



Australian Government

**Department of Education,
Science and Training**

**Supplementary Information
Submission to**

**The House of Representatives
Standing Committee on
Employment, Workplace Relations and
Workforce Participation**

**Inquiry into Employment in
Automotive Component Manufacturing**

AUGUST 2006

Group Training in the Trades Programme Management Information System - GTPMIS

Pre-Vocational

There are 11 Automotive pre-vocational courses listed in GTPMIS to date;

- 119 pre-vocational participants are registered in GTPMIS as Automotive.

Payment structure for pre-vocational is:

- **\$1,650** for a commencement;
- **\$1,375** for an articulation into an Australian Apprenticeship; and
- **\$1,375** for a completion (all GST Inclusive).

Australian School-based Apprenticeships

There are 130 school-based participants registered in GTPMIS as Automotive.

Payment Structure for an Australian School-based Apprenticeship currently is;

- **\$1,540** for a commencement and
- **\$2,310** for a completion (GST Inclusive).

AUTOMOTIVE MANUFACTURING PASSENGER MOTOR VEHICLE (PMV) QUALIFICATIONS FRAMEWORK

New Directions

A direct result of a training package being developed for passenger motor vehicle manufacture has been the consideration by each enterprise of how their individual enterprise-based training, governed by their individual industrial agreements, could be adapted to provide a career pathway in automotive manufacturing from a Certificate I to an Advanced Diploma.

The industrial parties (AMWU) and manufacturing companies (Ford, Holden, Mitsubishi and Toyota) have reviewed current practice, undertaken research into alternative training structures and negotiated individually and jointly to develop nationally recognised qualifications. The Manufacturers Advisory Group (MAG) of the ATA Board has consulted extensively and validated widely within industry to confirm the direction of this training package.

Current Training – Certificate II and III

Over 70% of current training is concentrated on production skills at Certificate II level. The four vehicle manufacturers implement production training and there is a National industrial agreement in place covering training at this level.

Graduates from Certificate II may, subject to the guidelines described within each company's Enterprise Bargaining Agreement (EBA), achieve an Certificate III or equivalent qualification that facilitates entry to the Automotive Manufacturing Certificate IV, V and VI qualifications through a negotiated "Contract of Training" relevant to the specific job competencies and field of application.

Approximately 10% to 15% of current training is at Certificate III level for training in traditional "trades" and is allocated by the industrial Award under the streams of:

- Electrical/Electronic
- Mechanical
- Vehicle building/Fabrication/Support

The number of trainees undertaking trade training varies between manufacturers but each has a current industrial agreement which supports retention of vocationally based training depending on current skill needs in each enterprise.

Qualifications Framework Automotive Manufacturing – PMV Sector AUM00 V4 to be reviewed by 30 December 4 2004

There was an agreed position that training at Certificate II and III levels could be aligned to competency-based training and assessment, subject to industrial agreements regarding implementation in individual plants.

Current Training – Certificate IV, Diploma and Advanced Diploma

Consultation and negotiation has been ongoing with the industrial parties and manufacturers since June 1997 in an effort to achieve national outcomes from what has been an ad-hoc, enterprise-based structure at these levels. The Manufacturers Advisory Group (MAG) of the ATA Board has confirmed that nationally agreed qualifications and their implementation at levels IV to Advanced Diploma will be introduced on the condition that:

- training is undertaken only as required in plant/s
- training at levels IV, Diploma and Advanced Diploma, remains flexible

Alignment of Current Training

It was decided by the MAG, after lengthy negotiation in-plant, with all parties and with consideration of all current industrial agreements, that the existing base trade level will equal the Certificate III level and that trainees of the nationally recognised Vehicle Industry Certificate (VIC) will gain a Certificate II qualification.

Trainees exiting at any point without having achieved the minimum competencies required for a qualification will be granted a Statement of Attainment.

Recognition of prior learning (RPL) and recognition of current competency (RCC) are agreed processes for competency-based assessment for training at the Certificate and Diploma levels defined under the Australian Qualification Framework.

