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# Official Committee Hansard

## SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
REFERENCES COMMITTEE

**Reference: Current and future skills needs**

THURSDAY, 12 JUNE 2003

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**SENATE**  
**EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION**  
**REFERENCES COMMITTEE**

**Thursday, 12 June 2003**

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

**Substitute members:** Senator Allison for Senator Stott Despoja

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

**Senators in attendance:** Senators Barnett, George Campbell and Buckland

**Terms of reference for the inquiry:**

To inquire into and report on:

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

**WITNESSES**

**CLARE, Ms Elizabeth Jean, Executive Manager Corporate Development, Masonic Homes Inc..... 1101**

**CLARK, Ms Anne, President, Association of Child Care Centres..... 1101**

**D’ASSUMPCAO, Mr Marcus Eugenio, Manager, Research and Planning, Construction Industry Training Board ..... 1072**

**DILLON, Mr Warrick Arthur, Manager, Corporate Services, Community Accommodation and Respite Agency Incorporated (CARA)..... 1101**

**FLETCHER, Ms Pamela June, National Executive Committee Member, South Australian Division, Australian Association of Career Counsellors Inc. .... 1086**

**HARNETT, Ms Teresa, Chairperson, OSHC (SA) Association ..... 1101**

**HARRISON, Mr Craig, ACROD National Committee for Employment and Training Committee Ltd ..... 1101**

**JEREMIC, Ms Sally Joan, Senior Policy Adviser, Office of Vocational Education and Training, Department of Further Education, Employment, Science and Technology, South Australia ..... 1054**

**LAWSON, Ms Diane Patricia, Chief Executive Officer, National Industry Training Advisory Board, Community Services and Health Training Australia..... 1101**

**LEESON, Mrs Judith Esther, National President, Australian Association of Career Counsellors Inc. .... 1086**

**McKAY, Mr Richard Joseph, Presiding Member, Construction Industry Training Board..... 1072**

**O’CONNOR, Mr John Matthew, Acting Chief Executive Officer, Construction Industry Training Board..... 1072**

**POLOMKA, Ms Linda Ann, Member, Australian Association of Career Counsellors Inc..... 1086**

**STOKES-THOMPSON, Mr Frederick, Member (Fellow), Australian Association of Career Counsellors Inc. .... 1086**

**WHARLDALL, Ms Denice, Chief Executive Officer, Leveda Inc, and Chairperson, ANGOSA..... 1101**

**WOOD, Dr Geoffrey Walter, Executive Director, Office of Vocational Education and Training, Department of Further Education, Employment, Science and Technology, South Australia ..... 1054**



**Committee met at 9.05 a.m.**

**CHAIR**—I declare open this public hearing of the Senate Employment, Workplace Relations and Education References Committee. 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 which are 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, and yet many employers claim to have difficulty in recruiting appropriately skilled people.

At the same time, there are many training 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 the 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.

[9.07 a.m.]

**JEREMIC, Ms Sally Joan, Senior Policy Adviser, Office of Vocational Education and Training, Department of Further Education, Employment, Science and Technology, South Australia**

**WOOD, Dr Geoffrey Walter, Executive Director, Office of Vocational Education and Training, Department of Further Education, Employment, Science and Technology, South Australia**

**CHAIR**—Welcome. The committee prefers all evidence to be given in public, although the committee will also consider any request for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate.

The committee has before it a copy of the report of the South Australian skills inquiry, *Skills South Australia*. We are pleased to have this opportunity to hear from those closely associated with the inquiry. The committee is aware that the South Australian government is some way off making an official response to the recommendations of the report. The committee understands that officers may have some constraints on them in that regard, but its main interest is in discussing with you the nature of some of the evidence reported and, in general terms, the broad scope of policy implications that may involve a Commonwealth response. We are also interested in South Australian government views on current policies relating to national training system arrangements, as well as about skills issues specific to South Australia. I now invite you to make a brief opening statement. Dr Wood.

**Dr Wood**—Thank you, Chair. I propose to speak briefly about the genesis of the inquiry and then ask Sally Jeremic, who was executive officer to the inquiry, to talk about how the inquiry was carried out. I will then go on to briefly outline the findings of the inquiry.

The inquiry arose from concerns of our minister and the South Australian government about the state of the skills system in South Australia: were we doing things right, and were we doing the right things? Accordingly, they instituted an inquiry to be conducted, with the principal consultant being Ms Kaye Schofield. The terms of reference of the inquiry, if I may paraphrase those, were to examine the nature, the extent and the pattern of skill needs and shortages in South Australia; to consider how there might be better integration of skills formation with industry, economic and social development policies and programs; to assess the capacity of existing education and training systems; to examine the respective contributions of enterprises, individuals and the government to the costs of training; to recommend ways in which the state's education and skills base can be used to attract new industries; and to recommend strategies for ensuring that those who are disadvantaged have access to the economic and social benefits of skill development. With that background, I ask Sally to talk about how the inquiry proceeded.

**Ms Jeremic**—The inquiry began in November 2002, led by a high-level committee which was representative of employers, unions, the Economic Development Board, the social inclusion unit and the government. It was chaired by the Minister for Employment, Training and Further Education, the Hon. Dr Jane Lomax-Smith. The committee was cognisant of the broader

economic and social context in which the inquiry was to operate. The profound economic and social changes arising from the issues affecting not just South Australia but the nation and, indeed, most advanced developed nations—globalisation, technological change, international capital flows, the ageing of the population, changing community expectations and rising aspirations—formed the general context.

The South Australian economy has changed over time. We have seen a rise in the importance of services and value-added manufacturing, and there was a view that innovation was increasingly becoming more central to our economic competitiveness in this state. Occupations were changing in line with those changes. There were changing employment patterns too. In South Australia we have had a very high level of casualisation. Some 30 per cent of our work force is casualised or part time, and the growth in employment has been largely in that area rather than in full-time employment. We have had growth in outsourcing, labour hire and subcontracting, and more people working longer hours or shorter hours in increasingly insecure employment.

The view was that skill and the deployment of skill are integrally linked, but that our current systems may need examination to see whether there was a fit. So the inquiry was aware of those issues and of a number of related activities and reviews in this state. I will briefly outline those for the record because they place a particular context around the activities of the skills inquiry. The recently appointed Economic Development Board had produced a draft economic plan for the state. That plan encouraged the government to respond very vigorously to the issues and recommendations of the *Skills for the future* inquiry on the basis that sustained economic development needed to be supported by a very sound skills base. The minister had recently established a higher education council to advise on the development of higher education. A social inclusion board had recently been charged with action on high priority issues that impact on community wellbeing—these are school retention, drugs and homelessness. The report of the review of TAFE governance undertaken by Peter Kirby was handed down in December 2002. It looked at changes in TAFE governance to strengthen that area. There was a concurrent review of state employment programs, internal departmental examinations of apprenticeship and traineeship training policy options, and new legislation in passage—the Training and Skills Development Bill—to establish a training and skills commission to advise the minister on skills formation and to regulate training.

That was the context in which the high-level committee undertook its work. The inquiry consulted widely to establish its area of focus during November and December. It commissioned specialist working papers—a number of those were internal to the department, but four were externally commissioned papers. These are available on our web site. A discussion paper was prepared as the basis for consultation. It was widely mailed out and was used as the basis for roundtable discussions with targeted groups of employers, employee representatives, TAFE and private training organisations and sectoral cluster groups in both metropolitan Adelaide and regional areas. Over 50 written comments were received even though we did not formally call for submissions. We also sought specialist advice on proposals for strengthening the role of the community sector and non-formal education in skills formation, particularly for the most disadvantaged.

**CHAIR**—Ms Jeremic, you said earlier that the minister chaired the inquiry. If she chaired the committee, who did the committee report to? Was a report prepared for the minister and the department or for the Economic Development Board?

**Dr Wood**—I think it is fair to say that it was prepared for the government. What the minister chaired was a reference group, a steering committee. It did not operate in the same way as this Senate committee, for instance.

**CHAIR**—The recommendations of the committee would have gone straight to the government?

**Dr Wood**—They have gone to the government and are being considered by the government at this time. I would like to go on to outline briefly the findings of the inquiry. I do not propose to deal with them all—only the more policy related ones. First of all, the finding was that the training system in South Australia is not in a crisis situation. The training system is functioning reasonably and the quality of its outcomes is good. Its efficiency is good in that unit costs are low, and the targeting of training to need is reasonable, although that is always a moving target. Having said that, there was also a finding that there are skill imbalances yet those are not generally a training problem. There are all sorts of other factors which cause skill shortages. For example, our minister has a medical background and often likes to comment on the fact that there are thousands of people in the community who are nurses, they have been trained as nurses, but they are in other occupations. That reflects things about the conditions and wages. For some reason they are choosing not to operate as nurses.

Another example which is important to us in South Australia at the moment is the training of shearers. The government has spent some years with a program which every year trains a number of shearers yet there is a perpetual shortage of shearers. Evidently our training rate is about equal to the wastage rate. There are two things you can do about that. One is that you can increase the number of people being trained or, two, you can reduce the wastage rate. It is not entirely a training problem.

There are some systemic shortages emerging. Particular attention, as you would know, was drawn to the manufacturing industry. The inquiry recommended that we move from our traditional concentration on training to a broader concept of work force development which involves simultaneously raising the skills of the individual and changing the organisation of the workplace into what, in the jargon of these days, is a ‘high-performing workplace’ involving people being multiskilled, taking initiative, having greater discretion and so on. There are lots of characteristics required by the new economy and high competition. To assist that along, the inquiry has recommended that a work force development fund be established which will assist in the development of those high-performing workplaces. The inquiry has made the point that the government’s input should be accompanied by an input from industry itself.

There is a suggestion that we move to higher-order skills. In the early 1990s in South Australia we had a very important report called the A.D. Little report, which recommended a similar move, that is, that we move to greater development of skills at what, in the Australian qualifications framework, is called AQF5 and AQF6—this is a sort of technician level—if we are going to be a high-wage, high-performing and high-skilled work force. The Schofield recommendation is entirely consistent with that.

At the same time, there is a wish to help the disadvantaged. One of the ways in which it is suggested that can be done is through more literacy and numeracy training. The suggested program name is 'New Times, New Skills', and the underpinning idea is that having good literacy and numeracy and a grasp of those key employability skills needed in any workplace is essential to being employed at all in a modern economy. How we are going to do that raises questions about issues of funding. The inquiry recommended that there be multiple transition pathways for young people from school into work and, with respect to the funding matter, it suggested we explore more industry development funds with a contribution from industry and drew attention to the levy idea, which has operated successfully in the building industry in Australia as well as in other jurisdictions. Lastly, it recommended that the formal VET system be brought closer to the adult and community education system and that the methodology that is used in the ACE sector be used more freely in the VET system. There are some other recommendations, but they are essentially managerial and I will not talk about those here.

**CHAIR**—Dr Wood, I would like to ask you a couple of questions about the findings and recommendations, and I will preface them by saying that I have not read all of the assumptions behind some of the recommendations so I may be working from a perception that is wrong, but I would like to go through them quickly with you. In the findings, you say:

The proportion of the South Australian labour force with post-school qualifications remains lower than the national average and is the second lowest in Australia, after Tasmania.

What are the reasons behind this?

**Dr Wood**—In South Australia the proportion of skilled people as measured by qualifications has been below that of the rest of Australia for some years. South Australia has raised that level but everybody else has raised theirs as well, so the relative position of South Australia remains behind. The amount of skill development in South Australia remains reasonable, but the fact is that people are leaving the state. I cannot back this with facts, but it is possible that a higher proportion of skilled people are migrating out of South Australia as opposed to unskilled people, which keeps us in the lower skilled area. There are also issues about the higher levels of qualifications—university degrees and so on—as opposed to the AQF1 and AQF2 levels. There are variations between the levels, but I have not got the figures in front of me about what those proportions are.

