

Media Release

For immediate release

31 May 2006

Evidence of worsening skill crisis

NEW DATA RELEASED

ABS Education and Training Survey 2005 NCVER Apprentices and Trainees Quarterly Survey Dec 2005

State Budget infrastructure - Skills threat looms

Australia's TAFE sector has expressed concern at the capacity of the National Skills Framework to deliver adequate skilled jobs after official Australian Bureau of Statistics & NCVER data revealed a slowing in growth in apprentices and traineeships.

Today's NCVER quarterly tracking of apprentices and traineeships showed a decline of 0.4% with just 389,000 in training in Australia.

And a new ABS education survey revealed almost 3 million Australians last year turned away from further skills training. Some 21% or 2.8 million working Australians were categorised as recording interest to undergo training, but found conditions blocked them taking the next steps to enrol.

Most Australian workers blamed poor incentives and work and family reasons.

Martin Riordan, executive director of TAFE Directors Australia, said the surveys showed why basic training policies, lack of incentives for industry investment in accredited training, and current cultural biases about jobs in the training industry together have become fundamental blockages to up-skilling.

New State Budget infrastructure announcements this week highlighted the likely increase in reliance on skilled jobs in the coming decade.

The ABS education qualifications tracking data – released each five years – surveyed workforce training and participation from 1993 through to 2005, and the uptake of post-secondary qualifications. (*ABS Survey Ref # 6278.0, 29 May 2006*)

The ABS Survey recorded a doubling of Australians with university qualifications – rising from 1.17 million in 1993 to 2.47 million in 2005.

Yet for training and skills qualifications (advanced diploma or below), the growth was almost half. Those Australian workers whose highest qualifications is an advanced diploma or lower qualifications was 3.02 million in 1993, growing to just 4.03 million in 2005.

The Survey showed training hours had also been impacted, with a fall recorded of 6.5% in the total training hours completed nationally. Average work-placed training for workers had fallen to 14.7 hours, from a high of more than 20 hours in 1993.

Today's NCVET Apprentice and Trainee survey shows Australia is still a long way from the peak in commencements in skilled training levels from 2003 – a drop of 4.9%.

Last month's *Australian Industry Group Employer Survey*, interviewing 500 Australian companies, also confirmed that major problems existed with low incentives to industry to invest in up-skilling for workers. NCVET employer training research (Q1 2006) recorded industry investment in accredited training at lows of between 6% to 21%.

Martin Riordan commented: "The ABS and NCVET data is now the third successive set of indicators this year showing blockages to skills formation, and that training has slowed in Australia.

"The data is now so uniform as to question the effectiveness of Federal training policy.

"This Framework began with vision, yet in recent times, and after the May Budget, the sector suffers from little new investment to expand vocational education. This impacts how Australia motivates school students and adult Australians to try a career in training and skilled jobs.

Martin Riordan said the Government needed to do more than call for 'system change', and its blame on education providers for the crisis. Vocational education needs are clear: Australia should step up to a national commitment to apply incentives, just as science so successfully applied innovation funding to expand research capacity.

"This year's COAG reference on skilling, supported by the Prime Minister, Premiers and Chief Ministers, will be a unique test for national, state and territory governments to re-energise national training strategies.

"The major data indicators – ABS, Ai Group and NCVET – together confirm the skills crisis impacting Australian industry is worsening. Trends for up-skilling have continued to fall behind much-needed demand," Martin Riordan said.

For further information

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ATTACHMENT – TDA Notes on ABS Survey



Fall recorded in Workplace Training Hours

The Australian Bureau of Statistics Survey of Education and Training conducted May to August 2005 [released 29 May] shows that an estimated 48% of Australians aged 15-69 completed at least one work-related course in the previous 12 months.

This proportion has grown from 30% in 1993.

Over the same period the total number of training hours fell by 6.5% and hence the average duration of work-related courses has steadily fallen to 14.7 hours as illustrated in **figure 1**.

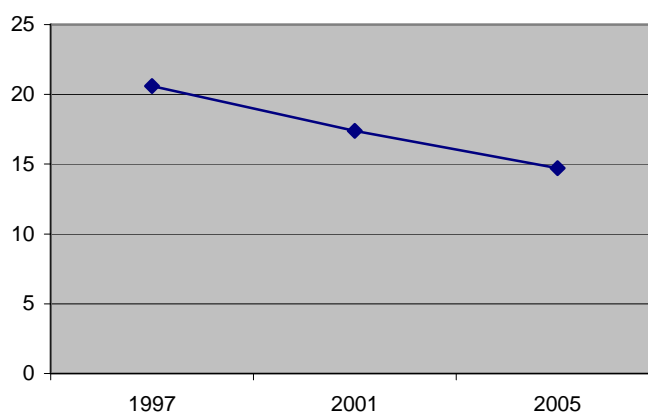


Figure 1 Average Course Duration (hours)

Training Blockages Recorded

In an information age work-related training and education is important to the Australian economy and both governments and industry to provide adequate support to workers to encourage the enhancement of their skills.

