

The Australian Government's Training Reform Agenda: Is it Working?

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Abstract

Major concerns have been raised about the training reforms currently being implemented by the Australian Government. This article draws on a survey of users of the national training system in Australia to outline the problems that have emerged and to recommend changes to existing implementation arrangements. In general terms, the "top down" centrally driven bureaucratic processes are generating strong dissatisfaction among employers as the major clients of the training system. For the training reforms to work effectively in the workplace, business needs to have a much greater capacity to influence how resources are allocated as well as a greater say in how the overall framework should work.

There are an increasing number of signs that the Australian Government's efforts to reform the vocational education and training system and its linkages to the workplace are in trouble. The federal Minister for Schools, Vocational Education and Training, Ross Free, has acknowledged in a speech at the end of 1993 that despite progress, the Training Reform Agenda (TRA) was "in danger of stalling without firm and decisive action".

Minister Free went on to say that the causes of the problem were numerous including the effect of "competing administrative training empires at every level of government", theoretical disputes based on the very idea of competency based training, an inadequate institutional framework for the recognition of training and an inefficient training delivery system (Free 1993).

This paper describes the various components of the Training Reform Agenda, assesses progress in its implementation and recommends a number of changes. The paper draws on a survey of key users of the training system conducted by the author and on other commentaries as a basis for assessing the successes and shortcomings of the ambitious reform program. The lack of ownership by employers of the reforms and how they are to be implemented is identified as a major factor in explaining why in many instances the Training Reform Agenda is not working.

1. KEY ELEMENTS OF THE TRAINING REFORM AGENDA

The Hon John Dawkins, the then Commonwealth Minister for Employment, Education and Training issued a document in April, 1989 entitled Improving Australia's Training System which stated a number of priorities for reform. These included the need to increase substantially the level of national investment in training, and to improve the quality, flexibility, consistency and coordination of national training arrangements.

A special state and federal Ministerial meeting in the same year agreed to:

- ❑ introduce a competency-based training system
- ❑ establish a National Training Board (NTB)
- ❑ implement a new method of recognising migrant skills

This meeting and the earlier statement introduced a number of significant changes. These included: agreement to a national approach to vocational education and training in the face of a long history of autonomous state systems, movement away from a time-served, academic qualification driven system to one based on the recognition of competency regardless of other considerations, a greater role for industry in driving the system, closer links between the classroom and on-the-job training as well as between skills attainment and how employees are rewarded in the workplace.

The initiatives under the broad heading of the National Training Reform Agenda since 1990 include:

- the development of competency standards by industry and associated curriculum development to reflect the competency outcomes
- development of an Australia-wide Standards Framework for vocational education and training credentials
- establishment of a National Training Board (NTB)
- agreement on a National Framework for the Recognition of Training (NFROT)
- a number of reports on issues related to the training implications of industrial relations changes, young peoples' participation in post compulsory education and training and the need for curricula to take into account a number of general or core competencies
- The Australian Vocational Certificate Training System (AVCTS) to provide a number of pathways in the transition from school to work
- establishment of the Australian National Training Authority to oversee the allocation of government resources to the publicly funded Technical and Further Education (TAFE) sector.

2. SURVEY OF THE MAJOR USERS OF THE TRAINING SYSTEM

Information on the attitudes and responses of key stakeholders in the training system towards the Training Reform Agenda was gathered through a questionnaire despatched to employer associations, unions and industry training advisory bodies (ITABs) in July 1993. The survey was part of a report commissioned by the Federal Department of Employment, Education and Training on the impact of labour market reform on entry level training (Curtain 1993).

Some 220 questionnaires were despatched and 74 replies were received, a response rate of 34 per cent. Most of the replies were from Industry Training Advisory Bodies (ITABs). Only eleven employer associations and six unions responded. However interviews were also conducted with a number of peak employer associations and unions and comments from these interviews have been incorporated into the following assessments of the Training Reform Agenda.

