

# The Federal Government's

**T**he Skilling Australia's Workforce (SAW) Act is now law. MICHELLE BISSETT summarises the submission made by the ACTU to the Senate inquiry into the SAW Bill, outlining its concerns about the way the legislation will operate.

Following the Federal Election in October 2004 the Federal Government quietly announced the abolition of the Australian National Training Authority (from 1 July 2005). In its place, and as the basis of securing federal funding for vocational education and training, the SAW Bill was introduced into Federal Parliament in May of this year. Following a Senate inquiry, it became law in August.

The Act has a number of major failings that go to the structures surrounding the operation of the national training system, funding, the link between funding and the government's obsession with individual contracts (AWAs), and the micro-management of TAFEs to ensure they comply with the legislative requirements.

## Industry Leadership

Part of the strength of the national training system to date has been the strong tripartite support from industry, unions and government. In the early 1990s this was evidenced through the establishment of the Australian National Training Authority (ANTA) to oversee the implementation of the national training reform agenda, supported by industry training advisory bodies (at national and state levels). The role of unions in the process has been (and remains) important as it has ensured that the development of the system is not driven by the short term needs of particular industries or training providers but occurs in a manner that meets the longer term needs of workers for career development and job security and industry development. These structures were the basis for the development of the national industry-led system.

In setting up new structures to replace those that existed under the auspices of ANTA, the SAW Act substantially alters or limits the role of these

committees and alters their make-up such that the committees are now open to claims that they are employer controlled to the detriment of the views and needs of employees.

The National Industry Skills Committee (NISC) is the equivalent to the (now defunct) Board of ANTA. Like the Board it has the potential to play a vital role in the evolving vocational education and training system in Australia. To do so, however, it must be given a broader role than that of an advisory body to the Ministerial Council.

To perform its functions the NISC must have a fair representation of the industry partners, independent of government, who have the capacity to make a meaningful contribution to the future of the national training system. The current structure of the NISC is dominated by employer and government appointed members. Employees—including trainees and apprentices—are represented by one ACTU nominee. While there are at times a convergence of views between ACTU and employer representatives, the sheer weight of numbers may well result in employer views dominating considerations by the NISC to the detriment of the needs of apprentices and trainees.

The National Quality Council—the effective replacement of the National Training Quality Council (NTQC)—has been given responsibility for monitoring quality assurance and ensuring national consistency in auditing and registration of providers, a watering down of the NTQC responsibilities.

The NTQC had three key functions:

- advising the ANTA Board on Training Packages, the Australian Quality Training Framework, and the Australian Qualifications Framework as it relates to VET;
- endorsing training packages and stand alone competencies; and
- developing quality assurance policies and providing advice to state and territory bodies.

The NQC has had stripped from it the responsibility of determining national qualifications and approving training packages and stand alone competencies—functions that are vital to the success of a truly national VET system. These are

critical functions related to the quality and integrity of the national training system.

In addition the Act fails to mention the important role

of Industry Skills Councils. Their contribution in providing accurate information on industry skill needs and training requirements and the development and continuous improvement of national training packages cannot be easily replicated by bureaucrats. Yet this vital function does not rate a mention.

## An ideology gone mad

One of the most alarming aspects of the Act is the link it establishes between financing for the

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# attack on VET



VET sector and the government's obsession with workers being on individual contracts (AWAs). The issues of industrial relations and funding for VET are separate and to join them, as the government has in legislation, is surely a desperate measure.

This agenda is driven by an ideological obsession to have individual contracts as the primary form of regulation of employment. The Treasurer summed up the government's article of faith when he said that *'we should be trying to move to an industrial relations systems where the dominant instrument is the individual contract.'*<sup>1</sup>

Claims by the Government that AWAs offer better pay and conditions<sup>2</sup> and lead to greater productivity, higher wages outcomes or better and improved conditions of employment for workers compared to workers on collective agreements do not stand up to scrutiny. Many employees on individual contracts occupy professional and managerial positions on higher than average incomes.<sup>3</sup> This is, of course, not the profile of workers on collective agreements. This profile of workers on AWAs can substantially distort any comparison between workers on AWAs and those on collective agreements.

The linking of the government's industrial relations agenda to the VET system undermines the credibility, value and quality of the VET system and the underpinning funding for that system.

## Micro-management of TAFE from Canberra

The link between the government's industrial relations agenda and funding for TAFE goes further than just AWAs. As a condition of funding the Act

requires that agreements, policies and practices and procedures within each TAFE must be consistent with the freedom of association principles contained in the Workplace Relations Act. In particular the Act states that TAFE institutions can neither encourage nor discourage trade union membership.

The practical implementation of this proposition creates ludicrous outcomes. It will theoretically require that all policies and procedures of a TAFE be scrutinised by some bureaucrat to determine if they meet the requirements of the legislation. The literal effect of the Act is that one Institute in one state breaching this provision may result in the entire state funding being put at risk.

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## Of course there is the lack of funding

On top of everything else the Act fails to provide adequate funding for the TAFE sector to carry out their function.

Unmet demand for TAFE places has been steadily growing for a number of years. The Government wants vocational education and training to be a preferred option for students when making career choices. Yet the Government offers

no growth funding for the sector. It appears that the Government is more intent on scoring points by forcing particular employment regimes on the States than providing a properly funded sector that will meet the needs of employers and employees.

The funding allocation further reflects the lack of vision by the government in investing in the future. At a time when skill shortages are a serious impediment to infrastructure development and continued economic growth, to deny additional growth funding to the vocational education and training sector through TAFE is just petty.

This Act does not provide the resources necessary to ensure that the TAFE sector can respond in a timely manner to the skill needs of industry. Instead it concentrates on driving a government agenda more concerned with attacking TAFE workers' conditions of employment than with skills issues. ❖

*Michelle Bissett is an industrial officer with the ACTU with responsibility for vocational education and training issues, a position she has held for over four years.*



<sup>1</sup> Peter Costello, Federal Treasurer, *The Age*, 19 Feb 2005.

<sup>2</sup> Advertisements by Government in newspapers on 9-10 July 2005, *The Weekend Australian* page 6.

<sup>3</sup> Peetz, D., (2004) *How well off are employees under AWAs? Reanalysing the OEA's employee survey*, Association of Industrial Relations Academics of Australia and New Zealand Conference Papers, Volume 1.