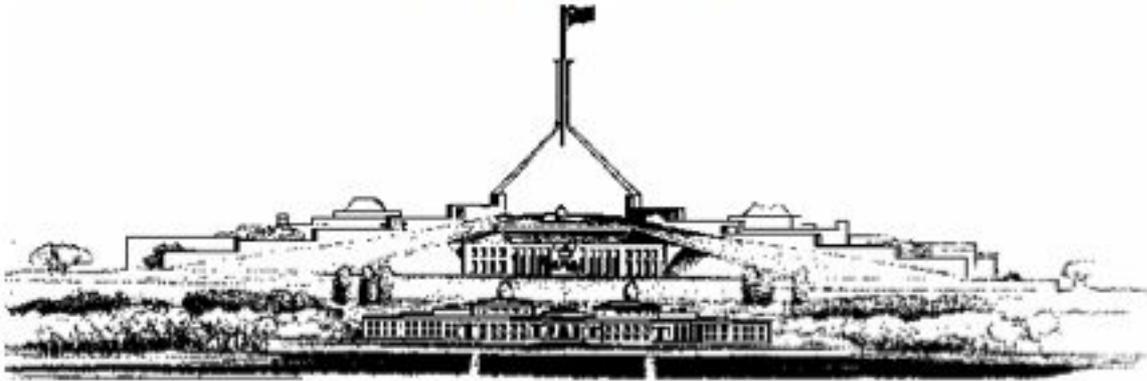




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

BILLS

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

Second Reading

SPEECH

Tuesday, 19 June 2012

BY AUTHORITY OF THE SENATE

SPEECH

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Speaker McKenzie, Sen Bridget

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Senator McKENZIE (Victoria) (19:30): It gives me great pleasure to speak to the Skills Australia Amendment (Australian Workforce and Productivity Agency) Bill 2012. I am a member of the Senate Education, Employment and Workplace Relations Legislation Committee, which examined this bill. Throughout the inquiry process we heard consistently about the Labor government's record in training measures and how the government has some form over time in constructing an array of policy responses to address our skills needs, including their history of poor policy implementation and constant reallocation of budget funds in helping the Australian workforce develop the skills our economy needs for its future. Actually, more accurately, we heard that the poor policy implementation and constant reallocation of budget funds is a theme that has run right throughout the term of this government. I need look no further than the carbon tax, which we were promised we would not have, the Treasurer overseeing four of the largest deficits in history, and a Prime Minister who is happy to be overseas this week lecturing others on economic responsibility.

Skills Australia, which this legislation deals with, was set up under the Rudd government, the previous iteration of the current Labor government, only in 2008 but is already being superseded by another agency. That begs the question: what was not working? Why did we set something up in 2008 only to be setting up four short years later, with all the inherent costs that come with it, a new agency to address the problem that does not seem to have been addressed over the previous four years? In each budget we see a major redirection of funding from various training initiatives to new initiatives. We hop from one policy solution to another without getting to the nub of the issue: providing real Australians with real job opportunities right across the regions. Anybody who is vaguely interested in real jobs for real people, and in education and training, knows that it takes time to train people in the knowledge and the array of skills that are going to assist our economy and help them make their way through the pipeline of various pathways and training opportunities that we have available in our country. When we keep flip-flopping and changing the process that people must undertake to access work and to obtain the skills they need to access work, we do not assist in getting to the end point where we can in any real way assist the

need for skills on the ground. We have a lot of people talking to a lot of organisations in different spaces across the nation, but we do not have too many people actually getting into real jobs on the ground. In fact, the government's training bureaucracy is growing at an extraordinary rate, so somebody is getting the jobs—the bureaucracy within the training sector itself, rather than people on the ground.