**CHAIR**—Is it also attributable to the fact that your industry was fairly narrow in terms of essentially unprocessed manufacturing over the past two decades and the fact that there has been a significant shift in that area?

**Dr Wood**—South Australia does have a lower proportion than some states of things like business and finance, particularly the higher levels of finance, and they tend to be knowledge industries with a higher proportion of people working in them. With all these sorts of things there is always a chicken and egg problem—which is causing which?

**CHAIR**—In the findings, you go on to say:

In 2001, the State Government's contribution to VET funding in South Australia was the lowest in Australia per head of population ... and second lowest only to Victoria per annual curriculum hour.

Why was that allowed to fall off?

**Dr Wood**—I cannot comment on that. It is a matter of government policy.

**CHAIR**—In the findings it says:

... the 'one size fits all' model which has dominated the VET sector in particular for the past decade constrains rather than facilitates innovation.

What do you mean by the 'one size fits all' model?

**Dr Wood**—I will ask Sally to expand on that.

**Ms Jeremic**—I would suggest that the reviewer in her report was suggesting that the accountability requirements, a certain top-down view of arrangements, has constrained local level innovation in terms of curriculum requirements and perhaps the implementation of those at a local level. Funding arrangements and reporting have required or encouraged certain ways of arranging delivery in programs. I understand that that is the implication of the term 'one size does not fit all'.

**CHAIR**—So it is a question of a lack of flexibility in the system?

**Ms Jeremic**—There were perceptions of that conveyed to the inquiry.

**Dr Wood**—I sit on national bodies like the National Training Quality Council and there are some very good things about having developed a national system, but there are costs as well, which tend not to be acknowledged. There are regional variations and I have personally had the experience of having to say to an industry group in South Australia who came wanting a course in the horticulture area which suited their particular needs that we cannot do that because it does not fit within the national model that is set down for that area. There is another problem, which is that the national arrangements tend to reflect traditional industry boundaries and do not work very well in regional situations where you are trying to work across a couple of industry boundaries. There was a celebrated case here of an irrigation manufacturer who wanted his people trained in an area which was a bit of agriculture and a bit of plastics and bit of metals, and the national arrangements do not suit that very well.

**CHAIR**—In recommendation 2 there is a paragraph that says:

... providing a business incentive to new job-creating firms which locate to South Australia in the form of customised, enterprise-specific training delivered by TAFE SA ...

What is behind that recommendation? How would that be implemented?

**Dr Wood**—There is some precedent for that. Jurisdictions have commonly applied incentives in one form or another for industries to relocate. What is advocated here is that the very presence of a skilled, job ready and capable work force is an incentive. There are examples, particularly from the US, of where that has been done, and that is what is behind the proposal. How it is implemented in South Australia depends on what the government decides to do with the report.

**CHAIR**—Is this enterprise-specific training looking at building on top of the generic skills that individuals may possess or is it purely looking at the technical skills that are required by that specific enterprise, whatever it may be, and providing that level of skill to the prospective work force in that area?

**Dr Wood**—There are already enterprise-specific training packages. For instance, Qantas has one and McDonald's has one. It is a mixture of generic skills which are applicable across all work and things which are specific to that workplace.

**CHAIR**—In recommendation 3, the industry based training funds—how would you propose to expand that across to other industry sectors other than the construction industry?

**Dr Wood**—There has been interest expressed in this idea from various sectors over a period of time. At one stage, the arts industry suggested that it could be considered in their industry. If you had a levy of, say, 10c on ticket sales it would help training in the arts industry, which is a fast growing industry sector. I hasten to say that levy schemes are not going to be accepted with acclamation by everybody in any industry sector. That comment was made in an ITAB and I would not want to suggest that it was a unanimous view of the industry.

There are a couple of other industries where similar things have occurred. People have proposed getting this idea up but, if it did, on the precedents that we have before us of the building industry training funds across Australia it would be vital that it be done in full consultation with industry and that the funds were controlled by an industry based board. The government would have to have a part in that board as well because it picks up the tab at the end of the day if it all goes wrong. Essentially the funds would come from industry and industry would have to control how they were spent.

**CHAIR**—Is there any intention to part fund it by government funds?

**Dr Wood**—It is early days for the government to consider this one. There are other models for training funds. There is one which I understand operates in Singapore that is not in any particular industry sector. Rather than vertical slices of industry, it operates horizontally across lower-paid workers. As I understand it, there is a levy on the wages of lower-paid workers which the employers can then recoup by providing skills to raise the skills of those lower-paid workers. The argument is that everybody wins. The lower-paid workers win because they get into a higher-paid occupation. The employer has a more skilled work force and the skills of the whole community are also raised. The contribution of government in that case is the cost of administering such a scheme, which I imagine would be quite considerable.

**CHAIR**—In recommendation 4, there are a series of recommendations relating to transitional arrangements from work to school, proposals for brokers for young people and an emphasis on completion of year 12 or equivalent. When this committee had a hearing in Port Augusta in response to some newspaper articles recently about skill shortages in the Iron Triangle and major project work that was on the board, we had some discussion about the relationship between the TAFE and school system. We were told that there is no relationship. In fact in Whyalla we were told that the TAFE college is across the street from the high school yet the two never talk to each other. We had a discussion about VET in Schools and the relationship there.

We also had a discussion about the literacy and numeracy problems which were being raised when young people came out of school. We were told by, I think, the principal of the Whyalla high school that part of the problem was that only one semester of mathematics was compulsory in year 10, and students then had a choice not to do mathematics after that. For those staying on to year 12, there could be up to a two-year gap from the last time they had actually done maths to when they may have gone for a test for an apprenticeship entry, yet maths is critical to the traditional apprenticeship areas. So there were some problems, in terms of the school system and the way in which the curriculum was operated, working against people's ability. There was also a bit of an argument on whether there should be more emphasis on getting apprentices in at year 10, rather than their staying on to year 12. The question is really when you make the choice, when you reach the fork in the road.

Were the issues that were raised with us at Port Augusta discussed within the committee? Were these same issues raised? How is it intended to address that relationship between TAFE and school? The general experience we have had so far is that VET in the school system is working very well where there is a relationship with industry and where students have a capacity to get out into industry, get their hands dirty and learn the process. In those circumstances, we are told, the retention rates are almost 100 per cent. It seems to us that there is a real role for the TAFE system to play in terms of providing the technical training to VET students who are still within the school system, but there are problems in the relationship between the teachers—that is one dimension of it—and there is a question of the funding. Essentially, while they are managed by state governments, there are still two buckets of funds that the moneys are coming out of. So there is a range of issues there, including an issue of actually improving the complementarity between the two systems to generate better outcomes.

**Dr Wood**—Perhaps I could comment on the relations with VET in Schools and Sally could speak about how it was handled in the committee. I cannot comment about what is in the school curriculum, but I can say that there are several hundred—over 200—agreements between schools in this state and TAFE whereby TAFE delivers, or monitors the quality of delivery, and assists with the development of accredited, recognised vocational education and training. So I think there is a good relationship at the school levels and the TAFE institute levels, to the benefit of students.

There are a couple of models which you can use for upper secondary education. A couple of years ago, when I had the good fortune to go to Europe, I went to the Netherlands, which has legislated that everybody is entitled to either 12 years of schooling or the equivalent, which is considered to be to achieve the lowest level of vocational qualification which will get you a job—in Australian parlance, AQF2. So that leads me down the path to year 12 or equivalent.

VET in Schools, and the VET in Schools agreements that underpin it, are aimed at getting people to continue at school to the end of year 12, making the curriculum offerings interesting enough so that they are willing to do that and so on. There will be some people who do not wish to do that, and we have a range of pre-vocational courses—and we are increasing that range at the moment—so that people can go straight into TAFE from some lower level. But, as you say, the question is where exactly you should take the Y-junction in the road. The government is very keen that people have the benefits of staying on for 12 years of schooling if that can possibly be arranged, and the government is in the last stages of getting ready to implement a range of

measures, for instance case management for every upper secondary school kid in South Australia.

**Ms Jeremic**—I will talk briefly about how this issue was handled by the inquiry itself. The committee heard a lot of information about the importance of this issue and it was aware of the overlap with transition of young people from education to work. It was also aware that there was so much to deal with that it could be the subject of a separate inquiry on its own. So it confined itself to the discussion of some of the transition issues. It heard that there was a need to widen the pathways for young people making that transition, that there were still issues with career information and advice and that something needed to be done to work towards a more coherent approach to that issue across the education system—across TAFE, registered training organisations, universities and schools. It also realised that we were facing something that was much broader; that there are cultural and societal issues that relate to how people perceive vocational education and training and TAFE, for example, as a pathway; that aspirations have changed and many people regard higher education—a university education—as being the goal; and that there is still a strong element of that view in the school system. There is a forthcoming review of the South Australian Certificate of Education that I think will be able to address and will need to address some of these important issues.

The inquiry was aware that increasingly young people do not have a linear pathway towards adulthood and settling down, and that pathways for training need to accommodate that. There needs to be ways of moving in and out of the system. I think to some extent the administrative arrangements for senior secondary education in the state are part of the issue. There is not the opportunity at the moment for young people to complete SACE through TAFE, and that situation does exist in other states. These are perhaps contributing factors to some of the issues you have raised.

The inquiry did propose that there needed to be a sustained opportunity for young people who are perhaps uncomfortable in the school system but still ready to continue education to develop general employability skills, including language, literacy and numeracy, over a sustained period—perhaps six to 12 months—perhaps in an adult environment rather than a school one, and it proposes that a new program be developed for that purpose.

**CHAIR**—I would like to raise one final point with you, Ms Jeremic. One of the issues that we have been addressing in this inquiry, or trying to come to grips with, is this question of articulation between the three systems, so to speak. It appears that one of the impediments to articulation—apart from the elitism that is shown by the university sector, which is an impediment in itself in many respects—is the fact that higher education is curriculum based and that skills training is now competency based. There is a question of how you measure that and how you can accredit it. People are of a view that if you take the fork in the road you have made that choice and you cannot go back. There is a lot of pressure on young people from their parents, who want to see them go on to education and to do better than they themselves did et cetera. We have been looking at the issue of how can you create a system where young people can go into an apprenticeship, go into the VET system, get credit for the period they spend in it and then those credits carry on to higher education, if that is where they want to go at the end of the day. By removing some of the impediments you remove that pressure on young people to go on because it appears that some of the people who are falling through the cracks are people who have gone on to year 12 and not made it to university or the higher education system and have

not been able to go back or get into an apprenticeship at that level and they finish up in no-man's-land.

The West Australian government, we are told, has a consultancy at the moment that is looking at this. There are a number of examples around the country of where there are joint campuses between the TAFE system and the higher education system. That appears to be working very well and the articulation is being facilitated, but very much on a one-for-one type arrangement rather than on a systemic basis. To what extent is this issue being looked at by this inquiry—or has it been looked at in South Australia? To what extent do you have joint campuses operating in this state addressing these types of issues?

**Ms Jeremic**—I will briefly answer that from the perspective of the inquiry. It did not look in any depth at this particular issue but was aware that it was an important one. Dr Wood will be able to inform you of current activities and relationships and advocacy arrangements for this in South Australia.

**Dr Wood**—I can speak about national work that is aimed at helping this sort of stuff. At the moment there are moves going on for the establishment of an associate degree, which may assist in some of the things you are alluding to. In particular, it offers the prospect of bringing higher education possibilities to non-metropolitan South Australia. I need to say that the participation rate in TAFE is higher outside the metropolitan area than it is in whereas the participation rate in higher education is one-half in rural and regional South Australia of what it is in Adelaide. So this is a poor situation and one which we would like to redress.

