

Easy fix for skills lag

LISTENING to big business in Australia whingeing about their labour shortage problems makes me cringe.

On the one hand they have the Federal Government doing their dirty work by attempting to drive down wages and strip conditions away from their employees. On the other, they have state governments engaging in an investment auction, in many cases literally throwing money at them to locate locally. All this at a time when profits for the biggest corporations are going through the roof closely followed by the salaries of their senior executives.

The only real expectation that communities such as ours in the Illawarra have in return is that they employ and train our people. Not too much to ask? Well it appears that many of our captains of industry are having trouble delivering.

This week, a delegation of business leaders leaves for London; their mission, to recruit skilled workers for major projects in the Illawarra. Why are they flying to London to do this? Because they reckon they can't find enough local skilled workers, mostly in the manufacturing trades, to address the labour shortage.

This might have been easier to understand if it weren't for the fact that our region's economy has been built around and is still dominated by heavy industry, where unemployment continues to register at almost twice the state average and where young people are waiting for apprenticeships, many in the areas of skill shortage.

Even so, employers may have

*Arthur
Rorris*



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earned some sympathy for their position had some of our big Australian companies, including BHP, not dismantled or significantly reduced their apprenticeship programs many years earlier. Programs that once trained thousands of mostly young workers across the region.

The programs were gutted despite warnings from labour market analysts and many in the trade union movement that their actions were short sighted and would one day come back and bite them on the bum.

With this in mind you can see why young job seekers in the Illawarra and their families might be feeling a little frustrated at the prospect of business leaders hopping on a plane to London to patch up their labour shortages.

The plain facts are that the skills shortages we are now experiencing and the high rates of youth unemployment are both symptoms of market failure and with it the failure of government policy that has largely abandoned its role to regulate labour market training.

Put simply, too many employers are waiting for someone else to train young workers.

Governments, on the other hand, are compromised in their policy options because they now depend on revenue raised from slugging students with fees, both in the TAFE and university sectors. Charging students for the privilege of filling skill gaps in local industries so that the business sector can continue to roll in the profits remains one of the most ridiculous and inequitable policies of government today.

Instead of offering incentives to young people such as a decent living allowance, and removing barriers to training such as fees, governments are penalising young people who seek training opportunities.

The way forward is to break the skill shortage cycle and for government to intervene where the private sector has failed. A new training regime needs to be introduced with genuine incentives for both students and employers to boost and sustain

apprenticeship intake levels, allowing industry to grow and the economy to reap billions of dollars in production that may be lost due to unmet demand for skilled labour.

In fact, the economic benefits are likely to offset the costs of removing TAFE fees for students and for government picking up all or part of the tab for at least the first two apprenticeship years from employers.

Much of the research for this approach has already been done through the Illawarra Apprenticeship Committee. In return, however, larger employers must be prepared to accept legislated requirements to take on apprentices at appropriate ratios such as one apprentice for every five trained workers. They must also be prepared to pay apprentices a decent wage.

We already have a system of mutual obligation in Australia, that is the notion that all Australians have not only a right to assistance from the state but also a responsibility to contribute to society by way of work or training for work.

Unfortunately, at the moment it only applies to the unemployed and welfare recipients. Perhaps it's time that the principles of mutual obligation be extended to the business sector to ensure that all employers pay their share and accepts responsibility for training young workers.

The Federal Government could launch an ad campaign targeting employers which includes the caption: Support the System that Supports You.

□ Arthur Rorris is Secretary of the South Coast Labour Council.