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EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Reference: Current and future skills needs

TUESDAY, 10 JUNE 2003

Roundtable

DARWIN

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SENATE
EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Tuesday, 10 June 2003

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

Substitute members: Senator Allison for Senator Stott Depoja

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, MCLucas, Murphy, Nettle, Payne, Santoro, Sherry, Stephens, Watson and Webber

Senators in attendance: Senators Allison, Barnett, George Campbell, Crossin 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.

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Committee met at 2.34 p.m.

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WILSON, Ms Georgina Bridget, Projects Officer, CHARTTES Training Advisory Council

CHAIR—I declare open this inquiry into current and future skills needs. The Senate Employment and Workplace Relations References Committee is conducting a series of roundtable meetings with 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 wants to discuss or explore what it expects will be a wide diversity of views from the community on current skills formation policies and programs, and to hear about suggestions for change.

The purpose of these roundtable discussions is to allow the committee to consult a broader range of people than is possible through the more formal hearing process, including those who do not wish to make formal submissions. 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 available also 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 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 or the organisation or interests you represent and your key issues in relation to current and future skills needs, for which we thank you.

We welcome all of you to this afternoon's roundtable discussions. I would like to ask a few questions just to get things started, but please do not limit your views to the questions I put on the table. I am sure that other senators will have a range of questions that they will want to ask you. This is an opportunity to raise any issues that you think are relevant to training and skills shortages within our community. Firstly, in addressing some of the issues this afternoon, what are your views about the responsibilities of educators and trainers to meet labour market shortages? Should they be focusing more on the employability skills or what is commonly referred to as the soft skills which we have heard a lot about in this inquiry as being of significant importance to employers, or do you primarily see the responsibility of dealing with labour market shortages as someone else's problem? What do you see the role of Job Network being in the context of dealing with those labour market shortages?

Secondly, how does the seasonal nature of work in the Territory impact on skills or skills shortages, and how do you deal with that as trainers and employers? Thirdly, is the isolation of this region from the rest of Australia adequately addressed? Is the nature of that isolation and its impact on the availability of skills in this region adequately addressed by the current policies of the federal government to assist you to meet those skills shortages? Are there gaps in the policy framework that need to be addressed? Perhaps those few questions can get our discussion started, but, as I said, feel free to raise any issues that you think are relevant to the inquiry and its terms of reference. Who would like to open the batting?

Mr Kuhl—I think trainers have a role to play in addressing skill shortages. The organisation I work with at the moment has a solid track record in doing preparatory training to give those who would not necessarily enter the work force an opportunity to participate—to give them the initial skills. I think history will show that prevocational access—and all the other sorts of names which have been attached to preparatory training—has worked very well and has served the country well, particularly, reading through this document, those who are not currently employed or people who need to be provided with opportunities to be employed.

I would like to comment on the last one—isolation. It is horrendously expensive to do any sort of training or education outside of the Darwin region. Where we have apprentices on Elcho Island, Bathurst, Melville or at Port Keats, it is extremely expensive to service those clients. Airfares are far in excess of what you would pay on the east coast to go from one capital city to another. It costs \$400 or \$500 to do a visit. Funding, of course, does not compensate trainers for that. So we tend to not always service those areas as well as they ought to be serviced.

CHAIR—Are there any differentials in the funding you get for training apprentices or trainees in comparison to trainees or apprentices in the eastern states or the Sydney region?

Mr Kuhl—There is an additional \$3 per contact hour added to what one would normally receive if they were in a classroom in Darwin, for example. If we are doing a 300-hour course, that will add \$900 of funding to that course. That might buy you one or possibly two airfares,

without the expenses of travelling to and staying in some of the most expensive parts of the country.

Senator BARNETT—Is that outside of Darwin?

Mr Kuhl—Indeed. In a lot of places you have to sleep in the school of the community you are working with or whatever.

CHAIR—If you bring people to Darwin for training do you get the additional allowance?

Mr Kuhl—You do not. Doing that is not culturally acceptable to a lot of our client group. We are talking primarily about Indigenous clients.

CHAIR—I am talking about non-Indigenous people who might be at Katherine or whom you might bring in for block group release or block training.

Mr Kuhl—That is not the group I am talking about.

CHAIR—You are essentially talking about the Indigenous communities?

Mr Kuhl—Indeed.

Dr Shanahan—To follow on from Denis, it is expensive to deliver training even in Darwin compared to the large capital cities in the eastern states simply because of the small number of students in particular classrooms. We do not have large economies of scale, so even in Darwin we suffer from trying to provide for a whole range of vocations, whether it is in a classroom or a workshop.

Mr Cramond—In support of the two training providers who have spoken, you asked whether there is an added allowance to provide training in the remote areas compared to Darwin. If you compare Darwin to another training provider, say, on the eastern seaboard, who could be delivering training in Brisbane, Melbourne or Sydney, their rates are usually in excess of what the RTO or the training provider is offered or has to contract to deliver in Darwin. So these people are behind the eight ball already.

Mr Buchan—With regard to the responsibility to match training with job outcomes and employment, one of the things that are missing in the Northern Territory is labour market forecasts. Although we develop profiles and purchase services through the state training authority and RTOs, quite often the training that happens, especially in remote area communities, is selected by the RTO rather than the state training authority. As a consequence, in the first semester you find various RTOs lining up at the nearest remote area communities because they are the cheapest to get to as far as airfares and such things are concerned. So the training outcomes that are being provided in remote area communities are being determined by the providers of the training and not the authority who are purchasing the service delivery, and that causes all sorts of problems in remote area communities. Training is not linked with job outcomes in a lot of cases.

CHAIR—Or to the needs of the community?

Mr Buchan—Or to the needs of the community. Quite often you find these RTOs with an enrolment form in one hand and an Abstudy form in another—‘If you enrol with me, you can get Abstudy.’ The whole thing is being driven for the wrong reason.

CHAIR—We heard in Cairns, where we had a roundtable of Indigenous groups in North Queensland, considerable debate about the quality of training that is delivered to Indigenous communities. The argument was that in many respects quality was compromised because the training was being delivered for Indigenous communities. That was said to be partly because of cultural differences and the low literacy and numeracy skills that exist in those communities. Lower quality was being put into the training delivery in those areas than elsewhere in the country. Have you experienced that in these northern regional areas?

Mr Buchan—I would agree with that, but you have to look at the factors which drive it. If you look at units of competency into university, they may be able to get 30 students through in 20 hours, which is a national benchmark for that unit of competence, but there is the assumption that the students doing it will have year 12. In remote area communities these people may have only year 4 or 5 primary school but the RTO has to deliver that training outcome in the same number of hours, which is just impossible, so perhaps the quality is compromised.

CHAIR—That is not taken into account in these training packages or the delivery?

Mr Buchan—No.

CHAIR—The other issue that we heard from North Queensland, which you have just referred to, was that a lot of the training outcomes that they were getting in Indigenous communities were not the sort of training that the communities required. There was no connection between the training that was being delivered and the longer term sustainability of the communities. A lot of focus was put on administrative skills. One person who appeared before us said that in their community they had bricklayers, carpenters and other people with trade skills but nobody with the capacity to get to the next level and be a contractor or start up their own business and submit quotes or go out and bid for work. None of those administrative skills have been built onto the core trade skills that these individuals have. They placed a lot of stock on that as being one of the major ways to overcome their reliance on CDEP and to develop more self-reliance and sustainability in their communities. Is there a similar circumstance up here?

Mr Buchan—In the communities in the Northern Territory where there is genuine training happening I do not think it has been happening for long enough for those particular people to have developed that next level of skills. Also, I find that there are cultural barriers. Once you start looking at Indigenous people moving into supervisory areas, contracting and things like that there are family relationship problems. They are moving out of their comfort zone. It has maybe taken them six or seven years to become a carpenter and they are quite happy to be a carpenter. It will take a long time before we see a progression to the next step.

Mr Cramond—I would like to add to the remark previously made. The state training authority has recently commissioned a labour market analysis study from the South Australian Centre for Economic Studies—and I believe the report will be available early this week. That should help all the stakeholders and will certainly help the state training authority allocate the training dollars to where the skills are needed.

Mr Kuhl—I would like to explore the notion of quality a little bit with you. When you realistically look at this issue of quality there are some underpinning problems. One is that you are a provider out of your comfort zone. You are out in a community on your own, as it were, and what you have to train with is what happens to be in that particular community. In some communities that can be quite comprehensive; in others it can be restrictive. I hear what you are saying about the quality, but there are a number of issues to do with RTOs going out and probably doing way above and beyond the call of duty in a lot of cases. But you are right when you say that it is not the same course that would be offered in a capital city like Sydney. I think you need to take that on board: it would not be realistic to expect those things. Yes, there are issues to do with quality if you are looking at a single benchmark for the whole country. But, indeed, there are a lot of RTOs achieving some pretty remarkable stuff out there in communities with fairly limited resources. I agree with you in one respect, but I think it needs exploring in others.

CHAIR—I should make the point that the finger was not being pointed at the lack of quality in the RTO training. Two issues were raised in that discussion. One was that there was a cultural impediment. We were talking about the training of nurses and the fact that the training was being compromised because culturally the community nursed sickness in a different way than we traditionally would in our hospital systems, and as a consequence there was a feeling that the breadth of the training was being limited as a result of that. Also, there is an inherent barrier there because of the low literacy and numeracy skills in the communities, which was also preventing the quality of the training getting through. We were not necessarily pointing the finger at the RTOs. We were making the point that quality was being compromised for a lot of other reasons, and that was not being taken into account when these training packages were being developed in those Indigenous communities.

Capt. Teo—I would like to dwell on the quality issue. You have to realise that the expectation of the client is quite different from that of mainstream society. What they want is what they want to get—not some cock and bull thing that demands 25 competencies to get a certificate. They are looking for practical skills that they can use in the community. By and large that is all they want. Sometimes, it may take 1½ to two times longer to impart those skills to this group of people. This is quite often forgotten by training authorities. This is for various reasons, one of which, as you have said, is the low literacy and numeracy skills. We have found that out with some of the people we have been training. Certainly what they want is to know how to do a particular job or to acquire a particular skill, and that is all they wish to want. You cannot make them do more. That is an expensive exercise in its own right.

I would like to say a bit more on what you mentioned with regard to item 1, about educators and trainers and the employability skills shortage. That is very prominent in the maritime area, not just in the Indigenous area but also in mainstream society. We have an average of 25 per cent of students who have very low literacy and numeracy skills and yet they will attempt to get their certificates 2 and 3 and government licensing as well to operate boats and ships and do any kind of maritime work. That area infringes directly on the employability skills of the individuals who are looking for these particular qualifications. The employability skills should have come from high school, even years 8 and 9. Unfortunately, a lot of the people we train have this problem, because they could not stay in school or whatever the reason, but the end result is that their employability skills are very low. How it may reflect across the other industries may have a huge impact on the outcomes that you are looking for.

Senator ALLISON—Are any programs being offered to people, particularly in remote areas, which successfully bring up those numeracy and literacy skills? If there are, if there is a magic formula out there, why aren't we using that in our school system?

Capt. Teo—I think someone from the schools area could answer that.

Senator BARNETT—Let's have the magic formula—anybody?

Mr Kuhl—I think if you had the magic formula you would be a wonderful person.

Senator ALLISON—Does that assume, then, that, no matter what training is taken on by people with low literacy and numeracy skills, they remain low?

Mr Kuhl—No. We have been running quite a number of programs that have had a number of different names—alternate entry into trades, pre-vocation; call them what you like—but they are access programs. There is probably 10 or 15 years of anecdotal evidence that says that once you give a person a purpose to learn something it changes their focus and they will actually embrace things like maths and English and do them in a way that never ceases to amaze me. There is no difference between the maths that we are teaching and the maths that is taught at school; however, with some of the programs that we are running for Barry and other people, when you put them in a classroom where there is a job at the end of it, all of a sudden the motivation changes considerably and the outcomes change. Something that I am very passionate about is giving people an opportunity to enter the work force and become tradespeople. We are looking at skills shortage as a whole, and one of the areas we are very short of skills is hard trades. So anything that can improve that is heading in the right direction.

Senator ALLISON—Doesn't that suggest to you that it is not necessarily the job that matters; it is the purpose in learning which is critical? Particularly in remoter areas, why can't we gear learning in our schools to the practical experiences of young people?

Mr Kuhl—I think we do.

Senator ALLISON—Is it because all of our teachers come from Melbourne and Sydney and they are straight out of college? Is that part of it?

