

Senate Standing Committees on Economics
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Dear Senate Standing Committees on Economics.

01 September 2021

My name is Peter Luther, I was a TAFE teacher for 27 years, teaching Fitting and Machining to apprentices to help them attain their trade qualifications, I also taught post trade courses such as CAD (Computer Aided Drafting) and Fluid Power (Hydraulics and Pneumatics). As well, I produced syllabus support material and made student fault finding workshop fixtures for Fluid Power. I started teaching in 1979 when TAFE required more trade teachers. At that stage we had more students than the system could handle. This was in part due to the government's financial incentives being given to employers to employ apprentices. We saw a gradual increase in student numbers up to 1981-82. After that the decline occurred when the effects of the LIMA agreement came into force. Australia had become a signatory to the LIMA agreement which determined that Australia would get out of manufacturing and build its economy around Mineral Resources and Tourism. So we saw the decline and eventual demise of major manufacturing in Australia.

All those Household Australian made brands that we grew up with then disappeared, Email, Westinghouse, Hoover, Kelvinator, Whirlpool, Pope, Victa etc. etc., along with our very viable electronics industry which produced at least seven different brands of colour televisions and eventually even the car makes, Ford, Holden, British Leyland, Chrysler/Mitsubishi and even the assembly in Australia of Toyota and Nissan/Datsun disappeared. All of these automotive companies required a huge network of satellite manufacturers which provided many jobs, all lost when these companies pulled their support from this country. A travesty considering these companies had been given handsome government incentives.

With the demise of industry there was also the demise of the Engineering departments in TAFE. I saw Gympie reduced from a two unit workshop to a one unit workshop, i.e. from two classes working simultaneously in the workshop to only one. Then we saw the gradual shut down of whole sections. I was stationed at St George at the time and the "powers to be" decided to rationalise and shut down either St George or Bankstown Fitting & Machining section and it was decided St George would close.

Years before these proposed closures we had a wake up call in the early 1980's when Barry Jones came to St. George College and informed us of the huge shortage of skilled workers we were experiencing at that time in every trade. He told us we would be in deep trouble and possibly be past a point of no return by 2005. Guess what? We still have not addressed this shortage. It did not appear to make sense knowing what we had been told by Barry Jones but that is what happened and we are now starting to pay the price.

When I started at St George we had 10 teachers, when we were shut down there were only 2 teachers and a Head Teacher. We were relocated to Chullora TAFE along with the remaining Bankstown Teachers.

It should be noted that prior to these shut downs of facilities and remembering that at that time St. George TAFE had the best equipped Fitting and Machining workshop in NSW but that didn't matter that it would be dismantled and the equipment would be fire sold at auction for a fraction of the initial cost burden that taxpayers had had to pay for. Successive state governments both Labor and Liberal eroded the system and the beginning of the end was the Greiner/Metherell tenure who decentralised the Technical Education Department and devalued it initially to an Authority and then

to a Commission. What used to give us stability at 323 Castlereagh Street Sydney was then duplicated in a number of other locations with individual management sections. The management and administration bloated in each of these Institutes so created. TAFE was being run as a business and not as an educational centre by managers of different levels. Too many chiefs and not enough Indians. It appeared that TAFE making a profit was way more important than the students or those of us who taught them, along with the Support Staff who serviced them. What used to be a 'family' environment headed up by a Principal, Deputy Principal and a Registrar was replaced by a totally impersonal, cold corporate style of business rather than a place of learning and an uninviting place to go to.

With these shut downs we saw the massive decline in student numbers as well TAFE facilities and teaching staff and the wealth of knowledge they had was lost forever. Our team of 10 teachers covered almost every facet of the industry and we had specialists who could answer any question that students could put to us. All of us are now long gone along with the knowledge and skills (although those of us, still alive, retain these skills and the ability to practice them).

The LIMA agreement was the first nail in the manufacturing world's coffin, then Paul Keating decided we need a "level playing field" and so removed import duties and tariffs. Australia had the third highest living standard in the world, so with no import duties and tariffs to protect our manufacturing, it was down hill from there. Also, we saw the floating of the Australian Dollar and the deregulation of the banking system. This allowed foreign banks and other financial institutions to take over our banks and so remove the ability of any Australian business people from getting the funds to start a new manufacturing company if possible.

The final death blow was when John Howard aligned Australia with Globalization and so put an end to manufacturing on a large scale and so relied on imports from cheap labour countries. Also, while in the Howard era he made TAFE 50% self funding so he reduced federal funding from TAFE which meant students would have to pay 'fee for service' charges for the courses they did.

To re-establish manufacturing in this country it will take a lot of work and money and a lot of trades people. You will need to do the following:-

1. Firstly you need someone or something to supply the funds to do all this at low interest rates.
2. Employ the workers, also Tradespeople to build the equipment and maintain it.
3. Resurrect TAFE to train the future Tradespeople to run and maintain things.
4. Build new factories.
5. Outfit the factories with the plant and equipment.

So on that note I say Good Luck because I cannot see this happening in my life time. All we appear to get from our politicians is political rhetoric with no action and no real interest. Remember that while you procrastinate our current pool of skilled workers is still aging and the skills die with their owners. Also, remember that although we perform our processes today in more efficient ways, it is only because of advances in materials, tool materials and machine tool advances. Just a different way to remove metal. The skills are the same as those who came before us and are just as difficult to learn now as they always were. There is no way this learning period can be reduced or fast tracked. It is an insult to even suggest that it can be.

Something to take away from this is what we used to make, (and still do in a much reduced fashion), is as good or better in some cases, than anything you can buy from any source from any country in the world. Sometimes it does cost a little more but you know it will be good. Do you really think you are going to be able to buy a Rolls Royce or a Mercedes Benz for the price of a Hyundai or a Kia? Your choice but remember our products were/are world class and deserve for manufacture to be revived. What is presented fit part of the Terms of Reference.