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# Technical and further education in Australia

Dear Secretary

Please find attached the supplementary submission of the Australian Manufacturing Workers’ Union to the Inquiry being undertaken by the Committee into Technical and further education in Australia.

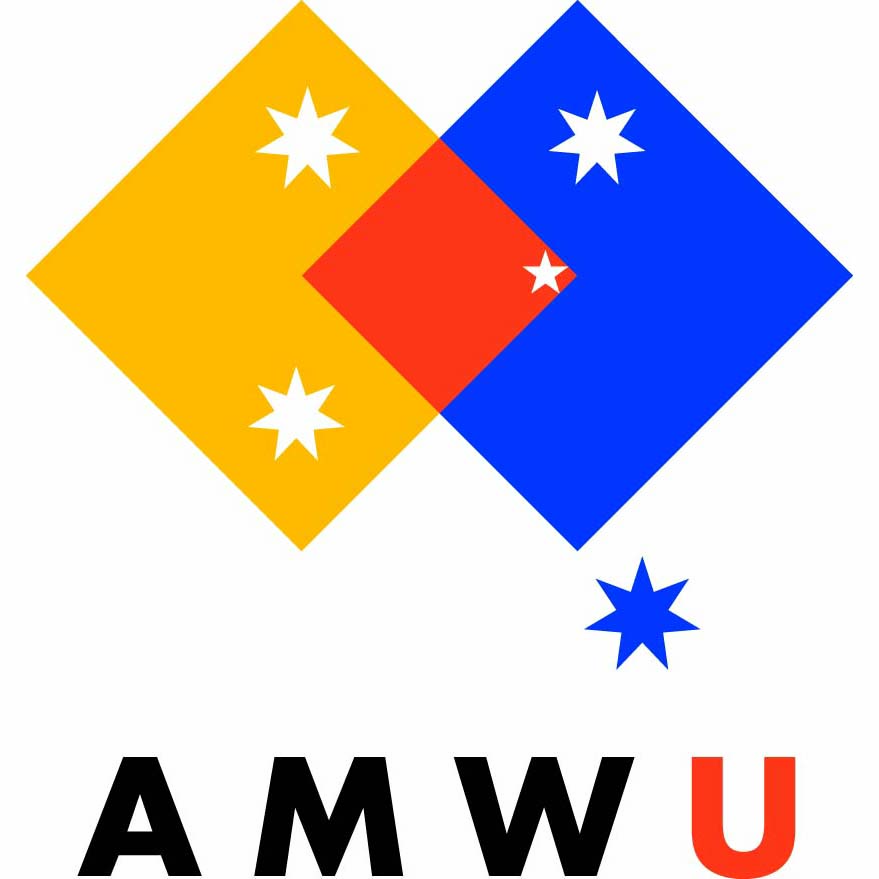
The contact person for our submission is:

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Yours sincerely,

Andrew Dettmer  
National President

Australian Manufacturing Workers’ Union



**Australian Manufacturing Workers’ Union  
Supplementary Submission**

**Senate Education and Employment References Committee:**

***Inquiry into Technical and further education in Australia***

**March 2014**

# Introduction

The Australian Manufacturing Workers’ Union (AMWU) welcomes the opportunity to provide this supplementary submission to the Senate Education and Employment References Committee Inquiry into Technical and further education in Australia*.*

The AMWU represents the industrial interests of over 100,000 Australian manufacturing workers employed in a wide range of manufacturing, engineering and related industries including workers engaged in food processing, metal & engineering, printing, vehicle and technical, supervisory and administrative occupations.

Australia’s internationally regarded publicly owned TAFE system has been a significant contributor to the delivery of both social and economic opportunities for many of our member.

The AMWU supports the TAFE system and the work that is being done to lift educational and vocational standards across Australia by TAFE workers.

We continue to rely on the written submissions made to the 2013 House of Representatives Inquiry into the role and operation of TAFE that lapsed when the previous Parliament was dissolved.

We support and adopt the submissions of the ACTU in their supplementary submission to this Inquiry.

# Terms of Reference

Our brief supplementary submission is confined to the following terms of reference:

Technical and further education (TAFE) in Australia, including:

(b) the effects of a competitive training market on TAFE;

(c) what public funding is adequate to ensure TAFEs remain in a strong and sustainable position to carry out their aims;

(d) what factors affect the affordability and accessibility of TAFE to students and business;

(e) different mechanisms used by state governments to allocate funding; and

(f) the application and effect of additional charges to TAFE students.

**Context for this Submission**

In many of our submissions to previous inquiries, and in the submission we made to the 2013 Inquiry the AMWU made observations about serious weaknesses in the VET and apprenticeships systems in Australia including:

• Declining quality of training delivery and outcomes compounded by the absence of effective compliance monitoring to ensure industry standards are being met;

• Pressure to leave training to the ‘market’ which is resulting in a race to the bottom on quality and incentives to rort the system.

