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EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Reference: Current and future skills needs

(Roundtable)

TUESDAY, 15 APRIL 2003

DANDENONG

BY AUTHORITY OF THE SENATE

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SENATE
EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Tuesday, 15 April 2003

Members: Senator George Campbell (*Chair*), Senator Tierney (*Deputy Chair*), Senators Barnett, Carr, Crossin and Stott Despoja

Substitute members: Senator Allison for Senator Stott Despoja

Participating members: Senators Abetz, Boswell, Buckland, Chapman, Cherry, Collins, Coonan, Denman, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Forshaw, Harradine, Harris, Hutchins, Johnston, Knowles, Lees, Lightfoot, Ludwig, Mason, McGauran, Murphy, Nettle, Payne, Santoro, Sherry, Stephens, Watson and Webber.

Senators in attendance: Senators Allison, Buckland, George Campbell, Carr, Stephens and Tierney

Terms of reference for the inquiry:

To inquire into and report on:

- a) areas of skills shortage and labour demand in different areas and locations, with particular emphasis on projecting future skills requirements;
- b) the effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements;
- c) the effectiveness of industry strategies to meet current and emerging skill needs;
- d) the performance and capacity of Job Network to match skills availability with labour-market needs on a regional basis and the need for improvements;
- e) strategies to anticipate the vocational education and training needs flowing from industry restructuring and redundancies, and any recommended improvements; and
- f) consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular, and any recommended appropriate changes.

WITNESSES

BROWN, Ms Judith, Manager, Adult Community Education, Living and Learning in Cardinia529

DESCHEPPER, Ms Anne Marie, Manager, Educational Development Services, Chisholm
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Di-MASI, Mr Paul, CEO, South-East Local Learning and Employment Network529

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STEPHENS, Mr Andrew St John, Investment Manager, Latrobe City Council529

STYLES, Mr Rod, Regional Manager, Apprenticeships Australia.....529

Committee met at 1.40 p.m.

BROWN, Ms Judith, Manager, Adult Community Education, Living and Learning in Cardinia

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STYLES, Mr Rod, Regional Manager, Apprenticeships Australia

CHAIR—I call the committee to order. As part of its inquiry into current and future skills needs, the Senate Employment, Workplace Relations and Education Committee is conducting a series of roundtable meetings in different parts of the country for people involved in various ways with identifying or responding to the skills needs of industries, communities and individuals. The committee is also holding more formal public hearings with those who have made submissions to the inquiry. The committee wishes to have the opportunity to discuss and explore views on current skill formation policies and programs and to discuss suggestions for change with those who represent the diversity of interests and viewpoints in the community.

The purpose of these roundtable discussions is to allow the committee to consult with a broader range of people than would be possible through the more formal hearing process, including those who do not wish to make formal submissions. We are pleased to be in Dandenong to learn from people in this region about current and future skills needs and to hear your suggestions for changes and improvements. Although these roundtable discussions are meant to be informal, we are bound to observe one important rule of the Senate with regard to privilege. This discussion is privileged, and you are protected from legal proceedings with regard to what you may say. Hansard will produce a verbatim transcript of evidence which will be provided to participants and will also be available on the committee's Internet site as official documentation of the committee's proceedings. This recording is not intended to inhibit informal discussion, and we can go in camera if you want to put something to the committee in

confidence. I point out, however, that such evidence is often difficult to report in an inquiry of this nature and that, in any event, the Senate may order the release of such evidence.

Many of you have provided the committee with some brief written information about yourselves, the organisations or interests that you represent and the key issues in relation to your current and future skills needs, for which we thank you. I have a couple of questions to kick off the proceedings, but do not feel limited at all by these questions in terms of any issues that you want to raise.

When you are talking to us this afternoon, would you give some thought to whether you believe the current training packages develop the employability skills of employees that employers claim to need. In other words, in terms of those soft skills that everyone keeps talking about, do you believe the current training packages deliver those particular skills? Would you also let us know the relative importance that you place on Commonwealth and state incentives in promoting training and the training agenda, the extent to which Job Network and labour market programs can assist in meeting the skill needs that are perceived by industry, and whether the current training programs and policies in place are adequate to meet both the current and future skill needs of the economy? On the question of industry investment in training of the work force, to what extent do you believe that industries' contribution to the training agenda is adequate or how can industries' contribution be increased and facilitated?

They are only three or four questions just to get the discussion under way. As I said, feel free to raise any issue that you think is of importance to the inquiry. Who would like to make the opening comments? The purpose of this discussion is for us to listen to you, by the way, so we try to listen to what you have to say and to constrain ourselves at this end of the round table and limit our interventions.

Mr Di-Masi—The question that piqued my interest almost immediately was the issue of industry's contribution to the training agenda. We represent a significant number of employers in the south-east as part of our network. I would like to report on what they are telling me. I am a pettifogging bureaucrat these days. I have run my own business in the past and I have worked as a business training consultant, so I have some sense of some of the industry issues. Employers are reporting two key things: the first is that it is the schools' and training institutions' job to teach the generic skills. They are saying very clearly in a whole range of forums we run, 'We are not educators, we are employers. We have the jobs and we make the "gadgets"—that is what we do.' They can train people in their systems and so on, but they believe that it is the role of the educational and training system to provide those soft skills.

The second point that has been impressed upon me on a regular basis has completely fled from my mind at this point. I will get to that in a minute. Training providers have the responsibility for training. Industry's role in entry level training is to pick up the kids as they come in and give them the specific enterprise skills for that particular enterprise, whether they are making caravans, train bodies or whatever.

The other issue that I was going to raise very briefly is the language difference. We have thrown together employers and educators in the same room on a number of occasions in the usually forlorn hope that they would actually end up talking to each other. My observation is that they do talk to each other and actually say the same things but they say it in such radically different language that they end up fighting about it. We had a planning session in October last

year where some employer members came along and we put them together in a small grouping. That has led us to believe that part of the process of unravelling some of these industry responsibility issues is to start doing some structural interpreting, which we are looking at doing now. The different language employers and educators speak is a huge problem.

CHAIR—Listening to what employers say about the generic skills, the only conclusion that you can draw from this side of the table is that our schools are an absolute failure, and I do not believe that for one minute. I do not believe that our school system is in such a mess that it is not delivering basic skills to its pupils. To what extent are the expectations of employers on the skill levels of young people coming out of school beyond what is reasonable in terms of what young people are actually taught at school? You talked about speaking a different language—that there are two parallel tracks running, neither of which will actually meet.

