

**Senate Committee: Economics References Committee**

**QUESTION ON NOTICE**

**Future of Australia's automotive industry Wednesday, 15 April 2015**

**Department of Education and Training Questions**

Senator Carr, Kim asked on 15 April 2015, Hansard page 23

**Question**

There is a tender on AusTender for \$28,000 for advertising, as well as one for a national facilitator for the Growth Fund, worth \$552,621.

- i) What can you tell me about those contracts?
- ii) Both of them were by limited tender. Why?

**Answer**

The answers below apply only to the National Facilitator – Growth Fund Skills and Training Initiative.

Question i)

- In September 2014 the then Department of Industry appointed Mr Terry Kennedy (All-In-Productions Pty Ltd) as the National Facilitator – Skills and Training Initiative to help transition car manufacturing industry workers to new jobs. (AusTender Reference CN2578881).
- The funding for the National Facilitator transferred to the Department of Education and Training as a result of Machinery of Government changes announced on 23 December 2014.
- The Melbourne-based National Facilitator has been offered an initial fixed price contract of two years, with a one-plus-one extension options up until 30 June 2018.
- The National Facilitator plays a key co-ordination role with the car manufacturers, state and local governments and other relevant organisations to identify and share information on local and regional pipeline employment opportunities and to make information easily accessible to impacted workers as they make decisions about career pathways and related skilling and training.

Question ii)

- A limited tender was used in accordance with the Commonwealth Procurement Rules as the National Facilitator position required a unique skill set of managing multilateral partnerships, as well as the understanding of the national training systems and displaced workers' needs. The National Facilitator also needed to be located in Victoria, as both Holden and Toyota head offices are located in Melbourne.
- A Limited Tender process targeting the four Victorian Local Employment Co-ordinators (LEC) whose contracts ceased on 30 June 2014 was approved on 28 July 2014. The fifth Victorian LEC (Geelong-based) had their contract extended given the significant structural adjustment occurring in that region.

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Senator Xenophon, Nick asked on 15 April 2015, Hansard page 24

**Question**

To what extent has your department been liaising with the Australian Motor Industry Federation, given their very clear views on this for some period of time in terms of getting that synergy, given the challenges between the Motor Industry Federation and their many members—I think representing over 300,000 jobs—with those industries that are now in transition who will be shutting down or facing huge challenges in the component sector?

**Answer**

- The Department of Education and Training has not liaised with the Australian Motor Industry Federation.
- The department has appointed a National Facilitator, Mr Terry Kennedy, to work with relevant organisations to bring together information about local and regional pipeline employment opportunities.
- The National Facilitator has been asked to contact the Chief Executive Officer, Australian Motor Industry Federation.

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Senator Carr, Kim asked on 15 April 2015, Hansard page 27

Question

**Senator Carr:** Now, let us go through it. You say that the states are responsible for the skills and training element. Is that correct?

**Mr Lovelock:** In regard to the supply chain, yes.

**Senator Carr:** I see. So I take it that you have a comprehensive understanding of what the states are actually doing for those workers?

Answer

Impacted workers	Support	Funding and Source	How and When
South Australian supply chain	<p>The South Australian and Victorian Governments have established programmes to support eligible employees of the automotive manufacturing supply chain.</p> <p>As part of the Growth Fund's Skills and Training Initiative, an agreed redeployment strategy by the three governments, as well as Holden and Toyota, will see impacted automotive manufacturing supply chain workers receive:</p> <ul style="list-style-type: none"><li>• access to support and information, including financial education services;</li><li>• careers and training advice;</li><li>• skills recognition and training; and</li><li>• help to find a new job.</li></ul> <p>A high level implementation schedule to date is provided in <b>Attachment A</b>.</p> <p>For more information in SA visit: <a href="http://www.statedevelopment.sa.gov.au/industry/automotive">www.statedevelopment.sa.gov.au/industry/automotive</a></p> <p>For more information in Victoria visit: <a href="http://www.education.vic.gov.au/about/programs/pathways/Pages/workforce.aspx">http://www.education.vic.gov.au/about/programs/pathways/Pages/workforce.aspx</a></p>	\$7.3m South Australian Government	Through the Automotive Transition Taskforce, commenced in November 2014
Victorian supply chain		\$30m Victorian Government	Through Regional Market Facilitation Manager or a Workforce Development centre Coordinator, fully operational by September 2014
Other States and Territories supply chain	<p>As part of the COAG Industry and Skills Council Meeting in April 2014, Ministers agreed a key priority for governments will be to work collaboratively to increase the capacity of the national training system to respond effectively to automotive and other workers in transition, and to ensure training assists them into more sustainable, higher skilled jobs. The Department will be working with relevant jurisdictions, particularly NSW and Queensland, to ensure there is flexibility in existing programs for workforce and industry adjustment to support impacted workers.</p>	National Training System funding  Australian and State and Territory Governments	Through relevant State and Territory training Authorities, already commenced

