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UNIONSWA

WA'S PEAK UNION BODY

18 April 2013

Committee Secretary
House of Representatives Standing Committee
on Education and Employment
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Dear Madam/Sir

RE: Inquiry into the role of Technical and Further Education system and its operation

UnionsWA is Western Australia's peak union body, representing over 30 affiliated unions and 150,000 union members. UnionsWA welcomes the opportunity to make a submission to this inquiry into the role and operation of the TAFE system. The WA union movement is concerned that Western Australian workers have been missing out on the benefits of our current mining boom.

A crucial way in which the benefits are shared with working people is through the provision of skilled, quality secure jobs in sectors such as manufacturing, mining and construction. A fully funded public TAFE system is the crucial underpinning for strong training outcomes – particularly in the technical and trades occupations. Both national and state governments need to take responsibility for ensuring that our TAFE system is up to the task. UnionsWA fully supports the goals of the 'TAFE4All' campaign,¹ and the recommendations of the submissions to this inquiry by our affiliates the State School Teachers Union of WA (SSTUWA) and the Civil Service Association (CPSU/CSA).

The significance of TAFE for the diversity of the WA economy and the opportunities for skilled local jobs

In February 2011 the Australian Steel Institute (ASI), the Australian Manufacturing Workers Union (AMWU), the Association of Professional Engineers, Scientists and Managers (APESMA) and UnionsWA united as the Skilled Work Alliance to stage a campaign to ensure WA's major resources projects source more of their engineering and fabrication work from local businesses. The WA Jobs from WA Resources campaign represented the first time a peak industry group and unions have campaigned side-by-side in WA

A central benefit of more local content is not just more immediate local jobs in manufacturing; it is also the increase in training opportunities for the work of the future. This is particularly needed in traditional manufacturing areas such as the South West Metro region of WA – which, due to a loss of opportunities in the manufacturing industry, have had consistently higher youth full-time unemployment levels than the rest of the state despite the mining boom.

¹ <http://tafe4allwa.org.au/>

Percentage full-time 15-19 year old Unemployment rate, December 2012²

WA Statistical Regions	Smoothed %
South West Metropolitan Statistical Region	20.4%
Perth Major Statistical Region	16.9%
WESTERN AUSTRALIA	16.6%

Why is it important to have jobs in the manufacturing industry?

Dani Rodrik, Professor of International Political Economy at Harvard University, argues that despite the growth in information technologies, biotech, and high-value services 'countries ignore the health of their manufacturing industries at their peril'.

High-tech services demand specialized skills and create few jobs, so their contribution to aggregate employment is bound to remain limited. Manufacturing, on the other hand, can absorb large numbers of workers with moderate skills, providing them with stable jobs and good benefits. For most countries, therefore, it remains a potent source of high-wage employment.

Indeed, the manufacturing sector is also where the world's middle classes take shape and grow. Without a vibrant manufacturing base, societies tend to divide between rich and poor – those who have access to steady, well-paying jobs, and those whose jobs are less secure and lives more precarious. Manufacturing may ultimately be central to the vigor of a nation's democracy.³

It is important to bear in mind the type of jobs for which training is being provided, not just the raw numbers of apprentices and trainees 'commencing' in WA. For example, figures released by the National Centre for Vocational Education Research (NCVER) for September 2012 showed that apprentice and trainee commencements were up 8.2% nationally; and 25.3% in WA. However when you see the 'in-training' numbers for WA in industries linked to manufacturing and construction, you find declines in Automotive and Engineering (covering the metal fabrication trades), and construction trades workers.

WA: In-training as at the end of each quarter by selected training characteristics, Sept 2008–12⁴

	Sept. 2008	Sept. 2009	Sept. 2010	Sept. 2011	Sept. 2012	% Change 2008-12
Technicians and trades workers	23,400	22,000	21,900	22,400	24,000	2.7%
Automotive and engineering	8,600	7,600	6,900	7,300	7,800	-9.0%
Construction trades workers	5,200	4,600	4,500	4,100	3,800	-27.9%

Having a fully funded public TAFE system is becoming more, not less crucial. The future of training cannot be left to industry and the private sector because, frankly, their record in training provision is risible.

The private sector and the WA government are not delivering for Western Australians

In 2010 the National Resources Sector Employment Taskforce (NRSET) Report 'Resourcing the Future' found that the resources sector's overall share of trade apprentices was lower than its

² 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly, Dec 2012, Australian Bureau of Statistics, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.001Dec%202012?OpenDocument> This data has been smoothed using a 12 point moving average.

³ Dani Rodrik, 'The Manufacturing Imperative', *Project Syndicate*, 10 August 2011, <http://www.project-syndicate.org/commentary/rodrik60/English>

⁴ Australian vocational education and training statistics: apprentices and trainees 2012 - September quarter, <http://www.ncver.edu.au/publications/2604.html>

share of trade employment. The Report referred to NCVET research into the contribution made by the resources sector to the employment of trade apprentices relative to their trade employment share which noted:

... that the sector employs considerably fewer apprentices than would be expected from its share of trade employment. In fact the sector would have to double its number of apprentices to be on par with other industries.⁵

Given this situation, a fully funded public training system, underpinned by TAFE, needs to step into the breach to ensure trades training opportunities are maintained and expanded.