Mr Kuhl—I think you are underselling the current situation quite a bit, with due respect. The response that the school based new apprenticeships have brought about in the schools has been phenomenal. VET in Schools has probably been going long enough to now have a very real impact. I think you collectively as a government have been doing some really good stuff about making subjects like maths, English and science more meaningful for young people who do not wish to pursue an academic line. From our experiences this year with the school based new apprenticeships in particular, I think that could make a considerable change in students' attitude within school about learning those things.

Senator ALLISON—Mr Buchan, do you share that optimism? Your submission was not altogether rosy in terms of the future.

Mr Buchan—I think the VET in Schools activities and opportunities for part-time school based apprenticeships are limited in the Territory because there is not enough funding going towards that. The ECEF, through the Department of Education, Science and Technology, are programmed for structured work placements. I think that is a step in the right direction. But once you start trying to move into VET in Schools there just does not seem to be enough funding, so it does not happen—in remote area communities anyway. I think the policies and guidelines are there, but in remote area communities we need to have a few more dollars.

Senator TIERNEY—Is it happening in Darwin?

Mr Buchan—Yes.

Senator TIERNEY—So it is only the remoteness issue?

Mr Cramond—If I could just speak to that, being heavily involved with ECEF and the Darwin based programs. There has been a 100 per cent increase in the number of programs being delivered in the Darwin region this year versus last year—that is VET in Schools programs. Consequently, the demand for industry placements or work placements has increased at the same rate, yet—to support Norm—since we have been involved in delivering that contract on behalf of ASTF and now ECEF there has been no increase in funding for the facilitation of that work placement service. Considering that we have had a 100 per cent increase in the number of placements, and therefore industry placements for work placement, it is rather disappointing.

Mrs McDonald—I am from Casuarina Senior College. We offer years 11 and 12 courses, and VET in Schools is a major part of our offerings. Over the past few years that we have been offering VET in Schools, having structured work placements has been absolutely essential. VET in Schools allows us, at a school level, to try to ensure that students are looking at those employability skills at an early age—meaning 15- and 16-year-olds onwards. For the last few years we have also undertaken school based apprenticeships. Students having the ability to look at subjects in some sort of context certainly makes a big difference.

We also currently offer a particular program in conjunction with NTU. It is a certificate II in metals and engineering. The students actually go off site and conduct training with NTU. All their maths and English are done in that trade context, and that has made a huge difference in students being able to pick up those skills. At the end of the day, we have found that having that context there for students has made a big difference in terms of their literacy and numeracy skills.

Senator ALLISON—There are many remote communities in the Northern Territory, but would Maningrida, for instance, be a township which has no access to VET, or would a town of that size have it?

Mr Cramond—Those remote communities, perhaps up until this year, had been at a disadvantage in accessing funding for VET programs out of the general VET bucket, which consisted of contributions from ECEF and the Territory government. Late last year some \$1 million was allocated for what they call TRY funding—training for remote youth funding. That has made access to that funding for all remote communities far more accessible, and a multitude of programs have been running for the last nine to 12 months. It is probably a little early to say

what positive outcomes will be seen, but they can now access a lot more funding than they were able to last year.

Senator ALLISON—A million dollars is not a lot. How many schools would that cover and what would be the minimum sized community that could apply for funding?

Mr Cramond—It is a pity that we do not have here somebody from the education department; they could more correctly answer that. I really could not say.

Senator ALLISON—We will ask them.

CHAIR—Mr Cramond, I want to raise an issue which I think Captain Teo also touched on, and Mr Buchan may be able to answer it. When we were in Maningrida—it must be about four years ago now—we were looking at the issue of the status of teachers. I talked to a teacher there who showed me a fairly extensive workshop facility at that school in Maningrida. His comments to me were a bit to the point. He said, ‘That is sitting vacant and these kids are sitting vacant.’ They were sitting in a classroom listening to their history lesson, staring out the window. He said, ‘This is nonsense. They ought to be learning skills that they are interested in and want to know. They want to know how to fix their car, they want to be able to fix their fishing line, they want to get out there and do the things that the rest of the community is doing.’ He was actually running—on the side, I might add—a work experience program for the kids, getting them work experience with a local painter, carpenter or what have you. Is that the reality of where things are at? Is that where the focus ought to be, rather than on the soft skills or literacy and numeracy? He was very passionate about this particular issue.

Capt. Teo—We have found from experience that, because of the differences in measuring a person’s literacy and numeracy in the NRS system and the key competencies found in training packages, it would be very difficult if some trainer from some RTO went down on the ground and said, ‘For this cert II level your key competency is going to be level 2.’ That is going to be way above that poor fellow’s NRS rating of maybe level 1. This is where that difficulty has arisen in relation to what you were saying. A community might say, ‘I have three boys who want to do this much vehicle maintenance.’ They might be able to do it physically but they might not be able to record what they have done. Therefore, they may not actually fulfil that competency to a large extent.

Senator TIERNEY—To follow on from that, over the years this committee has had inquiries up here into adult and community education—if you go back far enough—and also into Indigenous education; and here we are back here going through a lot of the same issues again. Following on from what Senator Campbell just said in relation to the skills that we try to impose compared with what is needed in the community, and putting a remote focus on that, as you move away from Darwin what are the sorts of things that we should be training people in? What are the skills that they need that are more in sync with the community needs and that they would be able to apply to those communities?

Capt. Teo—The first thing that has to be done is to have more trainers in the VET sector understand what the NRS rating is and how to apply that to what they are hoping to achieve with the outcomes of training packages, the CBT, per the key competencies that the trainees expect to achieve at the end of all their training. Right now there is a huge gap. A lot of trainers do not

understand NRS. A lot of trainers do not understand what key competencies really mean in the context of the training packages. I do not think there has been enough publicity and perhaps training given to trainers. This particular area is also very sensitive for government regulators, particularly in my industry—the maritime industry—where government regulators have no idea what CBT is; nor do they understand what the assessment is in the CBT context and what the training packages are calling for. Yet they are the regulators, they are the ones giving the licences and they have the final say on whether individuals have reached the required level of skill to be given a licence.

Senator TIERNEY—It would be critical to the maritime industry, I would have thought.

Capt. Teo—The maritime industry is going through aches and pains in the coastal area. In the deep blue sea area, there is no problem. That is a very traditional area. Training and assessment have been brought up to the highest standards available because they follow international standards. In the coastal shipping area we are trying our best to reach that standard, but obviously we do not need to because it serves only the coastal area. This is where the difficulty arises.

CHAIR—Certainly have been putting a plug in for you, Captain Teo.

Senator TIERNEY—In relation to the same matter, you said earlier not enough account is taken of the time needed to complete training.

Capt. Teo—Yes.

Senator TIERNEY—Someone else mentioned that there had been attempts, through pre-apprenticeship training and all sorts of things, to get people up to a skill level where perhaps they could operate at a faster rate or pick up skills more quickly. How do we fix this problem? Should we have some sort of dual system where a longer time is allowed in remoter areas? Is that the way to do it? Do we do this on a geographic basis? I suppose I could ask a supplementary to that—you might want to take this question into account as well: given how obvious this is, why wouldn't authorities in Darwin build that into the packages?

Capt. Teo—I think they are trying to. Each individual RTO that is given the opportunity, when they are contracted via the training authority to carry out particular training in particular areas, takes into consideration the extra time that might be required to ensure that individual trainees can reach those competencies. How often this is entertained by the training authority is dependent upon how well you present the training you are going to be giving. It is not the practice of the training authority to give more money than is required to train. If it is a 20-hour program, that is all you get: 20 hours worth of money. If it is going to take 30 hours, shocking, bad luck; you will find the money yourself if you want to do that training. That has been the problem in the past. Whether or not it can be overcome in the future, I do not know. But certainly different styles of learning are not peculiar to Indigenous folk; mainstream people have the same problem.

Mr Kuhl—I would like to explore your Maningrida scenario. I think it is really interesting that you have raised it. Take that teacher with the equipment and the people sitting in the classroom; how does he access any sort of funding to train those kids? If he decides that he

might apply to DEWR for STEP, he would need to guarantee that there was an employment outcome at the end of it; so that door is closed. Unless the training institution has a whole bucketful of recurrent funding, he does not fit a user-choice scenario; so that funding is closed. It is not as simple as identifying a need and providing training. A good one to think about is Wadeye, which has one of the fastest growing community populations in the Northern Territory. It is now larger than Tennant Creek. It has no infrastructure, no hospital—

CHAIR—Where is it?

Mr Kuhl—Wadeye, Port Keats.

Senator TIERNEY—You will have to be a bit more specific.

Mr Kuhl—Go to the Daly River, cross the crossing and keep driving for a couple of hours. It is not that far from here; it is about 3½ to four hours drive from here. It is an interesting example. There is no employment, no real expectation of employment, but it has a population of 2,500 people and is growing very quickly. The challenge is: how do you provide the underpinning knowledge and the skills foundation for that community when virtually every source that you could go to will be closed because it does not fit into an apprenticeship, into an employment outcome? If we say the skills are not needed there, I think we are being absolutely erroneous. There are skills required for that community, and the way for the community to get going is to put some effort in. It is interesting that you raise the question about the facility at Maningrida, because I sit on the other side of the fence and say, ‘All right, if I want to help that community in Maningrida, how do I do it?’ It is not simple.

CHAIR—Mr Buchan, maybe you would like to expand on the example you give on page 3 of your submission. You say negotiations have been going on since last August with DEWR for STEP funding to employ an apprentice and that 70 Tiwi already match the position. Why has it taken so long for those negotiations to go through?

Mr Buchan—There are a few issues that have come together. The first is that we were given a contract to employ 110 Indigenous apprentices and DEWR would supply STEP funding to top up their wages, the argument being that these people had no saleable skills and were unemployable. Through the apprenticeship system they were learning on the job and had on-the-job supervisors—that is a preferred learning style for Indigenous people. We achieved our targets in 14 months, but we were supposed to stretch it over three years. So the problem was that they were not in a position to renegotiate a new contract until the other one expired.

There were a few other changes. The whole department structure changed. It went from DEWR SB to DEWR. All the staff left and a whole batch of new staff arrived, so things were put on hold during that period. Then the new staff who arrived decided that they needed to do a thorough evaluation of what we had achieved to date. That took months to do, although only a three-page report came out at the end of it. This morning I spent four hours with the DEWR State Manager, ATSI, DEST, all our host employers on the islands and all our traditional landowners. The thrust is that they want a commitment from all host employers that they will guarantee that when these people complete their apprenticeships they will employ all of them. I do not think that is really realistic.

CHAIR—That is a guarantee they do not seek from the private sector generally.

Mr Buchan—No, it is not. As a matter of fact, if you look at the operations within government departments, they guarantee apprenticeships during the training period only. There is no ongoing guarantee in the Australian Public Service to employ graduates of apprenticeships, the idea being that you are creating a pool of labour who are then mobile and can move around.

Ms Wilson—I support the notion that Mr Kuhl was demonstrating through the blockages for funding apprenticeships. In the DEWR funding models for the next six years, the template is completely blank for remote communities. You have to come up with it yourself, but no-one is going to fund you to find out where you seek out those other buckets of moneys to provide that sort of support and the funding that is required.

Also, on the Tiwi community, I was with the school over there when they presented a strategic plan for their VET program. The young Tiwi employee at the school who went around and surveyed his community and the types of industries that the community was looking for came up with some very innovative areas of possible employment. Someone who was not in his position could not glean that information. His being part of the community and being in that role of responsibility at the school enabled him to gain a lot of insights that non-Indigenous people will not necessarily glean about community expectations and aspirations.

Mr McConnell—I have been very fortunate to be involved in a school based apprenticeship program which has been funded by DEST. We have very quickly gone from 10 or 20 school based apprentices in 2002 to hitting just about 100. The target was to be 50 over two years. That demonstrates the support for that type of program.

A good example that highlights some of the issues here is something that I have been involved with in the last six months. I have been working with an Aboriginal community, Jilkminggan, just 30 minutes south of Mataranka. We have employers—Parks and Wildlife—and we have two tourist accommodation resorts and we have a community of elders and teachers and the principal of the school all supporting the school based apprenticeship program. As of today we have two students doing a school based apprenticeship with Parks and Wildlife one day a week—they work there and get paid—and we have students now working in the hospitality area, but it has taken six months to get that going and that is possible only because the training provider is doing it to assist the program. I doubt that they will be making anything financially out of it, because you are looking at a 4½-hour trip down to Mataranka and there is a whole range of those sorts of issues.