Skills Australia, together with the Industry Skills Councils, was tasked with addressing Australia's current and future skills needs. I remember asking a question at estimates about this particular set-up. When we think about future skills needs and my own interest in regional Australia it begs the question. We had had the first iteration of the Murray-Darling Basin draft plan and learnt about its consequent impact on the economic future of the two million people who live in the Murray-Darling Basin and the various industries that the basin supports. In conjunction with what was at the time the newly announced carbon tax, I asked these bodies during an estimates hearing, 'Have you actually factored these new policy initiatives of the Labor government into our future skills needs, particularly in areas across regional Australia?' and the answer was: 'Not really.' For somebody who is passionate about getting economic development happening in the regions, getting local economies diversified and getting young people, particularly young people in regional Australia, into jobs, it was extremely disappointing. But I digress.

How is it that skills shortages across the nation are worsening at a time when economic growth is falling? The same committee that examined this bill, the Senate Education, Employment and Workplace Relations Legislation Committee, is currently conducting an inquiry into agricultural skills needs in regional Australia. Whilst I will not pre-empt any findings of the report, which will be handed down later this week, it has been an interesting process to read through the submissions—which are all available online—from various players in regional Australia around the skills gap, particularly around agricultural education and agribusiness. For instance, last year we heard that in north-west Victoria there were 30 vacancies for agronomists. For those in the chamber who do not know what an agronomist is, it is somebody who goes out and assesses your farm and looks at what you can grow, what your soil is like and what the rainfall

is. They do an analysis of what is happening at that geographic location and can advise you of the best way to build your farm business and make it a profitable enterprise.

So there were 30 vacancies for agronomists across the region in north-west Victoria—Hamilton, Horsham, right up to Mildura, down along the Murray and back to places like Swan Hill, and everywhere in between, such as Manangatang. There were 30 vacancies across the region, without one single applicant—not one—to help farmers on the ground to develop up their business case, innovate and diversify their business and maximise the productivity of their particular enterprise. That is the sort of skills shortage we are dealing with in north-west Victoria. So I hope that under Skills Australia this will become one of the priority areas. I was listening to Senator Thistlethwaite earlier when he spoke about what the priority areas would be and how they would be set across the regions, and how this amendment and the organisation that will be set up as a consequence of it will be tasked with addressing those areas. I am hoping that we actually have some people who can help north-west Victoria find an agronomist and address the skills gap that I have in my particular patch.

Similarly, we heard about the research from the Australian Council of Deans of Agriculture which shows that there have been fewer than 700 graduates annually in agricultural and related courses in recent years but that 4,000 positions a year need to be filled in the sector. If there has ever been a skills gap, it sounds like there is one right there, identified by the Australian Council of Deans of Agriculture. I am hoping that this particular body will set as its first priority addressing the skills need of regional Australia and the skills gap we have right across the sector, from highly skilled agricultural scientists and researchers right through to farm labourers, milkers and the like.

These are the sorts of issues that require focus and a real commitment to finding a solution. Tonight some great claims have been made of collaboration between the industry bodies, the training providers themselves and skills councils—which I find quite incredible, given that in consulting around this particular amendment the body that will be set up will have no representation from the training sector. Given that the training sector itself is the conduit, if you like, between industry, the Skills Council and the job on the ground, the training provider's input is particularly important, not only for identifying these skilled job seekers but in terms of how we are actually going to deliver them out in the regions. I think it is particularly important within the regional Australian context, because we do not have a great choice of training providers. If we do not have somebody on that board who actually understands how

training is best provided in the regions, where there might only be one or two options available to job seekers, that is problematic in itself.

So we need focus and real commitment to finding solutions to retraining and to supporting those across our community who have been struggling after widespread job cuts and a lack of opportunity in the area. Again, I bring my contribution to this debate back to regional Australia. I think about the job losses in my home state of Victoria, from food processors to the giant Murray Goulburn Co-operative—a huge employer, particularly in the north-central and south of the state. They are significant job losses—300 jobs. And there are also the job losses in manufacturing, which has been a large contributor to our local economies in regional Victoria.

We might ask ourselves why the food processors are shedding jobs and why the manufacturers are shedding jobs. I think we can slate it at the feet of the current government, for a whole array of issues that they refuse to address. This rejigging, I guess you could call it, of Skills Australia is another example of their continually tweaking but not quite delivering the policy on the ground. The government is good at paying lip-service to these types of solutions without any real actions or outcomes.