However, questions asked in the WA parliament concerning the impact of 'efficiency dividends' imposed on state TAFE institutes revealed disturbing information about the cumulative impact of cuts between 2008 and 2012.

Dollar value of efficiency dividends, productivity savings and/or budget cuts on WA TAFE institutes, 2008-2012⁶

College	2008	2009	2010	2011	2012	TOTAL
West Coast Institute of Training	\$138,555	\$560,584	\$781,585	\$697,030	\$985,415	\$3,163,169
Challenger Institute of Technology	\$85,034	\$1,242,302	\$1,714,261	\$1,620,395	\$2,232,097	\$6,894,089
Central Institute of Technology	\$371,455	\$1,867,089	\$2,611,609	\$2,452,700	\$3,347,946	\$10,650,799
Durack Institute of Technology	\$108,196	\$474,255	\$694,033	\$639,394	\$865,222	\$2,781,100
Great southern Institute of Technology	\$54,910	\$376,962	\$544,170	\$509,385	\$654,527	\$2,139,954
South West Institute of Technology	\$52,011	\$577,046	\$803,427	\$756,707	\$1,014,666	\$3,203,857
Kimberley Training Institute	\$28,226	\$371,463	\$600,388	\$556,920	\$671,997	\$2,228,994
C Y O'Connor Institute	\$7,454	\$254,731	\$379,031	\$351,481	\$440,029	\$1,432,726
Polytechnic West	\$280,108	\$2,054,998	\$2,828,947	\$2,676,852	\$3,615,962	\$11,456,867
Pilbara Institute	\$119,390	\$736,955	\$1,126,651	\$1,039,639	\$1,151,650	\$4,174,285
Vocational Training & Education Centre	\$0	\$40,723	\$85,595	\$81,323	\$0	\$207,641
Goldfields Institute of Technology	\$0	\$0	\$0	\$0	\$143,030	\$143,030
Total	\$1,245,339	\$8,557,108	\$12,169,697	\$11,381,826	\$15,122,541	\$48,476,511

The answers to the same questions also revealed that since 2008, some 191 course have been discontinued from across all eleven TAFEs in WA. Courses no longer offered in 2012 included:

- Certificate I in Construction [Pre-Apprenticeship - Family of Mortar Trades] (Challenger Institute of Technology)
- Certificate I in Construction (Pre-Apprenticeship, Bricklaying/Block laying) (C Y O'Connor Institute)

⁵ NSRT 'Resourcing the Future Report' p. 33

<http://www.innovation.gov.au/Skills/National/Documents/FinalReport.pdf>

⁶ Legislative Council Hansard, 13 November 2012, answers to the Hon. Ljiljana Ravlich, [http://www.parliament.wa.gov.au/Hansard/hansard.nsf/0/ae7a46697812a00048257afc0028d264/\\$FILE/C38%20S1%2020121113%20p8392c-8393a.pdf](http://www.parliament.wa.gov.au/Hansard/hansard.nsf/0/ae7a46697812a00048257afc0028d264/$FILE/C38%20S1%2020121113%20p8392c-8393a.pdf) UnionsWA thanks the CPSU/CSA and SSTU for providing this information.

- Certificate II in Engineering [Pre-Apprenticeship (Fabrication - Light)] (Durack Institute of Technology)
- Certificate II in Engineering [Pre-Apprenticeship (Fabrication - Heavy)] (Goldfields Institute of Technology)

The WA government has not been delivering on the training needs of Western Australians, and will leave our young people without the choices for their working lives that a fully funded public training system should bring.

The way forward

The ACTU Congress in 2012 affirmed its support for

*a strong, high quality vocational education and training (VET) system that delivers the vocational skills required to capitalise on the economic opportunities emerging as the global economy recovers from the global economic crisis, provides workers with real choices in their working life and contributes to the development of a cohesive and equitable society.*⁷

Congress also passed a resolution on TAFE which called upon the Federal Government to properly scrutinise the implementation of the *National Partnership Agreement on Skills Reform* to ensure that Federal funding does not flow to any state or Territory until it has met condition 29 (b) in the NPA requiring the development and implementation of strategies:

*which enable public providers to operate effectively in an environment of greater competition, recognising their important function in servicing the training needs of industry, regions and local communities, and their role that spans high level training and workforce development for industries and improved skill and job outcomes for disadvantaged learners and communities.*⁸

Governments at all levels in Australia need to demonstrate their fundamental commitments to a fully-funded public TAFE system. A system cannot be described as 'student centred' until it is delivering on opportunities for those students to gain skilled, secure employment in a diversity of industries. Western Australians will not benefit long-term from the present resources boom without a fully-funded public TAFE system.

We thank the Committee for this opportunity to represent the views and concerns of WA union members.

Yours sincerely

Meredith Hammat

Secretary

⁷ 'Real Skills - Real Jobs Vocational Education and Training'

<http://www.actucongress.org.au/site/attachments/policies/final/VET%20policy%20-%20FINAL.pdf>

⁸ Resolution: 'Training and Further Education'

http://www.actucongress.org.au/site/attachments/resolutions/final2/ACTU_Congress_2012_resolution_TAFE_FINAL.pdf; National Partnership Agreement on Skills Reform, http://www.federalfinancialrelations.gov.au/content/npa/skills/skills-reform/national_partnership.pdf