A very disturbing aspect of this whole inquiry is that we are continually hearing employers saying, ‘We can’t get young people coming out of the schools who have got the basic skills or the attitude that is right for me to put them into my employment.’ I think, ‘God, what has happened to the school system?’ It is a long time since I was at school, but what has happened in the school system over the years if those are the sorts of young people we are turning out? If that is what we are turning out of the school system, not only is the school system a failure but we are an absolute failure for allowing it to happen. I just do not believe that that is the case. What is the genesis behind this whole perception?

Mr Di-Masi—I think I alluded in my evidence this morning to the mismatch between the skills set of young people who are available as entry-level employees in, say, the manufacturing sector here in the south-east and the sorts of young people that employers actually want. The kids that the employers want are those who are going on to do year 12. They are confident, flexible and have a lot of commonsense and so on. The available pool of young people that employers see for entry-level labouring or semiskilled positions are often kids who have been disconnected from schooling, and employers are reacting to that. The kids that they are seeing applying for a range of jobs do not represent the whole cohort of young people. There is enormous pressure for kids to stay on at school, even if it is not really suitable for them and even if they would much rather be out there earning a quid. They are pressured by family, by schools and so on and so forth. I think there is a mismatch there.

It is my perception, from talking to employers, that there is also a sense that these are their ideal skills. They keep saying, ‘This is what we want,’ not taking into account what they are getting. They obviously get lots of good kids and they employ them, but they keep falling back into the position of, ‘No matter how many good applicants we get, this is our standard.’ It is a bit like quality assurance at the end of a line: that is your standard, that is what you work to and, if it is not good enough, you throw it back and start again. It is the same sort of application. That is my view anyway.

Mr O’Dwyer—We have done a bit of work on skills management, and I think a lot of people are missing the point in focusing on things like the entry level skills of young people. We have to focus on the broader issue of skills management—how we manage the skill shortages that we are going to confront. We have to change ingrained values in people about particular forms of employment and people’s views about work—not only the views of employers but of parents and schools. There are ingrained values about success. The Victorian government says as the 90

per cent retention rate at VCE. The actual measure is 90 per cent retention rate in VCE and/or its equivalent. No-one focuses on 'and/or its equivalent'.

As an example of how people think, I put my car into the panel-beater's the other day. He has had a sign 'Panel-beater position to fill' for three months. He said to me, 'What do you do?' and I said, 'We are working on things like skills management et cetera.' He said, 'I can't get a panel-beater.' I said to him, 'What's your son do?' and he said, 'He's studying law at Melbourne.' It is an attitude. How many people have that attitude? There are all these issues about the ingrained values that people hold about particular forms of work and success. It is a litany of things that go on and on. They are the things we have to tackle.

You have got to look at places like Ireland, which set up an expert skills alliance, where the whole country focuses on the issue of skills management. We seem to have a whole host of different groups and we are talking about trying to analyse what skills we will need for the next five years. Six months ago the IT industry was up here as a source of employment; now it is down there. So how can we analyse what we are going to need for the next 15 months? We have to think more broadly about the issue of skills. Age balance in the work force is going to kill us. We are fast getting to the stage where we are going to be an Italy: we are not going to have enough people generating taxation revenue to fund our programs. Industry has a just-in-time process; it is not in their corporate plan or their three-year plan and so they do not want to think about it. You people are elected—and I am not being critical—for a period of time, so outside that time frame sometimes it is hard to engage government. Unions probably have about the greatest social conscience in terms of where we are going with this issue. That is my hobby horse and I do not want to labour it, but there needs to be a focus on the issue of skills and not on what skills we need for this or where we are going.

CHAIR—Doug, you are an employer. What is your view about it?

Mr Maxwell—The cast metals industry has always been branded as 'the old economy' and it attracts very little interest from the promoters of the new economy. Our whole education system gives no encouragement to students to enter the manufacturing and the cast metals industry. For those who do not know, there is not a thing around us that we do not use every day of the week that does not come from the cast metals industry. The industry produces the essentials for living. The National Cast Metals Council has videos, which I will leave with you, on which there are kids talking about it.

As an employer, I need apprentices. It is my superannuation; I am not putting my hand in the bank and taking it away. I have to carry on in the manufacturing industry, whether it be trams, trains or agricultural machinery. We do not get kids coming through. In the Dandenong area, from Hallam all the way down to Frankston and beyond, not all the kids will be university educated. We need practical hands-on skills. I go back to when we had apprenticeships and had tech schools and we had older guys who came out of industry and taught kids. They did not need an education degree because they had come up off the shop floor. We do not have that now and it has been branded a dirty industry. Computers are all good—but dotcom does not make anything; it is tradespeople and manufacturing who do.

There are 17 per cent of us making something for the rest of Australia, guys of my age, like me, who have had a heart attack and a bypass 12 years ago. I really do not need to work, but I have a passion for the manufacturing and foundry industry. I will do whatever I can to help kids,

whether it be through my other job as Deputy Chairman of the National Cast Metals Council or through our own cast metals foundation through which we supply money. We send our apprentices in the Australian foundries overseas—both pattern makers and moulders. In this day and age they use IT and CAD/CAM. They have to design things, whether they be for GMH or for our operation where we make all the mould gear for Australia's glass industry. We export that technology; I have put it into China for ACI.

There are a number of things that I feel I could complain about. But we have to get teachers to open up their vision—tunnel vision is what it is. We have got these things in schools, we tell them what innovation is but it is still a bit dirty for some of our teachers who have come through uni and have not been out in the work force who say that is what we have to do. The kids do not get a chance because they do not go around to plants and operations where they can say, 'Yes, I like it,' or, 'I don't like it.'

Ms Brown—I represent adult community education. I think an integrator came and visited LLINC at one stage. I am concerned that we do not focus on one age group. What I have found great about the trainee packages now is the fact that they have been opened up and they are more flexible. You can take modules out and create bits and pieces with them, which has made them really valuable for older men and women who need to reskill, and for the younger ones. Being able to integrate the young ones and the older ones together creates a very natural sharing of skills and ideas and support for whoever is having difficulties. But that needs to be given a bit more support so that you can start something in term 2 or term 3, so that everything does not run from January to December. There are some hiccups and some holdbacks from being as flexible as you could be, running day and night and what have you.

I somehow think also that perhaps there should be a return to looking at local communities. There are people who, for whatever reason, are at the stage of feeling very insecure. They may be facing not having work or be trying to get into work, or perhaps they know that they cannot do heavy work any longer. They are not prepared to travel and they are not prepared to go to big institutions. But the smaller community based institutions, like ACE providers, can create a fourth stream that gets them even doing an eight-week course or a 20-week course that will give them the confidence to then say, 'Oh yes, well, Dandenong is not that far. I'm going to travel.' That makes it a lot more flexible so that you can get back to having the formal education happening. It also values all the skills that people need to gain too, which is incredibly useful.