The bill before us tonight expands the Skills Australia board from seven members to 10. That is always interesting when you are trying to get decisions. If you are trying to get a decision and you want to be flexible and nimble, expanding the size of something might not be the way to do it. But the board has been expanded from seven members to 10 in an effort to increase union and industry representation and supposedly provide a more inclusive approach. However, there is actually no representation on the board from the training industry—and surely the training industry is a stakeholder in this proposal. Whilst the Senate committee recommended that the bill be passed, several people did not actually agree with the current structure—and the coalition senators made a lot of additional comments, which I will address later in my contribution tonight if I have time.

With an expected training shortfall of over 250,000 skilled employees over the next five years, it will be an increased challenge to ensure a match between skills expansion and work opportunities. That means that engagement with the training industry is vital, as I mentioned earlier, and they should be a welcome and active participant at the board table. I do recognise that industry itself is particularly keen to be part of this conversation. Again, I throw back to some of the submissions to the inquiry—its report will be presented later on in the week—that mentioned the need to

engage with industry if we are going to get this right. Not only the skills and training sector but also higher education and even secondary educators need to be engaged with industry and enlightening young people as to all the opportunities that are available, particularly within a regional Australia context, and all the great jobs that are out there. 'Get out of the cities and get on board; there are some great opportunities out there'—I think that is the message that industry would like the education sector and also the training sector to hear.

Keeping the training sector away from the AWPAs whilst increasing union presence seems like a warped decision-making process to me. I still do not have my head around why, if we are increasing the number of board members from seven to 10, we could not increase it from seven to 11. But I will move on.

In addition to the \$558 million for the National Workforce Development Fund, there is a \$20 million pool of funds that the AWPAs can allocate to unions and employer groups, with no defined purpose for this pool of funds and no criteria for its allocation. I think we have wasted enough money thus far. We need to be ensuring that when we are providing organisations, programs, projects and bodies with the likes of \$558 million worth of taxpayers' money that we have some structure and framework around how that money will be spent and the sorts of things we want to target it towards.

It seems there is evidence that purchasing of training by both states and the Commonwealth is fragmenting skills investment and duplicating effort. As an avowed proponent of states' rights, I think we had it pretty well defined. If we go playing in these spaces, we waste a lot of taxpayers' money. Whether we are wasting Victorian taxpayers' money because we are spending it twice in Victoria or Queensland taxpayers' money, as was the evidence the committee received from Queensland taxpayers, I think it is an issue. We all, particularly in the Senate, have to take responsibility for not only looking after the Commonwealth purse but looking after the purse of all those constituents in our respective states.

I just want to read one of the concerns from the Queensland government that was raised during the inquiry on this particular bill. They said:

...[A] unique strength of our national training system is that co-funded training delivery is administered primarily by states and territories. This arrangement supports a cohesive national system and targets the available funding efficiently to complementary local, state and national objectives...A far more effective system would be for the funds to be allocated to the States, with clear performance benchmarks on how the

funds were to be invested to support an industry led system.

That sounds like a good idea to me. Unfortunately, it was not one taken up by the government.

As a coalition senator, I support working cooperatively with the states to get the best outcomes through an efficient cross-jurisdictional allocation of resources and an approach to training that ensures industry can get the skills it needs. We are seeing at the moment that the mining industry is conducting quite a comprehensive advertising campaign right throughout the nation to get the types of skills that it needs on the ground. It would be great if this body could work with industry, as it hopes to, but also reconsider and think about adding working very cooperatively with the training providers. I also think that the waste of taxpayers' money needs to be addressed. Setting up some criteria around how it is going to be spent would be beneficial.

I will just read from the coalition senators' additional comments to this inquiry. They said:

Skills Australia was tasked, together with the Industry Skills Councils, with addressing Australia's current—and future—skills needs.

I am just hoping that we in regional Australia get the skilled graduates we need to get the job done for our national economy.