For qualifications under Automotive Retail Service and Repair Training Package – AUR (motor mechanics, service and parts technicians etc)

- Since 1998, **\$133.3** million in incentives has been paid to employers from the Australian Apprenticeships Incentives Programme.
- More than **5,000** apprentices training in AUR qualifications have received the Commonwealth Trade Learning Scholarship since introduction on 1 July 2005. Payments total more than **\$2.5** million.
- More than **6,500** tool kit vouchers have been issued to employers of apprentices training in AUR qualifications since introduction on 1 July 2005.

For qualifications under Automotive Manufacturing Training Package - AUM:
(use and maintenance of plant, tools and equipment)

- Since 1998, **\$5** million in incentives has been paid to employers from the Australian Apprenticeships Incentives Programme.
- More than **50** apprentices training in AUM qualifications have received the Commonwealth Trade Learning Scholarship since introduction on 1 July 2005. Payments total **\$25,500**.
- More than **60** tool kit vouchers have been issued to employers of apprentices training in the AUM qualifications since introduction on 1 July 2005.

Australian Apprenticeships Access Programme - Automotive Sector

All data since July 2002
Fees include GST

| | |
|--|--------------------|
| 1. Total number of participants (payable commencements) | 2205 |
| Automotive Sector as a whole @ \$1760 = \$3,880,800 | |
| Total number placed in employment/further education training (includes Australian Apprenticeships; Traineeships; F/T and P/T employment; and further training/education) | 1123 |
| Total number still employed/training at 13 weeks after placement | 831 |
| Australian Apprenticeships @ \$3,300 = \$1,376,100 | 417 |
| Traineeship @ \$3,300 = \$458,700 | 139 |
| F/T employment @ \$990 = \$112,860 | 114 |
| P/T employment @\$550 = \$14,850 | 27 |
| Further education/training @ \$550 = \$73,700 | 134 |
| Total payments automotive sector as a whole | \$4,265,690 |

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|---|------------------|
| 2. Total number of participants (payable commencements) | 65 |
| 'Automotive Industry Manufacturing' @ \$1760 = \$114,400 | |
| Total number placed in employment (includes Australian Apprenticeships; Traineeships; F/T and P/T employment; and further education/training) | 30 |
| Total number still employed/training at 13 weeks after placement | 27 |
| Australian Apprenticeships @ \$3,300 = \$52,800 | 16 |
| Traineeship @ \$3,300 = \$19,800 | 6 |
| F/T employment @ \$990 = \$990 | 1 |
| P/T employment @\$550 = \$550 | 1 |
| Further education/training @ \$550 = \$1650 | 3 |
| Total payments for 'Automotive Industry Manufacturing' | \$190,190 |

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| 3. Total number of participants (payable commencements) | 2140 |
| 'Automotive Retail Service And Repair' @ \$1760 = \$3,766,400 | |
| Total number placed in employment (includes Australian Apprenticeships; Traineeships; F/T and P/T employment) | 1093 |
| Total number still employed at 13 weeks after placement | 804 |
| Australian Apprenticeships @ \$3,300 = \$1,323,300 | 401 |
| Traineeship @ \$3,300 = \$438,900 | 133 |
| F/T employment @ \$990 = \$111,870 | 113 |
| P/T employment @\$550 = \$14,300 | 26 |
| Further education/training @ \$550 = \$72,050 | 131 |
| Total payments for 'Automotive Retail Service And Repair' | \$5,726,820 |

DEWR Skills in Demand March 2006
Summary Automotive Trades

The Automotive Trades are recording shortages across the country with nearly all classifications recording shortages in every state and territory.

Motor Mechanic – Shortages in all states and Northern Territory

Auto Electrician – Shortages in all states and Northern Territory

Panel Beater – Shortage in all states and NT.

Vehicle Painter – Shortages in Vic, Qld, SA, WA, TAS, NT. NSW is recording recruitment difficulties.

Vehicle Body Maker – Shortages in NSW, Vic, WA.

Vehicle Trimmer – Vic, SA, WA.

Note: The ACT is not recorded in the Skills in Demand list for the trades however it can be assumed that the results for the ACT would be similar to NSW.

The Skills in Demand Lists are based on the most recent publicly available labour market intelligence undertaken by the Department of Employment and Workplace Relations (DEWR). The Skills in Demand Lists are provided on a State/Territory basis and cover Trades, Professions and Information and Communication Technology (ICT) skills.

