

## RESPONSE 9

### Response to Skilling Australia for the Future Discussion Paper

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First Impressions Resources is a Registered Training Organisation specialising in workforce skills development for the Retail industry. We operate nationally and our clients include national retailers such as Best and Less, Priceline, Tradelink, Colorado Group, Toys R Us and others. We also work with regional retailers, such as KFC in Queensland and various IGA Supermarket groups as well as of course small, local retailers.

Firstly, we would express our strong support for this initiative and its focus on the outcomes of Vocational Education and Training and their importance to the future economic prosperity of the nation. The current skills shortage is hitting many industries hard and Retail is no exception.

As you would know, the Retail industry employs one in five people in Australia and half of all people aged under 25. Retailers are also renowned for relatively high staff turnover and employers have increasingly recognised that training is an important part of their staff recruitment and retention strategy.

Our retail clients have expressed concerns about the degree to which additional funded training places will be available to them, particularly as their industry does not appear to carry the same weight or political influence as some others and has long been treated as a low priority by Governments when funding has been allocated.

There is the threat that current State funded traineeships in Retail are being cut, particularly at Certificate 2 level. Lower level qualifications continue to be an important entry point into the Retail industry and an essential starting point for further study and higher level qualifications (as pre-requisite for Certificate 3). It is also especially important for people who have become disengaged with education and might not otherwise be able to gain a qualification. There is also concern that current State funding will decline further as the Commonwealth Government's programme progresses.

It is important the additional funding remains additional, and does not simply replace existing programmes that become discontinued. There are for example barriers to participation in traineeship programs currently, due to eligibility requirements. For example, retailers employ a high proportion of casual and part-time workers, mainly comprising women and these are often ineligible for traineeships due to casual or part-time existing worker definitions.

Competitive pressures in the industry often mean lower wages than some other industries, exacerbating retention problems particularly in regions where retail competes with mining employers and the like. These pressures also mean that retailers can least afford to pay for staff training that is not otherwise subsidised. Any reductions in funding are likely to lead to less accredited training and thus impact negatively on the Commonwealth Government's objectives.

There are also issues currently for national or multi-jurisdictional employers, whose workforce development programs are hampered by inconsistencies between States

in availability and structure of traineeship programs, funding and incentives. We would be very concerned if these issues persist in the additionally funded places.

There is a demand for higher level qualifications in the Retail industry, particularly at Certificate IV and Diploma level. These have become an increasingly important part of larger retailers' succession planning and we currently have Diploma candidates who have progressed through Certificate 2 to 4 whilst progressing in their career with the same employer.

We currently work with clients to identify their workforce skills development needs and in developing a strategy to meet these. Where accredited training is a suitable solution, we identify existing funding and incentive structures across different jurisdictions, based on the location and eligibility of the client's participating staff, often with the assistance of an AAC.

This process leaves a tranche of willing and able applicants ineligible for funding for various reasons, such as employment status/duration, unavailability of traineeship for a particular qualification and/or location, etc. These ineligible candidates are therefore either unable to participate, or only a few are selected and are subsidised by incentives received for eligible trainees.

In managing this program, we would like to see existing structures remaining and these otherwise "ineligible" employees funded to participate in training programs through this initiative, with an employer contribution as is proposed. An approach to funding that is consistent across States and Territories will be essential for this to be effective.

We congratulate you on this initiative and thank you for the opportunity to provide input to its development.

Kind regards.