

**RESPONSE TO THE PRODUCTIVITY  
COMMISSION  
REVIEW OF AUTOMOTIVE ASSISTANCE  
POSITION PAPER**



**AUTOMOTIVE TRAINING AUSTRALIA LIMITED  
LA TROBE UNIVERSITY, BUNDOORA VIC 3086**

**Phone: 03 9479 3480**

**Fax: 03 9479 3487**

**Email: [ata@automotivetraining.org.au](mailto:ata@automotivetraining.org.au)**

**Contact: Mr John Braddy, Executive Director**

## **AUTOMOTIVE TRAINING AUSTRALIA LIMITED**

### **RESPONSE TO THE PRODUCTIVITY COMMISSION POSITION PAPER**

#### **Introduction**

The Board of Automotive Training Australia Limited (ATA) supports much of the Productivity Commission findings and recommendations in respect to skilling and training issues contained in section 5.2 of the position paper. The Board is concerned that some issues are raised which may be based on some initial misconceptions. These issues are addressed in this response.

It should also be noted that while ATA's core business is in the field of vocational education and training, it does perform a brokerage role to facilitate enterprise/industry links to higher education. Section 5.2 of the position paper also mentions issues that may be more appropriate in the field of higher education, but does touch on generic engineering/metals training. An example relates to the paragraph at the top of page 53 referring to current institutional arrangements, where it is noted that "the training provided by the educational institutions is too generic for the needs of an increasingly sophisticated automotive industry." This comment is taken to refer to problems identified by the automotive producers in respect to undergraduate engineering programs at higher educational institutions, although the same can be said of generic engineering issues in TAFE institutes, as distinct from those which are automotive-specific, developed by ATA. While ATA endorses these conclusions, this response relates primarily to issues concerned with vocational education and training.

Accordingly, the major issue requiring a response is the third preliminary finding i.e.

- *An external review of training advisory arrangements could be beneficial in helping to ensure that training arrangements and packages continue to meet the needs of the industry.*

In addition, some other specific points will be addressed in this response.

#### **ATA's Core Business:**

ATA is a body that supports industry leadership of Vocational Education and Training in the Australian automotive industry. Key roles of ATA include:

- Setting industry training strategic directions and identifying industry training needs;
- Producing and continuously improving goods and services with a particular focus on Training Packages and associated materials; and
- Influencing policy and decisions about Vocational Education and Training;
- Engaging industry in investment in training.

ATA's coverage extends over the full value chain of the automotive industry from planning, design and engineering, through component manufacture and vehicle assembly to the retail, service and repair sectors of the industry. This latter group includes some 60,000 individual businesses. Related industry sectors including bus, truck and trailer manufacture and the aftermarket are also included in ATA's coverage. ATA produces and implements Training Packages in the following areas:

- Automotive Passenger Vehicle manufacturing (utilised by the four local automotive producers and some component manufacturers)
- Truck, bus and trailer manufacturing
- Retail, service and repair
- Aftermarket.

### **ATA Structure**

ATA is a company limited by guarantee. ATA has three shareholders:

- Federal Chamber of Automotive Industries
- Motor Trades Association of Australia (representing a significant portion of the individual businesses in the retail, service and repair sector of the industry).
- Australian Council of Trade Unions (represented by the general and vehicle divisions of the Australian Manufacturing Workers Union).

ATA has a representative Board drawn from all sectors of the industry. The Board membership and Directors' affiliations are shown in Attachment A. The Board also has three advisory groups drawn from a wide cross-section of industry representatives:

- Manufacturers' Advisory Group
- Retail, Service and Repair Advisory Group
- Bus, Truck and Trailers Advisory Group

The Board and advisory groups provide high-level representative advice on industry developments and needs.