Mr Ivens—Being in the Gippsland area, a country area, the training we get—I have done riggers 1 and 2 and I have done truck driver and forklift operator—does not go any further than the school classroom. When I was a kid you went to a job and you did hands-on; you were trained that way. With the training we do now with Work Focus, we bring people in and teach them the old skills, like hand tools and that kind of stuff, and that gives them some background. You get children from JPET who, the bottom line is, have left school and everything else, who come when they feel like it. You teach them a new trade and they enjoy it and they come back again. But when you do just the classroom stuff, they are not interested. They have to be hands-on and that is the way you have to do it now. But the biggest thing now is funding. You spend all the funding on training but you will not give them jobs as well. Like I said, I have done a month of forklift and truck and I did not once leave the classroom. If they had gone to Intel or wherever for truck driving and it was said, 'Right, we've got trainees coming through; can we lend them to you for a week for on-the-job training?' that would be good. But they cannot do that because of insurance and government paperwork. That is where our trouble is.

Ms Kent—MEGT is a group training company and we employ 800 apprentices and trainees. I would like to go back to the issues we were discussing before about learning within the school system and how we are training our students to gear themselves towards university—tertiary education—and not incorporating trade training within the school system. I think that is a reflection of a much larger attitude within the community and at all levels. I cannot even think of a level where there is not a general focus on young people achieving more than their parents or going to a greater level of education than their parents did. To me, that is why our schools are focusing on 90 per cent of retention by the year 2010, when so many students will not and do not benefit from that in the long run. Even if they do achieve year 12 and do enter university, the pressure of that whole mismatch for them means they drop out within the first year.

There should be some level of attitudinal change to give trade training and skills an equal footing to university as a career path. There is no promotion of trade development as a career path within our community. The engineering ITAB and all other sectors have gone through the process of being handed millions of dollars to promote training, but it is very piecemeal; there is a bit here and there is a bit there. They go into the schools and they have developed some tremendous material, but the careers teachers do not promote it. There is just an absolute attitudinal change from all levels of the community that trade is not in and university is. If we do not change it, I believe that we will end up further down that path than where we are already. We have many more jobs than we can fill. At any given time we have more jobs than we can fill.

Mr O'Dwyer—It will change within 12 months.

CHAIR—Articulation between the school system and TAFE and through to the universities is one of the issues that we are looking at seriously within the committee. There are problems at all levels in the process obviously, and one of the problems is the elitism that exists within the university sector. But when we were in Western Australia we were advised that the Western Australian government has got a consultancy looking at this whole issue of articulation between the three strands. They have a campus in the Kwinana area between Murdoch University and the local high schools and the local TAFE where all three of them are on the one campus. I think we heard of examples elsewhere where a similar situation is occurring. They are actually taking entrants into Murdoch University without entry level requirements, so they are starting the process. In parts of central Queensland a similar sort of scenario is occurring but it is not widespread and there is no systemic approach to it.

Ms Kent—No. I think that is the problem.

CHAIR—It is very specific to particular institutions.

Ms Kent—Within Victoria there are many examples of that happening. They are all very successful but, as you say, there is no systemic approach. You just highlighted another area of difficulty: in this state that is happening and in another state this is happening. Already we suffer chronically from a lack of overall policy for the entire country. We deliver training in four states and the complexities of delivering basic training are huge. I cannot imagine what tertiary training is like. I assume it is even more difficult. When you have a federal system with a state system underneath that has its own ability to change this and that, it just creates a nightmare for everyone who deals in that area.

CHAIR—Do you have any specific examples of this that you can point us to? I am happy for you to take that question on notice and respond to it in writing.

Ms Kent—Certainly, the training manager at my organisation has a litany of them.

CHAIR—I would appreciate those examples, because concrete examples are always the best to understand what is going on.

Ms McNamara—I back up what Sue was saying about the difficulties of working in different states. I would like to make a comment about training packages later, if I may.

CHAIR—Sure.

Ms McNamara—Not only does Sue have difficulties but it is also difficult for TAFE institutes that have national companies as their clients to work in different states. We have a national registration system for training organisations; however, to contract training in different states you must deal with each local authority, you must register, and you must meet their quality system requirements just as they must meet ours in Victoria. You are dealing with multiple authorities the whole way through. That is the complexity in a nutshell for us. We experience it as the trainer, let alone in delivering the apprenticeship system. We have multiple interstate arrangements. To give you a sense of scale, Chisholm has 50,000 students, by the way. We have arrangements with niche industries—very small ones like furniture removalists—through to some very large international customers. You were speaking with the Australian Drilling Industry Association Ltd this morning; the furniture removalists are an industry of a similar size and I felt as though I was listening to a dialogue about that industry—there were the self-same issues all the way through.

We have that range of experience, but we suggest to you that the multiple agency arrangements, in particular with apprenticeships, also burden our arrangements. It makes it that much more difficult to get a young person into training. Regional coordination of those events would be an advantage. One of the things I really enjoy is working with the LLEN because it is bringing those people together and creating that cooperative arrangement that gets rid of the barriers. We need to take a look at how many agencies there are. I once counted in relation to a young trainee who attempted to enrol with us that that person had been through six agencies to get to us. That was an awful amount of persistence on that young person's part. Most young people would have given up long before they even got to us. This is the sort of thing that it might be useful to attend to.

Mr Holderness—Work Focus is a community organisation run by a committee of management and all volunteers. Two days a week a group of teenagers between the ages of 14 and 18 come to our workshop. They all left school at an age maybe younger than 14. We were talking about manufacturing and getting people. We find that a lot of these kids are very talented. They pick things up when they come to the workshop where we teach them basic woodwork skills. We do not teach them how to be carpenters or cabinet makers but we teach them basic woodwork skills and how to use different kinds of machinery that is involved in making things out of timber. Not all but a great number of these teenagers have a natural skill, if you like. They cannot get any further than where they are by coming to Work Focus because they dropped out of school at year 9 and nobody wants to know these children—boys and girls—to give them a hands-on type of education or on-the-job training. They have only year 9

and they want people to have year 10, 11 or 12 or university qualifications. These kids then end up getting into a lot of trouble because there is no future. ‘What chance do I have?’ is the sort of comment you get.

We try to teach them basic welding, basic woodwork. We pull old car engines apart and teach them how to put them back together again. We teach them hands-on skills. They are still getting their education because they have to read the instructions on how to do what they are going to do. They are still getting the opportunity to do reading. They are still doing mathematics because they have to work out measurements or use a tape measure to measure things. They are still getting their education, even though they may not know it, but in a different way from being stuck in a classroom where they just do not fit. They end up on the streets or dropping out of school at 14 and causing nothing but trouble.