**Senator BARNETT**—Sorry, I did not quite catch your last comment regarding TAFE outside the metropolitan area.

**Dr Wood**—The participation rate in TAFE is higher outside of Adelaide than it is in the metropolitan area whereas the participation rate in higher education is only half outside of Adelaide what it is in the metropolitan area. So the advent of an associate degree offers some possibilities in that you could do the first part of a degree through that mechanism. There are negatives as well, and today is not the day for technicalities about the interaction between training packages, associate degrees and so on. One matter on which I will take issue with you is about campuses and articulation. The understanding I have is that the articulation in places with joint campuses is no better—and, I have heard it said, sometimes worse—than it is in places where you have a good relationship between organisations. So the essence of it seems to be about developing a good relationship between individual providers; it does not seem to work so well at the systemic level.

In South Australia we have memorandums of agreement between each of the three universities and TAFE. It works better with some universities than with others. We are hoping to ramp that up over the next little while. I have a personal view that the best way of ramping that up would be to provide some sort of financial incentives. I think that the gains that can be made through exhortation and goodwill are not going to be more than incremental. If we want it to get to a higher level, we have to provide financial incentives or at least remove the disincentives which are in the system at the moment.

**CHAIR**—I have to say that some work we have done for the committee showed that central finding: that you have to address the funding issue between the three systems if you are going to address the articulation issue in a systemic way because there is a real funding barrier there in terms of who finally picks up the costs.

**Senator BARNETT**—I would like to go back to the inquiry—and thank you for your submission today—and the question which the chair asked before and flesh that out a little bit. The inquiry was chaired by the Hon. Dr Jane Lomax-Smith; is that correct?

**Dr Wood**—Yes.

**Senator BARNETT**—And she was a member of the nine-person committee which oversaw the inquiry. The report has just come down and has obviously gone to the government. She is the Minister for Employment, Training and Further Education, and she remains in that position?

**Dr Wood**—That is correct.

**Senator BARNETT**—So she would have a government leadership role with respect to the report and the implementation of its recommendations?

**Dr Wood**—That is correct.

**Senator BARNETT**—She says in her foreword that she looks forward to working with all the partners to implement the inquiry's directions. So you would assume that she is writing on behalf of the government to say that she is going to be looking forward with everybody else to implementing the report and the recommendations.

**Dr Wood**—What it says is 'implement the Inquiry's directions'. I would take that to mean that she is supportive of the general directions proposed by the inquiry, like the importance of skill building and the importance of integrating skills development with industry development and employment development. Who would want to argue against that? But I would not take that as meaning any commitment on behalf of the government to implement every single recommendation of the inquiry without further discussion.

**Senator BARNETT**—It sounds a little peculiar in the sense that, if she is the chair of the inquiry, she is chiefly responsible for the report and its recommendations. The government may or may not implement all of the recommendations. What is she going to say in her leadership role on behalf of the inquiry when the government does not implement all the recommendations? She will be in a somewhat embarrassing position.

**Dr Wood**—I am not sure of the extent to which I can put myself in the minister's shoes, but the minister was chair of a reference committee that the consultant Kay Schofield was able to use to bounce ideas off and to seek ideas from. The consultant ultimately presents a report to the government and the government will consider what it wants to do with that report.

**Senator BARNETT**—But this is not the consultant's report, is it? She is the chair of the inquiry and it is the inquiry's report. Anyway, we will move on. I find it somewhat unusual, and I do not know if you would agree with that. Normally if you have an inquiry you want it to be

independent and objective and for the analysis to be independent and objective. It constrains against that outcome. Ms Jeremic, you were executive officer for the inquiry?

**Ms Jeremic**—Yes.

**Senator BARNETT**—And you were employed by the state government department?

**Ms Jeremic**—Yes.

**Senator BARNETT**—Which is now chiefly responsible for reviewing the inquiry and implementing the reports and recommendations when they come through from the government, depending on their response?

**Ms Jeremic**—Yes.

**Senator BARNETT**—I have not been through all of the report. I have had a chance to peruse a little of it. Have we got any figures to back up the statement about the proportion of the South Australian labour force with post-school qualifications? It remains below the national average and second lowest to Tasmania.

**Dr Wood**—Yes, we do.

**Senator BARNETT**—I could not find them in the report. Are they somewhere else?

**Dr Wood**—They are ABS figures.

**Senator BARNETT**—Where can we get the figures?

**Dr Wood**—We can take that on notice and give you the background to that.

**Senator BARNETT**—Thank you. I want to be armed with the evidence, so that would be helpful. Can we get a copy of the figures to back up your comment that the state government's contribution to VET funding in South Australia was the lowest in Australia per head?

**Dr Wood**—Yes.

**Senator BARNETT**—Thank you. There is also a figure that individual students in South Australia are paying three times—or something like that—what students in some other states are paying.

**Dr Wood**—All those figures are nationally available through the National Centre for Vocational Education Research.

**Senator BARNETT**—Thank you for that. You have mentioned that the regional areas in South Australia—and I have a particular interest here—suffer particular problems with access to education and further training and skills development, including higher costs, limitations of choice, limitations on employment opportunities, lack of transport et cetera. Is that what you

were talking about earlier when you were saying the participation rates in rural and regional areas were half what they were in city and suburban areas?

**Dr Wood**—What I said was that the participation rate in TAFE is higher in rural and regional South Australia than it is in the metropolitan area, but in higher education it is half. The reason for that, obviously, is that you can go to TAFE in Renmark, Berri, Barmera or Port Lincoln, but you cannot go to university in any of those places.

**Senator BARNETT**—Your recommendations call for a stronger role for TAFE South Australia. The figures show that it already has a reasonably strong role. What is the problem with the existing TAFE arrangements and what recommendations are you making to improve the current arrangements?

**Dr Wood**—I think Sally mentioned in the introduction that there were a number of other inquiries going on at the same time. One of those was an inquiry—once again for the government—headed by Mr Peter Kirby into the state of TAFE in South Australia. He found that TAFE was suffering some financial difficulties and that there were some issues about governance which needed resolving. His report has been presented and action is being taken to address the difficulties that he identified.

**Senator BARNETT**—You have had a look at some of the TAFE arrangements around the country. Would you care to provide a ranking for us as to some of the best and worst that we could be apprised of as a committee? I am particularly interested as a Tasmanian.

**CHAIR**—You do not have to be self-deprecating here either.

**Dr Wood**—I was watching *The Right Stuff* the other day and there was the line: ‘Who is the best pilot in the world?’ ‘You’re looking at him.’ It is hard for you to ask me what is the best TAFE system in Australia. My answer would be obvious. I would prefer not to rank them in that way, but I think there are some good characteristics in various areas. The Tasmanian system is one which I hold in very high regard. I simply note that it has won training provider of the year for two years in a row. That tells its own story. But that has to be stood against size factors and economies-of-scale factors. The whole TAFE system in South Australia is about the same size—I have been told; I have not checked—as North Sydney Institute of TAFE. Tasmania is smaller again. I would not suggest that it would be a good idea to do in New South Wales what you do in Tasmania, but I am sure that the public do not care about our internal administrative arrangements. What they care about is having training available to them at a convenient campus and it being good quality. Those are the things that they care about. Whether we have institutes, colleges, big ones, small ones, is just a matter of getting the management right. The public cares about the results that we produce.

**Senator BARNETT**—I was just trying to draw you out there. I think you responded adequately with regard to Tasmania holding characteristics which are very positive. Thank you for that. In regard to this ‘one size fits all’ model which has dominated the VET sector over the last decade or so, according to the report, and the recommendations in here for a more flexible system, are there any things that come to mind in terms of ensuring that we get more a flexible system into the future which can counteract the deficiencies of the past decade?

**Dr Wood**—Yes, there are. Training packages are in a process of continuous improvement. When they first arrived it was the first iteration and, as you would expect, there were deficiencies. It would be foolish to deny that. As they have gone on they have been continuously improved and the processes around them are being improved—what is called the packaging rules are being changed to allow people a greater degree of flexibility to assemble things which suit particular individuals, groups of individuals or industries.

**Senator BARNETT**—It has particular importance to small business, which is an area of interest to me. Do you think the recommendations that are flowing through will provide some sort of benefit to small business in terms of flexibility for their employees?

**Dr Wood**—Yes, I do.

**Senator BARNETT**—How will that happen?

**Dr Wood**—The whole idea of customisation of training packages is gaining greater acceptance, and that is obviously important to small business.

**Senator BARNETT**—What about new technologies and e-learning? We have heard that it is quite important for accessing the rural and regional parts of the Northern Territory. What is the uptake like here in South Australia?

**Dr Wood**—I gather that in South Australia TAFE has a pretty high level of uptake. You will be speaking this afternoon to Ms Battye from TAFE. She may have more accurate information. I gather it is quite good. But from what I have seen I am convinced that purely e-learning is not welcomed by many students. Students need a healthy mixture of e-learning for some things with face-to-face tutorials, getting together with groups to try out ideas on each other and so on. A healthy mix of methodologies produces the best results.

**Senator BARNETT**—Recommendation 6 refers to support for a funded work force development strategy and then talks a little bit about the strategy. Who funds that strategy?

**Dr Wood**—I would just need to check the recommendation.

**Senator BARNETT**—It is the last dot point in recommendation 6.

**Dr Wood**—That is professional development for TAFE. People are very conscious of the fact that TAFE's work force has been in employment in TAFE for some time. In many cases, it is some time since the lecturers have had live industrial experience. There is a need to update people in respect of learning methodologies. All of those things require a renewed emphasis on professional development, and that is being handled by a mixture of Commonwealth and state funds.

**Senator BARNETT**—How does that work? I thought it would not be funded by your department. Where are the Commonwealth funds meant to come from?

**Dr Wood**—There is a program through ANTA called Reframing the Future, which is very well received. That is one source of funds. Another one is, obviously, through the department itself.

**Senator BARNETT**—Recommendation 7 talks about the establishment of a multisectoral call centre. I am trying to work out how that would be based and who would fund it. Is it evidence based, or is it simply receiving calls in from these individuals, businesses and regions around Australia?

**Dr Wood**—That is one of the things which the government will need to consider. There is no commitment to establish such a centre or to not establish it. But I can say that there is a plethora of information available these days. We have got Commonwealth and state web sites, web sites of schools, information from all sorts of regulatory bodies and so on. I sometimes wonder whether the problem is not lack of information but sorting out the information that is there and trying to make sense of it.

**Senator BARNETT**—I am just trying to work out how this call centre would work. Are we talking about people sitting around taking calls, like a normal call centre in the business world?

**Dr Wood**—That is what is envisaged here.

**Senator BARNETT**—Is it?

**Dr Wood**—Yes.

**Senator BARNETT**—Is that funded by government, or do you not know who that would be funded by?

**Dr Wood**—I hasten to say again that there is no commitment to implement this. It may be implemented or it may not.

**CHAIR**—DEWR tell us that from 1 July they will be able to identify all of the job vacancies and all of the skills that exist throughout the country, and will be able to match them all up. So you may be able to save your money. I do not have great expectations that it will work, but that is what they tell us.

**Senator BARNETT**—In that recommendation you are saying that South Australia wants to be positioned as an ‘internationally recognised research hub for trans-disciplinary research and evaluation’. I am trying to work out what that actually means.

**Dr Wood**—That is in the field of work force development. That is the overarching concept which Kaye Schofield’s report talks about, and that is the matter I raised before: simultaneously raising the skills of individuals in the workplace and moving the workplace itself along. I had the good fortune to visit Tasmania about two weeks ago, and I was very impressed with the work that TAFE Tasmania is doing with the Hobart botanical gardens. The lecturers are actually in the gardens there, working with the training packages. What I am told is that the very process of developing those skills there has helped the gardens to realise that the job design needs to be changed. The two things are interactive.

**Senator BARNETT**—That is good. Why, though, is it important for South Australia to be internationally recognised with regard to the field of work force development? That development is important, I can understand, for South Australia, but I am wondering what the principle or thinking behind being ‘internationally recognised’ is.

