

TRAINING AND SKILLS DEVELOPMENT BILL

3 July 2008

The Hon. D.G.E. HOOD: I would like to join the Hon. Mark Parnell and put on record Family First's thanks to Steven Griffiths in another place for his diligent assistance with understanding the opposition stance on this bill and, indeed, arranging briefings with some of the bodies lobbying on this particular piece of legislation. We are very grateful for that.

In short, though, I rise to support the second reading of this very important bill. We are here considering a review of the Training and Skills Development Act 2003 and the recommendations for change that come about as a result of that review. From the outset, when investigating this bill, it was apparent to Family First that this was a high-level bill, if you like, in the sense that there has been very little lobbying from individuals or families but a great deal of lobbying from the major lobby groups.

A failure to train and skill the next generations—and indeed the present one—is bad for the state, the economy and families and, presumably, it is bad for the environment as well. Hence, it is important that priority is given to highly strategic thinking on providing training for tomorrow. Otherwise, where will our doctors, nurses, mining engineers, business leaders, innovative farmers, counsellors, welfare workers, environmental scientists, and the like, come from?

I hope we do not end up in a situation where we have to rely to an unhealthy extent on costly foreign labour simply because we do not have sufficiently skilled South Australian workers for our needs in the future. Indeed, looming large on the horizon is the much-touted mining boom, and there is a clear need to have the workers we need trained for the challenges of that impending boom, lest we have to import workers from interstate or, indeed, overseas to fill those significant skills shortages.

If that is the case, it will not be a good outcome for the state or for South Australian families or business. It is disappointing, therefore, that families are struggling either due to family members who cannot find work because they do not have sufficient skills or because they are under the burden of rising costs when industry or business passes those costs on to families due to skill shortages. Worse still, if we have children in state care being accommodated in hostels or even left in abusive homes, families suffer there also. So, we need to get the training and skills right today for the needs of tomorrow.

In many cases, the needs of today cannot be filled. To that end, I believe the government has the right focus on this bill, and that is in depoliticising the training and skills development board by reducing, if you like, factional interests and, instead, getting people on the board with the right skills to do the job.

I might add that, in briefing, we were told that a high-profile identity would be picked to bring profile to the board. I hope that choice is very carefully made. There is a case for having high-profile people on these boards at some level but, surely, what is important is the merit that that person brings to the job rather than their status in the community.

The Hon. D.W. Ridgway: It's one of their celebrity mates.

The Hon. D.G.E. HOOD: Indeed. It is very important to have the appropriate skills on the board rather than somebody who is well known. I do, however, have one concern about this board and would appreciate the minister's answer to this question. If the board is independent, does that independence flow through to taking responsibility if we have a skills shortage in the years ahead? To put it more directly, can the government pass the buck to this board if we have a problem in relation to a training and skills shortage in the years ahead?

If the answer is that the government can do so, then I think this is difficult. We elect governments to govern, and it is of concern to see a trend towards advisory boards being scaled down—not just in South Australia, to be fair, but

indeed across the nation—in various arenas and instead seeing independent commissions established.

The desirable thing about an advisory board, as the name suggests, is that it advises the minister, and the minister makes a decision and wears the consequences. Family First is very comfortable with that arrangement. Having an independent commission suggests that the commission is responsible for the decision it makes, abdicating ministerial responsibility in some cases or, at the very least, reducing it. We would appreciate an answer from the minister on the question of ministerial accountability on this issue.

After all, the National Centre for Vocational and Educational Research (NCVER), a major national independent research body, tells us that in 2006, of 121,710 students in vocational education training (VET), some 87,850 (or approximately 72 per cent), are in TAFE or other government training; so, leaving aside the community and other sections into which government also has input, the implication here is that a clear majority of training responsibility falls to the government in relation to the provision of training and skills development services. To be fair to the minister, funding for these students is mixed between state and federal levels, but the question of the independence, and therefore accountability, of the Training and Skills Commission, I believe, is, indeed, valid.