New standards and supporting training: progress to date

A major focus of the reforms has been the establishment of competency standards and the associated training curricula. The following Table 1 reports the assessments of survey respondents on the state of play in their industry. The table shows that some progress has been made in setting competency standards in a number of key industries. The National Training Board claimed by mid 1993 that 30 per cent of the workforce or over two million workers are covered by these standards. By the end of 1993, it was claimed by the National Training Board that half of the workforce were now covered by competency standards relevant to their work (NTB personal communication February 1994).

The table, however, also shows that the development of training modules to back up these standards is lagging behind. A major reason, therefore, in the delay in getting new competency-based training arrangements in place is clearly the absence of suitable curricula. These results show that progress is much slower than anticipated. The target set in 1990 by the Commonwealth and State Ministers to establish a national system of competency-based training and assessment by 1993 has not been achieved. At the end of 1993, while there were 70 sets of industry and cross industry competencies in place, there were only 21 competency based training courses registered with the National Training Board (NTB personal communication February 1994).

The NTB's Annual Report has commented on the difficulties involved in establishing a competency-based system:

The time involved in getting all aspects of the system defined, agreed and into place provides in itself a substantial barrier to communication of the benefits to be derived from such a major reform to traditional approaches and practices, especially in a federal system (NTB 1993a:4).

Table 1: Proportion of competency standards and training modules completed for particular industries, July 1993 (per cent)

	Standards	Training modules
Metals	80-100	100
Textiles	20-40	40-60
Clothing	80	40-80
Footwear	0-20	0-40
Vehicle manuf	40	10
Vehicle retail	20	10
Building and Con	60-80	20-80
Tourism		
- hospitality	100	100
- travel	100	--
General food products	80	40
Office skills	100	60
Plastics	100	100
Maritime	60	60
Local Government	20	20
Fire services	60	20

Source: Survey of the impact of labour market reform on entry level training, July 1993

Emergence of new entry-level qualifications

There has, however, been one area where industry has made major changes to job structures to incorporate new training requirements based on demonstrated competencies. These new training arrangements are mostly part of a new base grade or entry level classification structure involving the attainment of recognised qualifications. They include the:

- * Engineering Production Certificate
- * Vehicle Industry Certificate
- * National Certificate of Food Processing
- * TCF Machinists (developed but not implemented)
- * Certificate of Cement Manufacturing
- * National certification in Tourism and Hospitality

These new entry-level training arrangements are usually part of new job structures based on industry-wide competency standards, backed by training modules and a workplace assessment system. The orientation of most of the new training is towards existing employees rather than for new entrants. A more accurate description would therefore be base-level or sub-trade training for production operatives or front-line service workers.

The above list of new entry-level certificates shows the emergence of a qualifications-based labour market (QLM). A QLM refers to the use of educational and vocational qualifications to certify the attainment of certain pay levels in an industry-based classification structure (Lam and Marsden 1992:62). The QLM is emerging alongside the more traditional occupational or professional labour markets (ILM) and internal labour markets (ILM). QLMs operate within an industry framework with an enterprise focus. On-the-job training is often more systematic and structured with

competency outcomes specified. This is in contrast to the entry-level training arrangements for occupational labour markets where little or no systemic attention was paid to on-the-job training.

"More needs to be done"

A number of questions were asked about what further work was needed to improve the implementation of the training reforms. The overwhelming response (76 per cent) was "more needs to be done". Respondents were asked about what needs to be done to encourage employers to provide more places for formal, work-based entry-level training arrangements ? Over three quarters of respondents emphasised the need to develop a training culture. This suggests that it is not merely the supply side of the training market that is seen as lacking. Deficiencies also exist in the nature and extent of the demand from employers and individuals for training.

A quarter of respondents suggested that there was a need for legislation to require the provision of more work-based training. All of the union officials who responded to the survey believed legislation was required. The legislative option indicates a 'top down' directive approach and is only favoured by a minority and, typically, by union officials who have traditionally relied on broad industry awards in place of collective bargaining closer to the workplace to protect and advance the interests of their members.