**Dr Wood**—I think every jurisdiction, every city, likes to have something that it makes its own, that is special and that it is best at. Last night I was reading a publication from Queensland, talking about a new high-technology nuclear resonance machine which will help biotechnology research. They will be one of the four or five best places in the world. We are not going to do that here; we want to have something different. In the same way as they are doing that, we would like to do this.

**Senator BARNETT**—I am with you, thank you.

**Senator BUCKLAND**—In your opening comments, Ms Jeremic, you mentioned value-added manufacturing. Over the past decade, or a little bit more, we have seen a big change in industry’s approach to world and domestic markets. Are there any statistics to show a change in training needs and the provision of training over the corresponding period?

**Ms Jeremic**—The inquiry was made aware of several trends in the manufacturing area—first of all, that the need for skilled workers has increased, and that increasingly people are qualified at the higher education as well as vocational education level. At the same time, the number of low-skilled jobs is also increasing, but the manufacturing work force as a whole in South Australia has a level of skills, as measured by qualifications, that is lower than the industry average for Australia. This was an area of particular concern to the inquiry, with a view that if manufacturing, as a strategic industry for the state, is to boost its ability to innovate and compete globally then it will need to boost the skill levels of its work force.

**Senator BUCKLAND**—Do you think that manufacturers themselves are partly responsible for the present shortage of skilled workers?

**Ms Jeremic**—There were very strong views put to the inquiry that there was poaching amongst firms, that there were disincentives to train because, if an employer invested in training staff, those staff would be poached by another firm that could afford to pay more, and that this was contributing to not only a lack of training but also skills shortages.

**Senator BUCKLAND**—If you have a look around the major manufacturers in South Australia, you see that they do not have their apprenticeship workshops on site any longer. Their apprentices come in through group training schemes. Was that addressed at all in the report?

**Ms Jeremic**—It was noted. The inquiry also noted that there were broader difficulties. Employers reported difficulties in attracting young people to take up apprenticeships. In some cases they felt powerless to do much about that, and they were eager to point the finger at some element of the system: it was a schools issue or it was the parents’ problems or it was that their competitors were pinching young people—there was something wrong, and they were not always aware of how, as an individual employer, they could fix the issue.

**Senator BUCKLAND**—I appreciate that answer, because I think it is something that we need to be very mindful of in this inquiry, particularly. Industry is ready to blame, but not to accept blame. I can remember—you may well recall this yourself—that industry went through a period in the 1990s when it decided: ‘Our core business is manufacturing. A fitter or an electrician, for example, doesn’t manufacture. So we will fix our things by labour hire,’ which you also mentioned. It seems to me that the report leads very much to a view that many of the contributors are pointing the finger but not accepting blame. What is the VET sector doing to refocus the generic training, or generic skills, back into industry? If you work in a steelworks you do not particularly require the same skills as a tradesperson working in the automotive industry. Is anything being done to try and address those aspects?

**Ms Jeremic**—It is my understanding that the training packages approach allows for that flexibility. Indeed, there has been considerable work over the last several years to incorporate the generic employability skills, which cross industries, into training packages. I think group training has also contributed greatly to the continuation of the training of apprentices and trainees, and without it we would be in deep trouble. I think it has filled an important gap and has been very useful. And that came through to the inquiry as well. Dr Wood may have a comment.

**Dr Wood**—I was a member of the Mayer committee on key competencies and generic skills, and I am very committed to those things. What Ms Jeremic has said is correct, that provision is made in the training package processes for incorporation of the key competencies. There is a widespread view that it is done less thoroughly than it might be. We in South Australia will be trying next year to take this problem head on, by instituting a program which gives people technical skills in a pre-vocational context, and at the same time explicitly teaches those key skills and, hopefully, reports on them as well.

**Senator BUCKLAND**—Are there any statistics to tell us the number of apprentices that are employed by labour hire companies?

**Dr Wood**—We could probably get you those statistics. But the number is very small

**Senator BUCKLAND**—Would you provide the committee with those, if you can.

**Dr Wood**—We will do our best, Senator. I am not absolutely sure we can do it, but we will find out what we can.

**Senator BUCKLAND**—The submission from Rural Skills Australia claims that some states allow RTOs to charge fees to apprentices for the training component of the new apprenticeship scheme. What is the policy and practice in South Australia?

**Dr Wood**—My understanding is that all states do that, with the possible exception of New South Wales. In South Australia the policy is that apprentices are charged \$1.50 a student hour for the training that they undergo, which is broadly consistent with the fee that is charged to TAFE students.

**Senator BUCKLAND**—So it is capped at \$1.50?

**Dr Wood**—Yes.

**Senator BUCKLAND**—Do you do any monitoring of the take-up rate and the effect of the take-up of the participants in that scheme?

**Dr Wood**—Every RTO, including TAFE, can charge up to \$1.50 a student hour, so all apprentices and trainees are subject to that fee.

**Senator BUCKLAND**—Thank you. You both have spoken about difficulties in getting young people into trades, and we have heard that a number of times. Do you think it is lifestyle as much as perceptions by parents? I was talking to Ms Jeremic earlier on about parental expectations that you get a child to go to university these days instead of TAFE. That was my view; it will not be in the future. But do you think in the general lifestyle of young people they have different expectations of what life and society will offer? Has this been addressed as much as just saying: ‘We can’t attract them out into the bush. They don’t want to be there. There are no nightclubs,’ and so on?

**Dr Wood**—It is a long time since I was a young person in a nightclub; I am not an expert on these matters. But I had an interesting illustration of this in my own office the other day, where the child of one of my colleagues has been offered two jobs—one working on the new shift at General Motors at \$600 a week and the other working as an apprentice for \$250 a week. He has been faced with an important choice of whether he wants to make that up-front investment at \$250 a week and delay gratification with the expectation then of a long-term career as a carpenter and possibly moving into being a licenced builder in his own right or whether he takes the money, the \$600 a week, now. It is interesting that he took the \$250.

**CHAIR**—Smart kid.

**Senator BUCKLAND**—This was raised with me last night, and I cannot take it very far at all, but does the department react if it is brought to its knowledge that group training schemes are allowing employers to engage existing employees as trainees for a period of a traineeship?

**Dr Wood**—Our policies are very clear on that: we for the last two years have not paid User Choice funding for existing employees. There is a definition of what an ‘existing employee’ is. That scheme was being exploited. There are some downsides to that. There is always a downside. For instance, we had objections from people in rural areas, where people like to try out a worker and if they prove to be good then take them on. But once you are over the three-month limit they are existing workers and you cannot take them on. The same thing happened in the foundry industry. That is a little bit of the detail, but broadly we will not pay for existing workers. I would like to say that I am totally in favour of the group training scheme. It is one of the best things we are doing at the moment. It is a real plus for society and for the individuals concerned. But the way it has gone is not how it was originally intended. It was invented in the building industry, as you would know, to get over the problems of cyclic work and a lack of variety of work. We find now that very large enterprises with continuity of existence are using group training people instead of employing their own apprentices. That is not what was originally intended.

**Senator BUCKLAND**—I raise that question as something that is still under investigation and which was only brought to my attention last night. I understand that the employer has engaged his employees under a group training scheme for employees of five years and greater, which is a concern. I will pursue that further.

**Dr Wood**—If there are no more questions from senators, I have a couple of comments I would like to make in respect of the committee's setting up. The committee's letter asked if we would like to make any comments on the South Australian government's perceptions about some national policies. There are some comments I could make. Firstly, the South Australian government has a concern about the lack of protection for the vulnerable in the apprenticeship and traineeship system. It is not an equal bargaining situation, and the government has a view that that can occur particularly where Australian workplace agreements are in place.

Secondly, there is a concern that at a national level the concentration on apprenticeships and traineeships to the exclusion of just about everything else represents a lack of a balanced view of the VET system. That devalues about two-thirds of the entire VET system. There are people out there doing courses on how to become a commercial cook—they are not employed; they are not apprentices. There are people at the Adelaide institute as we speak who are undertaking a diploma in tourism and who will get work in tourist offices and so on. There are lots of other examples I could give.

There needs to be more recognition of the role of the VET system and TAFE in community capacity building, particularly in rural and regional areas. That does not always occur through the apprenticeship and traineeship system. That is not in any sense meant to denigrate apprenticeships and traineeships, which are a fantastic way for people to build skills and get a start in life, but we need to recognise that there are other valuable things as well, and that does not always occur in the national system.

Thirdly, the South Australian government feels there has been a lack of recognition of TAFE as a key community resource over the last few years, but also respects that there are very good private providers out there as well.

Lastly, there is a concern in the government at the use of incentives where they do not actually result in additional skill building. I think that matter has been struggled with across Australia. If public funds are being used, they need to result in a net additional skill in the nation and not simply be a substitution of government funding for private funding.

**CHAIR**—Thank you, Dr Wood and Ms Jeremic.

**Proceedings suspended from 10.23 a.m. to 10.32 a.m.**

**D'ASSUMPCAO, Mr Marcus Eugenio, Manager, Research and Planning, Construction Industry Training Board**

**McKAY, Mr Richard Joseph, Presiding Member, Construction Industry Training Board**

**O'CONNOR, Mr John Matthew, Acting Chief Executive Officer, Construction Industry Training Board**

**CHAIR**—The committee has before it submission No. 86. Are there any changes you wish to make to the submission?

**Mr McKay**—No.

**CHAIR**—The committee prefers all evidence to be given in public, although the committee will also consider any requests for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening statement, Mr McKay.

**Mr McKay**—Firstly, I thank you, Chair, the committee members and Mr John Carter for the opportunity to address the committee this morning and to perhaps later answer any questions. In my presentation this morning I will be touching on the Construction Industry Training Board, its role in skill development, what we consider to be essential ingredients for the successful operation of the training levy and, finally, some issues related to government policies that support skills development.

Before doing so, I would like to introduce the members of the board who are with me this morning. On my right is Mr John O'Connor, the acting Chief Executive Officer of the Construction Industry Training Board. On my left is Mr Marcus D'Assumpcao, manager of research and planning, who has been with the board for over seven years and has responsibility for overseeing the development of training systems for the building and construction industry here in South Australia. Marcus has been involved in training reform for the past decade and has experience on state, national and international projects. I have been the presiding member since the board's inception, and was appointed by the then Minister for Education, Training and Employment. My interest is in governance and accountability aspects of the board. I am also a director of a number of public companies and statutory authorities.

The Construction Industry Training Board was established under the Construction Industry Training Fund Act 1993. The board's functions are quite wide under the act and encompass levy collection and administration, industry training advice, training facilitation and research and planning. The state Minister for Employment, Training and Further Education appoints members to the tripartite board after consultation with industry. The board collects and administers a training levy on one-quarter of 1 per cent of the value of projects over \$15,000. It is important to emphasise that the levy is a user-pays system. Construction industry training funds also operate in Tasmania, Western Australia, Queensland and the Australian Capital Territory. Collectively, these bodies administer approximately \$30 million in training funds annually, of which South

Australia contributes about \$9 million. At present, there are no construction industry training funds operating in New South Wales, Victoria or the Northern Territory.

As a purchaser of training services, the board is currently supporting the employment and training of over 1,000 apprentices and trainees in South Australia. In the last financial year, it supported nearly 25,000 training places for existing workers in the South Australian building and construction industry in various short courses. Over the last six years, it has funded approximately 75,000 training places in short courses and apprenticeship support at a total cost of \$33.6 million.

Recent achievements are detailed in our annual report. They include, firstly, the extension of our VET in Schools framework, known as Doorways 2 Construction, or D2C, which currently involves about 30 schools and school clusters and 300 students. The program has touched the lives of over 1,000 school students since its inception in 1999. The second achievement is the establishment of our levy and training administration database as a key resource for reporting on industry activity and training. The third achievement is the renewal of our web site, with increased functionality. I believe that the board can be proud of these achievements. I am pleased to leave copies of our latest annual report for the committee's information.