That is going to work, and it will tackle some of the issues that Senator Allison mentioned before about trying to combine what is happening in the schooling and what is happening in the work force. In a couple of years time we would like to see those students staying in those hotels, restaurants or tourism places. Hopefully, there will be a career there for them.

CHAIR—Two things about VET in Schools and school based apprenticeships have stood out in the inquiry so far. One is that the areas where they are working most effectively are those where there are industry links, being strong links to local industry, whether they are individual enterprises or groups of enterprises, where you can actually get the placements and get the kids out of the schools to get in and get the experience. For example, it was said to us in Western

Australia by the director of a local TAFE college that the drop-out rate after they had done VET in Schools was virtually nil and most of these kids went on and completed their apprenticeship. There was a high rate of return for everybody.

However, one of the complaints that we have had is that with VET in Schools or school based apprenticeships a lot of the training is being delivered by teachers who have no idea of the technical skills required for the type of training that they are giving to people and that in many areas that is in fact an impediment. The issue is whether or not with the VET in Schools program stronger links ought to be developed between the TAFE colleges and the schooling system so that the schools can have access to teachers who have the technical skills to impart to these kids as part of the whole VET program.

Mr McConnell—As to the 90 to 100 students whom we have working in school based apprenticeships at the moment, only one school out of the seven to eight training providers is providing training—all the rest are non-school training providers—so it will be interesting to see how that goes.

Mrs McDonnell—I would like to comment on that. A few years ago the department of education in the Territory used to offer a teacher in industry program whereby staff in a school could actually be released to industry. That allowed VET trainers to get out and get some current industry skills. Unfortunately, about two years ago the department decided to stop that. Most of the staff who run the VET courses in our college have had industry experience at some stage in their lives, but the reality is that that experience might not necessarily be current. In the last few weeks of school when we have actually finished with our students, our college tries to encourage our staff to go out and spend some time in industry. I really think this is something that the departments need to be looking at. If they are serious about having schools deliver VET, they need to ensure that the staff in the schools have the appropriate qualifications.

Mr Cramond—I support Gillian's comments. There cannot be one rule for mainstream RTOs and another rule for school RTOs as far as the ATQF is concerned. They are all audited and a common audit line has to be drawn.

CHAIR—I wish to go back to the other issue of literacy and numeracy and these soft skills. You may be in a position to answer this question, Mr Kuhl. Is it not the case that the expectations of employers as to the skills that young people coming out of the school system should possess have been lifted beyond what is reasonable? It disturbs me greatly that we say a lot of young kids are not suitable for employment as a lot of those who have just left school have literacy and numeracy problems. My major reaction is: what the hell is happening in the school system if that is the case?

We are told, 'The school system is fine; it is not our problem. When they leave our gates people have these skills, but they lose them somewhere between our gate and the factory door.' It is a bit of a worry. The employers we have had discussions with have an expectation of what young people's skills are when they come out of the school system looking for employment.

Mr Kuhl—I do not think the expectations of the employers are unrealistic. It is a highly technical world we live in. A lot of knowledge is not necessarily contained in books any more but requires electronic methods to get it. There are a heck of a lot of workshop manuals out there

too. Certainly in the industries I am working in, which is where the traditional apprenticeships are in a lot of cases—we have a heck of a lot of office trainees and those sorts of people—there is quite a high expectation that the students will be numerate and literate. I think that is a perfectly reasonable expectation.

CHAIR—I think it is, too. It grieves me when employers say that students are not up to the mark when they have just left school.

Mr Kuhl—I meet a lot of remarkable young people who are functionally numerate and literate and who are able to therefore do their college studies and function as normal human beings. We also have, as I explained to you before, the second chance group, who need a touch-up on those skills. I think we are letting people down if we do not offer that safety net, as it were.

CHAIR—Mrs McDonald, what do you think is the problem? You are in the school system.

Mrs McDonald—I can only speak for my college, obviously. We offer only year 11 and year 12 courses. We have the VET in Schools courses as well as the non-VET in Schools courses. The non-VET in Schools courses are very prescribed before the South Australian system. We have an awful lot to get through. Moving away from literacy and numeracy, it is very difficult for a biology teacher to incorporate employability skills into their teaching. Sometimes teachers do not necessarily see that as being part of their duties. They have a prescribed curriculum and they feel that is basically all they need to cover. They feel that employability skills are something that a student can pick up through work experience, through a VET in Schools program. The time constraints in dealing with a normal curriculum like an English course, a maths course or whatever sometimes do not allow you to deal with things like employability skills. But we are at the tail end of the schooling system, so hopefully by the time they come to our school they are literate and numerate.

CHAIR—The other issue is whether it is a school system responsibility to teach these employability skills; or is it the responsibility of employers to provide that training when they employ people?

Mr Cramond—I think you have missed a very important factor, and that is the parents. Parents have a huge responsibility to ensure that their children have those employment skills. That is a factor we are, sadly, overlooking. Parents seem to think that when they send their kids off to school every day they will come home with the one fix for everything.

Senator ALLISON—Are these parents employed themselves?

Mr Cramond—Many of them are. Earlier you said you had had discussions with employers and that maybe their expectations are too high. Employers have sons and daughters themselves. They may have one rule for their sons and daughters and another rule for their employees.

Mr Kuhl—There seems to be a common denominator between these employers who continually carp about maths and English or numeracy and literacy skills and the amount of effort they put into training. This is obviously anecdotal, but a lot of employers these days want to put off the entire effort of training to providers and are not shouldering the burden we would

have expected certainly in the time that I was an apprentice, when the employer took a heck of a lot of responsibility for training.

I think there has been a huge shift in the way Australia does business away from direct employment to predominantly labour-only subcontracting and that has brought with it a shifting of responsibility, particularly in the training effort, where people are fixated with doing a job for the lowest price. They want an apprentice for cheap labour and they want someone to come up through the system, but they do not seem to want to put the yards in so far as training on the job goes. It seems to be almost consistent that those same employers who do what you were talking about are the employers who put the least amount of effort into the training.

CHAIR—That is a real issue in terms of the contribution that employers generally are making towards the training effort. I served my apprenticeship way back in the late fifties and early sixties, but even then I spent the first nine months of my apprenticeship in a training centre—I had never seen a factory floor—being taught all those employability skills, a range of other hand skills and so forth. Admittedly, that was a large employer who could afford to put all that training infrastructure in place. They saw it as their responsibility to train their own future generation of employees. There seems to be an expectation out there now among a lot of employers that somebody else is going to train them and all they have to do is go into the labour market and find them. The reality is that training is dropping considerably. There are some quirks in the figures, because we are being told that the training dollars are increasing but that does not seem to correlate with the anecdotal evidence we are hearing on this committee.

Mr Kuhl—You cannot expect an apprentice to go to a TAFE college anywhere in this country for eight weeks of a 52-week year for three of the four years of the nominal duration of their apprenticeship to achieve all their training. That strikes me as being quite absurd. By the same token, that seems to be the expectation of some employers.

Mr Cramond—Competency based training is not being sold very well to the employer organisations. There is still a very strong misconception out there that, once they send their apprentice off to TAFE, they have little responsibility. Many of them are still living in the old world and they have not accepted that they have a greater role in performing on-the-job training and assessment than they had before. There is a tremendous disadvantage in not having industry understand that they have an increasing obligation to provide on-the-job training and assessment to get the product that they want.

CHAIR—Is there someone here from Group Training Northern Territory?

Mr McConnell—Yes. Did I put in a submission?

CHAIR—I did not see your submission, but your name is on the list. You run a group training scheme. How many apprentices do you employ?

Mr McConnell—We have 350 at the moment, 100 of whom would be school based. That is across the Northern Territory.

CHAIR—Are you the only group training company?

Mr McConnell—There are another three. There is Tiwi Island group training, there is a business skills group training and there is Burridge group training in Katherine. That is Geoff Forsyth. I am not sure whether Julakari is classified as a group training company.

CHAIR—In terms of your operations, do you have any infrastructure or do you simply organise the apprentices and put them out to host employers?

Mr McConnell—We have a training centre. It is one of our divisions but it trains in only a small number of courses such as business studies, retail and a couple of other selected training packages. In the past we ran pre-vocational training to prepare students, but we have not done that in the last three or four years. That has not been financially viable.

CHAIR—Around the country we have seen some very good skills and training centres. Some have been funded by federal governments in the past and some are being funded by training levies in industry sectors. The building industry is one which has skills centres operating. Mr Kuhl may also be interested in this question. To what extent would it improve substantially the number of apprentices in training if there was a requirement that—and I am not saying purely funded by the group training companies—as part of group training there had to be a basic skills centre where apprentices or trainees spent the first six, nine or 12 months of their apprenticeship learning all the basic hand skills, employability skills and the rest of it before they went out to the host employers?

Mr McConnell—I believe there is potential for that area. I think that is to some extent what the prevocational access New Apprenticeships Access Programme, NAPP, programs attempt to provide. At that level I certainly believe there is potential for that.

CHAIR—Would that encourage employers to take on more apprentices?

Mr McConnell—I believe it would, and I think some of the programs that Denis is running are attempting to that. I also believe the school based apprenticeship program to some extent is fulfilling that need. Students are doing a certificate II which might be the pre-apprenticeship level, so they have a chance to work part time over a couple of years and thus combine their schooling and workplace skills and also receive training from an external training provider, so there is potential for that.

Mr Buchan—The model you are talking about actually existed here. For many years we had an institution called the Territory Training Centre. Through a government program that was running at the time called ‘group one-year apprenticeships’, students would move into this training centre and spend up to 12 months gaining all the skills you are talking about; they were also farmed out to various employers so that the employer and the potential apprentice could check each other out and eventually form a marriage and then move into a full-time apprenticeship. The VET in Schools students could attend the same institution. There is a perception that they are not doing proper vocational training in schools, but with this you were across that hurdle because they were actually participating alongside the apprentices. That model worked very well.

CHAIR—Why did it collapse?

Mr Buchan—It collapsed when there was a change of hands. It was owned by one department and then moved to another department. The facility was fairly old and needed some money spent on the roof—about \$100,000 needed to be injected into that. There were probably other reasons as well, but eventually it just fell away. There was also talk of rezoning the whole area for housing, but the facility is still sitting there. All the equipment has been gutted out of it, but we actually have offices there at the moment.

Mr McConnell—As an indication of what you were saying, we have 20 vacancies at the moment with our group training company that we cannot fill. Since Christmas this year, we have had an average of 10 to 12 vacancies, and that is across all areas of apprenticeships and traineeships—business, automotive and so on.

Senator ALLISON—Are these job vacancies or apprenticeship vacancies?

Mr McConnell—These are apprenticeship and traineeship vacancies.

Senator ALLISON—Places for apprentices?

Mr McConnell—Yes. So we are seriously looking at running some prevocational or training programs—whatever you like to call them—to try to bring some of the applicants who have applied for some of those positions who may not be quite there to bring them up to speed so that we can place them in those apprenticeship positions. But we are not in a position to place some young person with a host employer when they are not ready.

CHAIR—Mr Shipp, how does your organisation fit into this jigsaw puzzle—the head of school, Workplace and Initial Training?

Mr Shipp—In what regard?

CHAIR—How does it fit into this whole training puzzle?

Mr Shipp—I am not quite sure what you are asking.

CHAIR—I am asking how your organisation relates to what is happening with—

Dr Shanahan—That school is part of the Faculty of Technology and Industrial Education at the university.

CHAIR—Yes, I understood that. So it does not fit in at all?

Dr Shanahan—It does some initial training in a variety of different areas, from rigging to certificate 4 workplace training to—what other areas do you cover?

Mr Shipp—Maritime and hairdressing are two others.

CHAIR—How does what you are doing relate to TAFE-type training?

Mr Shipp—It is all we are.

CHAIR—You are the TAFE?

Mr Shipp—Yes.

CHAIR—That is what I was trying to get at in asking how you fit into the whole training process. So in fact you are the TAFE but you have been integrated as part of the university?

Mr Shipp—Yes. I think that, as far as my school is concerned, credibility for the delivery of these programs is absolutely essential. We have staff development programs at the university that enable us to allow the lecturers to go into the workplace so they can upgrade their skills to make sure we are delivering the latest that is out there at that time. Another point I would like to make is that I do not believe the schools are fine the way they are. With the students that sign up and come on board with us, we do a pre-assessment of those students to see what their skills audit is like. It gives us an indication of how they are going to embrace the training. Based on their skills level we will determine, basically, where they go from there, whether it is to level 1, 2 or 3. We have to spend some of our time actually bringing those people up to speed so we can carry out the units and the courses to make sure they get the outcome.

