

11th February 2014

Review of Australia's Automotive
Manufacturing Industry
Productivity Commission
LB2 Collins Street
MELBOURNE. 8003

Dear Sir / Madam,

I would like to make a submission in response to your Position Paper and in particular "Adjustment Assistance for Employees".

By way of my background to this issue I offer the following:

I have worked in training and assessment for over 20 years within South Australia. I am a recognised Recognition of Prior Learning (RPL) specialist in Australia and was asked to speak at the Canadian Prior Learning International Conference in 2013. During the time of the first round of Mitsubishi redundancies (at Lonsdale), I was employed by the Transport Training Centre, which was contracted to provide assistance to a number of ex – Mitsubishi employees in terms of providing "back hoe" training with the view to these people accessing opportunities in the mining sector. What I found as the co-ordinator of this program was that many of those that applied for the training were mature workers i.e. over 40 and had worked for Mitsubishi for a significant number of years. My findings were as follows:

- Many of them did not understand the physical nature of work within the mining sector
- Many of them were still suffering "shock and grief" over their loss of employment
- Many of them were simply chasing the dollars to make up for their lost level of wages.

In 2008 and 2009 I was involved with two programs:

1. RPL Mentoring Project (COAG)

The first program was the Recognition of Prior Learning (RPL) COAG program where in South Australia, the money provided by the federal government, was utilised by employing several RPL experts to provide RPL services and mentoring to Registered Training Providers and to Individuals. As such, when Mitsubishi at Tonsley Park (2008) was closed and then later at the closure of Bridgestone (Salisbury) (2009), the mentors were called in to conduct "Skills Assessments" (RPL) on many hundreds of employees at both sites. I personally interviewed over 200 people through both closures to assess their skills. Firstly I have to say that again I found many particularly older workers with many years at their respective companies, excessively angry (this anger stops them from finding work), swamped by all of the services that whilst well meaning were just exacerbating the confusion and pain.

On the skills assessment side, this was a vital program which had I believe excellent results (although the reports on it have since disappeared (mysteriously, due to I believe the state versus federal funding issues mentioned further down). Most of the people in the program (at Mitsubishi), were able to have their automotive qualifications mapped over to Engineering ones. Many of the people I interviewed also had team leader experience and had worked on the implementation of new models. This made many workers eligible for qualifications in Front Line Management and Project Management. Consequentially we had people who had a Certificate III in Automotive recognised with skills at least to a Certificate III in Engineering, a Certificate IV in Frontline Management and a Certificate IV or higher in Project Management. This opened up significant opportunities to them including (at the time) opportunities with the Collins submarine build / project. It is my understanding that where "Skills Assessment" (RPL) intervention has been utilised the employment outcomes for employees has been significantly higher than say those from the Lonsdale Mitsubishi closure.

This process has only been utilised on a limited basis since the funding ceased for the RPL COAG Project. The reality is the state does not see it as its responsibility to pay for Skills Recognition.

This situation is a product of the Federal / State delineation of responsibilities in terms of providing and paying for assistance for those made redundant i.e the state government is not going to pay for the Skills Assessment of individuals (as are not responsible for paying unemployment benefits or costs) and the Federal government prefers to have people made redundant serviced by the Job Network who do not offer or provide funding for such programs / assistance. This means people don't get the targeted help they need prior to ceasing their employment.

Skills Assessment (RPL) should be offered to **ALL** people being made redundant **well before** they exit to increase their opportunities and where they may need some study / gap training for a particular qualification this can be undertaken well before they leave their employment to maximise their opportunities. I don't want to get into the politics as to who pays **but someone has to pay and if not one of the governments then the employer i.e. Holden's and now Toyota or possibly SPC if it goes down the same road of closure.**

I believe that not funding such programs is a very short term view given the success they have had previously. In SA the Skills Assessment "infrastructure" is still available i.e. Skillsbook (the program utilised as well as the experienced RPL mentors who worked on both Mitsubishi and Bridgestone).

2. Mature Aged Workshops:

During 2008 and 2009 I conducted approximately six, one day programs for unemployed mature aged workers. Each one day workshop had approximately 100 people who were over 40 years of age attend. Their backgrounds varied but many had been made redundant or had suffered from either workplace or motor vehicle injuries (which had left them unable to maintain their previous employment / occupations). Again one of the things that struck me was the anger of these groups at the circumstances that had left them unemployed. Many of them struggled to realise that their anger was actually an impediment to gaining employment. Most of the 600 or so people I saw in these workshops had been unemployed for a number of years and had never had a Skills Assessment undertaken on them nor had they been given assistance to "cope with change". Yes, they get Job Network services on how to write a resume and interview techniques but this is just wasted effort and money because it's their attitude that stops them from getting a job in a significant number of cases. I would also like to make note here that the standard of resumes was incredibly poor,

particularly where people had been supported by the Job Network. There seems to be a “standard” resume format used by the Job Network which is outdated and substandard.

RECOMMENDATIONS

I would like the Productivity Commission to consider the following recommendations:

- Funding be made available for a Skills Assessment process be made available to all people affected by redundancies. (An approximation of the cost would be around \$300 - \$400 per person)
- Once Skills Assessment has been undertaken that funding be made available for Up Skilling training and possibly career counselling. The costing for this will vary according to the type and level of training required.
- Funding to provide “Change Management” to all people affected by the redundancies, including spouses (as marital breakdowns and depression are significant issues). The cost would vary but if I used Duxter’s leap as a Guide the book and materials would be around \$30 per person. The training for the Duxter’s Leap trainer’s would be around \$1500. There would then be the Duxter’s Leap trainer’s whose costs would vary according as to who employed them i.e. the employer.

PROGRAM FUNDING

I think there is some valid argument that funding should be provided by:

- The employer (Holden / Toyota) as many of these workers have worked many years loyally for the companies and the longer they have worked for the one company the more they will struggle to gain new employment.
- The federal government, as a cost / benefit analysis would show it is better to spend money of Skills Assessment and Change Management than significant amounts of money on Unemployment benefits and such services. The federal government will also have significantly higher tax revenue from having people work than sitting on benefits.
- The state governments. Whilst they will state income support is a federal issue, the fact is that their tax revenue will also decrease significantly by having significant parts of the population on benefits and requiring more services for depression and other “fallout” issues such businesses going broke i.e. the local shops and therefore less tax revenue.

I have the Australian Rights to a program based on the book Duxter’s Leap that has had significant benefits in Canada with long term mature aged unemployed people, for the commission to consider. This program is about training people to deliver the support program, explore Duxter’s Leap with those made redundant and assist with individual’s mindset changes. Relevant people can be trained up in Holden or Toyota to be mentors / trainers in this program (thus reducing costs of delivery significantly). I am happy to discuss with the Commission or Government Representatives how this

has worked in Canada and its application to our workforce. Please note I am the sole agent in Australia for the Duxter's Leap program and materials.

In summary I would like to state that action should be taken **NOW** to prepare people to transition particularly in the areas of Skill Assessment and Change Management.

This submission contains the following:

- Submission document / letter
- RPL Assist brochure

Yours faithfully

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