In 2005, 50% of employees who had been involved in a work-related course reported that the course was provided by the employer and a further 27% received some financial support from their employer.

2.8 million additional people (21% of those not at school), however, would have liked to undertake work-related training or additional work-related training but were unable mainly due to work or family commitments.

Barriers to undertaking a qualification are illustrated in **figures 2 and 3**.

Of the work reasons, the main barrier for an estimated 363,900 employees was a lack of employer support.

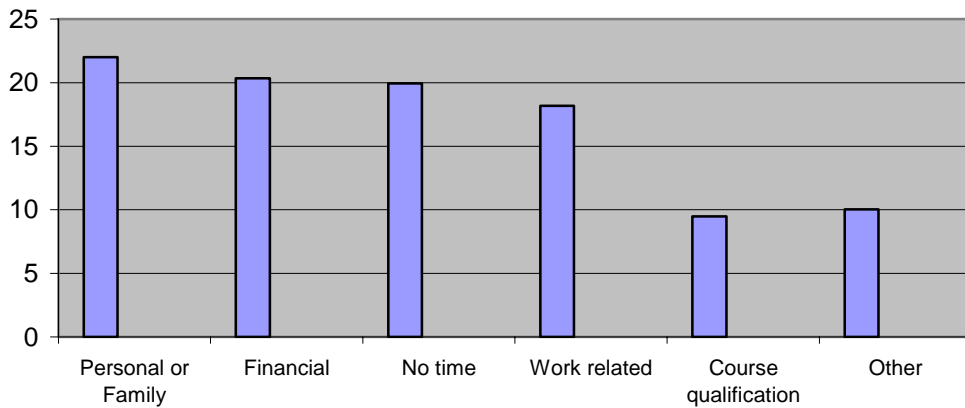


Figure 2 Main barriers to undertaking a qualification in order of percentage of respondents

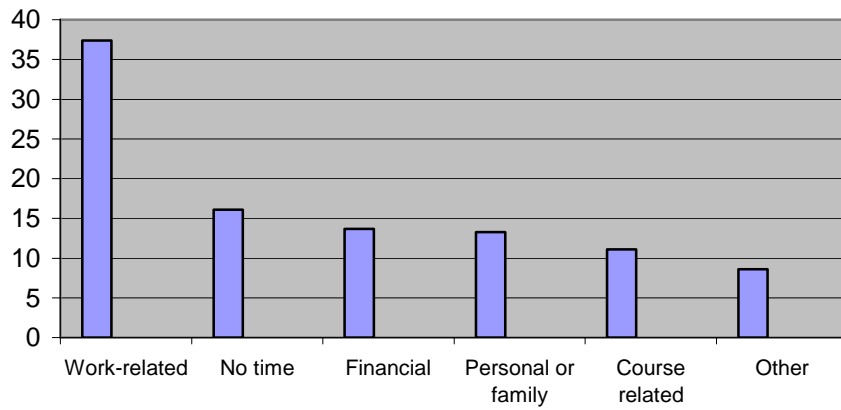


Figure 3 Main barriers to work-related training in order of percentage of respondents

Qualifications – skilling ranked

Current emphasis on initial tertiary qualifications is illustrated by the relative growth in the number of persons holding various levels of qualifications.

While the proportion of the workforce without post-school qualifications has declined this has been due to the growth of employees with university qualifications while the growth in the numbers of persons whose highest qualification is an advanced diploma or below has been modest as illustrated in **figure 4**.

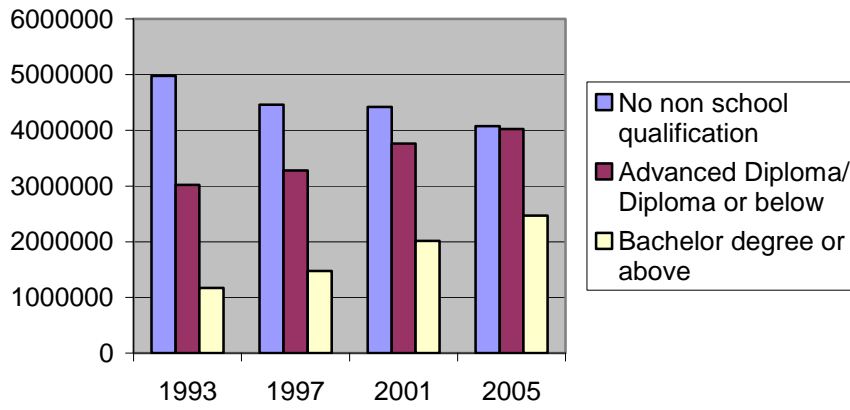


Figure 4 Highest level of qualification persons aged 15-64 in the workforce

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