

Motor Trades Association of Australia

Hon Bruce Baird
ESOS Review
GPO Box 9880
CANBERRA ACT 2601

Via email: esosreview@deewr.gov.au

Dear Mr Baird

I am writing to you on behalf of the Motor Trades Association of Australia (MTAA). MTAA is a federation of the various state and territory motor trades associations as well as the New South Wales based Service Station Association Ltd (SSA) and the Australian Automobile Dealers Association (AADA). MTAA also has a number of Affiliated Trade Associations (ATAs), which represent particular sub-sectors of the retail motor trades, ranging from motor vehicle body repair to automotive parts recycling.

The purpose of my writing is in relation to the currently underway Review of the *Education for Overseas Students Act (Cth) 2000* (ESOS Act), which you are currently undertaking. MTAA has previously alerted the Government to concerns that it has with respect to the delivery of trade training services to overseas students and welcomes this opportunity to provide further information to the Government through that Review process in the hope that its concerns might be addressed. Those concerns relate to issues such as the dubious quality of training outcomes, the consequences of training outcomes of suspect quality within the broader training policy environment and some of the operational aspects of some training providers in the 'international student' sector and follow-on risks that those aspects bring with them. MTAA's focus in this regard is upon trades training and training for the retail motor trades in particular.

It might benefit the Review in the first instance, however, for it to be provided with some background information that illustrates the characteristics of the environment and context in which MTAA's comments are referenced. As an example, a motor mechanic apprentice in New South Wales must, for a Certificate III qualification, complete a minimum of three years work, which includes four days a week in an automotive workplace. For a Certificate IV qualification, a further two years work than that required for a Certificate III must be undertaken, which again includes four days a week in an automotive workplace and one day doing 'off the job' training.

The amount of 'work' required in New South Wales to attain those levels of qualification is indicative of that required throughout all Australian jurisdictions. As a general guide, however, it might be best considered that to attain a recognised-by-industry trade qualification in the retail motor trades requires somewhere between three and four years work, with a large proportion of that period being comprised of practical, 'in the workplace', supervised training.

It must also be noted that it is that level and extent of training that serves as a prerequisite for any domestic student for them to so much as commence the training required for the attainment of a diploma-level qualification for any of the retail motor trades. The attainment of a diploma might ordinarily take, therefore, for a domestic student in the trades, somewhere in the vicinity of six to seven years from commencement of their apprenticeship, through to the attainment of their Certificate III, on to being a qualified tradesperson and then onto the completion of their post-trades diploma.

MTAA and its Member bodies are deeply concerned, then, at the proliferation of Diploma-level courses in the retail motor trades that are being offered that would seem to radically circumvent the time frames indicated above as those necessary for the attainment of a recognised-by-industry trade qualification. Typical characteristics of the Diploma courses on offer are for the participant to complete 45 competency units as well as 900 hours of course work, practical placement and assessment (which amounts to little more than 9 hours per week instead of the four days a week of a traditional apprenticeship or certificate qualification). Diploma courses such as these are, apparently, able to be completed in as short a period as two years with no prerequisites required. Fees charged for these courses are in the vicinity of \$20,000-00 per annum.

Additionally, much of the training conducted is in circumstances known as a 'simulated training environment'. This might best be described as that training occurring in a 'virtual' workshop (as opposed to an actual working one) in which the same vehicles and vehicle components are used for training purposes for the duration of the course. This is distinct from an operating business, where the vehicles passing through the workshop will be varied, will present with a variety of faults and, in the case of motor vehicle dealerships, will represent the latest in automotive engineering and technology and, hence, skills needs in terms of service and / or repair.

As might be seen, the characteristics described above fall considerably short of those generally regarded as the minimum required for the awarding of a Certificate III or IV qualification. The Association might rightfully question, therefore, what the motivating principle for the establishment of courses such as these might be.

In June 2007, the New South Wales Minister for Training and Education effectively shut down such courses in NSW. These courses continue to be offered, however, by institutions in Victoria, South Australia and Western Australia.

