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In reply please refer to:

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23 December, 1999

Ms. M. Chan
Inquiry Secretary
Standing Committee on Employment,
Education and Workplace Relations
House of Representatives
Parliament House
CANBERRA 2600

Dear Ms Chan,

During my submissions to the Workers over 45 Inquiry I was asked to provide information on several issues. Information available to date is set out below.

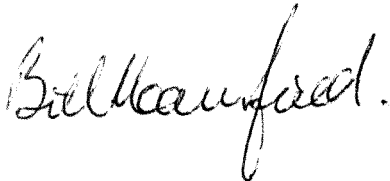
- i) Availability of Employer Incentive Payments for Older Employees
 - Age profile breakdown of AQF 2 and AQF 3 trainees is attached
 - Further information on ACTU concerns is attached
- ii) Use of superannuation assets to determine eligibility for unemployment benefits
 - The ACTU has not undertaken any substantive work on this issue
- iii) Use of wage subsidies to assist older employees remain in the workforce
 - Having examined the publicly available reviews of Labour Market Programs offering wage subsidies the ACTU is not able to offer any substantive information on specific wage subsidy proposals to assist older employees remain in the workforce
- iv) Incentives for Job Sharing
 - To date job sharing has not been adopted by large numbers of employers or employees. The ACTU believes that there is significant potential to increase the level of job sharing amongst the workforce. Initiatives which we believe could be useful in this regard include :
 - a) Tax relief for employers who introduce job sharing opportunities. Areas which could be considered include payroll tax and workers compensation premiums

where the level of liability could be reduced to 50% of the amounts which would otherwise be required to be met when two workers share one full time position

- b) Any incentives could be targeted to particular areas of need such as employment of the older unemployed.

Should the Committee require further information please contact me.

Yours faithfully,

A handwritten signature in cursive script that reads "Bill Mansfield".

W. MANSFIELD
Assistant Secretary

VET – ACCESS BY OLDER AUSTRALIANS

One aspect of commencements which potentially has both positive and negative implications is the changing age profile of participants in VET.

- i) The number in-training for 15-19 year olds grew from 54,580 in 1995 to 63,310 in 1998, an annual growth of 5.1%
- ii) The number in-training for 20-24 year olds grew from 75,310 in 1995 to 91,680 in 1998, an annual growth of 6.8%
- iii) The number in-training for 25-39 year olds grew from 13,160 in 1995 to 35,870 in 1998, an annual growth rate of 39.7%
- iv) The number in-training for 40-64 year olds grew from 1,940 in 1995 to 15,450 in 1998, an annual growth rate of 99.8%

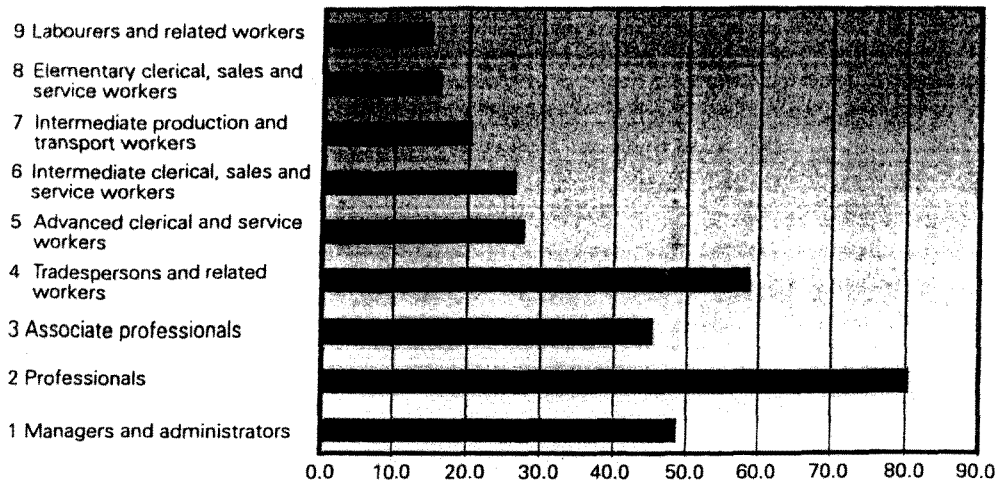
The positive aspect of the figures is that they indicate that more existing workers are getting opportunities to undertake structured training. The negative aspect is that in a proportion of cases employers are signing up existing employees to access financial subsidies and incentives rather than for genuine training needs. Following suggestions of rorting of Federal training subsidies earlier this year the eligibility of existing employees to receive subsidies at the AQF2 level was significantly restricted by the Federal Minister David Kemp and this will lead to a reduction in the numbers of existing employees having access to VET opportunities.

Following concerns raised earlier in 1999 the misuse by some employers of Commonwealth and State incentive payments for New Apprenticeships in relation to existing employees the Commonwealth and some States withdrew those incentives for existing employees training to AQF 2 level. At present the Commonwealth offers no assistance to employers who wish to provide opportunities for existing employees (employed for longer than six months) to train to the AQF level.