This inquiry coincides with the release of the state government's ministerial inquiry, entitled *Skills for the future: final report of the ministerial inquiry*, a copy of which I will hand to you. We are encouraged by the findings of the ministerial inquiry, because they support the thrust of our submission to this committee. The ministerial inquiry report recommends that the state government should facilitate further industry based training funds, modelled on the Construction Industry Training Fund, in those industries that are critical to the success of the state's strategic economic plan. A number of points should be highlighted in relation to that recommendation. The ministerial inquiry report is advocating industry targeted levies rather than a universal, one size fits all approach that operates across all industries. The report is quite clear that industries and regions differ in their structures and dynamics and do not respond well to the one size fits all approach. The web of factors that allows the successful operation of the Construction Industry Training Fund may not be replicated in other industries.

Training levies exist in numerous countries. Most are not targeted and operate across industries by collecting a percentage of the payroll. The committee may seek further information about the detailed operation and impact of levies within those countries. One of the benefits of the Construction Industry Training Fund is that it is not an impost on the industry but is paid by the end user. The benefits of the levy, however, accrue to any eligible worker in the industry, regardless of the size of their business. A further benefit is that a centrally managed fund provides the opportunity to target specific industry initiatives and provides a focal point for training and skills in the industry.

CITF is managed by an independent board. This independence is important, firstly, because the board is not seen to be an arm of government and, secondly, because it allows the board to respond appropriately to the needs of industry. The board's independence does not mean that it is disengaged from the industry it serves. The board has established formal and informal arrangements to ensure that it is responsive to industry needs. The board's independence is underpinned by sound governance and accountability systems to ensure that its actions are fair, open and transparent.

Secondly, in carrying out its work the board has not lost sight of the fact that it operates in broader industry, social and economic contexts where there are numerous stakeholders that have a central role to play in skill and work force development. The need to place training and skills development policies into a broader policy context was reinforced in the ministerial inquiry report. Greater clarity is needed around the relationships between skills shortages, recruitment difficulties, training arrangements, employment conditions and remuneration, new technologies and techniques, economic cycles, nature of work and employer attitudes to training to enable more effective and targeted strategies to be implemented—strategies that are not simply confined to the training system. Failure to examine the wider issues that impinge on skill development will lead to strategies of limited effectiveness.

The reality is that industries have changed in ways that have undermined the assumptions upon which training and apprenticeship systems are based. Part-time, casual and contracted labour have grown in significance. Not only should the training system accommodate these changes as best it can, but industries and enterprises must examine their own part in any inadequacies in skill. The issues paper included in our submission to the committee is as pertinent today as it was in 1998 when that paper was introduced. Little, it seems, has changed.

Thirdly, I wish to restate a point made in our submission to a previous Senate inquiry on the quality of vocational education and training where we cautioned against treating all industries in the same way. The reality is that the cost of training in the construction industry is higher than in other industries and it takes longer for individuals to become productive. Building and construction work is inherently more dangerous, varied and unpredictable. Mistakes can result in expensive damage to materials, property or persons. These differences must be recognised in any policies and strategies designed to stimulate increased investment in skills development, including prices paid for training delivery and incentive payments for employers. The final point I wish to make is that the development of national systems and products lies squarely on the shoulders of the national bodies that are charged with this responsibility.

In summary, I emphasise the following points. Firstly, targeted levies that are industry based, independent and accountable can make a positive contribution to the skilling of an industry. Secondly, there is a need to gain better understanding of the complex dynamics that underpin the acquisition of skills by individuals and enterprises and to place skill acquisition policies in a broader context. Thirdly, state and national policy options should accommodate the different circumstances of industries and the differing burdens experienced by enterprises in those industries. Finally, the development of national training arrangements lies more firmly on the shoulders of those national bodies charged with that responsibility. I thank you for the opportunity to address the committee. I and my colleagues will be very happy to answer any questions.

**CHAIR**—Thank you very much, Mr McKay.

**Senator BARNETT**—Thank you very much for your submission and the presentation this morning; it is much appreciated. I want to clarify what you were saying in your opening comments about your support for the ministerial inquiry, which broadly agreed with the thrust of your own submission to it. That is noted and acknowledged. I just found it somewhat unusual that you would have a state minister as the chairman of the inquiry, reporting to herself, essentially, as the leader in the government for employment, workplace relations and training. I

was wondering if you thought that was unusual and how you responded to that initiative from the government.

**Mr McKay**—Personally I did not find it unusual. It is an initiative taken by a newly appointed minister in a newly formed government, and I had no other thoughts than that it was a positive initiative. It might be worthy of note that one of my roles, as I see it, is my relationship with the minister. In that process, since 1993 I have seen it as a primary role for me to keep a very close relationship with the minister of the day, and we have been able to do that quite successfully through successive governments. In fact, I think on very quick recollection that we have probably dealt with something like eight or nine different ministers in our nine-year period. To answer more specifically your question—

**Senator BARNETT**—No, that is fine. It is important to have good relationships, and you obviously do, with the minister. That is helpful to the industry, I can see. She, obviously, wants to implement all of the recommendations—she is the chairman of the inquiry—but the government has to have a look at them and there might be some recommendations that it cannot implement. Some people would say that, if they were looking at it objectively, that might be somewhat embarrassing or unfortunate because she is the lead person for the government. I simply make that observation.

In your submission you say, with regard to skill shortages and labour demand, that when you wrote that submission the construction was experiencing unprecedented levels of work and demand. Is that continuing? Do you still see that continuing into the next short and medium term for South Australia?

**Mr McKay**—I would say in the short term, yes. The medium term is one of the dilemmas for industry, and it all depends what you regard as short term. Are you thinking of six months, 12 months—

**Senator BARNETT**—What do you regard as short term, in terms of the continuing strength of the demand for work?

**Mr McKay**—I would say that there will still be a very strong need for skilled labour in the construction industry for the next 12 months. I suppose you people would be particularly interested in the observations from various quarters about the decline, in particular, that I suppose you are referring to, in the residential construction industry. I think there are signs that it has peaked—the commentators are suggesting that—but there is a lead and lag time.

**Senator BARNETT**—I think you made a very sensible and correct analysis in your conclusion, where you said that although the demand for skills is important, what affects the need is the demand for employment rather than for skills and training.

**Mr McKay**—Very much so. It cannot be looked at in isolation.

**Senator BARNETT**—Are there any other ways to get that linkage flowing through from apprenticeship trainees to that demand for employment, or is the fact that you are established and exist the way to build that partnership, to address those things?

**Mr McKay**—It has to be a factor in it. That is one of the board's responsibilities—to try and develop policies to fund the training, to try and smooth out that process. But perhaps Marcus, as the person that has been more involved on that side of the board's activities, would like to respond to that.

**Mr D'Assumpcao**—I think at the heart of your question you are asking whether the training system can smooth out the labour demands. One of the issues in our submission is that it cannot, because what drives labour demand is the level of activity, and training is so out of kilter because of the employment requirements of the current arrangements for apprenticeship systems that it cannot do so.

**Senator BARNETT**—You have got a two-, three- or four-year lead time, in terms of the apprenticeship training and so forth, so that is the gap, isn't it?

**Mr D'Assumpcao**—It is the gap. The best time to train for the current level of activity was four years ago. So no, we cannot predict it. As to your earlier question, about the level of activity and the long-term, short-term and medium-term levels of activity, all kinds of people try to develop projection models for that. And some of them are quite good, but you never know.

**Senator BARNETT**—In some states I think it works quite successfully. In Tasmania I know the levy in terms of the Building and Construction Industry Training Board. It is run very professionally down there. Peter Coad, whom you probably know, does a good job, and I think it is pretty much accepted in the industry. Do you have a view as to why the other states have not done that? You have mentioned the states that do have the levy and those that do not. Can you provide a view as to why and why not it has been taken up?

**Mr McKay**—I think it comes back to a philosophical view on what a levy is. I think that would be a significant factor, as well as getting total industry support. You would need to have a champion to drive it. As we all know, that would be a key element to any new initiative. I think in New South Wales there has been considerable work done on it. Where they are at the moment is not clear to me. There appears to be a commitment to study and examine the benefits of it. In Victoria there is a source of funds through—Marcus might know—

**Mr D'Assumpcao**—I think it is their equivalent to the redundancy scheme trust—Incolink. Is that right?

**Mr McKay**—Yes. That may be an element in Victoria.

**Senator BARNETT**—Where I am coming from is that those arguments that are relevant to those states, I assume, are going to be relevant to you here in South Australia with the report's recommendations for flowing the levy through to sectors other than building and construction. What is your view of the uptake, or likely uptake, of this recommendation in terms of the levy system flowing through to other industries, other retail and wholesale groups and so on?

**Mr McKay**—My first response, or reaction, to that is that it will be difficult to convince the individual industries of the value of it, because of what I think is an inherent dislike of anything that might be introduced as a cost. We emphasised in our admission, as you probably noted, that it is a user-pays levy. The consumer pays it.

**Senator BARNETT**—But it is compulsory, isn't it, in South Australia?

**Mr McKay**—Yes. The construction levy is compulsory on all building work over the value of \$15,000. There are some exemptions. Certain aspects of the mining industry are exempt.

**Senator BARNETT**—In your introduction you talked about doing it on a case-by-case or industry-by-industry basis.

**Mr McKay**—Yes.

**Senator BARNETT**—So I am just asking you how you think that will pan out.

**Mr McKay**—I would hope that someone would champion it. I think we have demonstrated through the construction industry that it does work. Under the act, it was the subject of an independent and separate report on the effectiveness of the board and the levy, and it was a very positive report. So there is evidence that it does work. Some of the industries may have difficulty if it is going to be applied through a consumer payment—transport, for example—so I would say that there would need to be a fair amount of work and study undertaken on the particular industries.

**Senator BARNETT**—So you accept that we want to have a user-pays approach as a principle?

**Mr McKay**—Yes.

**Senator BARNETT**—And you also accept that there should be a sense of ownership—

**Mr McKay**—By the industry, yes.

**Senator BARNETT**—So if you cannot jump over those two key criteria then maybe there should not be one?

**Mr McKay**—Yes.

**Mr D'Assumpcao**—I think there are a couple of difficulties in convincing people of the benefits of levies. It is not unrelated to convincing people of the benefits of training. It is very hard to make a connection between the levels of training and the levels of productivity. We have tried to do that. If you are introducing a system of levies to support training, that disconnection between the amount of training and the benefit of it is still going to exist. With training levies, yes, you are right that there needs to be a collection system of some sort. In our case, it is the level of the building activity; in other areas, it might be levies on payroll or fuel consumption or whatever. So there needs to be a system and, as I think our chairman was saying, there needs to be the political will to institute such an arrangement. So you are right. Whether it is user pays is almost a second-order issue; the primary-order issue is the political will.

**Senator BARNETT**—I just know that some business, and particularly small business, in certain sectors will fight it and will not support it, but in other sectors they might. On page 3 of your submission, you say that the training system as it stands requires 'significantly increased

resources' and without those increased resources it will be deficient. Firstly, what is the extent of the resources required and, secondly, exactly where do those resources need to be applied?

**Mr D'Assumpcao**—That statement was in relation to severe swings in the levels of activity and the levels of demand of labour. What was being touched on there was that, if we expect to be able to meet labour demands at peak times, effectively we have to have a pool of skilled labour that can come in at the drop of a hat. The analogy would be something like the power generation system. I do not know the figures for that but if you want to meet the power requirements at peak periods you have to have a generation system that is going to be used at a 10 per cent rate most of the time, and five per cent of the time it will require the full energy capacity. Currently in South Australia there is something like 41,000 people in the building construction industry working at the current level. That will drop away, if there is a decline in the industry, to 30,000. Effectively, what you are saying is that you want 30,000 people to be sitting on the wings. To maintain that sort of exercise is unsustainable in terms of skill development. There is no way that the skill development system can train 10,000 people in 12 months in the construction industry.