CHAIR—To what extent do you interface with the school system in talking through some of these issues and trying to address some of these problems before the kids get to your level? Do you have any ongoing dialogue with the principals of the high schools around the place about the type of skill levels that young people are coming out of the school system with and the gaps that exist between where they are when they leave the school system and where you require them to be to get into an apprenticeship or trade training or what have you?

Mr Shipp—I do not deal directly with schools.

CHAIR—Is there a reason for that?

Mr Shipp—No, I cannot answer that, to be honest.

CHAIR—There is no barrier or impediment that you are aware of that prevents you from doing it?

Mr Shipp—No.

Mr Kuhl—With regard to the subject you are exploring, when I did my apprenticeship there were subjects called trade maths and so on. They were actually a committed part of a curriculum. That has disappeared out of virtually every curriculum document. It is certainly not in a training package that I am aware of. I think we need to recognise that for a start. We are saying that 30 years ago we needed to teach people maths in order to do their trade training. Now we are saying we do not—if you take a simplistic view. That could be the reason that the schools get the blame for not having maths in there.

However, most responsible RTOs—it is exactly as Gary has laid out for you—will integrate that maths into their curriculum and teach it as and when it becomes applicable. Certainly, when

I did trigonometry at school it did not have a great deal of meaning for me. But I have taught some people with very basic numeracy and literacy skills in the carpentry area how to work out angles and lengths of pieces of timber to make a roof truss. All of a sudden it becomes quite a reasonable task for them to do and they embrace trigonometry quite well. We are short-changing schools a little bit by saying that all of a sudden these maths and English skills are a problem. Thirty years ago we identified them as a problem and we actually taught them as separate and discrete subjects. If an RTO is not incorporating those skills into its normal education program, which I would hope RTOs would do, you will find the student to be deficient. However, if you are teaching it as and when required, that is not the case.

CHAIR—It has been put to us—Mrs McDonald may want to answer this—that part of the problem is related to the fact that we are now keeping young people on until year 12 and they are going into their apprenticeships at that point, whereas traditionally in the past it was at year 10, and that maths in school is compulsory only until the first semester in year 10. There may be a two-year gap between the last time a young person did maths as a compulsory subject and the point at which they go for an interview for an apprenticeship. That is one of the factors that are causing employers to say that young people lack numeracy and literacy skills. I do not know to what extent that is prevalent elsewhere, but that was put to me in South Australia.

Mrs McDonald—I do not wish to shift the blame about literacy and numeracy skills. However, coming from a senior college where we deal only with year 11 and year 12 students, we believe that literacy and numeracy should have been tackled at a much earlier age. That is essential. Denis mentioned a student coming into his construction class. He would have to incorporate some maths so that they get up to scratch. It is like that with all our programs, basically: we have to do that so that they are able to get through the program. That is something that we have to deal with as well.

Another issue that you brought up, Senator Campbell, was that if a student leaves at the end of year 10 and goes into an apprenticeship, okay, they have done the maths. If they stay on in years 11 and 12, in the Territory they need to have done one semester of maths in years 11 and 12. If they have done that one semester and they wish not to deal with maths anymore, that is fine. That is the nature of the Northern Territory certificate of education—it lends itself to that.

CHAIR—That is a similar situation to that in South Australia.

Mrs McDonald—That is right—exactly as in South Australia. That is something that people have to be aware of. When students come to a senior college and they have no idea what area they want to pursue—that is one of the biggest dilemmas that we have as career advisers in a senior college—they might come to you and say, ‘I really don’t know what I want to do.’ You help them to choose appropriate subjects and you hope that they will have the basic maths and English, but they may not have some of the subjects that employers wish them to have when they leave school. That is a huge issue that we have to contend with.

CHAIR—Do you think there is a sufficiently sophisticated training system for careers advisers?

Mrs McDonald—Do you want my honest opinion?

CHAIR—Yes.

Mrs McDonald—Personally, no, I really do not think there is sufficient training. Again, a few years ago there was some training involved where every school had a nominated careers adviser, and DEET, or the NT education department in those days, tried to have some sort of formal training. However, these days there is absolutely nothing. Really the only chance we have to deal with employers is through a career education association here in the Territory. If we belong to them we have the opportunity to deal with employers and find out what the issues are. In terms of training and PD for careers people, there is none. I am coming back to your other point about VET trainers in the school: there is really no chance for them to go out there and interact with industry. That is a shortcoming.

Prof. Roberts—I want to speak about nursing, but first I would like to support Gillian: literacy and numeracy should begin much earlier, in primary school, and we should be looking more at that level as to what could be done. Certainly, a lot of the students I get in higher education are not particularly literate, and many of them are not particularly numerate either—this is in terms of things like working out drug calculations, which are very important. Most of them are but quite a few are not.

In terms of nursing, which is an identified skills shortage, as you know, Northern Territory University does have an integrated system from both sectoral areas. We have a certificate IV in an enrolled nurse program. We also have the higher education bachelor of nursing program for the entry to registered nursing. The focus in this inquiry at the moment seems to be on the VET sector so I will speak mostly about that. We have approximately 25 students a year coming into the certificate IV program. We could actually educate a lot more than that if the conditions were in place to do that.

Firstly, the industry would need to be sure that it wanted the graduates. In terms of the whole enrolled nurse situation across Australia, the country needs to sort out, firstly, whether it wants enrolled nurses in the career structure and, secondly, if it does, how it can standardise the training of enrolled nurses so that we do not have a situation where you have certificate IV in one state or territory and you have an associate diploma in another state or territory. This is not good enough. Sometimes the boundaries between the certificate IVs and the associated diplomas are somewhat blurred anyway, so that one is called one thing but looks like the other. But assuming that we do want more enrolled nurses to fill the nursing shortage, we could do more at our place.

We would need also to have some funding. We need some sort of ability to provide relief for staff to write the program externally to be offered under external mode. I do not know how much you know about the higher education program, but we have students from all over Australia doing our program by external studies. We do this by operating satellite centres in Western Australia and Queensland where they can go for their clinical education. We could do the same with enrolled nursing, I think, if we had the funding to write the training packages externally. The other thing that is a very important constraint in both areas is the industry's ability to provide clinical training placements for the students that are of quality. That is one of the major constraints on our ability to produce nurses. Those are the sorts of things that I really want to get down.

Mr Cramond—I just want to support what Gillian McDonald was saying. Teachers in the school system have teaching loads and many of them also have the responsibility to pass on advice to young people about where their futures would lie. Unfortunately, they cannot be jack-of-all-trades and it is very difficult with what is happening in industry. I think the national statistics are that we will go through life now experiencing 6.8 vocation changes in a lifetime—not job changes, vocation changes. How can a careers teacher be expected to pass on advice?

I think industry is its own worst enemy here. Industry often bleats that the school system is not providing adequate career advice. However, I see in the skills area that industry has the opportunity to interact with the education system and the school system, yet it is not doing that. The IT companies are consistently at schools promoting their firms and their industries, yet the skills areas and the businesses like plumbers, mechanics and welders are not interacting with schools to tell people what they can start with and what they can finish with. Industry has a big part to play, and it is not really playing it.

Senator BARNETT—Professor Roberts, thank you for your contribution on the nurses. I have three questions about the Northern Territory. The shortage of nurses is a perennial problem around the country. I assume there is a similar problem here in the Northern Territory. What initiatives is the NT government providing to attract nurses into nursing and then to re-enter the nursing field? That is the first question. Secondly, in relation to aged care as compared to acute care, do you have that same concern in terms of shortages in the aged care sector? In the other states—Victoria and certainly most of the mainland states and Tasmania—there is that differential in the remuneration, with remuneration in the aged care sector being up to 20 per cent less than in the acute care sector. Can you comment on that? The third question relates to the Indigenous communities' access to community health workers. Do you have a shortage there and how do we address that problem?

Prof. Roberts—Regarding the first question about government initiatives, the NT Department of Health and Community Services does provide scholarships which potential nurses can apply for. They are always running discussions about how we can improve access and retention. However, the questions are always there but the answers are a lot harder to come up with. There are some initiatives there but I think the situation could be improved.

Senator BARNETT—What about re-entering the work force? Do they have incentives for that?

Prof. Roberts—Every now and again industry runs programs whereby they provide workplace places for students who are very close to being registered by the nurses board. Sometimes they bring in overseas people under those sorts of conditions. We have a re-entry program which is approximately half of our bachelor degree; the student will come out with a bachelor degree at the end of it. So there are some initiatives. I think more could be done. The second question was about aged care and acute care and the differential. I do not know about remuneration differences, so I cannot comment on that.

Senator BARNETT—What about work force shortages?

Prof. Roberts—I do not have the statistics, I am sorry. We do have a younger average age in the Territory so it may not be as great a concern. Certainly, it always seems that the aged care

sector is less popular and does require extra incentives in order to encourage people into it. We are revising our curriculum for registered nurses and have put in a core unit in gerontology. We are about to put it in. However, what you have to look at there is the skill mix in the aged care sector. I believe most of them are run with a small amount of registered nurses but a large proportion of enrolled nurses or patient care attendants. It depends on what level of skill you want in that sector, and you have to look at that.

That reminds me of another point I should make, and that it is that I think that the VET sector should be looking at providing courses for patient care attendants. They are professionalising and there should be courses at certificate level—I am not sure of the right level; certificate 1 or 2 or somewhere around that level. That could articulate into certificate 3, community services, and certificate 4, enrolled nurse and disability. You would have a complete articulation from certificate 1 or 2 right up to a PhD for nursing.

Senator BARNETT—The third question related to community health in the Indigenous communities and access to training for community health officers.

Prof. Roberts—Do you mean Aboriginal health workers?

Senator BARNETT—Yes.

Prof. Roberts—Batchelor College is the main custodian of that training in the Territory. We do not really go into that but we do provide articulation for qualified Aboriginal health care workers into the bachelor of nursing degree.

Senator ALLISON—Did you say that you do not go into the question of the specific health services for Indigenous communities?

Prof. Roberts—No, I said the Northern Territory University does not provide Aboriginal health worker training as such.

Senator ALLISON—Do you have any Aboriginal students at the college?

Prof. Roberts—We do, and we would like to have more. I think the problems with that have been already identified earlier today. We have an interesting initiative happening in Alice Springs at one of our satellite centres for the bachelor of nursing course. We have Aboriginal support workers that are actually supporting the training or education of the nursing students there. But, again, it is underfunded. I think that many of them need extra support in terms of tutorials, extra lectures and so on. If more money was allocated to those sorts of initiatives, that would assist us to have a higher success rate in our nursing program.

Mr Cramond—Going back to the community services and health programs, 18 months ago there was a program being delivered in the Darwin area—a certificate I in community services and health for Indigenous students. There is an enormous shortage of Indigenous community health workers in the communities; they just cannot get them. Unfortunately, this program collapsed and it has not been offered again. It collapsed initially because there were some problems with the delivery by the training provider, but there were also retention problems in regard to holding students in the program. It was a shame that that did not go ahead.

Senator TIERNEY—Let me move on to related issues in education. Professor Roberts, you mentioned the Indigenous support workers in nursing. When we were doing the Indigenous education inquiry around Australia, I think one of the most promising things was the Indigenous education workers in schools and the promise that actually held for articulation through to teaching. Has any progress been made on that in the Northern Territory in working out a system of upgrading their qualifications? This question is open to anyone. Perhaps you might want to discuss where that program is at with Aboriginal education workers in schools and whether there is any articulation occurring for those people to become teachers.

Prof. Roberts—I cannot really speak for education; however, at the Northern Territory University in our Faculty of Education, Health and Science, there have been places allocated—I believe it is out of the normal recurrent funding—for Indigenous support workers in the education school and also in the health sciences school whose job it is to assist Indigenous students. I believe that has been quite successful so far. I do not know if a formal evaluation has been done, but I believe that this is actually really helping on the ground.

Senator TIERNEY—What about the upskilling of people who are out there, perhaps in remote communities, actually doing the job and doing this through some distance education mode. Are you aware of anything happening here in that area?

Mr McConnell—We have a lot to do with the Aboriginal and Islander education workers in each of the schools but, to my knowledge, there are not a lot of those who are going on to further training and education. As far as we are concerned, they play an absolutely critical role as far as support for training and employment is concerned.

