



SENATE EDUCATION AND EMPLOYMENT COMMITTEE
MIGRATION (SKILLING AUSTRALIANS FUND) CHARGES BILL 2017, MIGRATION AMENDMENT (SKILLING AUSTRALIANS FUND) BILL 2017
MASTER BUILDERS AUSTRALIA
Answers to questions taken on notice
Canberra, 30 January 2018

HANSARD, PAGE [42]

Senator Cameron: *Have either of your organisations had any consultation or discussions with the government or the department prior to the announcement of this bill?*

Mr Schmitke: *From Master Builders' perspective, I have, having regard to earlier stages of the proceedings today, sought to ascertain an answer to that question. I will need to take it on notice but, insofar as I am able to determine today, there was no consultation prior to the announcement of the Fund.*

ANSWER FROM MASTER BUILDERS AUSTRALIA:

Clarification: The statement made in response to the Hon. Senator's questions was the preliminary position taken before Master Builders Australia had the ability to confirm the response with appropriate members of staff.

Additional information: Master Builders Australia since has consulted internally with appropriate members of staff and confirms Mr Schmitke's original response is correct.

HANSARD, PAGE [44-45]

Senator Cameron: *Are you aware of Professor Peter Noonan?*

Mr Wolfe: *Not familiar, no.*

Senator Cameron: *None of you?*

Mr Schmitke: *Only from your earlier questioning, Senator.*

Senator Cameron: *He is an expert in vocational education. He has advised governments, I think both Labor and Coalition. He makes the quote—you've heard it before, I think—that revenue for the Fund will be highest when skilled migration is highest and lowest when employment of locally-skilled workers is highest. 'This means the revenue stream for the Fund will be countercyclical for the purpose for which it was established, that is to increase the portion of locally-trained workers and lessen reliance on temporary skilled migration visas.' Do you agree with that proposition?*

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Mr Schmitke: Well, Senator, I'm certainly not an economist by any stretch of the imagination. However, what I would certainly say is that one of the three items that we've raised in our statement in terms of future matters that the committee could consider is dot point 2 on p. 2 which talks about the necessity or otherwise for any type of contingency arrangements in terms of whether or not the Fund meets its expected levels of revenue. Again, we simply say that would be something to be considered in a post-implementation review. Perhaps I'm an optimistic individual and I would hope there would not be an issue in terms of the required funds being available within the Fund but, nonetheless, without being able to agree or disagree with that comment, this is one option to a, in a practical sense, consider it once we have lived experience with the operation of the Fund.

ANSWER FROM MASTER BUILDERS AUSTRALIA:

Master Builders wishes to restate its position with respect to this question.

Ensuring Australia has a skilled workforce that meets current and future demand within our sector is a key policy priority for Master Builders Australia and its members. Developing an adequate framework to achieve this is particularly important in the face of projected growth. Master Builders believes that the proposal to link the use of overseas labour with a contribution to local education needs is a positive step towards achieving this goal. Through such a programme, the Parliament is ensuring that industry has an influence over, and is accountable for, the creation of an adequate pool of future training.

Master Builders therefore believes that the proposed structure for fund collection is appropriate. Notwithstanding this, we re-state our recommendation that the Committee ought to consider mandating funding certainty as an item to be considered as part of to the Governments foreshadowed post-implementation review of the fund. This will ensure that the topic will be actively reconsidered in the future, in the event there is a need to do so.

HANSARD, PAGE [46]

Senator Cameron: This morning in *The Australian* there was an article—I'm not sure if you picked it up—in relation to vocational education and training. Basically, Dr Finkel saying the industry needs a review. Would you support that?

ANSWER FROM MASTER BUILDERS AUSTRALIA:

Clarification: The Hon. Senator's question was directed at both the HIA and the MBA. Unfortunately, Master Builders was not able to state a position at the time of the hearing. For the purpose of clarity Master Builders submits our organisation's view to the above question with the hope of aiding the Senate in the enquiry.

Additional information:

It has long been the belief of Master Builders that the objective of the VET system, particularly with respect to the building and construction sector, should be to build a productive and sustainable construction workforce that meets the needs of employers. Such a system should facilitate workers to learn skills that they need, to fill the jobs that employers want - whilst ensuring job-readiness of all graduates is a defined priority. Master Builders draws this position from our long held view that the quality of training is tantamount to a productive sector.

As our country looks towards further projected growth in the construction sector, an inadequate VET system will be a significant hinderance to economic growth. If the Parliament is minded that the VET training system is not meeting key competencies, the industry should be scrutinised via a comprehensive review. In sum, the position of Master Builders Australia is that the Government should:

- Structure and fund the VET system in such a way that effectively boosts skills and creates jobs;

- Acknowledge the contribution of the BCI to both skills development and employment contribution within the economy (including as a risk-mitigating factor protecting the economy and labour market, in the event that labour shortages are not adequately addressed through other means);
- Implement measures that facilitate greater jurisdictional consistency and an increased focus on quality;
- Facilitate and fund a targeted education campaign to elevate the perceived status of VET and trade careers by the public;
- Acknowledge that the BCI represents a special case in terms of future economic and skills development based on forecasted industry growth, creating a need to develop and implement a structured regime to manage the delivery of specific skills, training and related support programmes, as well as clear employment pathways for graduates;
- Initiate a broad and systemic review of the VET system to identify other areas that require appropriate reform; and
- Develop initiatives to reduce regulatory burden and compliance costs for VET and training providers and employers where appropriate outcomes are being consistently delivered.

Master Builders believes that Australia's future productivity and competitiveness depends on a highly skilled and appropriately trained workforce; fundamentally, the VET system underpins this goal. Master Builders not only supports a review into VET system structure and funding, we recommend that terms of reference of such a review should be clearly defined, and incorporate the view noted above. Further, such a review should aim to ensure that the VET are regularly audited by those qualified to do so to ensure the delivery of quality training outcomes.