CHAIR—Do you exclusively focus on young people? What about mature age?

Mr Holderness—We also do Work for the Dole projects twice a week. You can say the same thing about those people. These are men who are married with families. They come to Work Focus and do exactly the same thing as the teenagers do—basic woodwork skills. They also have the same problems. Because they have reached a certain age they can no longer get a job. Nobody wants to know them because they have got into that age bracket. Once you get to the late 30s or 40s it gets harder and harder to be accepted, whether you have a trade or not. I used to be a fitter and turner in the power stations in the Latrobe Valley. When the power stations were privatised, unluckily for me I was the wrong side of 40. I have never been able to get a job since—and that is anywhere in Australia. I have applied for work all over Australia. My age went against me regardless of my skills.

The thing that put me off—and it is the same thing I hear from these people on Work for the Dole—is that I worked in the power industry in the Latrobe Valley for 12 years, I applied for a position with a contractor doing the work that I had been doing for 12 years in that industry and I received a letter back stating that they wanted someone with more skills. These people who are now on the Work for the Dole program were also tradespeople of some kind and they are having exactly the same problem, because of their age.

CHAIR—The example you have given of yourself is fairly common and there is a range of examples like that around the country. We are aware that, for example, over the next three- to five-year period something like \$20 billion of major project work is going to happen across this country from the north-west of Western Australia right across to central Queensland. There is going to be an enormous shortage of plumbers, welders and people in those trades. We are aware of some programs in Western Australia where there is an upskilling of the current work force and a cross-skilling of people from some trades into other trades—fitters and turners into welders, et cetera. Is that a way to deal with some of these skills shortages? Is there enough focus being put on that?

Mr Holderness—I do not think so.

CHAIR—Presumably the Latrobe Valley is full of ex-tradespeople who are unemployed.

Mr Holderness—Do we still do adult apprenticeships? Do they still exist?

Ms Kent—Yes, they do.

Mr O'Dwyer—We are in danger of missing the boat if we focus on one end. A lot of people here have an interest in the younger people. I think Judith made a valid point. It has to be about balance and giving kids who want to work entry level skills. It is about retraining the mid-term people—those who want to seek alternative employment—and it is about maintaining the skills balance that we have in terms of the people who are skilled and working in the work force now.

Despite Sue's saying that there are now more jobs than there are people, a group called the Partnership for Business, Work and Ageing, which works out of Swinburne University, has done some trend analysis and found that within 10 years there will be more people than jobs. That is the way it is going. So we have to look at that whole skills issue—and I am just making ad hoc comments here. Another point that Sue made was that we have to teach kids about their options. The focus in the life of so many kids when they get to high school is on getting an entrance score of 91.4 to get into university, and they miss their options.

We have to strengthen careers advice in schools and all those sorts of networks that can teach kids about what is a good job. I often hark back to the movie *The Castle*, where the father says, 'My daughter got into Sunshine TAFE to do hairdressing.' For that girl, in that instance, that was success—but do you read about that on the front of the *Herald Sun* after the VCE marks come out? No, you read about the people who get 99.95 and get into science and medicine. There are all these cultural changes to do with employment, options and those sorts of things that are needed. It is mind-boggling.

CHAIR—Let me give you a positive example, Mr O'Dwyer. When we were in Brisbane, we talked to some apprentices about issues related to training. Some of them were in direct employment and some of them were in group training schemes. One particular young person told us that he had actually qualified for university—for a mechanical engineering degree—but he decided to go and serve an apprenticeship as a diesel mechanic. We asked, 'Why did you make that career choice?' He said, 'It was pretty simple. I wanted to work with my hands. I wanted to understand what it was all about from the bottom up. Plus there's the fact that, in five years time when I have completed my apprenticeship, I will probably have \$50,000 in the bank, whereas my mates who've gone on to university will probably have a \$50,000 debt, which they'll be about to try and pay off. I'll still be able to go to university and get a degree as a mechanical engineer but I'll also be a diesel mechanic, with those qualifications behind me.' That was a smart young lad, who has a bright future in front of him. Those stories, I think, are all too rare—that is the point.

Mr O'Dwyer—No-one promotes those case studies. People are influenced by the old 'a picture's worth a thousand words'; they need to see those case studies. I wrote a project trying to get rural kids to stay in rural employment, to take them away from the idea that milking cows was standing knee-deep in mud—that there was pasture science and all these things. What I did was set up meetings with captains of industry who had made successes of themselves in farming. We need to do that; we need to show kids that not all of us can be doctors, lawyers, accountants or whatever but that we can make successful careers in a whole range of areas.

Ms Kent—I wanted to add just one thing to that—about the cultural shift that needs to take place and the tech schools that were mentioned earlier. I know that this is speaking out of turn in Victoria these days, but we need to bring back trade training. At the moment it is being

reintroduced into the high school system in Victoria but usually at post-compulsory level. And, if it is introduced at post-compulsory level, it retains the tag of something you do when you work out that you cannot go on to uni—the alternative. As long as it retains the ‘alternative’ tag, it will retain the ‘drop-out’ tag. It is not going to be seen as a career path.

If trade training and basic manual skills were developed as part of the curriculum from year 7 on, or even from primary school, and delivered in a way that gave them equal value to English and maths—and combined the two areas; there are so many opportunities to combine manual skills with maths, it is a just a monte—young people could get a feel for where their talents lie much earlier. Our education system now does not allow them to even experiment as to where their talents lie until they get to post-compulsory schooling, and then suddenly it is, ‘Oh dear—I’m not going to get 95.5; I’m going to get 80 and then what am I going to do? I’d better make the jump now.’ I do not believe it is a convincing way to take on a trade.

Ms Deschepper—I think that the focus on the school leaver and young people is really important, but I also think it is worthwhile remembering that, if our economy and our society is going to continue to respond to challenges in the world economy and in the way industry changes, training is not just a one-off event; it is actually a series of reskilling over someone’s working life, maybe across a range of industries. So a really important focus for us in any discussion about current and future skills is that of—I am going to use the buzzword—lifelong learning and the expectation by those of us in the work force and by employers that that is something that is part of our world of work now. An initial qualification is no longer good enough. Education needs to continue, and that is one of the areas where I think a partnership between TAFE and industry is particularly important. I just wanted to bring the focus back to the fact that education is not just a one-off event.

Senator ALLISON—I want to follow up on something with you, Ms Kent. It has been expressed several times here that there is a form of attitude of teachers who are not telling kids that there are great opportunities out there using their hands.