An open-ended question was asked about what role, if any, should employer associations, unions and government policy play in enterprise training arrangements. Several respondents suggested roles for employer associations in terms of: "advise, assess, deliver and administer". The European (French and German) model of an employer association's close involvement in training was suggested by one large state-based employer association. Another respondent claimed that "employers trust their association more than unions and government". Other replies encompassed all three agencies and emphasised a role which was "facilitative, participative, providing technical resources and quality control" or, in similar fashion, as "coordinator and facilitator".

Problems with the Australian Standards Framework

In response to an open ended question about the limitations to the Australian Standards Framework (ASF) from either a vocational education or employer's perspective, a quarter of respondents indicated that there were limitations. The following replies illustrate these concerns, the majority of which relate to industrial relations matters: "remains to be seen whether industry or education driven", "limitations due to industrial issues", "not driven by industry", or "relationship to wage levels".

Other comments were related to the vocational education issues associated with the ASF: " too costly to administer", "too rigid because it does not fit industry requirements", "not enough levels", "difficult to follow, subject to many different interpretations" and "descriptions are imprecise" or "too broad". These reservations about the Australian Standards Framework have been mirrored in other survey findings. In a study conducted for the Employment and Skill formation Council, the International Consultancy firm Towers Perrin found the following concerns were voiced by industry:

- ❑ the frameworks reflect a professional and/or education perspective and often do not take into account efficiency and work value
- ❑ the establishment of such frameworks are seen as a potential means of controlling the labour market through training and education requirements, running counter to enterprise-based work arrangements

- national standards could lead to more emphasis on formal course completion rather than a wide range of acquisition processes (Towers Perrin 1993:97).

Difficulties in implementing the Training Reform Agenda

Respondents were asked more generally about perceived difficulties, industrial relations or other, in implementing the national training reform agenda. Many replies related to the plethora of programs and agencies in this area.

There are so many different schemes and bodies organising them that no one knows what is happening or what is planned.

On the AVCTS, one respondent thought the real work would be in implementation and would require people to work with companies. Another thought that there was a need to promote the Training Reform Agenda with industry to build up support. This theme was repeated a number of times in written comments from respondents:

"More resources needed and a debate about how to achieve this"; "We need models which clearly demonstrate advantages to industry"; "Industry parties have to become committed and remain committed to the outcome"; "The major obstacle to development and implementation is the apathy of most employers to the need for a national system and the belief that their enterprise knows best".

The absence of suitable quality assurance and assessment procedures are seen by many as a major weakness in the new arrangements. The NTB Annual Report has also commented on the uncertainty surrounding appropriate assessment procedures and the difficulty people have in "coming to terms with the potential diversity in approaches to assessment between enterprises, industries, and providers and the need to integrate on and off- the-job training" (NTB 1993a:8).

The overall sense of the replies, therefore, on the issue of whether the Training Reform Agenda is working is that "much more needs to be done".

3. OTHER CRITICISMS OF THE TRAINING REFORM AGENDA

The Committee on Employment Opportunities in its Discussion Paper entitled Restoring Full Employment, released in December 1993, made the following comment about the progress in implementing the reform program:

Concerted efforts to implement announced education and training reforms and to exploit further scope for improving technical and vocational training are still needed to ensure significant and durable enhancement of labour productivity from this source (Committee on Employment Opportunities 1993:63).

A recent report of the Employment and Skills Formation Council, an advisory body to the Commonwealth Government, acknowledges that there was some substance in the claim that the training reform agenda had become too bureaucratically driven and that a much grater focus was needed to achieve essential outcomes (ESFC 1993:61). The report also acknowledges that problems exist with the current configuration of the Australian Standards Framework:

The appropriate number of distinctions between ASF levels depends on the nature of the industry or enterprise, but clearly, fewer distinctions will do much to ensure consistency of interpretation and require the application of fewer guidelines and resources (ESFC 1993:55).