Senator TIERNEY—Over the past 30 or 40 years, we have found that, where Aboriginal people have been taken into training courses and done formal training over a number of years in the normal mainstream, once they graduate they tend to get snapped up by other organisations and they do not spend very long as educators. In the earlier inquiry, it seemed to us that, if we took the people who were actually working and upskilled them, the chances of them staying longer as teachers would probably be better. I was just checking to see whether there has been any advance on that.

In the broader area of articulation from VET courses through to TAFE through to university, we have seen in this inquiry some excellent examples of this around the country. At Gladstone, the schools were working with the TAFEs, the local power station and Central Queensland University, taking people from VET in Schools right through to degree work in engineering. Are there any examples of that in the Territory? Given the smaller base you have to draw from for the university population, I was just wondering if there are any moves to improve articulation in order to increase your student body through that process of bringing people through from VET into the university system. Dr Shanahan might want to start on this one and others might want to join in.

Dr Shanahan—All faculties and most schools at the university are a mixture of TAFE and higher ed in various disciplines. Some are more advanced than others in looking at articulation between the two sectors. For example, in the school of IT, which offers both TAFE and higher ed courses, quite a bit of mapping has been done between the certificate form, the diploma in IT and entry into the BIT, the bachelor of information technology. It is fairly seamless to move from one

to the other, and you get some advanced standing in the bachelor's from having a diploma. It is similar in various schools where training is offered in both TAFE and higher ed.

Senator TIERNEY—Do you find that that gives you a better articulation rate that in the rest of the country when you have them co-located and within the same institutional framework? Are there any hard stats on whether that works better?

Dr Shanahan—I do not think there are hard stats. In the IT one, which I am familiar with, there are very few who move from the diploma into higher ed. We find that once they have their diploma they are snapped up by industry and they are out earning money.

Mr Kuhl—I would like to comment on that. If you look at the way TAFE colleges have changed over the last 10 to 15 years, it was not so long ago that it was quite normal in a TAFE college for advanced studies to be offered in all of the traditional areas. People availed themselves of that and often went on and did diplomas of mechanical engineering, electrical engineering or whatever. Since the impact on recurrent moneys has become so pronounced, there is this notion these days of user pays: 'We have given you your trade certificate. If you want to go and do studies beyond that, it is expected that you will pay for that education.' Since that change I have noticed particularly—and I have spent a lot of time at NTU myself—that articulation in the engineering areas has had a real slowdown, if not come to a stop. It was pretty common 15 years ago for someone to do an apprenticeship, do some post trade work and go down and enrol in either an associate diploma or a diploma, so those classes were quite full. That natural progression has been broken because of the impact on recurrent funding that is now going in different directions. I am not blaming the university; it is a national trend.

Prof. Roberts—In nursing we have quite a bit of articulation. The programs are articulated. While I could not give you the stats on this, I know of several students from the enrolled nurse program who are now in our registered nurse program. It is not all of them, of course, but some of the ones that really want to move up. This is anecdotal evidence, but there is a great deal of cooperation and coordination between the two sectors in nursing at NTU because we teach together—I have taught in the TAFE programs—we talk together, we have meetings together and we evaluate both sets of programs. Because we are co-located in the same building and we have these opportunities, I think we do know a lot more about each other than we otherwise would, and this leads to greater cooperation and collaboration.

Mr Buchan—I would like to make a couple of comments about articulation and credit transfer. One of the biggest problems is that, when it comes to recognising how much credit someone gets, it very often gets down to an individual, because there are no benchmarks which say that this particular level of TAFE qualification should give you this much credit. So across our 36 universities everyone is doing different things, which may be okay in some of the bigger states where you can go shopping, but when you have only one higher education institution then you are locked into that—you take it or leave it.

Another thing is that the Australian qualifications framework gets blurred at the diploma and advanced diploma level, where you can have a higher education qualification or a TAFE qualification. It seems to me that if there is really a distinction between a VET qualification and a higher education qualification—one being skills based, one being education based—it is an anomaly that you can have both types of diplomas and both types of advanced diplomas. That

situation is getting even more confused now when we start talking about where associate degrees are going to fit into this whole pattern.

The other thing is that, in regard to the AQTF, when we start looking at the advanced diploma and diploma level, students are faced with a situation where they could start off in a TAFE diploma, but, for whatever reason, when it comes to progressing to the next level of qualification and institution, it may become a higher education advanced diploma. They then have to start paying HECS fees rather than doing it as a TAFE program. That sort of area is a bit blurred for me and is probably blurred for most students.

Prof. Roberts—I support what Mr Buchan said, but one point I want to make about the credit transfer program is that a few years ago the Australian Vice-Chancellors Committee set out some pilot programs for credit transfer in different areas—nursing was one of them—and NTU was part of that program. We have set out an exact amount of credit that is given for this type of certificate III, that type of certificate IV or an associate diploma in terms of the credit points that are given in the higher ed bachelor of nursing. This is followed by the course coordinators. This is a model that, if it were implemented in other areas, might help to make awarding credit transfer more transparent and easier to follow.

Dr Shanahan—Continuing on that point, because the university is a mixed or dual sector, the articulation where it has been set is quite particular. I take a bit of a different view from Norm that it is quite set and does not depend on the individual. In the field of IT that I mentioned, academics from both areas looked at that articulation and set out what the advanced standing is. For someone who comes in to finish a diploma in IT, we know exactly what units they will get credit for and which ones they have to pick up. Having the mixed sector in each school, where it occurs, helps set that articulation.

CHAIR—It is also true, in the experiences we have had, that where there are joint campuses their articulation seems to be easier to identify and put in place. The problem is that it is not across the system.

Dr Shanahan—No. Where there is a university and some other TAFE provider, it would need to be a one-to-one to see what the student learnt at that institution.

Mrs McDonald—All the VET courses that we offer at Casuarina Senior College articulate really well into the TAFE courses at NTU. That was obviously what we had to keep in mind when we put forward proposals to run VET courses.

CHAIR—Mr Cramond, I wanted to come back to an issue with you. I see that you represent the Transport, Engineering and Automotive Engineering Training Advisory Council. That covers a wide field. What is your view of the new arrangements for the representation of ITABs—the industry bodies—and the super councils that are being proposed by ANTA? I presume you are part of the Motor Traders Association?

Mr Cramond—No.

CHAIR—You are not. They have sent a letter that I presume has gone to every member of parliament strongly criticising the super councils and asking for an automotive council to be established.

Mr Cramond—What you are referring to is what is proposed to happen at the national level, with the establishment of the skill centres by combining a number of the national ITABs. We can equate that to what we went through in the Territory; we have been through that. We were 11 ITABs; we are now six training advisory councils. The reason the MTAA nationally have been vehemently opposed to the proposal is that they are a financial and voting member of Automotive Training Australia Ltd, and they are strongly opposed to combining with any other national ITAB. I do not know whether that is good or bad. I believe it has worked for us in the Territory. One could argue that, by having to accommodate the industries that we do, we cannot focus and give the same service, but I think that the advantage is that we gain a far broader skills knowledge and we are able to network and communicate better. So I guess there are fors and againsts. But what happens at the national level, I do not know.

CHAIR—The reason I asked the question is that I had mentioned to Captain Teo earlier on that we have been trying to do something for him. We have had strong representations made to us about the fact that the leisure craft industry and the fishing industry are very poorly represented in the maritime ITAB, which is now going to be part of the broader transport group. So I presume it is going to be even more difficult to get their message through in terms of the training agendas that they want to run. I wondered if, at the end of the day, we are not contracting from whatever the number of ITABs is down to 8, because they might set up a series of subcommittees underneath them, which will give us back what we originally had anyway. Just looking at it on the surface, it seems to me that, at that national level, the breadth and scope of each of those super councils will be so broad they are going to be irrelevant in terms of the skills agenda.

Mr Cramond—Referring to the maritime, the one national ITAB that has not altered and was probably one of the first to get the nod was Transport and Distribution Training Australia. That has not had combine with anybody, so its influence will not alter.

CHAIR—I have a general question about something we have not talked about. We have been talking essentially about current skills shortages, but what about future skills needs in the Territory? What about the railway, for example? There is going to be a requirement for servicing and maintenance—a range of skills to service that new railway system. Is anybody aware of what planning has taken place in that area? Are those skills being developed? Are they being put in place prior to the thing getting up and running?

Senator CROSSIN—Just before you answer that, and riding on the back of that question, the railway has only got a certain number of months to go and it is going to be on track—pardon the pun. I am wondering whether people around this table have a view about whether there was adequate planning for the kinds of skills that were required and the extent to which those skills will be left in the Territory when the project is finished? What have we learnt from that that we could either improve or not use in preparation for the LNG plant that is coming onshore? Are there any discussions or planning happening for skills needs for the LNG plant?

Mr Kuhl—You have hit on some really important points there. When the railway deal was all but signed, the only person that was doing any talking about planning the training for that was the then leader of the opposition, who is now our Chief Minister. She was holding forums and really working hard to identify how the Territory would get the best deal out of it, but she was the only person doing it at the time.

I see exactly the same thing happening with the LNG plant. There is a lot of talking and a lot of rhetoric out there, but where are the committees to sit down and work out how we would best advantage the Northern Territory with it? One of my biggest fears is that there will be a lot of skill stripping from current businesses in the Northern Territory. Overnight they will find themselves without a skilled work force and the challenge will be to backfill, because the salaries that are mooted to be going to be paid and the level of work that Bechtel in particular is expecting to offer will mean that the LNG plant will attract the very best people. The challenge for organisations like DEET and others is to look at how best to backfill those positions. From a local point of view, we certainly did not get much out of the railway project. I did not see any real evidence of broadening the skills base of the Territory. If we do not learn from that we will have really done the whole community a huge disservice, particularly when you look at the number of projects that are coming up in the next five years, of which the LNG plant is just the first.

CHAIR—It magnifies the problem considerably.

Mr Kuhl—Indeed, we do not want a scenario where we import all of the tradespeople or all of the skilled workers from the east coast for a short period of time.

Capt. Teo—There have been a lot of questions asked regarding training and the requirements for the railway. We listened to Bruce McGowan last week, but he still has not got any answers to the questions asked about training. The intended modus operandi was to import workers whereby, as Denis was saying, you can strip local small businesses of their skilled workers. It will happen. And the question has been asked for 18 months, Denis. We have been asking DEET and the chamber of commerce and industry people—TEATAC has been leading this—to find out where the opportunities for training ought to be in preparation for the stripping process and also what the long-term opportunities will be when that LNG plant is completed. Believe you me, the skilled jobs in the LNG plant are numerous. I have been to three LNG plants and I have supported their logistics in the last 25 years. The amount of training that is required is a five- to 10-year planning process. That is missing in the Northern Territory.

Senator CROSSIN—I ask people to comment as to whether or not they are confident that whatever training was provided during the railway process will develop a skills base here in the Territory that will then translate into providing skills for the LNG plant. If you look at the time line, one is going to finish as another one almost comes on stream. In five years time are we actually going to have an increased number of qualified traditional tradespeople and IT people as a result of all of this expansion?

Mr Cramond—We are looking at projects of different natures. The railway project was enormous in size, given its length. It did not produce the employment and training outcomes in the Territory that we expected, but there was some Indigenous component of training in its construction. The construction of the railway for the Territory involved more in the way of land

clearing and laying of the track, so the skills base was narrow compared to what will be required at Wickham Point with Bechtel, Alcan and MIM, so we are looking at different skills bases here. Some of the skills that were gained during the construction of the railway will be retained but not in the numbers that we had hoped.

The important thing to remember with all this construction and these projects is that there are two distinct phases. One is the construction phase and one is the longer term phase, the maintenance. This is where the long-term jobs and the training will come in. We have been mistakenly focused, particularly with the railway, on the construction phase. Bechtel are saying that 1,145 jobs will be needed for the construction of the plant at Wickham Point, of which they say—and they are not guaranteeing this—25 per cent will be local. That is yet to be determined.

The objective that the government is working on, from the Chief Minister down through the Department of Employment, Education and Training, is that a number of key executives in the Department of Employment, Education and Training sit on government task forces with industry. There are five current NT task forces. They are working on, obviously, the railway. They are working on the defence contract with the Tiger helicopters, they are working on the AustralAsia trade route. Our training advisory council sits on what they call the NT Freight Working Group, which is the AustralAsia trade group. So there is a lot of feedback coming from the projects through to government through the Department of Employment and Industry, who are engaging the training advisory councils and industries to try and determine what the skills needs are going to be. The objective is to be able to transfer those skills needs from one major project to the other and to try and eliminate this ‘skill stripping’, as Denis has quite rightly pointed out. So things are happening that yet have to translate into reality.