Ms Kent—Not just teachers—but, yes.

Senator ALLISON—In Traralgon, Mr Holderness has got his skills and has been off-loaded by his industry. What does that say to his children, their friends and their neighbours? To what extent do we have a clear understanding of the future in some of these trades, seriously looking at Australia’s role in terms of its manufacturing base? We have heard about the fact that Australia needs to be a clever country, that computers are taking the jobs even of a lot of skilled tradespeople in this country—and have done for a couple of decades now. Don’t you think that, if we are going to persuade young people, we really have to seriously look at the whole industry focus and say, ‘Where are the opportunities,’ and ‘This is where we need to start promoting jobs,’ rather than taking the general approach that working with your hands is a good thing to do?

Ms Kent—I agree, but I think there are many more taxi drivers with degrees than tradespeople. It is not a trade specific thing. There are older people who are no longer working where they started. I think that it is not an either-or situation, and that is something that needs to be promoted. The lifelong learning concept is something that needs to be promoted. A tradesperson who starts an apprenticeship at 16 and finishes at 20 has their entire life ahead of them to develop their business skills and go on to be a major employer within a captain of

industry or whatever. There is also a perception around that doing a trade now is not keeping up with the latest developments in business. Some of the apprentices that we employ have the most high-tech, amazing jobs where they never go near dirt, and they work in industries that have tremendous futures ahead of them. Every computer that you talk about is built by a tradesperson making the parts to start with. All those things have to be seen in perspective.

Probably the bigger problem with what you mentioned is the fact that, if you are unemployed post 40, no matter what your background is—trade or tertiary—you are very likely to be on the dump heap. There is a whole attitudinal thing. Being the other side of 40, I would like think that it is changing at the moment, but you can continually see that a lot of people are being pushed aside because of their age.

Senator ALLISON—Do you experience that yourself in employers' requests for specific age groups?

Ms Kent—We deal only with apprentices and trainees. Ninety-nine per cent of the people we work with are young, so it is not an issue I am all that conversant with. There are adult apprenticeships, but there are always problems on that side of things. Probably, our oldest apprentice would be 25 when he starts. From my perspective as an employer of my own staff, I do not see that as an issue, but I get a lot of unemployed people who are over 40 applying for jobs—for my staff jobs rather than for apprenticeships.

Mr O'Dwyer—There are a few projects going around. I am on a committee at the Victorian Equal Opportunity Commission, and it is about breaking down age barriers in the work force. It has a multitude of anecdotal evidence of how aged people are disadvantaged. We set up a group in Melbourne's east called the Over-45s Working Group, a peer support group for people over 45 and out of work. The group started off with 12 people. Within 13 weeks it had 470 people on its books. It is now starting at Boroondara, which is in Camberwell. It lacks government funding, but if you want to look at how to source people it is a working program that helps unemployed people in the over-45 age group by retraining them and so on. I think there is plenty to say that, if you are over 45 and you do become unemployed, it is very difficult to track back into the work force. I have a double degree and I have managed a multimillion dollar council organisation. When I shifted from country Victoria to Melbourne, I got to the short list umpteen dozen times but I did not get a job. I was unemployed for 33 weeks. As I said, I have a double degree and I have managed a multimillion dollar organisation, yet I continually got knocked off the short list—and mostly by younger people.

CHAIR—Senator Buckland has a question, but I will just give you a statistic which you may or may not find startling. I was in the UK a couple of years ago. In the UK at that time there were 3.8 million people over the age of 50 who were unemployed, and there are only 168,000 still looking for work. That is the extent to which people are simply giving up on the process—and their age barrier is a little higher than ours. The magical figure for us seems to be about 45.

Senator BUCKLAND—I want to expand a little on what Mr di Masi was talking about earlier. I hope that Mr Maxwell will comment on it because he is in a real industry—no offence to anyone else. Do you find that young people who have had training in fast-food outlets are more employable because they have skills? I ask that question because I drive a lot late at night and it is a regular talkback issue that the fast-food groups really push. They say, 'We are training

young people.' I might have a different view, but I would particularly appreciate a view from someone like Mr Maxwell. Are they more employable because they have been in these outlets?

Mr Di-Masi—May I briefly respond before you, Doug?

Mr Maxwell—Yes.

Senator BUCKLAND—And anyone else as well.

Mr Di-Masi—No. That is my view, based on discussions with various stakeholders we are involved with. They are trained in certain very clearly defined customer service skills, and they are trained in an age homogenous team—15-year-olds working with 16-year-olds who might be supervised by a 16½-year-old. If you take that experience and transplant them into the real world then they are lost. They are trained very well for what they do, but what they do is serve people fast food and I do not think anybody at this table would argue that we want to build a skills base of fast-food service. It is good for them, it gives them some good skills, but no, not at all, would be my view.

Mr Maxwell—I think they are limited in that vocation because they can afford to pay over and above what our apprentices are able to get. I always pay over the award rate, and I do not believe that anybody in our industry is not paying over the award rate to apprentices, because we appreciate that they can go outside and be a hamburger jockey or something like that. It is also important that we understand that we have a career path. If you look at the metal trades industry, 1,000 tonnes of ductile iron will be produced in Australia but there are only 10 to 12 people in Australia who can produce that quality product for the car industry. Three hundred tonnes of rail clips go out of the Adelaide every week, from Intercast and Forge, but we have only 12 people. We do not teach metallurgy in Australia, and that is just one area within manufacturing.

Senator BUCKLAND—One of the things that they suggest on these late night programs is that these people get these skills knowing that they have to go to work if they want to get paid. They have it built into them a work ethic. Does that really count for very much at all?

Mr Maxwell—It was a means to an end for my daughter while she was at university.

Mr O'Dwyer—You should have sent her off to be a welder!

CHAIR—And then sent her on to university.

Mr O'Dwyer—I am guilty of the same myself. I am not particularly poking at that, but those are the attitudinal things we are talking about.

Mr Di-Masi—Can I just briefly address that. All of the data tells us as parents that our children will be happier, healthier, wealthier and wiser if they go to university. Although I agree with the line that we are running that we should be looking at trades, as parents we do not choose to deny our children educational opportunities. We need to promote the mix of skills to our kids.

CHAIR—I think the problem at the moment is that you have a choice: you either take one career path or the other.

Mr Di-Masi—You do not have a choice. If you are a 15-year-old or a 16-year-old here in the south-east, your choice is to do VCE or fail—no choice.