Major criticism from a client perspective to the way the TRA is being managed comes from an Assistant Secretary of the ACTU, Bill Mansfield. In an article published in *The Australian TAFE Teacher*, he has made the following highly critical assessment:

It is of serious concern that the reform process is not owned and driven by industry. In the key forums...there is often only a nominal presence by industry representatives of employers and employees through their unions. The people who are designing and driving the changes are largely government officials who, although dedicated people, often don't have a practical understanding of industries' needs and also, when implementing change are inclined to become too complex in their processes (Mansfield 1993).

Another feature of the TRA which has received much criticism in the media is the training levy, particularly after an official audit was conducted of the extent of employer compliance (see AFR editorial *Training levy a poor substitute*, July 21 1993 p16). The Training Guarantee requires employers (with pay-rolls greater than \$222,000 in 1992-93) to spend a minimum of 1.5 per cent of their pay-roll on training their staff. Monies not spent by the employer can be donated to designated organisations undertaking training or forfeited to the Australian Tax Office.

The Economic Planning Advisory Council in a report on Education and Training in the 1990s suggested that in the long run it may be desirable to move away from "the blunt instrument of compulsion and penalties"(EPAC 1993:77). The report went on to propose an alternative to the training levy in the form of allowing industry organisations to levy member firms and provide generic training to employees of all member firms (EPAC 1993:77-78).

The most substantial critique of the Government's TRA, however, has been made by Richard Sweet, a leading expert on skill formation policy in Australia, in his paper for the Dusseldorp Skills Forum entitled "A client focussed vocational education and training system?".

Without a doubt the proposals for reform have a number of admirable features and have resulted in some positive changes. On the other hand, the reform process has failed to capture the enthusiasm and commitment of some of the key stakeholders, and has been widely criticised for its degree of bureaucracy, its top down approach and its failure to produce results quickly enough. Employers have rejected some of its key features at the peak representative level, and have had few genuine connections with it at the local and regional level (Sweet 1993:i).

Sweet is critical of the poor functioning of a training market: "consumer demand rather than central planning needs to play a more prominent role in allocating resources and deciding the content of recurrent vocational education and training" (Sweet 1993:ii). He emphasises the need for a greater decentralisation of responsibility for implementing the changes: "new connections are needed between national objectives for the training system and local initiatives, connections which provide employers with incentives to invest in training and remove impediments to this investment" (Sweet 1993:ii).

Sweet has also pointed out that too much emphasis has been placed by the federal Department of Employment, Education and Training on achieving national consistency of training arrangements, often at the expense of other essential features of a reformed training system, such as making it more client focussed (Sweet 1993).

4. IS THE TRAINING REFORM AGENDA WORKING?

The results of the survey and information from other sources enable some judgements to be made about the success or otherwise of the TRA to the end of 1993. The Training Reform Agenda has

been a significant departure from the past practice of the Department of Employment Education and Training. The previous approach of the Department has been to intervene in the labour market at the margins to assist the unemployed and often in an ad hoc manner. The TRA, in sharp contrast, has attempted to identify a broad range of issues with ambitious targets to improve training for the workforce as a whole.

The move to Competency-based training

The acceptance at the peak policy level of the concept of competency-based training by training providers and by industry has been a major achievement. Traditional notions of how best to transfer learning largely based on a highly standardised set of inputs have been overturned in favour of a system which emphasises assessable output and the social context in which learning takes place. The process, however, has been far more resource intensive than was initially acknowledged and TAFE systems and industry have complained about the expense involved. Progress in implementing competency-based training has been far slower than originally envisaged.

Emergence of a qualifications-based labour market

Another significant change compared with the past which appears to have borne fruit is the attention now given in vocational education and training to the adult workforce. The TRA has been successful in promoting training opportunities for the existing workforce through the establishment of a qualifications-based labour market structure in addition to the craft or occupational labour market of the trades and the professions.

The acceptance by manufacturing industry and tourism and hospitality of base grade training which is publicly accredited and combines in house and external training provision for front line workers is a major achievement. This, no doubt, reflects the growing awareness among many employers of the importance of quality assurance and the need to train production employees and supervisors in the practices associated with total quality management.