I turn to the question of outputs from training. The NCVR tells us, based on 2007 data, that there are some 34,870 trainees and apprenticeships statewide, and just under 71 per cent of those are based in Adelaide. In the briefings, we were told that some 7,500 of those training contracts are not being completed. NCVR data shows 10,610 completions in 2007, which makes some 24,260 incomplete, from simple arithmetic. That, in theory, leaves 16,760 more contracts of training incomplete, as I said—not just 7,500. However, Family First accepts the argument put by the minister's office that a non-completion in a given year does not mean that the course is not under way.

Stepping away from the statistics and the semantics of 'contracts of training' and 'training contracts', in layman's terms, apprenticeships and TAFE courses are being started, but they are not being finished at rates that would be desirable—according to the government, some 7,500 per annum. Indeed, the government tells us that this is an undesirable output situation, and Family First agrees. Whilst there will always be attrition in this type of area, where we can improve, we should try to improve. I ask the minister how that non-completion situation compares with other states and territories across the land.

I am aware of the opposition's amendments to the bill, and will properly consider those at the committee stage. I observe that the opposition's amendments reflect a difference of opinion with the government about whether we should dis-establish, if you like, the Grievances and Disputes Mediation Committee that operates under the present legislation and give its jurisdiction completely to the Industrial Relations Commission or, rather, create a separate division of the IRC called the 'Training and Skills Division'. The Liberal position, we are told in a draft letter from the minister, means:

'A preliminary estimate of the costs of setting up a separate division, with a division head and an expectation of appropriate resourcing, is in the order of an additional \$700,000 per annum to taxpayers. Statistics (Appendix 1) from 2007 show a total of 87 cases heard by the GDMC. On this basis the cost of establishing a separate division is about \$8,000 per case.'

I guess the comment to be made is that that is not an insubstantial amount of money. However, it may be, after hearing the opposition's arguments, that it is also a very appropriate amount of money that needs to be spent in order to provide the appropriate facilities and resources to ensure that it functions appropriately. So, we are certainly not ruling out support for the amendment and we look forward to the committee stage.

I am being told that the IRC has the capacity to subsume this number of cases within its existing caseload, due in part, perhaps, to the diminished caseload thanks to the removal of unfair dismissal laws by the former federal

government. If that is true, it makes me immediately concerned about whether we have been funding a body without enough work to do for some time. I think we ought to explore that a little further in the committee stage, and further comments on that from the minister would be useful.

On a related note, much has been made of the point that the IRC has given undertakings that it will be able to handle these disputes in the timeframes discussed. We are legislating here on the basis of a promise that it will reach these matters in reasonable timeframes and, from what I know about the courts, delay is almost synonymous. The IRC, to be fair, can be faster than, say, the Supreme Court, but I would appreciate knowing more about the resourcing and caseload capacity of the court, along similar lines to my previous questions, so that we can be certain that these guarantees from the IRC are rock solid and actually turn out to be what is promised.

The last thing I want to record at this point is my concern about situations where, say, an employer finds an apprentice is clearly breaching trust in the workplace, such as—the worst case, I guess, or one of the worst cases—stealing money from the employer, which in the ordinary employment context would be grounds for instant dismissal. Yet here we are looking at a situation where that apprentice is merely suspended until a hearing is held, and that suspension, as I understand it, would be with full pay.

I am sure that members can begin to see my concern about the IRC being up to the task of mediating and resolving these disputes quickly, because in some cases family businesses—as a lot of training providers are—are going to be throwing away money to a person who has committed a gross breach of trust against their organisation, as in the instance I described of an apprentice stealing money, equipment or whatever it may be, and this will be a significant cost to family businesses, as the accused waits for their day in court.

This is a tricky balance between employer and trainee rights, but I do raise that concern which I think relates back to the question of how quickly disputes can be heard. If they can be heard very quickly then the cost will be relatively minor and perhaps appropriate, but if disputes cannot be heard quickly then

that cost could be very significant for small training providers and family-based organisations. So, we have a real concern about that.

Justice delayed is, indeed, justice denied, and that applies here as well as in any other court context, and this is our concern about the live issue that continues about this bill. Having placed those concerns on record, I indicate Family First's support for the second reading. Family First very much looks forward to the committee stage, and we are certainly open to the opposition's amendments and we look forward to its arguments.