CHAIR—I am talking from the perspective of parents. At the end of the day, every parent wants their children to be better educated than they were. They want them to go to university because they think that is how they will get big paying jobs. Remuneration is an issue; you cannot set it aside. Young people come out of training in the financial sector and earn \$40,000 or \$50,000 a year; young people coming out qualified as a tradesperson earn \$30,000 a year. There isn't incentive there?

Ms Kent—No.

CHAIR—I am sorry, there is. I used to be secretary to the Metal Workers Union. I know what metal workers get paid. It is an absolute disgrace how we treat tradespeople in terms of remuneration in this country.

Ms Kent—Electricians these days come out on \$50,000.

CHAIR—That is not the point I wanted to make. There is a perception there. People have to make a choice of career path at 16, 17 or 18 years of age. There is enormous pressure on young people not to go into the trades area or into the industry because it's dirty, it's nasty, it's dangerous, it's low paid, it's all of those things. If we had a system that allowed you to go into a trade or into industry and the skills that you developed in that process were then accredited in terms of your capacity to go on into higher education at some stage—if you wanted to continue your lifelong learning process—you ought to have the capacity to do it. Most people believe that, when they make the choice of going into a trade at 16, 17 or 18, they cut off their option to go on to university. That is where a lot of the pressure comes from.

There is anecdotal evidence—and our friends from TAFE may be able to help me here—that a lot of young people who take that path finish up not qualified for university. They are the ones who are falling through the gaps. They are the ones in the 20- to 24-year-old age bracket who end up in the low paid, dead-end jobs because they are not able to go back and they are not able to go forward. We have to try to find a way of making this seamless transition work, from school through to the TAFE system through to a trade and on to higher education.

Mr O'Dwyer—Firstly you have to get them to consider the option. As I said, we are under so much pressure not to consider a moulder and core maker as an occupation. We have to have those attitudinal changes as parents, at schools and among employers so we open up all the options to people. It is so narrow a focus in terms of where our children can go, and we are all guilty of it.

I do not know how I can personally change my perspective. I have two children—one is 20 and one is 17; one is at university and one is going to go to university. At least the boy had an option of being a landscape gardener if he did not get into uni. I do not know how we can all sit here as parents and change our views and tell our kids to look at different careers. It just needs everybody to do it.

Ms McNamara—If I could dispel a few myths that seem to be growing around the table at the moment. The pathway from school through TAFE to university is successfully undertaken by 1.2 people per 20 years. The evidence suggests that there are many smaller and shorter pathways that are advantageous to people than the one you have suggested that creates this endlessly seamless education. In fact, the information is suggesting at present that articulation from university back to TAFE is far more prevalent than the other way round, as you aware.

The different pathways from school to the adult education sector and the TAFE sector are numerous and varied. There are many, many doors that are opened. I do not think that we have fully mapped those pathways as yet, because we do regard them as seamless. I think we can enhance them by working cooperatively and locally—particularly locally. I worked at the ministry some 20 years ago on designing the first of the articulation policies in Victoria. That is when we invented recognition of prior learning, only we called it recognition of prior experience before it got its true tag. All of those things exist in Victoria. What needs to happen is to put it together with those attitudinal changes. The school sector report to me that what is missing are role models for kids. There are no engineers teaching in the Victorian school sector; there are no carpenters teaching there any longer. They have to go to TAFE for that sort of thing or they go to the ACE sector to do something. We have enough choices. The question is: are we packaging them appropriately? I still want to come back to training packages at some future time, if I may.

Ms Deschepper—I would like to come back to training packages too. But there is another one of those options that sits within the mix that is yet to be packaged, which is the significant number of young people who do not make a career choice as they leave secondary school or who have a false start. They go to university and drop out. What is the drop-out rate in first year university, please? It is quite high. So to suggest that getting into university might translate through to a job with no false starts, changes of direction or fogginess along the way is a spurious argument. The point that Helen made about mechanisms that allow young people and, increasingly, older people to value the experiences that they have through that recognition of prior experience, learning or current competency as well as formal accredited learning at whatever level is really important. It is more important than the generalisation that there is somehow a nicely staged little set of stairs that sit along in front of a young person.

CHAIR—Maybe that is the way it was articulated, but that is certainly not the case.

Ms McNamara—The word ‘articulate’ there is very important because what we have not done is to articulate those opportunities to young people. It is not that they do not exist; they certainly exist in a policy sense. It may be that we have not trained up enough of our teachers to take advantage of those policies.

CHAIR—There are some real impediments and barriers that need to be knocked down.

Ms McNamara—There certainly are, and I am not dismissing that at all. As one of the people who began to think about these things 20 years ago, I am saying that it is really important that we continue to march towards people understanding and utilising them. I know in my own organisation some 33 per cent of our students are reporting that they have gained some sort of recognition of prior learning. That might have been through a formal training program or some informal work experience somewhere along the way, including McDonalds, but at least they are getting it. As Brian was saying, it comes back to the value we place on all this.

Mr Ivens—I am still in training myself. I have nine children altogether, but three boys working now. I brought them up to believe that, if you don't like school, get a job. You can always go back and learn later on. One child went through to year 12; he is now working for Safeway as a manager. I have two boys now working as landscape gardeners. I said to them, 'If you're going to be scared to get your hands dirty, you won't get a job anywhere.' If I had somebody come into my workplace with qualifications that he could read out with no worries at all, but with no workplace training, I would not employ him, because you need somebody who has got the hands-on experience to come to you first. My son is 15 now, and working in landscape gardening. When he goes for a job later on, he has got experience behind him.

The kids we get through JPET and Work for the Dole have not had that experience yet; they have not had the chance to get it. We say to them, 'There's always school afterwards. You can do night school and you can do TAFE courses. If you want to earn a dollar, and get your hands dirty, go for it. At least, when you put your resume in, you've had jobs before.' There are these others—I am sorry to say—like these polliés, these young blokes, like Christian Zahra. He is one of them. He has never had a job; he has gone from uni to politics. If he had come into the real world like we have and worked for a living, he would have learned what is needed in the workplace. Like you said before with TAFE colleges and stuff, they do not know what is really needed because all they have done is teaching in their lifetime. They have never been out in the real world to learn. I will leave it at that.

CHAIR—To defend politicians, I actually left school at 13, Mr Ivens, and only had a primary school education. Maybe that's all you need to be a politician, I don't know!

Mr O'Dwyer—No wonder the country is so badly run!