**Senator BARNETT**—But where are those increased resources applied?

**Mr D'Assumpcao**—I am suggesting that it is unrealistic to expect that those resources can ever meet those requirements.

**Senator BARNETT**—So it is not a realistic assessment?

**Mr D'Assumpcao**—It is not realistic that the training system can train 10,000 people in 12 months for the construction industry.

**Senator BARNETT**—Thank you.

**Senator BUCKLAND**—You mentioned in your opening comments the Doorways 2 Construction program. Could you expand on that?

**Mr D'Assumpcao**—The Doorways 2 Construction program for South Australia is a bit different from other VET in Schools programs because it does not specify a rigid program as such but provides a framework in which programs can be developed in schools. In the construction industry, the reality is that there are numerous occupations that might be relevant. By comparison, you could say that retail has a more limited range of occupations but they are pretty much the same. The problem became how to ensure that we can provide a system that can be implemented in schools that addresses a range of occupations, a range of potential projects and a range of potential resources within schools and so on. We did not think one program would do that so we have created a framework in which programs can be developed. That is backed up by professional development activities that we conduct for the schools. We put schools in contact with enterprises, group schemes and trainers. We also have an expectation that our group schemes will work with those VET in Schools programs as part of their contract with us so that there is more of an integrated approach—from the schools to trainers and enterprises. It is more of a system rather than an individual program.

**Senator BUCKLAND**—As part of that, does the Construction Industry Training Board go to schools directly to speak to the students?

**Mr D'Assumpcao**—We have a Department of Education and Children's Services officer located at the Construction Industry Training Board as a scholarship arrangement. It is his role to go to the schools and talk to students during careers nights and to assist the teachers and the program managers to implement their programs. So, yes, we do support them.

**Senator BUCKLAND**—Do you get feedback from schools and students?

**Mr D'Assumpcao**—Yes. Once a year we institute a survey of all students. We contact them and ask them how they found the program, what the good parts were and what the bad parts were, and whether they continued on with further training, further education or an apprenticeship. So we do follow up quite extensively.

**Senator BUCKLAND**—Do you ask questions in relation to what could be potential barriers for young people entering the building industry?

**Mr D'Assumpcao**—I am not familiar with the detail of that question, but I know that there have been studies done in South Australia, and we have been involved in those studies, looking at barriers to employment in certain industries, one of which was the construction industry. I think that was conducted by the Adelaide Metropolitan Area Consultative Committee. Yes, we have some of that information. It is not new information that was collected; it is pretty much as we would have expected, given some of the difficulties.

**Senator BUCKLAND**—What have been identified as the key barriers?

**Mr D'Assumpcao**—I would have to look at that report again—it is a few years since I have looked at it—but I think they were things to do with a lack of awareness of careers. There were also perceptions about levels of security of employment in the construction industry, the type of work involved and comparable opportunities in other industries.

**Senator BUCKLAND**—So the lack of tenure or the lack of continuity of employment and the need for a reasonably flexible lifestyle would be a major barrier, do you think? Some people like to move around the country and follow work, but do you find that that is a growing problem or something that has always existed?

**Mr D'Assumpcao**—It exists perhaps more in the construction industry than in other industries, although other industries seem to be catching up—the IT industry is very much contract based, casual and so on. I guess you would say that at the end of the day the decision to enter a particular industry or occupation is a personal one. People will make choices and weigh options accordingly. I am not sure that simply flexible work is necessarily an attractive option for everybody.

**Senator BUCKLAND**—Mr McKay, you said there are over a thousand apprentices or trainees in the industry at the moment. What percentage would be directly employed by construction companies and what percentage would be directly employed by group training schemes?

**Mr O'Connor**—I can answer that. The thousand that were referred to in the chairman's address are employed by group training schemes. The funding mechanism that the board uses to

support the apprentices is directed through those who are employed by group training schemes. In addition, the board has introduced tuition funding which is open to all apprentices, either directly employed or employed through group schemes, to support the amount that they have to pay towards their education costs through the TAFE system. So our estimate is that there are about a thousand who are currently employed by group schemes and probably the same number again who are directly employed. Those numbers are based on those whom we have recorded in our training and administration database.

**CHAIR**—Can you outline, Mr O'Connor, how you specifically fund the group training schemes?

**Mr O'Connor**—Funding to the group training schemes is on a monthly basis. Each year the group training schemes have to go through an application process, comply with a set of criteria and keep performance indicators set by the board.

**CHAIR**—Can we get a copy of those criteria?

**Mr O'Connor**—Yes, we will follow that up. What happens is that each of the apprentices is registered and a training claim is made each month. Essentially there is a base funding amount. At the moment it is the equivalent of \$4,000 per year. Then there are weightings attached to various qualifications in which they can participate or be trained. For example, an apprentice in an electrical trade may have a weighting of a quarter of the base rate, whereas some other trades may have a weighting of 1.5 or 2. So the group scheme gets the base rate times the weighting, for each apprentice. There is some additional funding for the disadvantaged and for females taken on by the group schemes.

**CHAIR**—Does this operate as a wage subsidy scheme for the apprentices or is the funding directed somewhere after that?

**Mr O'Connor**—The funding is essentially directed to support the group scheme. The mechanisms by which they then distribute that to the host employer are really a decision for the group scheme. Some use it as a wage subsidy. Others use it to offset their administration costs. Effectively, that contributes as a wage subsidy as well. We can provide details of the funding model if the committee is interested.

**CHAIR**—You say that you spend somewhere in the region of \$9 million a year. I understand from our discussion before we started that you do not have a skills centre here. Would it improve the capacity of the industry to accommodate more apprentices if funding were available for the establishment of skills centres or training centres, call them what you like, by the group training companies and a capacity to accommodate the apprentices for the first 12 months—the high cost period—of their apprenticeships? I mean spending the whole of that period in a training environment, learning the core skills, base skills, employability skills or what have you. Would that have an impact of substantially lifting the number of apprentices?

**Mr D'Assumpcao**—There are a number of skills centres that we, as training providers, deal with. There is one for the civil construction industry and there is one for plumbing, electrical and refrigeration. Skills centres do exist in South Australia and we fund them on a fee-for-service basis. The civil skills centre is an interesting case in point because it was established with

significant support from the CITB in the early years. That was in the days before training packages for the civil area existed. Since the introduction of training packages, the civil skills centre has taken on some apprentices. Many of the apprentices are existing workers. However, I am not sure that the mere existence of a skills centre necessarily results in increased numbers of apprentices and trainees, because of the employment requirement. The issue really is not the skills centre but the willingness or capacity of the enterprises to engage apprentices and trainees. Once that exists, a skills centre can play a role. Having said that, much of the training is happening on site.

**CHAIR**—The link I was looking for is the connection between the group training companies and the provision of training facilities in the group training companies. Some of them around the country have it now, albeit at varying levels of activity. Some do not have it at all—they operate purely as labour hire or employment agencies. I am wondering to what extent you would expand the capacity of industry to take on apprentices if the first 12 months of training was funded, in one form or another, through that type of activity. Once you got into the second year, with apprentices going out into host companies, you would expect to have at least a level of productivity that was attractive to the employer, and that might make it more sustainable for an employer to take on an apprentice, which otherwise they may not wish to do.

**Mr D'Assumpcao**—Certainly such an arrangement would assist. In fact, the civil skills centre did institute a group scheme as well, as an associated but separately incorporated organisation, but they were limited in the numbers that they could put through because of the employment requirement. The scenario you are painting though, where they work in the skills centre for the 12-month period as a pre-employment program—

**CHAIR**—It would be part of their apprenticeship.

**Mr D'Assumpcao**—That is a possibility. The problem would be the capacity for the group scheme to sustain those wages for the 12 months. Most group schemes sustain those wages through the hiring out of those apprentices, so you would have to cost how much that would be. Taking the 12-month period like that, the next problem is: will the industry take them up? That is an interesting problem in the civil area, because it is still relatively new and it is not a mainstream activity in the same way that, say, carpentry may be.

**CHAIR**—Or it may be a matter of, for example, funding the gaps in that first 12 months so that when they are not with a host employer they can go back to the skills centre and be engaged in full-time training.

**Senator BUCKLAND**—Going back to the group training schemes, is there a danger that apprentices taken on under these schemes could get duplication of training—particularly in, say, the electrical area—when they can be assigned to an employer for a period of time and then be moved to another employer for another period of training? Is there a danger that there could be duplication of what they are learning, or do they have to complete certain criteria?

**Mr D'Assumpcao**—It is up to the RTO to determine whether they are getting the full scope of training. The group schemes certainly have a role to play in moving them around. However, the bigger risk is not duplication of training but too limited training because—and this is the feedback we are getting from consultations—a lot of host employers do not have the scope of

work that fully matches the scope of work in the apprenticeship system. Unless the group scheme moves them around and tracks their training quite carefully, the problem is not duplicated training but limited training.

**Senator BUCKLAND**—I see. What statistics do you have to indicate the completion rate of young people who are taken on by the construction industry through group training schemes?

**Mr O'Connor**—One of those KPIs that I mentioned before measures the completion rates of those that are taken on, so we are starting to record and measure that. We are also trying to be able to track them through our database into the industry and where they go from there. We are starting to collect that information. It is in its preliminary stages, but we can certainly give you the models on which we are basing that.

**CHAIR**—Do many of those apprentices do pre-apprentice training or come through the VET in Schools system?

**Mr D'Assumpcao**—The reports are that quite a reasonable number of those who do pre-apprenticeship or pre-vocational training end up with apprenticeships. The report about the VET in Schools program is similar, although somewhat lower. I think I read a report yesterday that said that in the vicinity of 50 per cent of students in VET in Schools take up apprenticeships, and the major reason for that is that the work placement that they undertake under our program exposes the apprentices to the employers and vice versa. I suppose you would say that it is that contact with the industry that is the major benefit of the VET in Schools program. In terms of the completion rates, the figures that John was referring to were from our data. The data from NCVER suggests some differences, and I presume it is to do with data collection differences.

**CHAIR**—I am sorry, I did not hear you. What is your retention rate for apprentices?

**Mr D'Assumpcao**—It varies. The figures are not easily picked but it is in the vicinity of 70 per cent, which I think is about normal.

**CHAIR**—The director of the TAFE college at Kwinana told us their experience was that, for the apprentices who had come through the VET in Schools system, the completion rate was virtually 100 per cent. So it seems to be that that initial culling, to put it crudely, that occurs through VET in Schools—through exposure to industry, getting their fingers dirty and getting a bit of oil and grease under their nails—actually determines which of them want to go on in that career path and which of them see it as irrelevant, rather than halfway through their apprenticeship. You would expect the completion rate to be much higher in that context, because they are making the decision up front about whether or not they even start the process, and not getting out in the middle of it.

**Mr D'Assumpcao**—That is correct.

**Senator BUCKLAND**—Who ultimately holds responsibility for the apprentices—the board, the host employer or the group training scheme?

**Mr D'Assumpcao**—It would be the employer, whether it be a group scheme or a direct employer. We do not get involved.

**Senator BUCKLAND**—Would it be the group training?

**Mr D'Assumpcao**—If it is a group scheme apprentice, yes.

**Senator BUCKLAND**—This intrigues me: how do you plan for the needs? There is perhaps a skills shortage today. In the housing sector we look like having a turnaround, with a slowdown—I trust it is not a slump—and not a real lot on the horizon for new construction in the state. How do you actually plan for that?