CHAIR—As we understand what has been put to us, the bulk of the maintenance will be done out of South Australia. So the extent to which there will be a maintenance program here is questionable. If it is, it would seem pretty much to be only about pulling out modules and putting new ones in and then sending them back to base camp, so to speak, for repair. You are right in saying that the skill sets are totally different for the railway and the LNP. Mr Kuhl has raised a key issue here, and that is the skill stripping, because it is going to occur in Western Australia with Burrup and it is going to occur in South Australia with a number of major projects that are running there in the Iron Triangle. It is going to happen in Queensland with a number of projects in the Gladstone area. And that is all in the next three- to five-year period. So the time frame across the nation is pretty similar in all of these projects. The reality is there will be no skill shortages on these major projects. You do not get skill shortages when you are paying upwards of \$2,000 a week. It is not hard to fill the gaps, I can assure you. It is the impact that is going to have on our jobs in the fabrication industry and the metal industry around the country over that period. It will effectively shut them down.

In Western Australia—I do not know if it is being considered here—the state government has put \$150 million of funding up-front to train or cross-skill adult workers. They are picking up people who have a basic trade skill and who are no longer working at the trade and upgrading their skills to make them employable in the current environment, or cross-skilling someone from being a plumber to a carpenter, or what have you. The basic skills trades, we all know, are fairly similar. It is the specific knowledge of the particular trade that is where the gap is. For most tradespeople that can be picked up in about a 12-month period anyway. Hopefully through that process the gap that is going to be left behind by these projects will be filled. I don’t know if that

is being done in any other state, or whether it is being contemplated in the Territory, but if it is not done then a lot of small businesses will go to the wall over this period simply because they will not be able to get the skilled work force to meet their needs.

Mr Cramond—One of the identified skills needs for the Bechtel plant is welding skills to the standards that the contractors want. We have identified that we have a pool of those people who need to get up to this level. Funding has been provided by the government for 12 to 15 places to bring welders up to those standards. So that is a start.

Mr Kuhl—I think it could have a very strong inflationary influence on the Northern Territory. From the figures I have seen, there will be 180 electricians on the Bechtel site next year. If you take those out of the very small pool in Darwin, all of a sudden we will be paying a premium for every repair and every installation required in Darwin. It could have a very high inflationary effect on our community.

Senator CROSSIN—In relation to the developments in Western Australia, when we were in Perth we had evidence from the West Australian Department of Education and Training in relation to the work they have done with the Burrup Peninsula. They have clearly identified how many particular people of each sort of trade or skill they are going to need. I know the Chief Minister has been to the Burrup Peninsula and has looked at that planning. Is that the sort of planning that is happening with the five task forces?

Mr Cramond—Yes.

Senator CROSSIN—How long before that planning translates into starting to recruit and identify people to ensure that those skills are here ready to be utilised?

Mr Cramond—I can only speak from those I am closely associated with. I use the example of the welders. That is something that is happening now. When you look at the breadth of those five major projects and the DEET executives who are sitting on those task forces, I really cannot accurately answer your question—I can speak only about the project they are putting in place for the welders.

Senator ALLISON—The Northern Territory government has given us a submission which says that one of the pieces in the jigsaw puzzle, if you like, of the lack of uptake of apprentices is unacceptable treatment of apprentices by employers and co-workers. Mr McConnell, you deal with apprentices. Can you confirm that that is the case? The government says that this is anecdotal, but is there any further evidence that is further than anecdotal?

Mr McConnell—In a previous position I was with the New Apprenticeship Centre and certainly that was a concern—absolutely. There is also a concern about the whole image of apprenticeships and traineeships amongst our young people. As a result, our organisation is looking at strategies to try to change that within our school system.

Senator ALLISON—What is meant by unacceptable treatment? Is that bullying?

Mr McConnell—It is a range of issues.

Senator ALLISON—Is it peculiar to the Territory? Is it worse here than elsewhere?

Mr McConnell—I do not believe it is peculiar to the Territory but I am not in a position to say that. It ranges from things such as bullying to poor working conditions to trickery. There is a range of issues. Some industries are worse than others.

Senator ALLISON—Which are worst?

Mr McConnell—I would have to say the automotive and engineering areas.

Mr Cramond—The five Northern Territory training advisory councils are contracted to the Territory government. Each of us has a project to look at apprenticeship retention rates in our areas of responsibility. Those projects are being undertaken at the moment. In interviews conducted with apprentices, parents, employers and training providers, that is coming out very strongly.

Senator ALLISON—What is being done to deal with it?

Mr Cramond—The report with our recommendations will go to the Territory government once the project has finished.

CHAIR—We have to close the roundtable here. Thank you very much for your attendance and for your contributions this afternoon.

Proceedings suspended from 4.34 p.m. to 4.43 p.m.

CULLY, Mr Mark Robert, General Manager, National Centre for Vocational Education Research**KARMEL, Dr Tom, National Centre for Vocational Education Research**

CHAIR—On 23 October 2002 the Senate referred to the committee an inquiry into current and future skills needs. While knowledge and skills are the key to a secure and prosperous future for individuals, communities and the nation, there are concerns about the low level of public and private investment in the development of our skills base. There is concern about the low number of highly skilled full-time jobs being created and which are being lost, especially in some regional areas. Questions arise as to whether our current training policies and programs adequately support the development of a high skills base and a culture and practice of lifelong learning. Unemployment remains unacceptably high, particularly in some regions and communities, yet many employers claim to have difficulty in recruiting appropriately skilled people. At the same time there are many training program providers, employers and communities exploring innovative approaches to identifying and meeting their current and future skills needs. The committee would like to learn from these successful models. The committee has also identified other concerns, including the effectiveness of current training incentives and training policies, whether skills programs can support a flexible labour market, the capacity of Job Network and other parts of the employment system to match skills availability with labour market needs and the adequacy of current consultation arrangements. The committee looks forward to consulting a wide range of industry representatives, training providers and government, union and community representatives.

Before we commence taking evidence today, I wish to state for the record that all witnesses appearing before the committee are protected by parliamentary privilege with respect to the evidence provided. Parliamentary privilege refers to special rights and immunities attached to the parliament or its members and others necessary for discharge of the parliamentary functions without obstruction and fear of prosecution. Any act by any person which operates to the disadvantage of a witness on account of evidence given before the Senate or any of its committees is treated as a breach of privilege.

I welcome any observers to this public hearing, and I welcome witnesses from the National Centre for Vocational Education Research. Do you have any changes to your submission?

Dr Karmel—There are no changes.

CHAIR—I now invite you to make a brief opening statement.

Dr Karmel—I would just like to say a couple of things. First, the whole nexus between the labour market and the training system is very complicated and has gone through major changes over the last 10 or 20 years. No doubt, it will go through major changes over the next 10 or 20 years. It is very difficult to look into the future and say exactly how that is going happen. There is no one way that our society can meet its skill needs. What will happen will depend on the labour market and technology and the parameters of the training system. It will depend on what happens with the rest of the world.

The first point I would like to make is that the changes that we have seen in the industry and occupation structure over recent decades have really been very major. There have also been very major changes to the education system. We have seen very large increases in the participation at university. The numbers of students have been going up very quickly. They have gone up quite remarkably in the vocational education training system. We have seen very large changes.

On the whole, my observation would be that the system has worked pretty well in meeting the skill needs. We do see, from time to time, some skill shortages, but often these are of a cyclical nature or due to particular problems in an occupation. There are a couple of examples there. Several years ago there was a quite noticeable skills shortage in the IT industry, but this has now disappeared. It was a cyclical phenomenon. That is really all I want to say as an opening statement.

I would point you to a couple of the tables which I think are particularly interesting in our submission. I have talked about the occupational change table. If you look at table 1, you will see how much the occupational structure has changed. We have seen professionals grow particularly rapidly; associate professionals have also grown quite quickly. Some groups, such as tradespersons, have decreased their share of employment. That shows the way that the economy has been changing over those years.

The other table that I think is interesting is table 12, which looks at the numbers of apprentices and trainees. In that table, we have expressed the numbers of apprentices and trainees as a proportion of people working in those occupations. There are a number of quite interesting things in that. The first thing I would point you to is that the proportion for tradespersons is around 11 per cent, so the training rate in that area is very high indeed. To some extent, that reflects the nature of that occupation. Persons are trained as tradespersons but do not necessarily work in the industry for a long time. There could be a lot of turnover in that industry rather than the training rate reflecting a large increase in that occupation.

The other thing that is quite interesting is how much the system has changed. If we look at some of the figures for intermediate service, clerical workers and intermediate production workers, we can see how the apprentice and traineeship system has expanded to cover occupations that were not traditionally covered. There have been some major changes in that part of the training system.

CHAIR—Dr Karmel, on that table, what do you define as intermediate production?

Dr Karmel—Mark, do you know?

Mr Cully—Essentially, it is the old sort of notion of a semiskilled operative.

CHAIR—So that increase in the figures could be related to the AQF I-II training systems, which you did not have previously. It may not necessarily denote that there has been an increase in the number of people engaged in that area.

Dr Karmel—That is exactly right. There has been an increase in the amount of training in those areas. You can see there are a number of areas where that has happened. Retail and the

hospitality industries would be other examples. You have seen the introduction of formal training into those areas.

I was also going to point you to table 15, which is more or less the same information but cut more finely. We can see that the actual training rates in some occupations are very high indeed. The training rate of automotive tradespersons has increased from 13 per cent to around 15 per cent. That is a very high training rate. That is not an area where there is expanding employment; indeed, in some senses there is probably declining employment because of technological change in the way cars are serviced and so on. There is a fair amount of variation. There are some very high training rates. Many of those high training rates reflect what is happening in the occupation rather than in the training system.

CHAIR—Would those figures be exclusive of plant producers such as Holden and Ford?

Dr Karmel—I think automotive tradespersons are basically car mechanics. I would have to check the agency in detail to be sure of that. I do not think so, no.

Mr Cully—It is limited to people doing an apprenticeship or traineeship which is classified AQF level III, certificate III or above.

CHAIR—They would be people mainly employed in garages.

Mr Cully—I think so.

CHAIR—They are not directly employed in plant producers such as Holden and Ford.

Mr Cully—My point is that they are not assemblers.

CHAIR—Yes, but you would also have tradespersons employed in those automotive plants.

Mr Cully—Yes.

CHAIR—They would be or they would not be?

Dr Karmel—They typically would not be automotive tradespersons. They would be presumably fitters and turners, electrical workers and so on.

CHAIR—Okay.

Dr Karmel—They were the main things I wanted to draw your attention to.

Senator CROSSIN—Dr Karmel, you said that sometimes it is a reflection of what is happening in the occupation rather than what is happening in the training system.

Dr Karmel—Yes.

Senator CROSSIN—Wouldn't changes in the occupation require further training? Isn't the current training system structured to encourage people, and employers for that matter, to get certificate I and certificate II level rather than more advanced training?

Dr Karmel—I do not think the incentive system works in that way. In fact, the increases that we have seen in recent times have been at the higher levels rather than at the lower levels. I think there is a difference between the level of the qualification and the need for ongoing training. For example, if you are a motor mechanic now, you will need ongoing training once you have had your entry level training, merely because the cars keep changing—and typically the manufactures will supply much of that training.

Senator CROSSIN—Where is the evidence to show that the increase has been at the higher levels?

Dr Karmel—We produce statistics on a quarterly basis, and we can provide those to you.

Senator CROSSIN—I thought that the last time I saw those figures there had been an explosion of numbers at the certificate I and II levels rather than, say, at certificate IV or diploma level.

Dr Karmel—My recollection is that the recent figures showed an increase in the higher level ones. I can certainly look at that, if you wish me to.

Senator CROSSIN—Thank you. To what degree of accuracy is one able to predict a skills shortage, given that your tables show us—and we know as a fact—that at any point in time there might be a whole lot of, say, people qualified in the trades area out there who are not employed? They might be choosing not to exercise those skills. You might have a database of the number of people who are trained or skilled in that particular area, but how does that translate into knowing whether or not there is a skills shortage? Is there always a fair degree of inaccuracy in that sort of prediction?

Dr Karmel—That is exactly right. The notion of a skills shortage is really in terms of a particular situation where there are sufficient people who are willing to work under the wages and conditions that employers are offering them at that time. There are many trades where you will have many people with the qualifications who no longer work in those trades. Sometimes it is because working conditions or wages do not attract them. In some cases it would be a time of life. Some occupations are more suitable for younger people than for older people. But you are quite right. It is very difficult to actually predict a skills shortage because there are so many factors that come into play.