The ACTU considers that existing employees should have an entitlement to access Commonwealth incentives for VET studies in the same way as these are offered to school leavers and new employees. Whilst the ACTU is strongly opposed to misuse of VET incentive payments it believes that a large number of low paid, low skilled workers who have had no prior opportunity to undertake VET studies should not be denied Commonwealth financial assistance due to the misuse of incentives by some irresponsible employers. The need for a review of the policy in regard to incentives for existing employees is evident from the labour force data shown below.

The ACTU believes that one of the positive developments which governments should be fostering from the VET reform process is providing access to existing workers to structured training leading to a recognised qualification. As can be seen from the bar charts below those occupational groups which have had the least access to structured training are amongst the lowest paid with the least job security.

Proportion of labour force with post-school qualification by major occupational group, Australia, 1996 Census



Source: ABS, 1996 Census of population and housing

As at the 1996 Census Australia had an employed labour force of some 7.6 million. Of that group 3.9 million had no qualifications.

	Million
Bachelor degree or higher	1.2
Undergraduate Diploma	.34
Associate Diploma	.3
Skilled vocational	1.1
Basic vocational	.3
Not stated	.5
No qualifications	3.9

Source : NCVET Outlook for Training 1998

The government's action in removing training subsidies from existing workers wishing to train to AQF 2 level will inevitably mean that low income workers will be denied access to training opportunities as part of their employment which could enable them to improve their remuneration levels and job prospects.

Recommendation

That the Committee support the re-introduction of Commonwealth and State incentives for existing employees to be trained to AQF 2 along with better access to Recognition of Prior Learning opportunities and safeguards against abuse of incentive payments by employers

Australian Apprentice & Trainee Statistics

Table 3.1: Number of commencements by occupation

Occupational group	1995	1996	1997	1998
Tradepersons and related workers				
Number ('000)	41.53	40.97	40.18	43.08
Per cent of total	64.4%	45.7%	35.6%	32.2%
Intermediate clerical, sales and service workers				
Number ('000)	12.33	24.20	34.50	42.52
Per cent of total	19.1%	27.0%	30.6%	31.8%
Elementary clerical, sales and service workers				
Number ('000)	3.66	7.95	10.53	16.88
Per cent of total	5.7%	8.9%	9.3%	12.6%
Labourers and related workers				
Number ('000)	3.26	7.97	14.12	16.82
Per cent of total	5.1%	8.9%	12.5%	12.6%
Associate professionals				
Number ('000)	1.75	3.68	6.16	6.85
Per cent of total	2.7%	4.1%	5.5%	5.1%
Total commencements ('000)	64.47	89.65	112.76	133.75

Table 3.3: Number in-training by occupation

Occupational group	1995	1996	1997	1998
Tradepersons and related workers				
Number ('000)	124.02	126.45	126.78	126.53
Per cent of total	85.5%	75.5%	66.5%	61.3%
Intermediate clerical, sales and service workers				
Number ('000)	10.47	19.35	28.84	36.65
Per cent of total	7.2%	11.5%	15.1%	17.8%
Elementary clerical, sales and service workers				
Number ('000)	3.00	6.14	8.67	13.75
Per cent of total	2.1%	3.7%	4.5%	6.7%
Labourers and related workers				
Number ('000)	2.81	6.59	12.80	15.74
Per cent of total	1.9%	3.9%	6.7%	7.6%
Associate professionals				
Number ('000)	1.94	3.75	5.94	6.36
Per cent of total	2.3%	2.2%	3.1%	3.1%
Total in training ('000)	144.99	167.51	190.59	206.37

Table 5.1: Number of commencements by employer type

Employer type	1995	1996	1997	1998
Private sector				
Number ('000)	50.20	70.12	80.10	102.67
Per cent of total	77.9%	78.2%	78.1%	76.8%
Group training				
Number ('000)	8.80	12.12	15.36	21.09
Per cent of total	13.6%	13.5%	13.6%	15.8%
Government business enterprise				
Number ('000)	0.80	0.91	1.38	2.82
Per cent of total	1.2%	1.0%	1.2%	2.1%
Local government				
Number ('000)	0.67	1.37	1.89	1.76
Per cent of total	1.0%	1.5%	1.7%	1.3%
State government				
Number ('000)	2.59	3.40	4.86	4.53
Per cent of total	4.0%	3.8%	4.3%	3.4%
Commonwealth Government				
Number ('000)	1.41	1.73	1.15	0.87
Per cent of total	2.2%	1.9%	1.0%	0.7%
NEC				
Number ('000)	0.00	0.00	0.02	0.02
Per cent of total	0.0%	0.0%	0.0%	0.0%
Total commencements ('000)	64.47	89.65	112.76	133.75

Table 7.2: 1998 Course ratings given by 1997 apprentice and trainee TAFE graduates

Ratings of the course	1997 Rating in the range 6-10 (%)	Average (out of 10)	1998 Rating in the range 6-10 (%)	Average (out of 10)
The usefulness of the course for your job prospects:				
Apprentices	91.6	8.5	92.0	8.5
Trainees	84.8	7.9	87.2	8.0
The qualification in terms of being well regarded by employers:				
Apprentices	90.7	8.2	91.1	8.2
Trainees	83.2	7.6	84.0	7.7
The balance between instruction and practice:				
Apprentices	88.0	7.7	87.0	7.6
Trainees	84.7	7.5	83.7	7.5
The overall quality of the course:				
Apprentices	92.7	7.9	92.5	7.9
Trainees	91.6	8.0	90.4	7.9

Note: Responses are on a 1 ('extremely poor') to 10 ('excellent') rating scale.

