

24th October 2022

By your side



Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Via electronic submission

To whom it may concern

Re: Jobs and Skills Australia Bill 2022 [Provisions] and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 [Provisions]

Thank you for the opportunity to make this submission on the Jobs and Skills Australia Bill 2022 ('the Main Bill') and the Jobs and Skills Australia (National Skills Commissioner Repeal) Bill 2022 ('the Repeal Bill') (collectively 'the Bills').

The United Services Union (USU) represents over 30,000 members in New South Wales in the Local Government, airlines, utilities and administration sectors.

The USU supports the Bills' goals of replacing the National Skills Commission (NSC) with a new body, Jobs and Skills Australia.

Board Composition – Legislated Union Representation

Workers and their representatives are key stakeholder in responding to workforce challenges including the issues surrounding skill shortages. Unions play a vital role in representing the interests of the workers. The composition of the Jobs and Skills Australia's advisory committee should be reflective of this role and as such we recommend legislating the composition of the board to include union representation to ensure this takes place.

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TAFE improvements

That latest figures from the Australian Bureau of Statistics (ABS) (2017) show that the completion rates for all VET Qualifications is 45.9%.

The main reasons for the dropout rates are

- Wages for apprentices and trainees not meeting living standards
- The costs of fees for students prohibitive especially to those who are on minimal wages
- The cost of childcare for students with childcare responsibilities means that students are forced into making choices of continuing with study or seek more paid work
- There is not enough government foresight in tailoring training with job opportunities for graduates
- Dramatic cuts to TAFE have meant course and campus closures forcing teachers out of the profession and students impacted. This has been especially evident in regional areas where students have had to travel significant distances to be able to attend relevant courses.

TAFE has been Australia's skills trainer for nearly 130 years and is funded through a mix of state and federal government support.

The Productivity Commission's 2020 Report on Government Services found that expenditure by all Governments dropped by more than 20% or \$1.6 billion from its 2012 peak over \$7.65 billion.

Most States and Territories are now spending less in real terms on VET recurrent funding than they did 10 years ago.

A survey conducted by the Australian Education Union (AEU) reported that 68% of TAFE staff had courses cut, while 81% had departmental budgets slashed.

About half of the respondents said that class sizes increased.

This has led to a direct impact on staff morale in terms of course closures, campus closures and loss of opportunities for students.

Students often must travel for hours each day to get to a specific campus.

The Centre for Future Work's report "The changing Landscape of University – Employment Transitions in Australia, October 2019" have documented that as new entrants enter the workforce, they face immediate challenges of finding full-time employment. Currently less than half of all Australians are employed in what is described as traditional "standard" jobs (full-time, permanent, paid work offering standard entitlements, paid accrued leave plus superannuation).

The Australian Bureau of Statistics studies have shown that it can take new graduates on average 2.6 years to find their first full-time job.

Australia's education system needs to improve at anticipating the needs for highly – skilled workers in the future.

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Program offerings for both TAFE and University need to match the skills in need and then assisting students as they traverse the TAFE or University system and find meaningful, relevant work.

Students should be better educated and informed about future career opportunities in roles of the future from high school and better encouraged and better supported to be able to take up Apprenticeships and Traineeships over University if they feel that this is best for them rather than entering University only to drop out in the first year because they can't find the right path for them.

The Centre for Future Works report also suggests that the solution to graduate employment challenges must include better strategies for directly linking degrees to jobs: for example, through paid placements, occupational licensing, and accreditation.

Further, the Centre suggests that Australia's system for planning skills, higher education, jobs, and placement functions is fragmented and often contradictory. Australia could learn a lot from other countries (especially Europe) which have taken a more hands on and direct approach to forecasting future skill requirements and planning higher education offerings accordingly and channeling graduates directly into relevant career opportunities.

Significant funding for both TAFE and University is required to enable better training and support for students. This funding must also be linked to the skills requirements for the future.

Better education and awareness must be given to students in high school to be able to make better choices for vocational careers to stop the dropout rates in universities due to poor choices of study options.

Students must receive better financial support and pay to be able to continue with their traineeships and training. This also includes better options for childcare subsidies to enable students with children to finish their studies.

There must be better career options for TAFE teachers with proper full-time positions to be available to them and much better support for training and class sizes must be provided.

Regional students must have better support for travel and accommodation which should be addressed through the relevant modern awards and funded by employers. Government assistance for employers should also be made available to assist.

Local Government Measures

In terms of Local Government specifically, the USU submit our concerns around the skills drain that will plague local government over next 5 years. We implore the government to commit additional federal funding for apprenticeships and traineeships to combat the skills drain and to prevent worsening of an already concerning skills shortage.

The USU would also like to draw the Senate's attention to the difficulty that currently exists in the Local Government industry around job retention and job vacancies with councils. These issues have been raised with the Union repeatedly by Councils. The USU submit that a 2022-23 Regional Economic Development Scheme (RED Scheme) with an award wage top up by the council would be a positive measure to help address this nation wide dilemma. The RED scheme would create a

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mechanism by which the Federal Government would subsidise the costs of Local Councils training and developing the next generation of employees.

Yours faithfully

Graeme Kelly OAM
GENERAL SECRETARY

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