Senator CROSSIN—What is the predominant indicator when a statement is made?

Dr Karmel—The indicators that one tends to look at for skills shortages are job vacancy rates and also what is happening to wages.

Senator CROSSIN—What do you mean?

Dr Karmel—If wages go up very rapidly, for example, that is indicative of a shortage. Looking at the IT situation with the Y2K boom, there would have been some programmers making very handsome money, but once the boom is over then the wages tend to go down.

Mr Cully—They can also be very geographically specific. I can give an example from some interviewing I was doing recently. Holden put on a third shift in Adelaide and all of a sudden toolmakers were in very scarce supply in Adelaide. Holden were paying very generous rates and attracting all of those people, and the other companies were not able to. I dare say there are a lot of toolmakers in Melbourne, Sydney and Brisbane who could have relocated to Adelaide, but one never knows how long the shortage of toolmakers will last for.

CHAIR—The reality is that there is a general shortage of toolmakers; it is not just confined to Adelaide and General Motors Holden's third shift. All over the country there is a general shortage. We have got companies in New South Wales setting up shelf companies in order to train toolmakers because they cannot get them out of the system. I think those figures in table 13 with respect to mechanical fabrication and engineering trade persons are quite indicative of the fact that there has been a significant decline in that area and that there are real skills shortages in that area. Some would argue that that is where the only real skill shortages are, in that metal trades area and in manufacturing—that the rest are very much what you say, a cyclical thing which people will catch up with. But in those areas shortages are real, and those figures tend to be indicative of that. That is also because there has been structural change in the industry. The other thing concerns that table that you show at the front about the shift to services in those areas. There has been a shift of what have been traditional manufacturing jobs into the services sector, now defined as services rather than manufacturing or metal tradespeople. That is an unidentifiable group at the moment that you cannot put a figure on.

Dr Karmel—Yes. And even with manufacturing, even if it is declining over all, that is not to say that there are not some parts that are growing quite quickly.

CHAIR—That is right, but in terms of the metal tradespeople, they would actually be at that higher level you are talking about, so some of those people with growth at the higher level may be a step above tradesman level essentially, particularly in the services area.

Senator TIERNEY—There is a fascinating statistic relating to a rise of two per cent in the cognitive requirements of most jobs. Over what time period is that measured and how on earth do you measure that?

Mr Cully—I had better answer that, since I am responsible for that statistic. It must be quoted in the submission, if you have pulled it out. It is a rather elaborate exercise. The United States has a system that classifies occupations by going through a job evaluation exercise to measure the amount of technical skills needed to conduct a particular job, the amount of people relational skills and the amount of problem-solving or cognitive skills. I borrowed some work from a fellow called Nick Pappas—I do not know whether he has appeared before you—who is, or was a couple of years ago, based at Victoria University of Technology. I have taken some work that he has done, which used this US data, matched it onto Australian occupational data and added it all up. The net effect was that there was a two per cent rise in the cognitive skill measure. That is an average which reflects the fact that there has been a very large rise in professional jobs, which do require a great deal of cognitive skill, and a very substantial rise in lower level service jobs,

which by and large tend not to; and that what you might call a ‘hollowing out’ in the middle of the occupational distribution is in the traditional trades area but also in the advanced clerical and service areas.

Senator TIERNEY—You have applied his methodology to the Australian work force?

Mr Cully—That is right. A report that the NCVR have published—which is referenced in here—called *Pathways to knowledge work*, goes through that in some detail.

Senator TIERNEY—Over what period is that two per cent?

Mr Cully—It is 1986 to 2001.

Senator TIERNEY—The *Pathways* paper notes that there has been a fair level of skill wastage, particularly amongst women. Could you elaborate on that a little further? What does that mean and why is it particularly women? What factors are occurring there?

Mr Cully—If I have used the term ‘skills wastage’, I will explain what I meant in that particular paper. I was looking at the extent to which people who had acquired vocational qualifications were able to work in what, for want of a better term, one might call a knowledge job. I found that particularly women with basic vocational qualifications spent most of their lives not working in a knowledge job. That was also somewhat the case for women with higher level vocational qualifications. Most people who had the higher level of vocational qualifications—which I guess is something akin to a traditional apprenticeship—ended up in these ‘knowledge jobs’, which again were defined by the occupational classification.

Senator TIERNEY—In this series of hearings, we have discovered a fair bit of controversy around the country relating to competency based training. There are claims that it is atomistic—that it is not providing, I suppose, long-term skills in a rapidly changing economy where people might have to change jobs five or six times during a lifetime. Would you like to comment on competency based training and compare the focus on it over the last 15 to 20 years to that of more generic skills, which might be more long lasting in terms of job changes through a lifetime career?

Dr Karmel—This is a pretty difficult thing to comment on. Obviously with the training packages over the last five or so years the emphasis has been on training people with skills that are directly required by industry, and those skills are being labelled competencies. We have found a very large degree of interest in this whole area of generic skills. We are doing some work on that at the moment, and we will be running some public forums later in the year.

There is no argument that generic skills are important. There seems to be a view that they are perhaps becoming more important rather than less important. There may be arguments about how you actually teach those, whether you can teach generic skills separately from the other sorts of skills, and the extent to which you really should try to embed those generic skills in the way that people learn the other competencies. I think it is really just a matter of degree. I do not think there is any debate about how important generic skills are. There is debate about the extent to which some of the competencies address those generic skills, but from my perspective

sometimes the debate is a little metaphysical. These things are really very difficult to separate out, and often they are arguments about language rather than anything else.

CHAIR—There is also debate about who should provide that training for those generic skills.

Dr Karmel—Yes, and the issues about the extent to which you can learn those through your education, how much you need to learn those on the job and the extent to which some generic skills cannot be learnt out of context.

Senator TIERNEY—Do you have a general view on it? Do you come down in any particular way in that debate?

Dr Karmel—I guess this is a personal view, but I certainly have the view that the generic skills are really important and that, because all jobs are changing so quickly, in any sort of occupation if you have the skills you must have the understanding behind those skills to be able to adjust as the occupations adjust. That is my view.

Senator TIERNEY—There was a comment earlier in the forum where someone was asked to comment on the way in which we approach vocational education in schools. The broad thrust of the comment was, ‘How do we know what people are going to be doing in five, 10 or 20 years time?’

Dr Karmel—That emphasises some of the basic educational values that you need to learn any individual competency.

Senator TIERNEY—I suppose one of the most disturbing things we have found going around the country concerns where the generic skills are tending to fall down. It varies across the states as to what you call different years, but it is at the years 7, 8 and 9 sort of level, the junior secondary level. In terms of moving people into trades with a sufficient level of generic competencies, in a number of states the evidence is that the real problem is probably at that point. Has any of your work gone back to that level? I know you are at the vocational training level, but it seems to be a precursor to what you are dealing with.

Dr Karmel—Certainly most of the work that we have done is really on the training that happens in the post-compulsory years. I am aware of the sorts of things you are saying.

Senator TIERNEY—It kicks on to create a problem for you at the post-compulsory years, doesn't it, particularly in a lot of trades that might need a mathematics base? And all trades need a good English base. It gets back to the basic questions on literacy and numeracy levels, which then go right back into the school system.

Dr Karmel—I do not really have anything to say on that; it is outside my area of expertise.

Senator TIERNEY—Okay. It is one thing we are grappling with. We do have the schools people with us tomorrow, so I will put that to them.

Senator ALLISON—Something I think is fascinating is your table A3, which shows the number of apprentices and trainees in training between 1995 and 2002. Firstly, what does two-digit ASCO level mean?

Dr Karmel—ASCO is the occupational classification used by the Bureau of Statistics. The two-digit level is obviously finer than the one-digit level. Basically the two digits lists out all the occupations here, and I think there are 50 or 60 of the two-digit ones.

Senator ALLISON—So it just relates to the occupational list.

Dr Karmel—Yes.

Senator ALLISON—There are some areas where even as recently as 1995 there were no apprentices. In fact, there are a lot of areas. Some have grown enormously. Intermediate sales and related workers go from 793 trainees in 1995 to 41,000 in 2002. What can we read into those changes? Are we training salespeople when we do not need to, or did they receive their training in a different way in 1995?

Dr Karmel—That is an interesting comment. We have seen the introduction of formalised training into the retail industry. That has been a product of government policy. It depends on whether you thought that individuals were getting sufficient training informally before the more formal qualifications were introduced. I think there was the view around—it probably still is—that in some of those service sector occupations the level of service was not very good.

Senator ALLISON—So where do we go in assessing that, apart from looking at the numbers and the general policy thrust? How do you determine whether spending money on these kinds of programs is delivering on anything useful?

Dr Karmel—That is a pretty tricky question. Really, the only way that you could make a firm judgment about that is to ask consumers whether they think they are getting better service from salespeople than they used to.

Senator ALLISON—Is anybody doing that? They still talk on the phone while you are in the shop, as far as I can see.

Dr Karmel—You should ask those people whether they have done one of these certificates.

Senator CROSSIN—What about the McDonald's in-house training? Wouldn't these numbers also reflect—

Dr Karmel—You are right: those numbers would be reflected in these figures. That would be one of the hospitality ones.

Mr Cully—Perhaps over the page, the elementary sales workers.

Senator ALLISON—I refer to 51: secretaries and personal assistants. We had nobody on apprenticeships in 1995 but by 2002-03 some 840 were. Secretaries and personal assistants do

not walk into jobs untrained. In fact, we used to get a lot of them and they used to get training in a range of different ways.

Dr Karmel—That reflects the change in the nature of the training system. Typically, a secretary or a personal assistant would have gone to TAFE and got a qualification. The difference with the traineeships is that they are an employment contract. These are people who are already in a job.

Senator ALLISON—Which is interesting, because we are also told that a whole lot of professions are moving out of on-the-job training, like nurses who are now trained principally in universities before doing their work on the job. It would be fascinating to extend this table to some sort of written analysis of what is going on in those industries. Is anyone doing that work?

Dr Karmel—I am not aware of anything in particular. The relationship between training and the work force seems to change all the time. For example, in the medical profession certainly both doctors and nurses are trained at university but there is a long period of training on the job before people are fully fledged doctors or nurses.

Senator ALLISON—Where do nurses fit into the scheme of things? Are they in the health professionals category or health and welfare associated professionals?

Dr Karmel—They would be health professionals but I do not think there would be very many apprentices or trainees.

Senator ALLISON—There were 1,250 in 2002 and none in 1995, which suggests something other than—

Dr Karmel—These are health professionals, yes. I do not know too much about that figure; we would have to scratch beneath the surface to find out exactly what they are doing. I do not think they would be nurses.

Senator ALLISON—It is hard to imagine who else they are if they are not training in—

Senator CROSSIN—They are not health workers, are they? They are certainly not Aboriginal health workers, because they are not apprentices or trainees.

Dr Karmel—I would be happy to find out some further information on that figure if you are interested.

Mr Cully—They could be allied health workers.

Dr Karmel—That is right.

Senator CROSSIN—But I notice that since 1997-98 you have not used the terminology 'new apprentices'. That terminology has changed. The federal government is now collecting figures under a different label from what it was in 1995.

Dr Karmel—The federal government has a program called New Apprenticeships, which pays a range of incentives. In the statistics here we use a more generic term because the names of programs change and programs change over the years. We collect figures on apprentices and trainees, whom the New Apprenticeships program covers at the moment.

Senator ALLISON—So the New Apprenticeships, or whatever you call them, are all included?

Dr Karmel—Yes, they are in these figures. That is why you see some of these major shifts, because they have been a product of changes in policy.

CHAIR—It could also be argued that some of these major shifts—and I do not know how far you dig behind the figures—are attributable to the fact that some of these systems are being used as wage subsidies. A lot of employers put a lot of their staff onto traineeships or New Apprenticeships simply to—

Dr Karmel—And then the question about whether the program has worked is whether they are getting good training out of that training program.

CHAIR—Or whether it is just simply being used as a wage subsidy. There have been examples of some companies putting the whole of their staff on as trainees.

Senator ALLISON—Cleaners would have to be in that category. In 1995, there are only seven apprenticeships in cleaners' jobs and there were almost 7,000 in 2002.

Dr Karmel—Clearly, they are not going to be high-level qualifications. They will be AQF certificates I or II.

Senator ALLISON—Could I ask a question, since we are in the Northern Territory, about whether you have done breakdowns for Indigenous workers? Have you any data on that for the committee?