Table 4.1: Number of commencements, number of completions and number in training by gender
(per cent of total commencements)

Gender	1995	1996	1997	1998
Commenced	%	%	%	%
Male	73.5	67.7	62.2	59.8
Female	26.5	32.3	37.8	40.2
Total	100.0	100.0	100.0	100.0
Number ('000)	64.47	89.65	112.76	133.75
Completed	%	%	%	%
Male	72.9	72.6	69.0	66.5
Female	27.1	27.4	31.0	33.5
Total	100.0	100.0	100.0	100.0
Number ('000)	31.56	36.45	50.66	52.07
In training	%	%	%	%
Male	82.7	79.7	75.5	72.4
Female	17.3	20.3	24.5	27.6
Total	100.0	100.0	100.0	100.0
Number ('000)	144.99	167.51	190.59	206.37

Table 4.2: Number of commencements by age

Age group	1995	1996	1997	1998
15-19 years				
Number ('000)	42.46	49.69	52.78	58.68
Per cent of total	65.9%	55.4%	46.8%	43.9%
20-24 years				
Number ('000)	14.70	22.50	27.38	32.12
Per cent of total	22.8%	25.1%	24.3%	24.0%
25-39 years				
Number ('000)	5.93	13.50	21.53	27.96
Per cent of total	9.2%	15.1%	19.1%	20.9%
40-64 years				
Number ('000)	1.35	3.92	10.97	14.87
Per cent of total	2.1%	4.4%	9.7%	11.1%
Other years				
Number ('000)	0.03	0.04	0.10	0.12
Per cent of total	0.1%	0.0%	0.1%	0.1%
Total commencements ('000)	64.47	89.65	112.76	133.75

Trends 1995 to 1998 - an Overview

Table A1: Commencements, completions and number in-training by gender (number)

	1995	1996	1997	1998
Commenced				
Male	47410	60730	70160	79960
Female	17060	28920	42600	53790
Total	64470	89650	112760	133750
Completed				
Male	23020	26470	34980	34630
Female	8540	9980	15680	17440
Total	31560	36450	50660	52070
In training				
Male	119980	133450	143930	149390
Female	25010	34060	46660	56980
Total	144990	167510	190590	206370

Table A2: Commencements by occupation (number)

Occupation	1995	1996	1997	1998
1 Managers and administrators	750	2090	2040	1720
2 Professionals	160	440	1420	1150
3 Associate professionals	1750	3680	6160	6850
4 Tradespersons and related workers	41530	40970	40180	43080
41 Mechanical and fabrication engineering tradespersons	6790	6670	5900	6140
42 Automotive tradespersons	7570	7960	7000	6760
43 Electrical and electronics tradespersons	5080	5070	5180	5390
44 Construction tradespersons	8210	7190	8000	9480
45 Food tradespersons	6160	6610	6490	7100
46 Skilled agricultural and horticultural workers	1070	1030	1080	1220
49 Other tradespersons and related workers	6670	6440	6550	7010
5 Advanced clerical and service workers	100	310	270	400
6 Intermediate clerical, sales and service workers	12330	24200	34500	42520
7 Intermediate production and transport workers	920	2040	3540	4330
8 Elementary clerical, sales and service workers	3660	7950	10530	16880
9 Labourers and related workers	3260	7970	14120	16820
Total	64470	89650	112760	133750

Table A3: Completions by occupation (number)

Occupation	1995	1996	1997	1998
1 Managers and administrators	250	700	1220	1020
2 Professionals	100	60	230	400
3 Associate professionals	300	910	2090	2110
4 Tradespersons and related workers	22700	24050	26320	26120
41 Mechanical and fabrication engineering tradespersons	4640	4070	4480	4820
42 Automotive tradespersons	3660	4070	4510	4780
43 Electrical and electronics tradespersons	3650	3260	3570	3400
44 Construction tradespersons	4270	5300	5890	5740
45 Food tradespersons	2310	2700	2830	2550
46 Skilled agricultural and horticultural workers	670	680	720	710
49 Other tradespersons and related workers	3500	3970	4330	4130
5 Advanced clerical and service workers	90	60	170	110
6 Intermediate clerical, sales and service workers	5160	7020	12610	13710
7 Intermediate production and transport workers	240	310	1020	1010
8 Elementary clerical, sales and service workers	1900	1990	3840	3470
9 Labourers and related workers	830	1350	3160	4130
Total	31560	36450	50660	52070