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**ATTACHMENT A: Summary of activities by South Australia and Victoria in 2014 and 2015**

State	2014	2015
<b>SA</b>	<ul style="list-style-type: none"> <li>• Establish Automotive Transition Taskforce</li> <li>• Establish Careers and Workforce Development Centre (CWDC) (North)</li> <li>• Appoint Careers and Transition providers</li> <li>• Appoint Labour Adjustment Program Officer based at AMWU</li> <li>• Develop Skills Book and Support Tracking and Advice system</li> <li>• Develop Training ID card for auto workers</li> </ul>	<ul style="list-style-type: none"> <li>• Information sessions at CWDCs and in workplaces</li> <li>• Establish CWDC in south Adelaide – Warradal</li> <li>• 1-1 careers counselling sessions for employees</li> <li>• engage supply chain businesses to promote program</li> <li>• Skills Recognition provided for all participants</li> <li>• Training begun after 1-1 counselling and skills recognition</li> <li>• Monitor supply chain businesses for early redundancies</li> </ul>
<b>VIC</b>	<ul style="list-style-type: none"> <li>• Establish Workforce Development Centres (WDCs) in North/West, South/East and Geelong</li> <li>• Establish WDC Committees with supply chain business representatives</li> <li>• Establish Regional Coordination Committee</li> <li>• Appoint Careers and Transitions providers</li> <li>• Appoint marketing consultants</li> <li>• Begin engagement with supply chain businesses and employees</li> </ul>	<ul style="list-style-type: none"> <li>• Information sessions at WDCs and in workplaces</li> <li>• 1-1 careers counselling sessions for employees</li> <li>• Engage supply chain businesses to promote program</li> <li>• Training begun after 1-1 counselling and skills recognition</li> <li>• Monitor of supply chain businesses for early redundancies</li> </ul>

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**Question**

For instance, you mention the supply of training of forklift drivers, I understand for General Motors in Victoria.

- i) Are you aware of which companies are providing that training?
- ii) And are you aware if any of those companies have had their credentials withdrawn for providing bodgie training?

**Answer**

- General Motors Holden (Holden) will deliver the majority of transitional services to their workers under the Growth Fund Skills and Training Initiative to help their workers become job ready.
- The transitional services include 1 on 1 career advisory support, which is offered before displaced workers make decisions on training.
- Holden has as at 5 May 2015, engaged over 80 skilling and training organisations including Registered Training Organisations and higher education institutions.
- Holden has advised that checks are conducted against government websites which detail breaches by training providers.

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**Question**

How many people have actually secured jobs as a result of these training packages? This is where workers are directly employed by the automotive manufacturers. Can you provide that information?

**Answer**

- The majority of affected employees are still in employment with the car manufacturers; as such it is too early to provide information on new jobs or self-employment directly related to those undertaking training.
- Where workers are made retrenched the car manufacturers will seek to contact these former workers in order to report on the outcomes of all transition support provided.

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**Question**

In regard to the quality of the training provided, do you have any advice you can tender to this committee on that matter?

**Answer**

Training provided to displaced car manufacturing workers will involve a range of courses and organisations, including delivery by the vocational education and training (VET) and higher education sectors.

The National VET regulator, the Australian Skills Quality Authority (ASQA), regulates all training providers in referring jurisdictions, and VET providers in Victoria and Western Australia that enrol international students or operate across multiple jurisdictions. For Victoria, the Victorian Registration and Qualifications Authority (VRQA) regulates VET providers in its state that only offers VET within Victoria and then only to domestic students.

ASQA is responsible for the regulation of the majority of VET providers in Victoria. As of 1 January 2015, there were 1,025 registered training organisations (RTOS) in Victoria, of which 354 are registered by the VRQA. Furthermore, ASQA regulates the larger training organisations that are prominent in automotive training (such as all Victorian TAFE institutions).

Section 56 of the *National Vocational Education and Training Regulator Act 2011* (the NVETR Act) allows ASQA to cancel VET qualifications and VET statements of attainment issued to a person by an ASQA RTO or former RTO. This is only done on rare occasions when the regulator is satisfied on reasonable grounds the RTO did not ensure the appropriate assessment was undertaken for the course, or the document was issued in error or outside the scope of the RTO's registration. It can also be done when the regulator considers it appropriate in circumstances where other regulatory action has been undertaken against the RTO. The regulator may only exercise this power if first it has given the RTO a written direction to cancel the qualification and the RTO has failed to comply.

The VRQA like ASQA provide a public record of suspended and cancelled RTOs.

The VRQA regulates the apprenticeship and traineeship system in Victoria. In 2014 the VRQA conducted an apprenticeship regulatory campaign in the automotive industry. As a result of the campaign, 99 apprenticeship training contracts were cancelled, and eight employers had their approval to employ automotive apprentices in Victoria revoked. Full details about this campaign, including a report, can be found here:

<http://www.vrqa.vic.gov.au/apprtrain/Pages/autocpaign.aspx>.

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