

The Secretary
Senate Standing Committee on Education, Employment and Workplace Relations
PO Box 6100
Parliament house
CANBERRA ACT 2600

Dear Secretary,

Re : Skills Australia Amendment (Australian Workforce and Productivity Agency) Bill 2012

Thank you for the opportunity to comment on this important amendment to the Skills Australia Act 2008.

The AMWU represents the interests of over 120,000 Australian manufacturing workers employed in a wide range of manufacturing, engineering and related industries including food processing, metal & engineering, printing, vehicle and technical, supervisory and administrative sectors.

Manufacturing workers, more than many others, rely on the quality and portability of their skills for their livelihood. The structures for managing and implementing skills and workforce development including the delivery, recognition and credentialing of skills, and in particular the apprenticeship model, are therefore of critical importance to them.

The AMWU is Australia's principal union for skilled trades and has had a long standing, committed and productive involvement in vocational education and training for many years.

We provide representation at all levels of the system including involvement at both state and national levels, on a variety of state and territory regulatory bodies, and also, importantly, in the network of Industry Skills Councils.

Australian Manufacturing Workers' Union
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The AMWU welcomes the Bill and supports its passage through the Parliament.

Workforce development and Productivity

We particularly welcome the recognition in the Bill that the skills challenges confronting the Australian community and economy are essentially challenges associated with building the capability and capacity of the Australian workforce to contribute to better productive performance in a global economic environment in which higher level skills will be critically important.

The Australian economy is in a state of transition that will require it to adapt to a range of emerging tensions including the move to a lower carbon economy, a higher Australian dollar and rising economies in China and India to name a few. There will need to be a skills and workforce development response if we are to manage the transitions successfully.

The AMWU hopes that the proposed inclusion of an advisory function relating to workforce development funding and Commonwealth industry skills will allow and facilitate a closer alignment with broader industry level objectives as opposed to simply setting out to meet the narrow interests of individual employers in an economy in which job and skills mobility are rising rapidly.

Advisory role in funding

The AMWU welcomes the inclusion of the provision of advice on the allocation of Commonwealth industry skills and workforce development funding including the National Workforce Development Fund as a function of the Agency. This is an important initiative in that it will provide industry with a direct opportunity to influence the allocation of funding from the National Workforce Development Fund.

Leveraging better skills and workforce development outcomes from taxpayer funding is important if higher productivity, better alignment between training delivery and vocational skills needs and relevant employment outcomes are to be achieved, as well as starting to arrest unacceptable completion rates in VET generally and in apprenticeships in particular..

Stronger research, analysis and advisory role

The AMWU welcomes the strengthening of the research and analysis basis for the work of the Agency. There is a need in our view for a more practical alignment between the thinking of the Agency and an independent research and analysis capability to underpin the advice the Agency ultimately provides.

We think this provides an opportunity to broaden VET and workforce development research into areas that to date remain under explored.

Expand the size of the body

We welcome the expansion of the size of the body. Stronger industry influences are required to give effect to the enhanced workforce development function of the agency.

Industry leadership of the VET sector has been largely rhetorical, in our view, for some years as governments have moved to commercialise the VET delivery sector and introduce market mechanisms that have largely failed to address the increasingly critical skills shortages that confront the economy.

Expand the membership criteria to reflect the transition to a union and industry-led body

The AMWU holds to the view that trade unions are legitimate industry bodies and the language of the amendment should be amended to reflect, 'employer and union' industry bodies.

We welcome the stronger union presence on the board of the Agency as it will allow the trade union movement to continue its productive contribution to the debate about skills and workforce development.

We note with interest that the most successful periods in the history of the VET system in Australia, have been those periods where employers and unions have held positions of joint influence and are able to contribute moderated, consensus perspectives that they can prosecute with governments.

We see the national network of Industry Skills Councils as exemplars of this.