



## **AUSTRALIAN TECHNICAL COLLEGES AMENDMENT BILL (No.2) 2006 Second Reading 7 February 2007**

Ms GRIERSON (Newcastle) (7.00 p.m.)—I also rise to speak on the [Australian Technical Colleges \(Flexibility in Achieving Australia's Skills Needs\) Amendment Bill \(No. 2\) 2006](#), which seeks to appropriate another \$112.6 million for the establishment and operation of the Howard government's Australian technical colleges network. The total funding under the act for the period 2005-09 will come to a grand sum of \$456.2 million once this legislation is passed—half a billion dollars of investment, and of course too little to show for it. I have to say, having worked a lifetime in education, that half a billion dollars well directed into the good things that are happening in schools, TAFEs, industry, partnerships and cluster networks would have been exceptionally well spent; but with this, unfortunately, we look at that half a billion dollars and say, 'Where has it gone?'

We are not opposing this bill and I will be supporting the amendment moved by the member for Perth because we do need to make a close examination of the government's failures in skills and vocational education and training, and its neglect of the TAFE sector. We need to examine the failure of this government to deliver outcomes in skills and the wasted opportunities that have been associated with the ATC program.

These technical colleges were announced at the 2004 election. The public get cynical about election cycles these days. They do not perhaps believe that what is offered will always deliver the best outcomes or even be delivered, and this one is pretty typical. In the 2004 election framework the Howard government finally woke up to the skills crisis, which has been costing our economy millions for some time. The announcement was typically just a political fix. It has now taken three years to get that political solution, that political fix, off the ground, and it still will not produce a graduate until 2010. The world moves on and unfortunately the government does not seem to reflect reality and the real world very often.

Seven months ago I spoke on a similar bill. It also appropriated more money for the ATC scheme and was another indication of how the

implementation of this scheme has been mishandled. It is looking very dangerously like the Job Network roll-out, with continual bailouts of money, money, money with very little change, and that is regrettable. The scheme is, unfortunately, a duplication of resources which could be better used in existing structures like TAFEs and traditional apprenticeships. That is the approach Labor will take in government.

The Howard government is on an absolute mission. It is entering into a kind of federalism that I think the public of Australia will not welcome. You cannot just use the big stick. You cannot just decide you will have a federal tier of operation when state operations are already out there. The public are sick of duplication, and schemes like the Australian technical colleges just create a duplicate layer of administration. They do not exist in cooperation with any of the existing state structures like TAFEs, which do such a wonderful job, and they do not at this stage tap in well to those wonderful industry links that exist in hardworking regions—regions that have always had investment in skills as their priority.

They were set up with a great emphasis on exclusion, not inclusion. For example, when it was announced in my electorate that ATCs were going to be become a possible solution, the whole field in Newcastle looked at it in the cooperative way they always do. There were thoughts that our TAFE; our manufacturing industry cluster group, HunterNet; and the group training companies that run off that industry cluster group would look at that and say, 'How can we take this and make it really work for the Hunter?' But they found that there is an ideological barrier linked into this legislation. They found that the government has written into this legislation some restrictions. You cannot put in for this if you are going to employ staff members and not use AWAs. That is a problem, as the government knew, for state TAFE systems. The liability and insurances that are necessary to run any business or any technical college do not have synergy or compatibility with state government liability requirements. So already it is set up to deliver on an ideological approach rather than deliver outcomes. What a limitation that this country does not need. Here we have a real problem and not a real solution.

Not only is it duplication of existing programs; it is a very minor response. Nationwide this scheme is expected to cater for a maximum of 7,500 students by 2009. Monash University in its research recently estimated that there will be a shortfall of 270,000 people with technical level qualifications over the next decade—7,500 just ain't gonna cut it. What a pity. The Australian Industry Group says that 86 per cent of occupations require a postsecondary qualification, yet only about 50 per cent of Australians have this level of training. There are no programs to improve those sorts of movements into postsecondary education or technical education, and, despite all those clear warnings, the Howard government has managed to turn away 300,000 people from the nation's TAFEs in the past 10 years. That might have just about done it for that shortfall of 270,000 people in the next decade. One would

have hoped that those figures might have eventually had a match, but, no, we have the ideological solution.