Industry and enterprise standards

Another, related change with more mixed results is the setting of competency standards covering up to 50 per cent of the workforce. The initial thrust was to do this at the level of broad industry groupings with a later acknowledgement of the place of cross industry standards. The NTB, however, failed to demonstrate how the needs of individual firms would be taken into account in the setting of standards and there was a negative reaction from the Business Council of Australia representing Australia's eighty largest companies.

The outcome was a compromise recognising a separate enterprise stream. Nevertheless, enterprises seeking to have their own competency standards endorsed to gain national recognition are still required to go through a laborious process of consulting with other relevant bodies "likely to have a direct interest in the standards". Where national recognition and certification is desired, consultation with the relevant state authorities on issues related to accreditation, certification, and training delivery within the National Framework for the Recognition of Training is required (NTB 1993b:3). Issues of confidentiality for enterprise specific standards still have to be resolved. To the end of 1993 only one enterprise has approached the National Training Board to have their own standards endorsed.

The survey results and other data report considerable dissatisfaction with the slow progress in achieving the stated targets. It is, however, important to note, that the lack of progress in many areas is due to significant barriers that have arisen which have been beyond the control of the bureaucracy.

Barriers to the implementation of the TRA

A number of barriers have emerged in the face of the push for change. One of the most significant is the failure of the industrial parties in a key industry to agree on the form in which competency-based job classifications and training will be adopted in the workplace. After four years of talks between the Metal Trades Federation of Unions and the Metal Trades Industry Association to develop industry-wide competency standards, there is a fundamental disagreement over whether the standards should be compulsory or voluntary. The proposed standards set out the skills for the 14 levels of the job classification structure of the Metal Industry Award, covering some 200,000 workers.

The standards allow workers without formal qualifications to have their skills recognised and to provide an objective scale for training and advancement. The unions want compulsory competency standards to ensure recognition and portability of skills, access to career paths and to discourage lazy or incompetent employers from focussing only on process specific training (Australian Financial Review 22 December 1993 p4). Industrial action is planned by the union in early 1994 to push their claim.

The MTIA's position is that the standards should be advisory and not enforceable through the award (Industrial Relations and Management Newsletter 1993:10). The MTIA are stressing that employers should not have to implement the standards until they understand them. The Employer Association claims that the unions' main priority is to deliver through reclassifications industry-wide wage increases (AFR 22 December 1993 p4).

Another significant barrier identified in the NTB's Annual Report is the operation of the federal system. The need to gain a consensus among eight state and territory governments on a range of policies has entailed the maintenance of over 300 national committees and working parties in the education and training areas. Many of these committees have now been called into question and a decision by the relevant federal and state ministers was taken in September 1993 to set up more appropriate and leaner advisory arrangements.

Resistance by employers to the Training Guarantee

Other barriers to the reform program are at least partly to do with the way in the new measures have been implemented. A good example is the training levy. The Training Guarantee has not been successful in encouraging many smaller organisations to provide training for their employees. This is partly to do with the fact that many small employers are exempt from the Training Guarantee. Some 28 per cent of total employment or nearly 40 per cent of the private sector are small businesses (EPAC 1993:46). The EPAC Report on Education and Training in the 1990s stated that: "the evidence available suggests that many firms are relying on training provided by other firms or by the educational institutions, rather than being actively involved themselves" (EPAC 1993:46).

An important explanation for the widespread resistance to the Training Guarantee is the manner in which its expenditure obligation is imposed. The onus is placed on firms to prove to the Australia Tax Office that a minimum amount of 1.5 per cent of pay-roll has been expended. The absence of a separate bureaucratic agency to monitor compliance was seen as a valuable benefit from use of the Tax office. The unfortunate side effect is that employers, in many cases, regard the expenditure requirement as just another tax to be minimised where ever possible.