Education and Training Advisers (ETAs) - Industry Training Strategies Programme (ITSP)

Education and Training Advisers to support employers on education and training matters with a focus on increasing the number of Australian Apprenticeships and accessing a range of Training Packages relevant to the industry and the flexibilities within these packages

Three peak bodies are funded under the ETA component of ITSP:

- Australian Chamber of Commerce and Industry; (ACCI)
- Australian Industry Group (AiG); and
- National Farmers' Federation (through Rural Skills Australia) (NFF)

Each peak body is to appoint a network of ETAs and a national coordinator, all of whom will work full time in their role, and for whom DEST provides \$126,000 for the 2006-2007 financial year.

- ACCI is funded for eight (8) ETAs (one in each state and territory) and a national coordinator (based in ACT);
- AiG is funded for six (6) ETAs (one in Queensland, two in NSW, two in Victoria, and one in South Australia) and a national coordinator (based in Victoria); and
- NFF is funded for seven (7) ETAs (one in each state and territory – with the NSW ETA also covering the ACT) and a national coordinator (based in ACT).

The core work of the ETA network is divided into four priority areas:

- Priority 1: provide advice and information to their members about the national training system;
- Priority 2: advocate the benefits of engaging with the national training system and the flexibilities available through the use of Training Packages to their members in order to increase the skills of their workforce;
- Priority 3: work with their members to build their capacity to address the current and future skills needs of their workforce; and
- Priority 4: work with their members to develop evidence-based, industry-led solutions to address current and future skills needs of their workforce.

In progressing the four priorities the ETA's will focus on one or more of the following:

- Industry skill needs: by progressing strategies that will assist their members to identify and address areas of current and emerging skill needs;
- Aging workforce: by progressing strategies which will re-engage mature age workers and training solutions which will suit their learning needs;
- Changing technology and emerging industries: by progressing strategies which will equip their members' workforce with more flexible and adaptable skills;
- Changing employment and work patterns: by progressing strategies which enable their members to utilise the flexibilities available in the training system;
- Training quality and national consistency – progress strategies that will:
 - increase their members confidence in using the training system;
 - ensure the national training system is advanced; and

- Profile of vocational education and training – progress strategies which will raise profile of vocational education and training as a valid choice of further education and a rewarding career path for young people and those wishing to re-enter the workforce.

Each peak body also receives funding for specific projects. A relevant project for this area is one with AiG. This project is:

Promoting the Competitive Manufacturing Qualifications \$50,000

Identify good practice models of Competitive Manufacturing training, develop case studies and fact sheets, and develop and begin to implement a promotional strategy to members.

Industry Skills Council

The sector is also supported by an Industry Skills Council – ***Manufacturing Skills Australia***.

Within the skills council one of the industry sectors represented is the **Manufacturing and Engineering sector**. The manufacturing and engineering industry employs in excess of three quarters of a million employees who conceive, design, manufacture, assemble, install, service and repair, package and sell manufactured and engineered products.

Manufactured goods make up more than 50% of our exports. Combined metal products exports alone have an annual value of more than 30 billion dollars. Around 70% of the companies in the manufacturing and engineering sector are either direct exporters or suppliers to an export company.

The industry is experiencing very high demand for skilled workers in traditional occupations, such as electricians, metal machinists and fabricators as well as in areas of emerging technology, such as applied photonics and nanotechnology.

Developments in Training packages within the Manufacturing Sector

Australia's manufacturing industry is set to take up the competitive challenges of the global marketplace with the development of the new ***Competitive Manufacturing Training Package***.

This new set of qualifications has been nationally endorsed by the ANTA National Training Quality Council. It spans right across the whole of manufacturing and covers manufacturing practice, or the 'art and science' of manufacturing. It is designed to incorporate the best international manufacturing practice into vocational education and training.

The new Training Package covers 'manufacturing practice' and includes system management skills used at all levels in manufacturing, culminating in the skills needed by people such as manufacturing team leaders and operations managers.

These qualifications in the new Training Package are designed as additional qualifications for existing workers.

- Certificate II in Competitive Manufacturing
- Certificate III in Competitive Manufacturing
- Certificate IV in Competitive Manufacturing
- Diploma of Competitive Manufacturing
- Advanced Diploma of Competitive Manufacturing

A new qualification, Certificate II in Manufacturing Technology, has now been included to suit learners in schools and new industry entrants.