There always has been and always will be strong support in my region for people involved in training and skilling the young people of Newcastle and the Hunter, including those who will be involved in working in the new technical colleges and including those people who will be hiring apprentices and working, we hope, in some sort of collaboration with industry, the TAFE and the university—who we already have great respect for. No matter what our views on the program—and I think I am making mine quite clear—or on the government's administration of this program, we all need to be behind anything and anyone in these settings who is working to skill our people. That is a commitment all of us in regional seats and seats around Australia who will have technical colleges do give. We are not spoilers; we are always about finding better outcomes.

My region has traditionally done great things in the training sector, and it will continue to do so. For example, this year the Hunter Valley Training Company at Maitland will employ a record 120 first-year apprentices in the region in trades such as electrical, boiler making and mechanical. Over its 25 years of operation, it has already put 15,000 apprentices and trainees into workplaces. Hunter TAFE is this year offering a certificate IV course in electrotechnology, giving students the skills to install and maintain renewable energy equipment. What we are actually saying is: 'That climate change crisis that the other side of this chamber has just discovered has been around for so long, we're actually now trying to be part of solutions.' It is a certificate IV course just for students maintaining very new and very innovative equipment that is actually about renewable energy. That is absolutely a skill of the future.

But in this government we have never seen flexibility. We never see it; we see a one-size-fits-all approach to policy. We never hear them say: 'Let's find what's good that is happening out there and value add to it. Let's add to the abilities, capabilities and innovations that are driving our economy, in ordinary businesses and industry sectors all around the country.' Instead we hear: 'No, we don't want to do that. We just want to have an ideological, political fix.' But the kind of innovation that Hunter TAFE is developing is part of the reason the institute's apprentice enrolments have risen by about 38 per cent over the past five years. It is the largest provider of TAFE-delivered vocational education and training for senior secondary students in the state, enrolling more than 2,800 students every year. This year it is offering about 30 extra trade classes to cater for the increased demand in fields such as engineering, metal fabrication, fitting, machining and electrical trades.

The other thing that the government does not seem to ever want to pick up on is just what is happening out there between TAFEs and universities. The Hunter Institute and the University of Newcastle have a wonderful relationship. They have managed to do articulation and pathways under a

special project between their courses. You can go to TAFE in my region, and then you can go on to university. They have actually sat down and worked out those ways. You can go to university and go back to TAFE to get those practical skills. Those sorts of pathways and articulations are the sorts of models that everyone else is adopting, trying to find solutions, and are benefiting many students. But, of course, this government has not even thought about it.

Energy Australia is expected to take on about 600 apprentices in my region over the next four years. Hunter Group Training Australia, one of our region's training companies, expects to hire around 150 apprentices by the end of the 2007 financial year. Neville Sawyer, someone in my electorate I am very fond of working with, is formerly the chair of the Australia Chamber of Commerce and Industry. Last year he was appointed to the National Industry Skills Council and was also awarded the Hunter Manufacturers Awards board award at last year's awards ceremony. Neville's contribution to industry and training in our region is huge, and I congratulate him. I can only say: thank goodness for someone with such a realistic background, real experience in industry and real experience in training. He was formerly the managing director of Ampcontrol, a company that has responded to the skills crisis by taking on apprentices, by reintroducing cadetships to make sure that its apprentices and employees have the opportunity to go on to further studies, and by setting up a research chair and entity at the Newcastle university. These are the standout things that are happening, and all this government can offer is the Australian technical college solution.

So the Hunter Institute, the TAFE, the university, training companies, businesses and industry cluster groups are well aware of the skills shortage and have been doing what they can to actively alleviate it for some time. Sadly, the government's program is really too limited to make much difference.

In my area, the ATC will be administered by the Hunter Valley Training Company and the Catholic Diocese of Maitland-Newcastle. Both those groups, fortunately, have a great track record in delivering education services and training services, and they are the joint proponents. They will operate out of Newcastle, Maitland and Singleton. But what a pity they are not going to be able to tap into the resources, facilities and infrastructure that are already there.