To gain greater acceptance of the levy, one suggestion is to target it for specific purposes to give it a greater credibility with especially small employers. A portion of the French levy is earmarked for financing work placements for vocational education programs in high schools. The Germans have

provision for imposing a levy on employers when the supply of formal apprentice places does not exceed by at least 12.5 per cent the number of young people seeking a place (OECD 1991:163).

A more fundamental reform would be to do as the French and Germans do and devolve responsibility for the collection and dispersal of the levy to employer associations. In this way, a strong training culture can be built up on the basis of mutual obligation so that poaching employees trained by others is minimised.

Need to devolve responsibility for implementing the reforms

The same need to devolve responsibility for managing other components of the TRA is evident from the criticisms cited above of the centrally driven and overly bureaucratic nature of its processes. A DEET discussion paper on the "Administration and Delivery Framework of the Australian Vocational Certificate Training System", released in August 1993, recommends that

recognising the potential diversity of work-based training arrangements, the importance of industry participation and the need for responsiveness to local conditions, a more collaborative approach to the management of Training Agreements should be developed with industry (DEET 1993: 24).

The paper further recommends that the State/Territories, while retaining responsibility for the effective administration of Training Agreements in relation to structured entry level training, should explore the scope for increased industry involvement through the selective devolution of administration to "management agencies". The paper suggests that "management agencies" might include:

- ❑ industrial enterprises (which possess adequate training and administrative infrastructure)
- ❑ group training companies (subject to development of their capacity in this area);
- ❑ tripartite bodies (such as Industry Training Advisory Bodies) and
- ❑ government agencies

There are several additional agencies that could take on the role of administering and monitoring not only entry-level training arrangements but other elements of the TRA as well. Each has its own strengths and limitations. Suggested criteria for agency selection for managing key elements of the TRA are:

- ❑ strong credibility with employers
- ❑ ability to act as a training broker
- ❑ close ties with a local community

The major criteria for selection of an agency should be its credibility with employers and ability to liaise with them to attract support for the maintenance and expansion of entry-level training arrangements and other key elements of the reforms. The prime function the agency has to play is that of training broker. The criterion of close ties to a local community is aimed at tapping into a sense of community obligation that is an essential element in the employer's motivation for taking on a trainee. One option is to hand over responsibility for managing structured work-based training to Employer Associations. This would be consistent with the interest that a number of employer associations have in finding a new role for themselves as their industrial relations advocacy role diminishes in the face of the greater impact of enterprise bargaining.

Employer Associations are also best placed to provide a service as a training broker because, in their members' eyes, there is no conflict of interest in selling a particular solution to an employer's personnel problems. Gaining employer commitment to take on the considerable responsibility to provide high quality training requires fostering a strong sense of community obligation. One way to do this is to draw on the mutuality that may exist through membership of an employers association.

The narrow focus of AVCTS pilots

The new Australian Vocational Training Certificate System is scheduled to absorb progressively the apprenticeship system by 1995. An extensive range of pilots have been funded to test innovative arrangements at the cost of some \$36 million. The focus of these pilots to date, however, has been on introducing competency based training. Little or no attention has been given to innovative arrangements in terms of wages and conditions. The traditional separation between training and industrial relations has been maintained. The opportunity to be innovative has been stifled by the controls imposed by the central bureaucracy and the risk averse committee structure set up to approve the pilot projects. Most of these pilots are based in educational institutions or conducted by Industry Training Advisory Boards. Few employers are directly involved (Curtain 1993).

To enable the apprenticeship to adapt to modern demands, variations to awards need to be negotiated. These negotiations need to reflect:

- ❑ the differences in the quality and quantity of training provided by employers in a particular industry, sector or enterprise,
- ❑ the costs to employers of providing high quality training places and
- ❑ the benefits in terms of the labour market prospects of the recipients.

The new Australian Vocational Training Certificate System, if it is to be work based, is only likely to survive if there is a better balance of resources and conditions in favour of training, supported by employment arrangements that reflect the different costs and benefits involved. New, more flexible competency-based training and wage structures need to be developed as a matter of some urgency if the AVCTS is going to improve on the existing apprenticeship system (see Curtain 1993).