**Mr D'Assumpcao**—The thrust of our submission is that we can get easily distracted by short-term fluctuations so what we are moving towards is looking at the long-term requirements. You are right that, in South Australia, the level of activity is fairly steady by comparison with other states. We are trying to identify the long-term number of people we need in various occupations to come through each year, and to support that rather than to try to predict what is required for next year because, as we said earlier, for what you require next year the trend should have happened four years ago. We are looking at analysing the data on the numbers of apprentices over the last 20 or 30 years and trying to link that to the level of support we are providing to the group schemes, and to apprentices generally.

In respect of labour shortages, in our submission there is a graph that talks about labour increases of 11,000 or 12,000 in 12 months. So there is a latent pool of workers outside the industry, working in different occupations, and when the conditions are ripe they will re-enter the industry accordingly. For us to attempt to, or think that we can, address skills shortages in the short term is probably a difficult call, so we are looking at the longer-term issues rather than the short-term ones.

**Senator BUCKLAND**—The longer-term issues would throw up a lot of longer-term training requirements. You have these periods of non-employment or alternative employment, and when you come back your skills are not sufficient to work on new technology that has been introduced.

**Mr D'Assumpcao**—Correct. The other major aspect of our program is what we call the current worker program, which addresses skills gaps rather than skills shortages. If an individual is working in the industry and sees an opportunity arising somewhere else in the industry, we will support those skills. A case in point is the area of steel framing in the domestic and also the commercial sectors. Steel framing is relatively new in comparison with timber framing, and we support the steel frame training. A lot of carpenters and other types of people do those courses because it is a new skill area. So we are addressing skills gaps through another major program that we run, as opposed to skills shortages.

**Senator BUCKLAND**—Do you have any data on the cost of training for skill gaps as opposed to young people coming into the industry—that is, new apprenticeship type people?

**Mr D'Assumpcao**—We have data on the levels of funding we provide for individual courses; we can get averages for those and specific costs for various courses. The problem with where I think you are heading is to decide what you include in the cost. The apprenticeship system is based on the employment issue and our support for them is really an incentive employer subsidy,

so we are really including wages in that but we are not including wages in the gap training. John might have figures for the average cost for current workers.

**Mr O'Connor**—As the chairman alluded to in his submission, this financial year we will provide funding support to in excess of 25,000 training places. The approximate cost of that to the board will be about \$3.7 million.

**Senator BUCKLAND**—The number of places was really more important to know than the cost.

**Mr O'Connor**—In that upskilling, cross-skilling area that Marcus was talking about, there would be 25,000 current workers—those that we have deemed to be eligible workers, so working within the building and construction industry—who are able to identify that training. We record the type of course that they attend, who provided it, the duration of the course and those sorts of things as well.

**CHAIR**—Do you have any means of identifying, within the registered unemployed in South Australia, people with skill sets that may be capable of being cross-skilled or upskilled in the short term, to meet these peaks and troughs in industry demand?

**Mr D'Assumpcao**—The short answer is no.

**CHAIR**—In the conclusions of your submission there is a paragraph that says:

There have been significant changes to industry structure and practice over the last few decades that threaten the relevance of the current apprenticeship and traineeship systems. Rather than try to focus on short-term movements, it would be more effective to focus on ensuring that all the components of the training system are able to adapt to long-term skill and labour movements.

Precisely what did you mean by that paragraph?

**Mr D'Assumpcao**—A lot of the discussion about training tends to fall into the realm of apprenticeships and traineeship arrangements, but the apprenticeship and traineeship arrangements are based on certain preconditions—that employment exists, for example; that the training exists; and that the industrial relations arrangements are suitable for both employers and the apprentice. If you look at what has happened nationally and internationally in terms of the way labour is employed, you see that it has moved right away from full-time employment. A four-year contract these days is unusual, but we still expect employers to take on a four-year apprentice. Sure, group schemes do help; there is no question about that.

The point of that statement is to say that we should not confine our discussion about skill and labour to the apprenticeship system per se, but look more broadly at what might be surrounding the problems. If there is a labour shortage it is not because of the apprenticeship system; it may be a whole range of other matters that need to be taken into consideration.

**CHAIR**—Which can be, for example, wages, working conditions, the level of remuneration et cetera in different sectors?

**Mr D'Assumpcao**—Yes.

**CHAIR**—I understand what that means now. Finally, do you have a view about the super-councils proposal that ANTA has put out for industry consultation? How would you see that functioning, and will it provide an adequate level of input by the industry into the training agendas and training needs?

**Mr D'Assumpcao**—It is perhaps a bit early to say. There is a tendency to get too caught in the structures that are being established rather than the function that those structures are intended to fulfil. I do not think the problem will be in the structure but what systems are put in place for that consultation. I notice that one of the terms of reference for this committee is the consultation processes. There can always be weaknesses in structures that hamper a full and thorough analysis of industry requirements, but it is really too early to say how effective those councils will be.

**CHAIR**—It is something we will revisit, probably, in 12 months time.

**Mr D'Assumpcao**—Exactly.

**CHAIR**—Thank you, Mr McKay, Mr D'Assumpcao and Mr O'Connor.

[11.29 a.m.]

**FLETCHER, Ms Pamela June, National Executive Committee Member, South Australian Division, Australian Association of Career Counsellors Inc.**

**LEESON, Mrs Judith Esther, National President, Australian Association of Career Counsellors Inc.**

**POLOMKA, Ms Linda Ann, Member, Australian Association of Career Counsellors Inc.**

**STOKES-THOMPSON, Mr Frederick, Member (Fellow), Australian Association of Career Counsellors Inc.**

**CHAIR**—Welcome. Do you have any comments to make on the capacity in which you appear?

**Mrs Leeson**—I am the inaugural chair of the Career Industry Council of Australia.

**Mr Stokes-Thompson**—I have had some experience in the labour market industry and also in schools.

**Ms Fletcher**—I am also employed by the state education department.

**Ms Polomka**—My involvement is with young people in schools, and I work for the education department in South Australia.

**CHAIR**—The committee has received submission No. 93. Are there any changes you wish to make to the submission?

**Mrs Leeson**—Not at this stage, thank you.

**CHAIR**—The committee prefers all evidence be given in public, although the committee will also consider any request for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. I now invite you, Mrs Leeson, to make a brief opening statement on behalf of the Australian Association of Career Counsellors.

**Mrs Leeson**—Career guidance and counselling services, and career development theories, have constantly evolved in response to evidence based research over the past 100 years. We have a good history of research. Effective career development services enhance the capacity of individuals to respond to the complex, dynamic changes in our society and to the fluctuations of national demands for a skilled and experienced work force. As skills shortages are often difficult to predict, with a lead time for recruitment and training of up to four years, it is highly desirable to have workers who are responsive to the need to acquire skills to progress the knowledge economy. Employers have stated their needs for workers to have the employability skills necessary to gain employment, progress through the enterprise, achieve potential and contribute

to the strategic direction of the enterprise. The Employability Skills Framework, developed by the Australian Chamber of Commerce and Industry and the Business Council of Australia, lists eight transferable skills and 13 personal attributes that are essential. It does not mention the vocational or hard skills that are necessary.

These skills and attributes can only be acquired over time, but are not the only ones needed to manage one's career effectively. Many workers will be underemployed or have a portfolio career of paid and unpaid work, or may experience times out of the work force. Career development services may be required then as an urgent intervention. But, if career education is embedded in the curriculum from kindergarten to year 12, students will have the opportunity to develop self-awareness, knowledge of the world of work and not merely one enterprise, effective career decision making skills and implementation of these decisions.

All Australians deserve the opportunity to develop life skills of self-management, accountability and the ability to embrace change, to have a commitment to lifelong learning and to have a satisfying work/life balance. The ability to perceive the first transition from school as just part of one's progress on a career journey that will involve many changes of occupations and challenges can be developed through effective career development services in collaboration with families, school, community and industry.

**Senator BUCKLAND**—What is the requirement for a person to become a careers counsellor in a school, for instance? Is it taken from basically a teacher's background, or are there specific requirements?

**Ms Fletcher**—In South Australia it varies, depending on the system that we are talking about. In the state education system there is no longer a requirement that people have been through particular counselling as there was some time ago when the Commonwealth government supported counsellors within the schools. It may come from teachers within the school; it may be people with a particular interest who need to be developed through training and development, which is often provided. It is many and varied, and there is no single model within it. I would say probably our independent school system is better in terms of career advisers. A lot of schools do not have career counsellors who are paid in that position. There may actually be a student counsellor who will do part of that time as a career type counsellor.

**Senator BUCKLAND**—Mr Stokes-Thompson, you are from the independent schools. Do you have a view on that? Or could you enlighten me further on what the background requirements are?

**Mr Stokes-Thompson**—Essentially, what Pam is saying is correct, but what tends to happen is that it is teachers who take on the role of career counsellor or, indeed, counsellor. What I find striking, working in the independent system, is the amount of time that is allocated or not allocated for people to do the task. For instance, in some schools there are teachers who have one line of teaching which is allocated to doing the task of career counselling or counselling. Meanwhile, they are taking on the rest, the 0.8, of their work in the teaching load. So, essentially, they may only have something like two or three lessons a week in order to carry out the task of career counselling or ordinary counselling. In my school, St Michael's College, for example, I am a 0.8 careers counsellor and that is the only task that I do in the school. So it does vary.

Also, there are a number of people who are in the career counselling or counselling area within schools who have no formal training in that area. That is something which they move into because there is a demand by the school, which tends to pick somebody within the school system. So one of the concerns that I have got personally is that there are people who are offering career counselling more specifically, rather than counselling, who do not have any experience in the area. They have gone from primary school to secondary school, gone to university to get their teacher qualification and gone back into the school system again, where they are trying to tell students about the world of work but never really experiencing it for themselves.

**Senator BUCKLAND**—Is there an additional course that you can do to give you exposure, or are you offered exposure to industries within your catchment area?

**Mrs Leeson**—The career transition services task force of the Australian Association of Career Counsellors has just commissioned a paper by three major academics and practitioners to develop quality standards for the industry. I believe that we are operating at risk, having people working with good intentions but without the appropriate training. At present there are four universities offering postgraduate certificates in guidance and counselling or in career counselling, and a new one at Edith Cowan in career development. It is a four-module graduate diploma which can lead to a masters. The Australian Association of Career Counsellors are totally supportive of having not only experienced people but qualified people in schools, people who understand the theories of career development and its impact on the life of young people as well as the practice. I have a paper which I did not submit with my statement but which I am happy to make available. Is that possible?

**CHAIR**—Do you want to table that paper?

**Mrs Leeson**—Yes, thank you.

**CHAIR**—It is so ordered.

**Mrs Leeson**—That paper very carefully puts our view about the need for quality standards. That is not just in schools; it would extend across all people working in the career development industry: VET coordinators, people working in rehabilitation, people working in the Job Network. I think we have seen the results of unqualified career advice given to people, particularly in the area of streaming young people into university courses on the basis of their TER score. We have also seen the high drop-out rate at university and even at TAFE when that happens. So we are looking for qualifications for career educators, anyone who works under that umbrella of career development.

**Senator BUCKLAND**—You were here for the bulk of the previous evidence from the construction industry. Would any of you be qualified to give good counselling to young people looking at the construction industry as a career option?

**Mrs Leeson**—Certainly.

**Senator BUCKLAND**—Where would that knowledge come from?

**Mrs Leeson**—I think it would come from the industry. Many industries prepare brochures identifying not only the opportunities for young people but also their career pathway through that industry, which was something I did not hear mentioned earlier. But the most important thing is for teachers and other people to get out into industry. I have spent a lot of time in industry looking at the requirements and the environments in which people work—I have worked in labour market programs for 10 years as well—and I think that teachers cannot advise on something they do not know about. In fact, ‘advising’ is not the word we prefer to use; it is really giving a young person options so that they can make an informed selection. That does not necessarily come if a teacher does not understand the industry.