Mr Stephens—Thank you for the opportunity to speak. I should acknowledge others here who are from the Latrobe Valley. I joined Latrobe City Council, which is the municipal government for the Latrobe Valley, in 1995. Until very recently, if I had appeared at an inquiry like this I would have told you a tale of woe about the Latrobe Valley. For example, I appeared some years ago before the Senate inquiry into unemployment and employment in regional areas. I do not need to say very much about what went on in the Latrobe Valley. At the time I arrived in 1995, the economy was virtually in free fall. The State Electricity Commission privatisation and sale resulted in the loss of, I think, 8,500 direct jobs in a community of 70,000 people. In other words, more than 10 per cent of the population were affected, which we believe, over such a short period and with such a high percentage of the population, is virtually unheard of anywhere else. If you take account of the flow-on effects, there have been estimates of up to 16,000 people losing their jobs. Until very recently, that would have been the basic theme of my presentation.

That has led to an extremely disappointing dissipation of skills. Mr Holderness, of course, is one example of that here today. There are bizarre examples: the husband of a personal assistant I had working for me at the city was an expert in precipitators that take the dust out of flue gases from power stations. He was trying to run a computer shop, and yet the big corporates would still ring him up when they had a difficult problem and try and get free advice from him. A guy I know at the moment, who is project managing the extension of the coal conveyor lines for the extension of one of the brown coal mines in the Latrobe Valley, normally grows oranges at Griffith. He happened to be the person who had the skills that were needed. We have found a dissipation of skills and, I guess, what you might call a fly-in economy. In other words, at one

point we had a sound skills base in the Latrobe Valley but all too often these skills are now dissipated. People are brought in, like the orange grower from Griffith, or there are people who are still employed by major corporates elsewhere as and when necessary.

This, of course, has led to attitudinal problems, which have been referred to today, where the family has become unused to the culture of working. There may be a couple of generations in a family who are not working, and that is not healthy. There is a theory that one hears every so often that mobility is meant to be a great thing and that skills will move around. We are in a global economy—skills will move. That probably works well, particularly at the senior corporate level. If you are a very senior executive in the corporate world, you will move anywhere in the world if you are really keen to get a job.

The reality in an economy like ours is that a lot of people simply do not want to move. Their family roots are in, say, the Latrobe Valley, they like where they are and they do not want to move—or, equally perniciously, they may not be able to. If their lifetime investment was tied up in their home, for example, and the home halved in value, it would make it very difficult for them to move—and there are no guarantees at the other end either. So people are not as mobile as we might like to think.

That is the negative side of things, I suppose. I believe there is now some light at the end of the tunnel. Our economy is showing signs of recovering. Maybe it is just the effluxion of time that has led to that. Maybe it is the specific work by different levels of government and different agencies. For example, the council, area consultative committees and all of these agencies have worked for half a decade to try and bring about the recovery of our economy. We are now in a situation where there are some very major projects being mooted. For example, there is a magnesium smelter with capital investment of about \$1 billion which is currently going through a bankable feasibility study. A company called APEL has an \$8 billion project which is not in the bag yet, by any means at all, but at least it is being seriously talked about. There is a state government project for a justice precinct in Morwell, which is a \$25 million investment. There is a new office for our council worth \$10 million. There is an education precinct at Churchill in the Latrobe Valley worth \$15 million. These are just some examples. Then there are some medium sized enterprises. For example, one that I am directly connected with is Australia's only passenger aircraft manufacturer, based in the Latrobe Valley. The name of the company is Gippsland Aeronautics.

The big projects, plus the smaller projects like Gippsland Aeronautics, which I know very well, are worried about actual skill shortages. Having had five years of losing our skill base, the risk now is that our regrowth will be hampered by skill shortages. I am not an educationalist—I am an economic developer—but what I observe is that, both on the slippery slide downwards, you might say, and now during the beginnings of a recovery phase, the system does not seem to have worked particularly well to manage those processes. We have lost our skills and now we are trying to rebuild, and there is a real risk that lack of skills will hamper our regrowth.

CHAIR—You shut your engineering school as well, didn't you?

Mr Stephens—Indeed. This morning I walked through the empty buildings of a company called Difabro in Morwell. They were one of the country's biggest and best steel fabricators. They built substantial amounts of the Great Southern Stand at the MCG in Melbourne. If you drive out to Tullamarine airport you will pass some rather weird looking sculptures at

Flemington that are yellow and red, I think. That was the last major job done by Difabro. The building is now empty, all the plant was sold last year and, again, over 100 skilled workers have basically been dissipated. To me, Difabro was a human resource of national significance—not just to us. It was good enough that it was of national significance. That has now gone. So I agree that engineering skills were lost.

Ms McNamara—I would like to reply to all of that. I have great sympathy for the dialogue. I have watched it happen in other locations in Victoria. It is difficult as a TAFE provider—and I would be speaking now on behalf of all the public TAFEs—to adjust and adapt to the circumstances that you have spoken about. People must remember that we do have a bottom line, that we are a business and that we must manage those businesses. We are not a philanthropic organisation. That is my first point. Secondly, we have been involved in programs with companies that have gone belly up, for whatever reason, and we have, with the agreement of that company and usually with the assistance of somebody else like perhaps one of Brian's organisations, supplied reskilling programs for the employees. So all of those things have been put in place in the past.

But when it comes to providing a region with skills ahead of major economic developments, yes, we could put on training programs, but what are we guaranteeing? Will you gain employment at the end of it? What is the goal of the individual in joining that program? Is it to benefit society at large because we need a pool of labour within a region that can be taken up when these developments come in? This is an extremely difficult dialogue.

I have some sympathy for the entire conversation this afternoon about youth, but generally speaking only 20 per cent of our load is youth. Our major age group is the 30- to 45-year group, as it is at most TAFE institutes. There is not a crystal ball out there that I or anybody else can rub furiously to find out that we need 15 boilermakers in 18 months time. But what we do know and what we do have in Victoria is a wealth of planning information that we use continuously—and it is used by Paul at the LLEN, and Brian and everybody else uses it quite consistently—that gives us an inkling of where we should pitch our training effort in order to provide for subregions and the skill requirements of the future. That is in terms of quantum of training; I have not talked about new skills yet because that is a different dialogue again. So, yes, we can do that and we do it by agreement but, in doing that, we are ignoring the individual who might wish to gain employment within a certain time period. So what is our investment as a public provider is really the question that we must ask ourselves and, with cooperation, answer that question on behalf of each community. I think that is possible, but I also think that a cooperative effort is the only way we are going to get there. So that is my first answer.

The second part of the thing that we must deal with, which we have discovered along with the changing work scenarios, is a new type of worker. If our major age group is from 30 to 45 and these are the people who will be employed in your industries, not just the youth, these are people who are training part time and quite often working part time. We are about to embark upon some research on these workers at a subregional level. We call them non-standard workers. So we are making the attempt to pitch our training effort at different customer groups at different times, but I would say to you that the partnerships and relationships that exist between a TAFE institute and various other agencies within our regions is the information flow. We do not have published research that tells us to put on the 15 boilermakers in 18 months time. No-one has that information. What we do have is a lot of goodwill.