The Newcastle campus of the ATC, in my electorate, is beginning this year with a temporary facility. I do not know if anyone from the government has walked into any TAFEs lately, but when you walk in and see state-of-the-art labs to train mechanics working in the aerospace industry, you know that a temporary facility is really the second-best option. I would encourage the minister in this area to go and have a look at the sorts of modern facilities that cost big bucks that are in our TAFEs today. So starting off in a temporary facility is slightly disappointing. The Singleton campus struggled to meet its

enrolment targets last year until publicity was given by the region, knowing how important it is to solve our skills crisis. This lifted it and got some interest going. It shows how difficult it is to start a whole new training system from scratch, and it gives us an idea of why the government has had to come back twice now to ask for more money, just to get these ATCs up and running.

This year the department projects the Hunter's ATC will enrol 150 students. I have just mentioned how many kids are out there doing apprenticeships already, and it is in the thousands. This is a very small effort. It is projected by the department to have 360 students by 2009. That is not really a mass solution or application. And, of course, even though hopefully those students will finish and go on to work in our industries, it is going to be tough for them.

What has happened in Newcastle? There are some implications of the skills shortage that remind us that if you do not invest in education and if you do not invest in skills then you compound the problem. In my electorate, teenage unemployment is 28.9 per cent. These kids would all love the opportunity to gain skills. The Hunter Valley Training Company, which I mentioned previously, received 1,000 applications for first-year apprentices this year. In engineering we need qualified people to work in the manufacturing, engineering and mining industries that, despite changes over recent decades, still underpin much of our economic prosperity. We have an excellent reputation and history already in this area, with the University of Newcastle ranked in the top 100 universities in the world for engineering technology. That occurs because of the collaboration with and involvement of industry and because of the ability of the TAFE to work with the university.

We have reached a crisis point in terms of engineers in the Hunter, as we have in Australia. As an example, a company recently put an advertisement in national newspapers for six engineers. They had not one applicant or response—not one. Everybody out there is already utilised. Companies in the region are recruiting from overseas—they have no choice—and certainly they are all headhunting from each other. It is quite amazing to work with that industry sector and come to know that they really are very pressed. John Vines, the Chief Executive of the Association of Professional Engineers, Scientists and Managers Australia, recently wrote in the *Newcastle Herald* that engineering courses—and remember that many of our TAFE apprentices move on to those courses—will this year attract HECS fees of up to \$28,500 dollars. He suggested that you could halt some of the current trends and get more kids into this field by lowering some of those HECS fees. You will know that Labor has committed to lowering the HECS fees for maths and science, which underpin all those areas. That is a great approach. This government has not committed to education in any way and has not invested in a skilled work force. That is very different to Labor's approach.

At the moment, the combined HECS debt of graduates in the Hunter region—and I am talking about graduates—is \$100 million. You have to

wonder if we have been doing the right thing there. Labor understands that those HECS fees are a factor in the skills shortage and that we can do something about them, and we must. According to the Australian Council of Deans of Science in the Hunter, three in four schools struggle to recruit qualified mathematics teachers. We really look forward to Labor's policy initiative, which supports maths and science improvements in our area.

When you look back to what the government are doing with the ATCs, it shows a lack of understanding of the cycle of getting a young person from high school into a skilled job. That is why the ATCs are of concern to me. They do not understand that you have to invest in schools so that they have the resources with which to teach vocations education. You have to also engage those kids in what, while it is an exciting industry, is an industry that has been talked down over the years. Locally, most members of our business chamber visit schools and encourage kids to get to know more about the manufacturing and engineering occupations and opportunities. That is only one part of the cycle. When you get them into an apprenticeship, you have to train them professionally. You have to engage their parents and you have to mentor them all through that process, because there is no age like 16 to 20 for life experiences that can distract from work. That sort of commitment is also needed, but you do not see anything written into the ATCs about the wonderful mentoring programs that our group training companies run.

The big issue for us is that, if this government continues to provide token solutions to the skills crisis, productivity in this country will continue to diminish. Commentators recently have pointed out that if it were not for the increase to our economy from the resources boom we would be in deficit. You have to wonder why, when we are living in the middle of an industrial revolution, this government has ignored the opportunity to build needed new education and training infrastructure. This does not do it. This bill is typical of that approach. It is wrong. It is the wrong solution to a very real problem. It delivers the government's ideology in a way that restricts participation. It misses out on so much good and does not value add to what is already excellent in many regions, particularly in my region - Newcastle and the Hunter.