Mr Cully—We do, and we publish them. If you wanted a breakdown, we can customise a table in whatever way you would like it customised. There are roughly 60,000 Indigenous people who are currently doing an apprenticeship or traineeship.

Senator ALLISON—That would be useful to the committee.

Senator CROSSIN—They are not all in the Northern Territory, though, are they?

Mr Cully—No, they are not all in the Northern Territory.

Senator CROSSIN—So you can break it down by state and territory and Indigenous?

Mr Cully—Yes, and by occupation—there are several ways in which we can cut the data to produce tables for you.

Senator ALLISON—Is there also further information about the length of those apprenticeships and the funding which they attract? Do you have tables of that?

Mr Cully—We can certainly provide data on the expected duration of the training because that is part of the employment contract. We can provide data on the AQF level—that is easy. In terms of the incentive that they attract, I think you are better off asking DEST for that information. We have the numbers but we do not have the incentive data.

CHAIR—That would be easy for us to link, anyway.

Mr Cully—This is a very large database. The issue is: how do you want it cut? Obviously, we can produce tables a foot high, but that is probably not much use.

Senator BARNETT—The database in the submission is very comprehensive and we appreciate all that background information because it helps us. Has any benchmarking been done, vis-a-vis overseas countries, about how we rate in Australia in terms of comparable countries, like those in the OECD?

Dr Karmel—In education there are certainly indicators that do compare Australia with the OECD countries. The difficulty with those indicators is that every country is really quite different in terms of its training system, so it is particularly difficult to compare, say, our apprentice and traineeship system with those overseas. You can get some crude numbers but that does not really help you a great deal. For that reason, we are engaged in a project at the moment where we hope to do some detailed work in this area to really take into account the economic and social context of the countries, in order to make some sensible comparisons.

Senator BARNETT—So what are you doing at the moment?

Dr Karmel—At the moment we are doing a seven countries study of the trainee systems, which will cover not all of the OECD countries but some of the major ones. Ones that we are particularly interested in would be the United Kingdom and Germany. New Zealand is interesting and we will also look at North America—the US and Canada. Singapore and Japan are interesting ones to us, as well.

Senator BARNETT—You mentioned New Zealand?

Dr Karmel—Yes.

Senator BARNETT—When will that be available?

Dr Karmel—It will be later this year. It is not something that we are just about to finish.

Senator BARNETT—Do you have any feelings as to the outcome of such a study and how we will shape up?

Dr Karmel—I think the feeling is that Australia will shape up pretty well.

Senator BARNETT—We are in the Northern Territory and I come from Tasmania, and it is not dissimilar in terms of microbusiness and small business and providing the training for employees in those businesses. Are there any golden bullets—particular solutions—as to how to get to those people? They often miss out. It is big business that seems to benefit from the programs that are designed by government.

Dr Karmel—It is certainly the case with training in general that the larger businesses use it more than the small businesses. How to get into the small businesses seems to be a long-term problem. Obviously an apprenticeship system—the group training system—must have helped a fair bit to widen the scope. But it is a long-term problem.

Senator BARNETT—Are there suggestions you can make in terms of how we can address the problem to try and make it easier for small business and microbusiness to access the training?

Dr Karmel—The research we have done tends to suggest that for small businesses you really need to have a training system that is very flexible and tailors courses for those small businesses. One of the problems with small businesses is that they are not able to take much time off from work to get the training.

Senator BARNETT—But that means on-the-job training, doesn't it?

Dr Karmel—It means on-the-job training and it means training in respect of things that the business has to do. For example, we are about to publish or have just published a paper that looks at how the GST implementation was used for training small businesses. That is the sort of example I mean: if you have something very concrete and you can provide something that helps them implement a system, then you can get the training across to them.

Senator BARNETT—In terms of far-flung places, are we improving our method of getting this training to some of these rural and regional communities?

Dr Karmel—The TAFE system is actually very widespread; certainly more so than the higher education sector. It has a very large footprint. That is not to say that the TAFEs provide everything in every place—clearly they do not. The online learning is helping to some extent, but from what we have seen it is not a complete substitute.

Senator BARNETT—What has the uptake been like with online learning?

Dr Karmel—It is very difficult to figure that out because, in general, online learning is given in a mixed mode—that is one of the strategies used—so it is hard to give you definite figures on that. One thing we have learned about the online learning is that the students still like contact with their teachers. Sometimes that can be done online if the technology is sophisticated enough, but I think it is usually seen as a complement rather than as a complete substitute.

Senator BARNETT—My last question is in regard to TAFE and the different states and territories around the country. Have you done any analysis of what state laws apply to them quarantining certain training regimes—for example, for the agricultural sector? As they need economies of scale to be able to provide the training, have you done any analysis of what areas

are quarantined in different states by the state governments to allow TAFE to provide that training? Has that analysis been done?

Dr Karmel—Are you talking about quarantining from user choice?

Senator BARNETT—Yes. It is a concern that was certainly expressed in Tasmania by Northern Group Training.

Dr Karmel—I am not aware of any work we have done in that area. I will check for you, but I am not aware of anything.

Senator BARNETT—Do you have a view in regard to the appropriateness of quarantining?

Dr Karmel—I think it is difficult. We do not have a free market in the training market, and some things are rather more expensive to train in than others. I can see that in some cases you do need economies of scale in order to be able to deliver it; otherwise it becomes uneconomic for the provider.

Senator BARNETT—On the other hand, they become cumbersome and little bit top-heavy and do not meet the needs of the people. That is when you do not have the competition.

Dr Karmel—Yes. That is the tension.

CHAIR—Dr Karmel, has there been any analysis of the impact of either the carrot or the stick approach in training? Have you looked at the two approaches and at whether or not one is more effective in achieving real outcomes?

Dr Karmel—A fair amount of work has been done. There was an evaluation of the training guarantee, which I guess was the stick. We did not do that, but the Commonwealth did. You could chase that up with them.

CHAIR—I am also wondering whether there has been any empirical evidence internationally in these areas.

Dr Karmel—I am not aware of any offhand, but I could check for you. We have done some work on the effect of incentives on the apprenticeship system. We did that for DEST. I could check with them whether they would be happy for us to give that to you. Alternatively, you might like to ask them for that.

CHAIR—Could you do that, and we will do the other?

Dr Karmel—Yes.

Mr Cully—Picking up Tom's earlier comment about international methods, it is interesting to look at what other countries do and the need for context. France and Germany are very interesting contrasts. They border one another. As you probably know, France has a levy system which I think is regarded by most observers as being largely dysfunctional. The German system, which has incredibly high rates of apprenticeship, is largely unregulated by statute; it is regulated

by collective bargaining. It has the curious feature—which we probably would not want to encourage—that apprentice wages are about a third of the rate of an adult tradesperson.

Senator ALLISON—Do they have guaranteed employment?

Mr Cully—No.

CHAIR—They also have a long history of involvement in that engineering discipline.

Mr Cully—That is right.

Dr Karmel—My understanding with the dual sector is that there are a large number of retail apprentices—which I think is a three-year apprenticeship; it is a very long period of training—but many of those people do not end up in the retail industry. It seems to have a large element of general training as well as specific training.

CHAIR—To what extent do employers generally make a contribution to that training agenda?

Mr Cully—In Germany?

CHAIR—In the broad, yes. You say they have a levy system in France. How do employers contribute to the training agenda in Germany?

Mr Cully—From the way in which it is written about, it is believed that most employers—notwithstanding the fact that they have very low apprentice wages—lose money over the lifetime of an apprenticeship, looking at the net effect of the wages they pay out relative to the amount of product that the apprentice generates. Of the order of 40 per cent of employers generally participate, but they tend to be the medium to large employers. So they have the same issues in Germany relating to participation by small and micro businesses.

CHAIR—But the structure of their industry is better. They support more large firms with a capacity to train.

Dr Karmel—Yes. It is a social convention.

CHAIR—I think it is very much a cultural thing as far as they are concerned. Have you looked at the impact of both short-term and long-term incentives?

Dr Karmel—We are certainly aware of the apprenticeship incentives and what we have done there. I cannot recall anything else. Do you have something in mind?

CHAIR—The argument at the moment goes that the amount of incentive for short-term training and traineeships et cetera compared to the incentive for apprenticeship training is skewing the system in favour of short-termism rather than longer-term training arrangements. Therefore, the focus is on traineeships, because you can push two, three or maybe four trainees through in virtually the same time as one apprentice. Overall, the relative outcome at the end of the day is greater, despite the fact that it is half of what you get for an apprentice. I think it is roughly \$4,000 for an apprentice at the moment.

Dr Karmel—I have to go back to our figures, but I do not think there is any reason to believe that there has been a substitution between the longer term and short term. The whole system has expanded quite remarkably, and I think I would be right in saying that the longer term training, whether they are called apprenticeships or not, has been expanding but probably not the same rate.

CHAIR—There seems to be a skewing between the traditional apprentice—the three- or four-year period—

Dr Karmel—What I am saying is that I do not think that it has been at the expense of the traditional apprentices. The growth has been in this other part, but not really at the expense of them. The system has expanded but one part has expanded faster than the other.

CHAIR—But in some of these figures you show that there has been a decline in some of the traditional apprenticeship areas.

Dr Karmel—There might be in a couple of the examples but, generally, I do not think that is the case.

CHAIR—Certainly in metals, engineering, fabrication—

Dr Karmel—That is the one, but many of the others have been expanding.

CHAIR—Yes, on those figures, but there seems to be some dispute about some of the figures in terms of their veracity. Have you undertaken any research on the length of time it takes to complete a traditional trade now, since the introduction of training packages and competency based training? Has there been a reduction overall in the time frame?

Dr Karmel—I will have to take that one on notice; I think we may have done a little bit on that, but I cannot answer that off the top of my head.

Mr Cully—I think, by definition, there probably has, because the system now allows the flexibility for apprenticeships to be completed in a shorter time than the traditional four years. So, almost by definition, there are now traditional apprenticeships which are being completed earlier than the traditional four-year period.

CHAIR—We have had some evidence given to us that some employers are still maintaining the four-year time frame, irrespective of the competency based component of the training agenda. It would be interesting if you have any figures on that.

Dr Karmel—A further complexity is that there are now some part-time apprentices who do tend to take a very long time.

CHAIR—Exactly. Can I come back to the point you make in your paper on the issue of the mix of occupational skills and employability skills. There seems to be a confusing of the terminology. We talk about it in terms of more generic or core skills, and there have been some concerns in recent times that, in terms of the apprenticeship system, while there is the move to New Apprenticeships—or essentially it is being driven by the move to New Apprenticeships or

traineeships—many employers are engaging in industry or company specific training, and the core skills or the generic skills of the trade are not being provided.

As a consequence, instead of tradespeople coming out at the end of the day, we are getting semiskilled workers. To use an example: a person will be trained as a General Motors Holden fitter as opposed to a Ford fitter, whereas in the past we had a fitter who would have had the generic or core skills to be able to perform the work in the variety of companies available to them. That is a different issue to the employability skills that we are talking about—the use of information technology and the ability to work in teams et cetera.

Has there been any research done in that area? Is there any evidence of that? It seems to be a very strong message that comes through in some areas. We have had arguments put to us that in the housing construction industry they were seeking to break down the bricklaying trade into separate components. They think they should have a trade now to cover people who lay pavers in your driveway, as opposed to that being a bricklayer's job. They are looking to semiskill the trade down. The concern there is that that tends to be a total reversal of what the whole competency based training agenda was about, which was opening up the breadth and range of skills and having much more highly skilled people out there. I wonder what research has been done in that area, if any, or whether you plan to do any research in that area.

Dr Karmel—Nothing comes to mind, but I will take that on notice. We have a very large research database, and I will get our people to query that. You would have thought that the whole idea of the training packages would be to provide things for the industry rather than for individual manufacturers, but you are saying that the interpretation has gone in that particular way.

CHAIR—I think it is a combination of the training packages and the modular training framework. Some employers are picking the eyes out of the modules to simply suit them. So they are getting their tradesperson or their skilled person without having to go through the full 40 modules. The underlying purpose of my comment is to say that if there is an incentive it ought to be payable only if they have done the full 40 modules and have qualified in that period. That is essentially my concern.

Dr Karmel—I will get our people to have a look at that. As I said, we have a very large research database which we will have a look at. We also have a huge amount of data, down to the actual courses and modules that people have done, so it might be possible to do a piece of analysis which would go some way to answering your question.

CHAIR—It would be interesting, if there is data in that area, to make that comparison. I think that concludes the questions. Thank you, Dr Karmel and Mr Cully.

Committee adjourned at 5.37 p.m.