Let me switch to new skills. If you had a new skills dialogue happening rather than a current skills dialogue we would be in a different situation again, because that is even more remote from the information that we commonly receive. Training packages describe current skills; they do not describe new skills. It is almost as if you are looking over your shoulder. As an education provider we are looking over our shoulders each time we read a new training package. We are looking almost at yesterday's skills the minute we open the book or the CD-ROM or the email message. It is possible to integrate new and emerging skill requirements into training packages very easily. Mr Jones this morning was talking to you about how to do that.

The structure of training packages allows you do it very easily. In fact, they could even be loosened up a bit more in terms of their packaging guidelines and the customisations that are available to anyone who wants to write up a delivery plan. We would encourage the designers of these training packages, firstly, to loosen up the framework and, secondly, to stop revising their packages. I do mean that. We deal with over 20 training packages, and do you know how many of them are going to turn over this year? We have to put an enormous investment into rewriting everything we do. Instead, I would encourage these national groups to acknowledge that the greater percentage of a training package is going to look exactly the same in five years time and in seven years time—so why not put some of that energy and effort into sorting out what those emerging skills are and providing a customisation? That would allow all of us to take better advantage of the flexibility of training packages. Then we can deliver that along with the training for the current skills. In the end it is always about a dialogue. I as a planner have not found a recipe out there for what we need to accomplish, other than getting out there and talking to the various people that we have around this table.

CHAIR—Mr Di-Masi, you were trying to say something earlier on.

Mr Di-Masi—Yes, I wanted to say several things, which have been superseded by the discussion—which is fine. I would like to address the concept of non-standard workers for a moment because it is my perception that, by and large, those of us in the work force are all non-standard workers. This morning I alluded to the research of Professor Joanna Wynne, who is looking at the experience of the world of work and training from a young person's perspective. Some of the lessons that she is drawing out are true for us all. I have some sympathy for this. I counted them up while I was waiting to speak and I have had seven major career changes in my working life, and they were fundamental shifts. So I am fairly comfortable with the idea of portfolio based work, of part-time work and part-time study—of moving as I need to and as I see fit. It is a question, really, of: is that what the world of work is like now? And if it is—and I suspect that, for many people within the work force, it is—then aren't our systems out of whack with what is actually happening in the world?

I agree with the focus on lifelong learning. My brief is young people between the ages of 15 and 19. All the research is showing that they have perhaps different priorities to our generation. They are working around project based work, they are taking jobs for very specific, concrete reasons, they value their peer group above a career or their employers, they are prone to travel and their work life is broken up into chunks. The hospitality industry and the retail food industry are all transition points for them. They work at Hungry Jack's, at Woolworths or in a pub to get to Bangkok or London, and then they start a whole new process. All along the way, they are putting together portfolios of interest, expertise and destination which are continually shifting for each individual as well as for each group of individuals. So it is a really different place to the place I was brought up expecting. That is a bit of departure from the subject of the

non-standard workers, but I suspect the non-standard workers are in fact standard workers who are getting by at this point. I wanted to make a couple of quick points—

CHAIR—Just on that point, I have a number of friends who are relatively young, and the staff I employ are relatively young. There seems to be this preoccupation amongst them to get as many career changes as possible in their portfolio. There is almost a mind-set that they have to change employment every 12 or 15 months, get into a new job, get a new employer, get a new set of skills in that portfolio and then move on somewhere else. What is driving that?

Ms McNamara—Competition.

Mr Di-Masi—Uncertainty.

Mr Maxwell—So they can become a consultant!

CHAIR—That may well be, but they do not appear to be doing so for any specific purpose or with any specific career objective in mind other than that someone has told them—and that is what I perceive—‘The more skills you have in your portfolio, the more employable you will be in the future.’ They do not know where they want to finally settle down in terms of employment.

Mr Di-Masi—It is fear based.

CHAIR—It is fear, is it?

Mr Di-Masi—It is fear based. If you are a 25-year-old and you do not have a job, you cannot go to uni. If you do not have any money, you cannot pay off your HECS debt. The social supports around are fewer and fewer. Families are breaking down. Kids are on their own earlier and longer. By God, you have to get a job and you have to have the skills. If you are smart enough, you will keep doing that—and that becomes a habit. I might be speaking from personal experience here, but it becomes a habit. It becomes a way of operating.

Mr O’Dwyer—But the corporate world is changing. There is a lot more research now into and talk about corporate loyalty. I got into local government; in times gone by, you had a job for time immemorial. That nature of work went through the whole of the working situation. A three-year contract was long-term employment. Now, firms are starting to go back to corporate loyalty. The trade-off of employing someone, teaching them and getting them committed to the organisation is much better than head-hunting around the table and having people work there for 18 months and then go, because they lose that continuity of expertise.

CHAIR—But that seems to be a contradiction, Mr O’Dwyer, of what these young people are doing. These young people are actually getting out there, not showing any loyalty. They are just building as broad a portfolio of skills and experiences as they possibly can. Maybe at the end of the day they want to settle down in some career for the longer term—I do not know.

Mr O’Dwyer—That has been the case. I am saying now that the pendulum has started to swing back towards having corporate loyalty. There has been a fair amount in the Sunday papers in the last three weeks about this whole issue of corporate loyalty and how big business is changing its attitude towards people seeking employment.

Mr Di-Masi—It is too late. The genie is out of the bottle. Loyalty implies a two-way relationship. That two-way relationship has been broken and it has been broken for a generation. Professor Joanna Wynne would say they are not interested in a career and they are not interested in loyalty; they are interested in their short-term achievable goals—and they are going to get out there and achieve them. They may work for me and tell me they are going to work for me forever and be my favourite employee but, as soon as they have an airline ticket and a bit of spending money, they are off to have the next experience—and who can blame them?

Mr O'Dwyer—For every academic, there is a counteracademic.

Mr Di-Masi—This is my experience as well.

Mr Holderness—Most of the people I deal with on the Work for the Dole project, mainly in the Latrobe Valley, get the odd job with a contractor for a week, a month or whatever. The attitude of employers is that they want 50 years experience in a 20-year-old person. That basically sums it up as far as they are concerned.

CHAIR—That may be an appropriate point at which to leave it. We have to go on a factory visit now. On behalf of the committee, thank you very much. Your contributions have been invaluable to the work of the committee, and we certainly appreciate your making time available to come here this afternoon. Thank you.

Committee adjourned at 3.01 p.m.