

**Migration Amendment (Skilling Australians Fund) Bill 2017**  
**Migration (Skilling Australians Fund) Charges Bill 2017**  
**Senate Inquiry**



**Victorian TAFE Association Response**  
**December 2017**

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## Introduction

The Victorian TAFE Association is the peak body for Victoria's public providers of Vocational Education and Training (VET), including 12 TAFE Institutes, four dual sector Universities and an Associate member, AMES.

The Victorian TAFE Association welcomes this opportunity to provide comment on the Migration Amendment (Skilling Australians Fund) Bill 2017 and the Migration (Skilling Australians Fund) Charges Bill 2017.

The Victorian TAFE Association would like to provide brief comment on the following:

- Funding nexus
- contradictions in objective
- Funded training
- National partnership agreement

## Funding nexus

The Bills before the Senate create a nexus or 'link' between the Skilling Australians Fund and charges (nomination training contribution charge) levied on employers who nominate foreign workers under the new Temporary Skill Shortage visa and certain permanent visas. The viability of the Skilling Australians Fund therefore appears to depend heavily on the realisation of estimated revenues arising from the new charges.

While the Victorian TAFE Association welcomes the creation of the Skilling Australian Fund, it does not support its being linked to revenues obtained through skilled migration charges.

International migration is prone to affect by a number of variables, such as changes in policy from other countries, conditions in the Australian labour market, cultural circumstances and sundry changes that affect Australia's desirability as a location for work. These variables can have marked impacts on migration levels, which would have a concomitant impact on revenues obtained through skilled migration charges. To link the Skilling Australian Fund to migration charges would therefore link its future health and sustainability to a potentially volatile and unstable funding source.

The proposed Skilling Australians Fund has been developed in order to meet an identified shortage in skills. The Victorian TAFE Association welcomes any policy that has facilitates the increased training and education of Australians. However, if the need for this policy initiative is established, then its future sustainability and funding should not hinge upon the ability to raise revenues through new migration charges. Further, linking the Skilling Australians Fund to migration charges would limit funding provided to that raised through the migration charges. The Victorian TAFE Association considers that the levels of funding provided should first and foremost be driven not by the amount raised by migration charges but by the level required to train and educate Australians that maximises their contribution to Australia's economic success, future productivity and growth.

The Victorian TAFE Association therefore recommends that the nexus between the two policies been discarded. The Skilling Australians Fund should not be dependent upon or tied to the government's ability to raise revenue through this specific funding source.

## Contradictions

The discussion above called for a break between tying the Skilling Australians Fund to revenues earned through the new migration charges. The Victorian TAFE Association would also like to raise a contradiction between the two policies that renders the link between them untenable.

The Skilling Australians Fund has been putatively designed to meet identified skills shortages by enabling the training of apprentices, trainees, and pre- and higher apprentices in (among other things) occupations with a reliance on skilled migration. If the fund proves effective, then presumably, in time, more and more Australians will be able to assume roles currently undertaken by skilled migrants.

But the link between the Skilling Australians Fund and the nomination training contribution charge means that the very fund source that underpins the fund will (over time) be increasingly untenable. If the activities supported by the Skilling Australians Fund are effective, then the need for skilled migrants should, over time, reduce. As a consequence, the revenues raised through the nominations charges will also fall and the funding source upon which the Skilling Australians Fund is dependent become increasingly unsustainable.

This point reinforces the Victorian TAFE Association's recommendation that the Skilling Australians Fund should not be linked and funded through charges imposed on skilled migration.

## Funded training

The aim of the Skilling Australia Fund is to support projects that support apprenticeships, traineeships, and pre- and higher-level apprenticeships and traineeships. Behind this aim is an implied view of the Vocational Education and Training (VET) sector as the 'apprenticeship sector'.

The Victorian TAFE Association and each of its members are justifiably proud of their role in supporting Australia's approximately 360,000 apprentices and trainees, with TAFE training over 40 per cent of these.<sup>1</sup> But the sector is far broader than apprentices and trainees, providing training to 3.3 million other 'non-apprentice' students whose lives and careers benefit from the training and education provided by TAFE and the broader VET sector.

Indeed, TAFE offers training and education spanning the Australian Qualification Framework, with many TAFEs also registered as higher education providers. The training received by these students works across a wide spectrum and teaches skills that contribute to Australian social and economic prosperity. These diverse course offerings range from the traditional trades to new and emerging areas such as cyber security and video gaming.

The Victorian TAFE Association is concerned that the focus on apprenticeships and traineeships misses this very large student cohort. The Skilling Australians Fund ostensibly recognises that skills "training and the skills sector make a significant contribution to

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<sup>1</sup> NCVER, *Total VET students and courses 2016: data slicer*

Australia's economic success, future productivity and growth".<sup>2</sup> Yet by focusing solely on apprentices and trainees, the large contribution by the 'non-apprentice' cohort is missed, meaning that Australia's economic success, future productivity and growth is limited.

The Victorian TAFE Association recommends therefore that the scope of activities supported by the Skilling Australians Fund be widened to support vocational education and training in a broader sense than apprenticeships and traineeships, so that it captures and supports the vocational education sector in its totality and the wider student cohort that it serves.

## National partnership agreement

The Victorian TAFE Association wishes to comment on the National Partnership Agreement on Skills Reform, which lapsed on 30 June this year.

The Victorian TAFE Association considers that it is imperative that a new national agreement be developed as a priority. While the Victorian TAFE Association is supportive of the idea that the Skilling Australians Fund *help* to underpin a new agreement, it considers that this must form but one 'plank' within a National Partnership Agreement that is broader in scope and funding than the Skilling Australians Fund.

## Key Contact

To discuss the matters in this document further, please contact:

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<sup>2</sup> Australian Government, Department of Education and Training, *Skilling Australians Fund - Fact Sheet*