The continued existence of these courses is of considerable concern to MTAA and its Member bodies. There is concern that the motivation for these courses being offered is less about providing students with the skills required to be valued trades people and more about providing a pathway to permanent residence. There is also concern, even if the former can be proven baseless, that the skills, knowledge and experience provided by these courses would be insufficient to render a graduate of them as a desirably

competent employee in the retail motor trades capable of performing the tasks required of a qualified technician.

As an example of this last aspect, MTAA has been made aware of circumstances by one of its Member bodies whereby an international student, who had recently completed a Diploma-level course such as the one outlined above in one jurisdiction, presented in another jurisdiction attempting to offer their services on a no-cost basis in order to acquire workplace experience. It transpired, however, that the graduate in question was not actually looking for work experience but, rather, needed help to change the water pump on their vehicle. It is alarming to consider that here is an example of someone holding a Diploma-level certification in a retail motor trade who, it would seem, was incapable of performing a repair that even an industry-recognised Certificate II holder could themselves easily achieve (and invariably without any specialised tools).

There are also concerns for the Association in terms of the policy implications of these courses, which could be seen and taken to be a mechanism to address skills shortages in the retail motor trades. It seems more likely to MTAA, however, that these courses will serve to merely statistically distort and, therefore, misrepresent the actual extent of skills shortages in the retail motor trades, thus compounding an already challenging set of circumstances. This might particularly be the case if the 'evidence' suggested an argument could be sustained to remove retail motor trades from the priority or skilled migration list.

In terms of how these circumstances intersect with the operation of the ESOS Act, the Association might suggest – on the basis of the information provided to it by its Members, whose members are best placed to observe these issues in the market – that there appears to be no readily identifiable 'point of responsibility' within the Act for matters such as these to be placed. For instance, it might in the future best be incumbent upon the Government to ensure that verification of the claims made by training providers of the courses being offered is consistent with the actual outcomes of those courses. In that regard the Government might need to consider the imposition of a regime of penalties – such as heavy fines or loss of any registration – for providers that it can be demonstrated have engaged in misleading or deceptive conduct.

Additionally, it might be prudent if in future providers were required to pay a licence or some other form of registration fee. Monies thus collected could be paid into a central fund – administered by the Government – that could be used to protect international student's interests in the event of a provider closing.

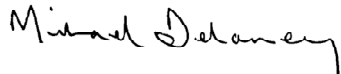
It is obvious to the Association's Members that a good number of the providers that offer courses in the retail motor trades are doing so in seemingly the most minimalistic manner. It is also clear to those Members that the current system is immigration centric as distinct from being driven by the desire to deliver (and for students to attain) high-level, quality, industry-recognised trade qualifications.

All of which is to suggest the need for more rigorous enforcement and compliance measures to be conducted over providers by the operation of the ESOS Act. Failing measures of that sort, it would be the Association's suggestion, then, that consideration needs to be given to 'de-coupled' training in the trades from immigration outcomes through the operation of that Act.

The Association's preference, however, remains in having these two year diploma and similar courses in automotive trades banned and denied formal recognition within the Australian trade qualification system. The Association would be alarmed if overseas students 'qualified' for a Diploma in Automotive Technology (Light Vehicle Stream) more as an administrative requirement in order to meet entry to Australia under our visa arrangements, rather than in order to make a valued contribution of their skills to the economy. Given the Association and its Member bodies' assessment of the courses referred to, the former of those propositions seems the only outcome obtainable and or possible.

I thank you again for providing the opportunity for MTAA to comment on this matter. I trust the comments offered provide value to the purposes of the Review. I would be happy to discuss this matter with you further at any time of your convenience if you felt that would be beneficial.

Yours sincerely

A handwritten signature in black ink that reads "Michael Delaney". The signature is written in a cursive, flowing style.

MICHAEL DELANEY
Executive Director

29 October 2009