

# Australian government shifts to corporate-controlled job “training”

Mike Head  
19 May 2011

One of the central myths in last week’s budget delivered by the Gillard government is that working people are to be afforded the “opportunity” to benefit from an unprecedented “mining boom” through the creation of jobs, and training programs to equip them to obtain those jobs.

Alongside cutbacks to welfare benefits for sole parents, disabled workers and the young and long-term unemployed—essentially designed to push them into low-paid work—the budget features a “\$3 billion skills package.” The two components of the budget are closely intertwined because many on welfare will be forced to undergo new vocational training courses.

During a doorstep media appearance at a high-profile corporate gathering on Monday, Prime Minister Julia Gillard insisted: “We want to make sure Australians have the benefits of work, and we want to bring more opportunity to Australians, including by investing in skills.”

The reality is that the Labor government is scrapping existing school- and institute-based programs to make a fundamental shift to corporate-controlled, government-subsidised training that will seek to slot workers into specific jobs. Any training will be subordinated to the short-term profit requirements of employers.

Except for an additional \$200 million, the \$3 billion—to be spent over six years—comes from axing existing schemes to make way for a system that Gillard described as “more matched to the needs of industry.” Employers will be funded for an average of half the cost of providing about 130,000 training places.

Given the recessionary conditions gripping most of the Australian economy, except for the mining sector, and the consequent drive to slash labour costs, these jobs will mostly be low-paid and semi-skilled. Despite the government’s rhetoric about sharing in the mining boom, few of the jobs

will be in the mining industry, which employs less than 200,000 workers, or just 2 percent of the national labour force.

The mining boom itself is fragile—predicated on the continued rapid expansion of the Asian economies, particularly China. While the growth lasts, the Labor government has agreed to permit the mining giants to import workers from overseas, on a purely temporary basis. “Enterprise migration agreements” will be introduced for large mining projects—those valued at more than \$2 billion and employing a peak workforce of 1,500.

Under the scheme, these workers will be virtually indentured labour and denied permanent residency. Far from defending their basic democratic rights and insisting on proper pay and conditions, the trade unions have opposed the use of “foreign workers” on a reactionary nationalist basis. As a sop to the unions, the government proposed a \$5,000 levy for every imported worker to fund local training schemes but quickly dropped the proposal after the mining companies objected.

In her speech to Monday’s conference, Gillard told the corporate executives: “Industry and businesses know what the skills are that they need, and if we can partner with you in generating those skills then they will have immediate economic benefits for the business as well as for the individual who has gained those skills.”

These “immediate economic benefits” include the fact that workers seeking to undergo training will effectively be tied to their employers. Much of the funding will be for “on-the-job” training—with employers controlling the awarding of qualifications. A fact sheet on the federal budget web site cites the example of “Enterprise X,” a large construction company that could receive grants to provide “a combination of recognition of prior learning, on-the-job training and workplace assessment.”

Another case study is based on the nursing home industry, which is notorious for its low pay, poor conditions, backbreaking work and cost-cutting at the expense of patient care. “Leah runs a medium-sized aged care service... Leah has recently learned about the National Workforce Development Fund. Through this Fund, the government will fund half of the training costs. She forms a partnership with a local registered training organisation to deliver the training she needs.”

The National Workforce Development Fund will allocate training dollars to “high need industries and critical occupations”—the construction and aged care sectors have been identified as immediate priorities. Workers in occupations regarded as being of “low economic value” will be excluded.

Money allocated by Labor’s previous budgets for “skills packages” will be diverted into the new fund. Some programs, including the trades training centres in schools pledged by former Labor leader Kevin Rudd during the 2007 election campaign (\$2.5 billion over 10 years), have been axed or postponed.

Apprenticeships will also be restructured, to provide shorter completion times and more “flexibility” to suit employers. Rather than fixed-time apprenticeships of three or four years, “accelerated apprenticeships” will be introduced with specified “competency-based” outcomes.

Business leaders hailed the shift. “This approach to skilling,” the Australian Industry Group enthused, “puts industry in the driver’s seat.” The Australian Chamber of Commerce and Industry said it was a wise decision “and with industry-driven support it can address some of our skills deficits and shortages.”

In keeping with their corporatist character, the unions are to be full participants in the new regime. Union officials will be well-paid advisers and partners at various levels. Many unions will also benefit financially because they own or partly-own profitable registered training organisations.

Some “training” will be specifically designed to bolster the role of the unions in implementing corporate restructuring at the expense of workers. A special fund, the Productivity Education and Training Fund, will “support union enterprise representatives and employers to use the enterprise bargaining process to introduce productivity improvements in the workplace.”

Contrary to its claims of “high-quality” training opportunities, the government is responsible for a deepening crisis in training and education. Currently, only about one-third of students complete their courses and just half of apprentices finish their time. A recent report estimated that 46 percent of the working age population lacks the basic literacy and numeracy skills regarded as necessary to work in a modern economy.

This decay is an indictment of two decades of underfunding and increasing privatisation of education, including the vocational sector, a process that has intensified since Labor took office in 2007. A report by the Centre for the Economics of Education and Training, released in March, found that government spending per hour on vocational education and training had declined by 12 percent since 2003 and 22 percent since 1997.

Recurrent funding for public Technical and Further Education (TAFE) colleges was effectively cut by an estimated \$623 million per year, or 17 percent, in real terms between 2003 and 2008.

The Labor government has directly undermined vocational education and training, through its “education revolution,” which includes transforming the sector into a competitive market, with TAFEs forced to tender for contracts against cut-price private operators.

Far from providing youth and workers with genuine educational, training and job opportunities, the Gillard government is intent on delivering to business everything it requires—including tailor-made, government-sponsored training programs—to carry through a further assault on the conditions of the working class.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**