

**KELVIN THOMSON MP**  
**SKILLS AUSTRALIA BILL 2008**  
Second Reading  
18<sup>th</sup> March 2008

**House of Representatives**

**Mr. KELVIN THOMSON** (Wills) (9.22 p.m.)—The [Skills Australia Bill 2008](#) establishes a vital element of Labor's skills strategy, Skills Australia. This will provide the Australian government with independent, high-quality advice to assist with better targeting of support for the workforce development needs of businesses and workers across the country. Skills Australia will comprise of seven experts drawn from a range of backgrounds including economics, industry, academia and training providers. The legislation establishes the operational arrangements to support the independent body, including provisions relating to conflict of interest issues, arrangements for the appointment and service of members, remuneration of members, procedures about conduct and arrangements for working groups to provide it with the capacity to investigate issues deeply by drawing on a wide range of stakeholders.

This is sorely needed legislation. We now have a skills crisis of massive proportions. In vocational education and training, on the former government's own estimates, Australia faces a shortage of more than 200,000 skilled workers over the next five years. By the year 2016, that will be 240,000 skilled workers. This skills crisis has been building for a decade. Indeed, the Reserve Bank warned the previous government as far back as 1997 that a skills shortage was one of the capacity constraints in our economy adversely affecting our economic growth. The previous government ignored the warnings; they simply were not interested. Indeed, they attacked the TAFE system. They slashed funding to TAFE, which is the largest single provider of training in Australia—back in 1997, they reduced the Commonwealth investment in TAFE by 6.6 per cent for the following three years to 2000. This had damaging flow-on consequences for TAFE, including that TAFE has not been able to adequately meet the demand for training. Over the life of the previous government more than 325,000 people were turned away from the TAFE system.

I want to make a couple of remarks about the importance of TAFE to underscore what a debacle this was. In 2005 there were 1.64 million students in the vocational education and training system in Australia—more than one in four persons aged between 15 and 19; indeed, more than 10 per cent of all working age Australians. Of those students, 1.26 million—that is to say, 77 per cent—studied in TAFE. Since 1997 enrolments in the vocational education and training area have grown by over 13 per cent and in 2005 TAFE provided 304 million annual student hours of vocational education and training. Clearly, from these figures TAFE is a vital public asset which is the engine and heart of the whole vocational education and training system. TAFE plays complex and multifaceted roles in the development of Australia's education and skills base, in strengthening industry, in the achievement of broader government objectives and in the social cohesiveness of communities, particularly in regional areas.

During the Liberal years vocational education and training funding decreased in real terms, especially in relation to the growth in the system. Commonwealth government funding of TAFE declined by 24 per cent between 1997 and 2004. At the same time we had the introduction of Australian technical colleges. They were introduced at a cost of \$343 million over five years to the Australian taxpayer, in the process rising to more than \$580 million in real funding with further election

promises made in 2007. The previous government promised that these technical colleges would address the skills shortages and provide vocational education and training to young people, which the former Prime Minister claimed was otherwise not available. This was simply not true. This is exactly the role which TAFE carries out, and the previous government's hostility towards TAFE was very damaging to this nation's best interests. The technical colleges simply duplicated the TAFE system. They were set up as a private provider in competition to the public system, the TAFE system, which has been literally starved of growth funding by the Howard government. Indeed a Senate estimates committee found the ATCs to be an outrageously expensive way to train apprentices when compared with the TAFE system.

The bottom line is that TAFE is and must be a major player in addressing skills shortages. A serious funding shortfall has shown itself in the form of higher class sizes, reductions in TAFE courses and cuts to student services. There has been a high level of unmet demand for vocational education and training courses at a time when we need potentially qualified and skilled people in the Australian workforce. In my state of Victoria the TAFE teaching workforce has an average age of 53 years. There are serious skills shortages in the TAFE teaching profession. There is a need to attract and recruit to the profession—and retain—expert industry professionals. There is clearly a need to address the professional development of this teaching workforce as a priority. We need qualified plumbers, accountants and the like in TAFE and we need them to have teaching qualifications to address the literacy and numeracy difficulties in the general population.

I want to mention the particular problem of casual employment in TAFE, and I thank Gillian Robertson and Rob Stewart from the Victorian branch of the Australian Education Union for the information that they have provided to me and no doubt others on this issue. A 2002 study estimated that more than 50 per cent of TAFE teachers in Australia were casually employed, with a figure as high as 70 per cent in some states. Casually employed teachers are often paid only for the hours that they teach, so they are not able to cover a great deal of the other work that their teaching generates, such as administration, managing student issues, student counselling and so on. This casual employment undermines quality. These teachers often work large amounts of unpaid time to manage the workload generated by their teaching. They are neither funded nor encouraged to participate in the professional life of their TAFE. Most often they are neither encouraged nor funded to participate in their own professional development. Many casually employed teachers in TAFE report unmanageable levels of travel as they attempt to cobble together enough work to survive.

Underfunding forces TAFE employers to use casual employment. Indeed many TAFE employers acknowledge the unacceptably high levels of casual employment and point to government underfunding as the cause. This effectively means that TAFE teachers, whether casually or securely employed, are carrying the burden of underfunding. Casual employment acts as a disincentive to experienced industry teachers coming into TAFE. Most industries report that poor working conditions and low salaries are a disincentive to those working in industry to take up TAFE teaching. In trades areas in particular, people nominate the inability to get secure employment as a major reason for not pursuing teaching in TAFE as a profession. These are very serious issues and problems. I hope that this government will be able over time to progressively address these very important issues.

Over the years, I have taken a big interest in unemployment because of its impact on the community that I represent. I have come to the conclusion that

unemployment nowadays is all about education and skills. If you have got the education and you have got the skills then you will get a job; if you haven't, best of luck! I think it is regrettable that the path that we have gone down as a nation is to import skilled migrants to meet our skills needs rather than to put a decent investment into our own young people in the form of skills training and education. I have talked about what has happened with TAFE. We have seen the same thing with tertiary education, with domestic undergraduate commencements essentially flat-lining during the era of the previous government. At the same time we had undergraduate commencements by overseas students dramatically increasing—thanks to a government which preferred overseas students because they paid full fees—we also had cutbacks in federal government support for universities and cutbacks in federal government support for TAFE and therefore a move to meet our need for skilled labour by essentially outsourcing our demand for skills and training. This has led to a growing addiction to skilled migration. It has gone up from 24,000 back in 1996 to over 100,000 now, so it has quadrupled. I think this is a short-sighted approach. I think that the answer lies in training young Australians and providing proper educational and training opportunities. I commend the government for introducing this bill and for its attention to skills issues, and I commend this bill to the House.

**KELVIN THOMSON MP**

**Federal Member for Wills**