• Declining apprenticeship completions due to poor pay and conditions and low quality training and employment experiences for apprentices;

• Pressure for fully institutional delivery of key trade, technical and production qualifications;

• A disconnect between training delivery and the requirements of the workplace as specified in competency based qualification specifications developed by Industry Skills Councils, ie the training is not really vocational.

The submissions made by the ACTU outlining developments since the 2013 Inquiry raise concerns that are shared by the AMWU in relation to:

* Economic and labour market developments
* ASQA reports on RTO practices
* Productivity Commission report into VET funding and delivery
* TAFE policies of the major parties
* Impact on TAFE

Since the 2013 Inquiry Australia has been rocked by a number of additional announcements by major companies in the manufacturing and airline industries that would either cease their operations in Australia of downsize their workforces to the tune of many thousands of workers.

Skills must be central to the response to the job losses that have been announced.

It is clear from previous labour and structural adjustment exercises’ involving Mitsubishi, Tenneco and Bridgestone, to name a few, that skills analysis, workforce planning and development strategies based on proper approaches to skills recognition and development produce by far the most successful results.

Skills have been, and will remain central to the future of the Australian economy, and TAFE is an institution that is, and must remain, central to the delivery of skills to the economy.

The reliance on the market to deliver the skills that the economy and the society it serves require, is misplaced.

Responses to the challenges confronting the economy, particularly the potentially devastating loss of capability being experienced through the announced closure of key manufacturers including Ford, Holden and Toyota and the announcement recently of 5,000 airline jobs and the attendant capability that rests with those workers, cannot be left to the market.

There is a central role for a public provider that is responsive to the needs of community in delivering outcomes greater than the mere delivery of training for profit.

# Additional Terms of Reference

**(b) the effects of a competitive training market on TAFE;**

There is clear evidence that the move to contestable funding models and student entitlement models is having a dramatic effect on the ability of the TAFE to continue to deliver the very high levels of quality service the Australian community has come to expect in a rapidly changing funding environment that, for example, has seen 8 separate iterations of the list the South Australian Government uses to determine funding and entitlements to subsidies for training in South Australia since the introduction of its so-called *Skills-for-All* funding model.

The absence of an environment of relative stability and certainty about funding is leading to confusion and an environment where the market is being exploited for purely commercial reasons unrelated to the skills and workforce development needs of industry and the economy as a whole.

Cherry picking of high volume, low cost programs is rife, and the quality of outcomes is often questionable. Once the market has been saturated and Government’s catch up with the oversupply of graduates, the funding tap is wrenched closed and the market shifts to the next commercial opportunity and the cycle restarts.

We reiterate the submission we made in the 2013 Inquiry:

“*The AMWU opposes the introduction of market ideology into education in all its forms.*

*Attempts to build a ‘training market’ have resulted in a serious and accelerating decline in the quality of outcomes that are resulting from what passes for nationally recognised vocational education and training.*

*This decline and the diminution in the relative market share of training delivery by the public provider is affecting the viability of TAFE and restricting its ability to maintain the broad scope of registration that has been one of its considerable strengths.*

*Private providers are entering the market with a focus on activities from which they can generate the largest profit irrespective of social and/or economic needs of the broader community.”*

**(c) what public funding is adequate to ensure TAFEs remain in a strong and sustainable position to carry out their aims;**

We support and adopt the submissions of the ACTU in regard to this term of reference.

**(d) what factors affect the affordability and accessibility of TAFE to students and business;**

Reduced funding per student and per qualification, and the complete withdrawal of funding for certain programs is significantly increasing the cost to students of participation in vocational education and training.

The uncertainty means that decisions are more likely to be made to support shorter term delivery options and cheaper to establish, cheaper to run programs will be chosen over the perhaps more strategically important, but more resource intensive programs like engineering trades and paraprofessional qualification which are so critical to building and transitioning the economy.

At the same time, the imperative for industry to contribute to the production of the skills that they consume is being reduced.

For many, TAFE is their only accessible post school educational institution, particularly for regional and remote students and those that suffer disadvantage.

The additional support services provided by a well-resourced public provider are rarely found in commercial registered training organisations that exist for profit.

If TAFE is to compete with those commercial interests it is inevitable that they will succumb to participation in the ‘race-to-the-bottom’. The consequences for those that require additional support will be dire, and likely to further exacerbate and already difficult set of economic and social circumstances for those individuals and the community as a whole.

**(e) different mechanisms used by state governments to allocate funding; and**

We support and adopt the submissions of the ACTU in regard to this term of reference.

**(f) the application and effect of additional charges to TAFE students.**

At its simplest, the application and effect of additional charges to TAFE students means that less of those with disadvantage, that need vocational education and training and the vehicle that represents for transforming their lives, will participate. The long term damage that on its own will do to those people will be catastrophic and will entrench already unacceptable levels of welfare dependence.

The damage it will do to the Australian economy, through reduced workforce participation and reduced opportunity as the economy starts to recover will add to skills shortages and increased dependence on an uncertain and unsustainable supply of imported labour.

ENDS