the appropriate course. In one case a person was placed in a Small Business Traineeship in a beauty salon, told they would become a qualified Beauty Therapist, ultimately received a Small Business credential and found that the industry did not recognise the credential. The placement agency, the RTO and the employer all benefited. The student effectively lost one year of her life for no useful end result. **Much closer monitoring of placement agencies such as NAC's is warranted.**

#### **SUMMARY OF SDA SUBMISSION**

**When considering vocational education and training government has a duty to ensure that a balance is maintained between the social and economic imperatives, between the needs of individuals and the needs of employers.**

**Skill development cannot be separated from or seen in isolation to industry or labour force policy.**

**In analyzing current and future skill needs one must start from a position of determining where the major employment opportunities in the future are likely to occur.**

**The WRAPS industries in general, but the retail industry in particular, provide significant employment especially for young people and women. Almost one in every four workers are employed in these industries. Moreover they are growing industries where the demand for staff will continue to be strong. Employment growth is expected in each of these sectors between 2000-1 and 2008-9.**

**The WRAPS industries – of which retail is the largest component – play a vital role in the economy. They also have a major involvement in the VET system. There are compelling arguments to maintain and increase funding to the WRAPS areas in respect of skills training.**

**There is a relationship between available skills and the willingness of employers to train staff. Government should put into place policies which encourage employers to train their staff.**

**There appears to be a reluctance by many employers to invest in training staff they regard as unlikely to be with them for a lengthy period. It is in the long term national interest to have in place policies and practices designed to encourage staff to stay with an employer for a reasonable period of time.**

**Low wage rates and poor work conditions are critical factors in the retention of staff, especially trained staff.**

**The Workplace Relations Act should be amended to encourage full-time, permanent employment. Limitations should be placed upon the working of excessive hours. All workers should be entitled to receive a living wage.**

**This would have the effect of building a workplace where there was more permanent and secure employment. In such an environment where there was a reasonable likelihood that the employee may be with the employer for a lengthy period the employer may be more likely to train staff and employees may be more prepared to accept a training regime.**

**Making workplaces more family friendly, which includes having employers more receptive and supportive of women when they are pregnant or have children would encourage women to remain in their jobs. This would substantially help in addressing skill shortages and meeting needs for skilled staff by making it possible for women to combine work and family, thus retaining their skills within the system**

**Access to education and training, employment placement assistance and career advice, financial assistance and a taxation system which recognises the difficulties of returning to employment are all important to help people re-establish themselves in the paid workforce. Such moves would help in maximising the available skill pool.**

**Much more needs to be done to convince employers that older workers have much to offer. Substantial skill bases are being allowed to atrophy.**

**Many young people and existing workers are finding it difficult to access training to develop or upgrade skills. It is time for Australia to adopt a position of guaranteeing all people, including those currently in the workforce, a minimum training entitlement. Such an entitlement could be means tested and only be available for the achievement of a first post-school qualification.**

**Access to adequately funded RPL must be expanded. More resources must be devoted to this area. Employers who implement valid RPL processes for their staff should be rewarded. Many talented people are not having their skills recognised and the nation has a skills shortage. Effective implementation of a recognition of prior learning system would go a long way towards ensuring future skill needs were met.**

**The role of bi-partite Industry Training Advisory Bodies ( ITAB's ) is pivotal and critical to providing accurate advice to government on where skills shortages are likely to occur and on the current and future training needs of industry.**

**Arbitrary restrictions upon the availability of incentive payments denies access to quality training to many working people.**

**Structural problems in the system limit the production of sufficient numbers of properly trained staff.**

**Achieving national consistency across training jurisdictions is an important step towards ensuring that current and future skill needs are met.**

**There is concern as to whether the training system is producing consistent quality outcomes . In a number of states there is no effective monitoring or audit process in place in regard to delivery and assessment of training.**

**"Flexibility" has been used in a number of instances to effectively deregulate the system and to introduce highly questionable training processes. In turn this leads to a decline in the pool of skilled workers.**

**There is a critical need for State Training Authorities to put in place processes which require training providers to adequately supervise on the job delivery with penalties applicable for both providers and**

**employers who abrogate their responsibilities to delivery quality outcomes.**

**In a number of cases RTO's lack staff with adequate qualifications, have inadequate resources to deliver training and assessment, minimise their obligations in respect of training, supervision and assessment and/or do not comply with requirements of the relevant training package. More needs to be done to ensure that all states have effective processes in place to address these matters.**

**Allocating funds to providers or areas which do not produce industry acceptable qualifications is a waste of scarce resources..**

**Much closer monitoring of placement agencies such as NAC's is warranted to avoid "misplacements" and to ensure that people receive relevant training.**

**If the future skill needs of the nation are to be met then it will require government to be willing to expend resources on training and to have in place policies which encourage training.**