### **Coverage of the Industry by Industry Training Advisory Boards**

As noted above, ATA has coverage of vocational education and training arrangements over the full value chain of the automotive industry, and has Training Packages to meet requirements over this value chain. The Productivity Commission position paper notes that, in fact, there is overlapping Industry Training Advisory Body (ITAB) coverage in the component manufacturing sector. In addition to ATA, the Metals and Engineering Industry Training Advisory Body has coverage in the component-manufacturing sector, and two other ITABs also cover parts of this sector. The other ITABs are Light Manufacturing Training Australia Ltd. in the fields of trim, seats and carpets and Manufacturing Learning Australia covering rubber, plastics and glass. While there is potential for overlapping coverage in the upstream sectors of the industry, ATA effectively has exclusive coverage in these areas.

There is logic in a view that all parts of the automotive industry value chain should be covered by one ITAB. Support for this view may be drawn from the Productivity Commission's position paper where reference is made to the close integration that continues to evolve between automotive producers and component manufacturers. This is noted particularly on page 11 and box 2.2 in the section dealing with changes to the structure of production. Similarly, there are upstream linkages in the value chain, particularly between the automotive producers and their retail networks.

It can be argued that there would be value in using a common training package across the automotive producers and component manufacturing sectors. ATA's structure and

Training Package development processes provide the opportunity to focus the Training Package on the unique features of automotive production as distinct from a more generic manufacturing package.

It is also important to note that Training Packages are reviewed every three years. ATA has just commenced the review of the Automotive Manufacturing Training Package. As a first step, a futures report has been commissioned to identify significant industry developments that need to be taken into account in the review process. Again, this will focus specifically on automotive manufacturing requirements.

The ATA Board recognises that other ITABs have coverage rights in the component-manufacturing sector. The Board has indicated to the Australian Industry Group that it has concerns about aspects of the original AiG submission, particularly the suggestion that ATA activities concentrate in the retail, service and repair sector of the industry and that there is inadequate industry representation in its advisory arrangements. This response paper argues that these observations are simply not correct. As a result of the contact with the Australian Industry Group, it has been agreed that ongoing dialogue will be maintained in respect to appropriate industry advisory arrangements.

In conclusion, ATA believes that much can be achieved by strengthening the role of the automotive Board and that consideration is given to enabling ATA to influence the generic nature of institutional-based education and training, to focus more closely on the specific needs of the automotive industry, as is the case with those aspects covered by the existing training packages.

ATA is currently reviewing the training packages to ensure that future training needs are met and will be facilitating a situation of continual maintenance and upgrading of content to ensure that institutional training is relevant and flexible enough to cover the rapidly changing needs of the automotive industry.

<b>Automotive Training Australia Board membership – July 2002.</b>		
<b>Director</b>	<b>Position in Organisation of Origin</b>	<b>Nominating Organisation</b>
John Barlow (Chair)	Special Advisor – National Organisations, Australian National Training Authority (on secondment from Holden Ltd. – previously Director HR)	Federal Chamber of Automotive Industries
Anne Donnellan (Deputy Chair)	National Organiser, AMWU	Australian Council of Trade Unions
Alan Holley	Director, Strategy Implementation, Ford Motor Company of Australia Ltd.	Federal Chamber of Automotive Industries
Robert Allen	Managing Director, The Allen Group (Large WA based automotive and aircraft group)	Motor Trades Association of Australia
Margaret Thompson	Director, Alan Thompson Automotive (NSW based service station company)	Motor Trades Association of Australia
Ian Jones	National Secretary, AMWU Vehicle Division	Australian Council of Trade Unions
Brendan Murphy	Human Resources Manager, BTR Automotive – Driveline Division	Federation of Automotive Products Manufacturers
Peter Bennie	Executive Director, Lube Mobile (Qld. based multi-state mobile vehicle servicing company)	Motor Trades Association of Australia
Angus Kennedy	Director of Services, Hyundai Automotive Distributors	Federal Chamber of Automotive Industries
Peter Smithard	Human Resources Manager, Mack Trucks Australia	Truck Industry Council