There are also the exciting new Technology Cadetship qualifications of Certificate III and Certificate IV in Manufacturing Technology. These are designed as entry points for people to start on a manufacturing career as a technician. There are many different technical pathways available in these qualifications and they can be tailored to meet the needs of learners and enterprises. These cadetships have their own industrial award and they are suited to the New Apprenticeships arrangements.

The industry areas involved in the development of all of these new qualifications include automotive, textile clothing and footwear, furnishing, food, metals and engineering, aerospace, boating, chemical, oil and gas, plastics, rubber, cable making, cement products, all other process manufacturing sectors and laboratory operations

Automotive Products Manufacturers (FAPM)

The Federation of Automotive Products Manufacturers (FAPM) is an association of manufacturers engaged in the production of a comprehensive range of automotive products. It was formed in 1958 and currently consists of some 200 member companies, employing more than 40,000 people with sales of over \$8.5 billion.

FAPM is recognised by politicians, government officials and the industry at large as "The Voice of the Automotive Components Industry". Regular consultation is maintained with State and Federal Governments, the Department of Industry, Tourism and Resources and the vehicle builders to discuss matters affecting the industry.

AUM00 Manufacturing Training Package Review

The Automotive Manufacturing Training Package (AUM00) is currently under review. Sixty Bus, Truck & Trailer competencies have been revised reformatted and are available for comment.

Overview of NSSS

The National Skills Shortages Strategy (NSSS) is a partnership between the Australian Government and key industry groups working to develop solutions to skills needs throughout Australia. The Strategy supports innovative and strategic industry-led projects to research and recommend vocational and technical education strategies for attracting new employees and retaining and upskilling existing workers. Since 1999, the Australian Government has committed more than \$20 million to this Strategy and its predecessor, the National Industry Skills Initiative.

Fourteen industries have been involved in the Strategy to date, with thirty six innovative projects being funded by the Australian Government. Some of the projects have researched the potential of expanding recruitment to particular industries. While others have trialled strategies to promote the trades as an excellent career choice. The Strategy has supported at least nine regional skills projects.

Projects

Innovative approaches to test new ways of encouraging people to take up Australian Apprenticeships in key industries experiencing skills gaps are continuing in 2006. Accelerated or fast-track apprenticeship pathways, in industries such as automotive and building and construction have been piloted. A major focus has been on attracting new entrants to careers in industries that they may not have previously considered and upskilling existing workers.

A number of projects have investigated the barriers that turn young people away from choosing a trade as a career, to address the perception that jobs in the industries are dirty, dangerous and difficult. NSSS projects target not only school leavers but mature aged career aspirants' from various cultural backgrounds and with a range of existing skills.

Projects supported by the Strategy are designed to assist industry build its capacity to:

- Attract
- Skill
- Retain
- Up-Skill &
- Re-Skill

their current and future workforce.

Examples of Government Partnerships with Industry include:

- Mining
- Building & Construction
- Tourism & Hospitality
- Retail
- Plastics & Chemicals
- Manufacturing
- Transport & Logistics
- Automotive
- Marine
- Energy Utilities & Electro technology
- Forestry
- Agriculture
- Aerospace
- Engineering

In the May 2006 Budget the Australian Government committed an additional \$6 million to the NSSS. Innovative projects that have been funded through this additional funding to date will focus on enabling more flexible arrangements for Australian Apprenticeships and reducing non-completion rates, assisting migrant workers to achieve trade status, and developing industry-based new training models for a range of industries.

One of the NSSS projects funded in 2005/06 was to support the Victorian Automotive Chamber of Commerce (VACC) – a project for attracting New Entrants to the Retail Motor Industry Initiative

Summary of Results - 31 July 2006

Intakes 1 & 2 (Service Technician) – Certificate III Automotive (Mechanical – Light Vehicle) apprentices are still completing their apprenticeships. Intake 1 will complete August 5, 2006. Intake 2 will complete on September 20, 2006. Both Intakes completed their off-job training in 2005.

Intakes 3 & 4 (Customer Servicing) – Certificate II Automotive (Mechanical – Vehicle Servicing) trainees have completed their traineeships. Three of these trainees articulated into Certificate III Automotive (Mechanical – Light Vehicle) apprenticeships. They are undertaking off-job training 3 hours per month, and are visited on a monthly basis to check their progress and to conduct assessments.