5. CONCLUSION

The TRA encompasses a number of significant constituencies, each with their own vested interests. There has been a major difficulty in finding the areas of common interest. The Commonwealth Government is concerned to create a national training system and to make it more responsive to the needs of its users. The state bureaucracies regulating skills recognition and transfer have their own procedures born of long traditions of independent operation.

The separate publicly funded systems of Technical and Further Education (TAFE) in each state and territory dominate the training market and in many cases can bring strong influence to bear on the political and administrative system to safeguard their interests. The political power of the TAFE colleges derives from their strong links with local and regional networks of influence through the members of their governing boards. TAFE interests and personnel also tend to dominate the state administrative structures overseeing the state training systems to the detriment of private training providers and the clients of the system..

The unions have a strong interest in industry-wide skill standards to maximise the bargaining power of their members. As the responses to the survey showed, the unions also have a marked tendency to prefer legislative solutions to achieve their ends rather than addressing the issue of how to maximise the voluntary commitment of the different stakeholders to lifting the quantity and quality of training in the economy. The tripartite Industry Training Advisory Bodies are another constituency but because of their heavy dependence on government for their funding and the origin and mindset of their personnel, they are mostly seen by employer associations and employers in general as little more than another arm of government.

Employers, although obviously a major constituency, do not speak with the same collective interest as the public sector or union constituencies. The employers' voice is often fragmented between peak representative bodies, the broadly-based employer associations such as VECCI and the NSW Chamber of Manufacturers, large, industry focussed associations such as the MTIA and more narrowly-based industry associations.

It was noted above that the NTB's 1992-93 Annual Report referred to the strains inherent in the process of moving from a "provider-oriented" to a client-oriented" vocational training system. Using the concept of a training market, it is clear that the vested interests on the supply side have been both better organised and more insistent on pursuing their interests. The slow progress in implementing competency-based training at least partly reflects the resistance of the TAFE system to change and the demand for greater accountability.

The initial focus on industry standards and the Australian Standards Framework reflected a strong union input to the process. The top down, centrally driven nature of the reforms with its emphasis on national consistency and national frameworks for the recognition of skills also reflect the effects of a supply side dominance of the reform agenda.

Attention, however, should also be focussed on the demand side of the training market. Why is it that the demand side has not been more assertive in making its requirements known? Many workplaces may be locked into a low skill equilibrium where to the individual worker, the costs of further education and training are seen to outweigh the perceived benefits and to the manager, the risks of upskilling are seen to exceed the potential gain because of fears of poaching of trained workers by other employers and the loss of control and bargaining power (Finegold 1991).

The major challenge for the key elements of the TRA to work is to have the people to whom it is addressed claim ownership of the means and ends of the agenda. This involves giving the demand side of the training market much greater capacity to influence how resources are allocated as well as a greater say in how the overall framework should work. It is significant that of the six national goals for vocational education and training in Australia, the objective to improve the training system to meet the current and future needs of industry is only ranked fourth, behind the objectives which emphasise the system needs of efficiency, collaboration, improved quality and the needs of individual users.

The training system can only become more client focussed when more incentives are provided to enable the users of the system to choose the most efficient or suitable training provider. A degree of regulation and coordination of the training market is needed to maximise the benefits that accrue from a marshalling of resources. This, however, should be oriented to maximising the involvement of those participants-the employers- who are crucial to the successful use of the products of the training providers. Unless employers and their representative associations are given a prime position in the operation of the training market, the TRA is likely to fail for want of a strong sense of commitment by employers as central stakeholders. Industry needs first to accept the need to train its workforce to world best practice standards and then to take the initiative to shape the training market and its regulatory framework to achieve those standards.

Richard Curtain (PhD The Australian National University) is a Melbourne-based consultant specialising in enterprise bargaining and skill formation. He was invited in early 1993 to work with The Allen Consulting Group to review the National Training Reform Agenda for the Australian National Training Authority after this article was written. The conclusions drawn and recommendations made in this paper are solely the author's.

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