From the four Intakes – 27 placements – 15 are known to be still employed and/or completed/to complete their Certificate II/III.

As noted in the Final Report (dated 21 June 2005), there were many factors involved in determining how this FTA approach has worked for apprentices/trainees and for employers. For example, the different intakes had different backgrounds in terms of previous qualifications, experience etc. The Certificate II and III programs also differed in terms of the nature of the work and job involved.

In some cases, individuals have been productive sooner than they may have been under a 'traditional' approach. In other instances, due to a range of factors, the 'fit' between the individuals and the work was not so clear. Some comments along these lines were reported in the Final Report. For Customer Service (Certificate II) intakes, the retention to this point is 7 out of 10 placements, with 3 of these individuals progressing on to Certificate III.

Key factors in determining successful outcomes for individuals and dealerships have included: prior experience, the specific workplace context in terms of the workshop and the staff of the workshop, and a range of individual factors. Generally, the FTAs with some mechanical knowledge or comprehension from past occupations adjusted well to the workshop context.

Numbers through key recruitment/selection/progress steps (as at 31 July 2006)

| | Number of applications | Number of screening tests | Number of Panel Interviews | Number of Service Manager interviews | Number of offers | Number of apprentices/ traineeship placements as at 21 June 2005 | Number completed/to complete at July 2006 |
|--|------------------------|---------------------------|----------------------------|--------------------------------------|------------------|--|---|
| Intakes 1 & 2 Certificate III apprentices | 99 | 51 | 40 | 21 | 19 | 17 | 8 |
| Intakes 3 & 4 Certificate II trainees | 115 | 51 | 39 | 14 | 10 | 10 | 7 |
| Total | 214 | 102 | 79 | 35 | 29 | 27 | 15 |

UPDATE ON AUSTRALIAN TECHNICAL COLLEGES – 3 August 2006

| Region / Proponent | State | Start | Trades |
|---|-------|-------|---|
| Port Macquarie | NSW | 2006 | Port Macquarie campus - metals and engineering, hospitality operations, construction, automotive and furniture making, expanding to electrotechnology in 2007 . |
| Eastern Melbourne Ringwood | VIC | 2006 | 2006 Automotive , cabinet making, electrotechnology. Future: Engineering, Building & construction, commercial cookery, manufacturing & warehouse distribution. |
| Gladstone | QLD | 2006 | 2006 Metals and Engineering, electro-technology, automotive . Future - building and construction, mining and process plant operations. |
| Gold Coast | QLD | 2006 | 2006 Construction, Commercial cookery 2008 - engineering & automotive |
| Northern Tasmania Launceston and Burnie | TAS | 2006 | 2006 - Building & construction, metal & engineering. 2008 – automotive , electro technology, commercial cookery, rural industry |

| | | | | |
|--------------------------|-----|------|--|---|
| North Queensland | QLD | 2007 | Will be located in Townsville | Metal & engineering, automotive, building & construction, electro technology. |
| North Brisbane | QLD | 2007 | Scarborough with satellite campus in Fortitude Valley. | Building & construction, metal & engineering, automotive, electro technology, commercial cookery. |
| Bendigo | VIC | 2007 | Will be located in Bendigo. | Engineering & construction. Future- automotive, commercial cookery, electro technology. |
| Gippsland | QLD | 2007 | Located in Bairnsdale with satellite campus in Sale. | Building & construction, metals & engineering, automotive, commercial cookery and electrotechnology. |
| Perth South | WA | 2007 | Maddington and Armadale. | Automotive, building & construction in 2007/08 2009 – electrotechnology, metal & engineering. |
| Hunter | NSW | 2007 | Campuses in Maitland, Singleton and Newcastle | Electrotechnology, building and construction, metals and engineering, automotive. Expanding to commercial cookery in 2009. |
| Geelong | VIC | 2007 | East Geelong. | Building & construction, metals & engineering, automotive. |
| Northern Adelaide | SA | 2007 | Elizabeth West | Building & construction, metals & engineering, automotive, commercial cookery, electrotechnology |
| Sunshine | VIC | 2007 | North Sunshine | Metals and engineering, and automotive in 2007; with building and construction, and electrotechnology added in 2008. |