**Senator BUCKLAND**—How do you respond to claims that would be made, rightly or wrongly, that many schools have the idea that the only career option for their students will be through a university? Do you find pressure from your school itself—the school council, perhaps—or individual parents to counsel young people towards a university education over more traditional apprenticeships?

**Mrs Leeson**—Certainly it is there in the private sector.

**Mr Stokes-Thompson**—I think it is also in the state sector. It is a fundamental problem. In South Australia, we have the SACE, which is the South Australian Certificate of Education. That is a document which demonstrates to a student that they have completed their secondary education. That is something we get our students to aim for. Unfortunately, tied up in that at the same time is entrance to university. So what is in a lot of people’s minds—certainly in the minds of the students and maybe even in the minds of the parents—is that one is the same as the other. We need to try to get the two separated so that students can achieve their secondary education and then, if they desire to move into tertiary levels, they can do that as a separate item. Because they are so tied up, we tend to dilute the value and the importance of completing a secondary education. I think we need to have a serious look at that component. There is certainly high pressure on students in schools to go on to university. Even though statistics show that only 25 per cent end up doing so, the pressures are on at school for every student to aim for that. I think it is an unrealistic expectation and, in that respect, we are setting up a lot of our students to fail in the school sector.

**Ms Fletcher**—Senator, I think your earlier question and this one are linked in respect of information and qualifications. The areas where students get better information are where industries have made an attempt to work directly. The Doorways 2 Construction model is well known within the area, and there is someone who is able to talk to students about it. There are other examples like that within South Australia and in other states. That also supports the perception that university is not the only option. Sometimes we have parents’ perceptions of what their lives, their education and their requirements were like. There are images of industries like manufacturing, printing—those are examples on which I know there has been work done so far—and a whole range of industries where the parental perception is that they are not the industries to get into.

Industries which have made an effort to work directly with schools and students to talk about the realities—the modern industries they work in and what the work sites are like in a range of ways—have helped parents to see the pathways. Really popular pathways are the ones where they can see that someone—and I will use the construction example again—can start as a

brickie's labourer and end up owning a company. There are those sorts of models and case stories of the ways in which qualifications can be achieved whilst at school, through further qualifications and even through going into university. It used to be that if you did not go to university straight from school you did not go, therefore if you wanted a degree that was the option. I think that informing people is important—whether it is school students, the teachers or the parents. Industries which have worked on that and have made a real effort have breached that and provided better information.

**CHAIR**—On that issue, we had a group of apprentices appear before us in Newcastle. There was one apprentice in particular who wanted to go into the construction industry as a carpenter. He had a concept of the career path he wanted to follow. The apprentice said he had great difficulty getting advice from the career adviser at the school he attended who constantly, at every step, tried to turn him back towards the university system. As a consequence, he was provided with very poor advice. I think he was told, 'Go and look through the yellow pages and ring up the construction companies.' The adviser was not really interested in providing the advice at that level. How common is that, in respect of career advisers in schools generally? My second question is: who makes the judgment in schools as to who gets the hat of career adviser? Is it the first teacher past the principal's office when they are getting near to the end of the school year, or is there some structured view about looking at the teaching staff to see who has the aptitude to do the job?

**Ms Polomka**—On the first question, about the student who was interested in a career in construction, I think really what we are talking about here is some very firmly set values about what school is about and where we should be going. We have alluded to the fact that parents, teachers and schools all have pressure on them. We all have these perceptions about what is valuable work and what is not. That is something that career counsellors are passionate about, in terms of getting people to understand that we are on about valuing all work, regardless of what it is. It needs to be about the enjoyment that is part of it, and the feeling that you are actually doing something of worth. Would you repeat the second question?

**CHAIR**—Just on that first question: is it really the role of a careers adviser to be making the judgments for the students about where they want to go?

**Ms Polomka**—No.

**CHAIR**—That appeared to be what was occurring in this particular example.

**Mrs Leeson**—I can speak from across Australia. The Career Industry Council has 6,500 members. I do not know the statistics and we have not collected them yet—we are a very new council—but most career advisers in Victoria have a three-day training course, New South Wales has a better system and so many of the New South Wales career advisers would actually have tertiary qualifications, Queensland has a graduate certificate in guidance and counselling, and Western Australia now has a specific qualification. South Australia and Tasmania do not. But who gets the job? It is usually, 'If you are a physics teacher and you have only got five year 10 classes and a geography class, you are the career teacher.' I think the term 'advice', or 'judgment', is not what career counselling is about. Career counselling is about providing information, resources, assistance in self-awareness and industry knowledge, and then facilitating a decision. It is not about advising. I have to be careful what I say on the *Hansard*

record, but I wish all the career advisers associations would take the word ‘advice’ out of their title. We are not advising young people. We are facilitating their development. Once you start advising someone, you have actually limited all their other options. I have to say that that young man who wanted to be a carpenter and was advised to go to university was not really meeting his values but rather those of the schools and possibly the parents. That is not the sort of vision that we have for career development practitioners—they are advising students inappropriately.

**Senator BUCKLAND**—In South Australia, those I have spoken to as I move around a bit do see themselves as career advisers. The students and their families see them as career advisers, and advice is given. Counselling is quite separate from that. What does counselling an individual involve? Is it a 10-minute slot in the day when it is available? As you say, it is generally the person with the least work on who gets the hat of career counsellor. What is the process? If you have three or four classes of year 10s, 11s and 12s, have you got to try and get through them all?

**Mrs Leeson**—At the end of our submission we have suggested that there be some tagged funding to have a full-time career development practitioner in every school, because of the amount of training that is required and the amount of time it takes to facilitate decision making. People can be taught decision making skills. Career advisers can give advice about industry, if they know about the industry, they can give advice about courses and about which course might be best to meet the student’s needs. But actually giving the student the opportunity to articulate what it is they really want to do is something that takes time. It is not a 10-minute slot.

I work with mature workers on government contracts in transition and I find that four hours is a good time to spend with a private paying client. I believe you can do a lot of group work and there are a lot of resources available. One called *The Real Game* has been a real bonus for teachers. It comes from Canada, as does much good research and practical resources. If it is an integrated part of the school curriculum, then, by the time students get to years 11 or 12, they should have a better knowledge of what is important to them in their lives. If you have a passion to be a ballet dancer or an archaeologist, why not be a ballet dancer or an archaeologist? You might have to strategically plan to get your job, but if that is what gives you satisfaction and is your passion, then do it. Linda might like to say something else about career advice in schools.

**Ms Polomka**—Yes. I think the question was related to what a process would involve. Again, it depends very much on the school and on the system, whether it is the independent system or the state system. Generally, in a larger school, we have talked already about the fact that time is not often available to do this. Often there are no tagged resources or a lot of time for a person to do it, and in a larger school, unless there are some structures put in place, it is generally done on a voluntary basis. So a student would seek out the counsellor only if and when they had some questions or considerations. I know that some schools put structures in place whereby all of their year 10 students or all of their year 11 students have individual time with a person or a team of people to go through some of their issues with career planning, but probably on the whole it is not very common.

**Ms Fletcher**—There is often course counselling rather than career counselling.

**Ms Polomka**—I think there is a big confusion in terms of course counselling and career counselling. Given that secondary schools are very structured, it is about, ‘How do we fit your preferred subjects into our timetable or the structure that we have in school,’ rather than looking

at the holistic picture about what we are doing in terms of our planning and your decision making and how that is going to lead to the next step that you want to get to.

**CHAIR**—Mrs Leeson, in the recommendations that you put forward, the second recommendation concerns the allocation of funds for consultation across the nation to ensure that competency standards and guidelines for all people working in the area of career development are clearly identified. Who would do this?

**Mrs Leeson**—The problem with this in the past has been that no-one has allocated resources to do it. The paper which has just been circulated is a commission paper by AACC, our association, to the Career Transition Services Working Group. They have had a look at it. Now, because we have a council of all career associations in Australia, DEST is much more involved, ANTA could be involved and DEWR could be involved. I think we all have a vested interest in providing Australian citizens with the best skills that they can possibly develop before they enter the work force and then subsequently so that they can manage their careers.

**CHAIR**—If we were to accept that recommendation, who would we suggest would be competent or have the competencies to develop the guidelines that you are talking about here for career development?

**Mrs Leeson**—We have probably the best qualified and most experienced researchers in Australia located at the Queensland University of Technology, Professor Wendy Patton and Dr Mary McMahon. They have published widely and have done an enormous amount of research. The idea would be to first of all do a mapping exercise across Australia to determine the competencies needed to work in different specialised areas of career development. If you wanted to call yourself a career counsellor, you would need perhaps to do some subsequent study, as many of us have, in career counselling as a higher level skill.

It is very difficult when you are counselling someone about their career to separate their personal development and their relationships from their working life. In 48 years in the work force, I have not found it easy to do that. People come with an issue about their 'career' but it is really about themselves or about relationships. I think that counselling is one of the specialties in career development. VET coordinators also are providing career advice. They are providing advice about the enterprise in which the young person is doing their VET program or to people in rehab and in the Job Network. As the leading edge association, I believe that we now have some resources that we can put into a mapping exercise, and I think that DEST should match that. In fact, I think they should exceed it.

**CHAIR**—It is a separate question as to who actually does the work. There are two issues: who pays for it, and who does the work? Are you suggesting the people who have done this paper are the most competent in the country to carry out the work?

**Mrs Leeson**—We have many competent researchers and practitioners in the country, but they would be the people that I would recommend. Also, we are looking at some other issues with the Career Transition Services Working Group introducing a blueprint for competencies to be gained in four developmental stages up to adult life. That will also provide a framework. If we can manage to get both of these done—the blueprint introduced into Australia and adapted for Australian conditions, and some quality framework in place—then we are really well on the way

to having a national approach to career development, which will be a very empowering thing for our country to have.

**Senator BARNETT**—You mentioned in regard to the states around the country that there is a huge differential in that some states allow the qualifications that are relevant to career counsellors. That is what I just wanted to clarify. In each state it is different. Is that applied by the school? Who determines that? Is it the state government or the schools themselves?

**Mrs Leeson**—The state government.

**Ms Fletcher**—And the schools.

**Senator BARNETT**—So it is not legislated; it is an administration decision by the department of education and the relevant private school? Would that be correct?

**Mrs Leeson**—Yes, that is correct.

**Senator BARNETT**—And that is where your recommendation 2 is really saying, ‘Let’s get a benchmarking study done of how it actually works at the moment and then plan for the future’—is that right?

**Mrs Leeson**—That is right. We can define the competencies and we can then match those competencies with appropriate qualifications. Some of those might involve recognition of prior learning, of course. We do have some unqualified counsellors who are exceptionally good, but we also have many unqualified counsellors—

**Senator BARNETT**—So you really would like some sort of accreditation system where even those that are not qualified have the skills, and you want them accredited.

**Mrs Leeson**—Absolutely.

**Senator BARNETT**—You mentioned that you have 6,500 members.

**Mrs Leeson**—Not in our association; that is across Australia. I am not representing the council today. We did not put in a submission. We have only just been incorporated. We have about 1,200 to 1,500 members. They are in schools, TAFEs, universities, business, government and private practice.

**Senator BARNETT**—Of the 6,500 career counsellors around Australia, where are the bulk of them? Are they in schools? Can you give me a breakdown of roughly where they are?

**Mrs Leeson**—From our membership, there are five career education associations: in the Northern Territory, Canberra, New South Wales, Victoria and Western Australia. All of their members work in schools, because they are career education adviser associations. Queensland Guidance and Counselling may not all work in schools from that course.

**Senator BARNETT**—But a vast majority work in schools?

**Mr Stokes-Thompson**—I suspect the majority. It is not the vast majority; originally it was.

**Mrs Leeson**—It is probably two-thirds. Of our own membership, one-third work in schools, one-third work in business and government, and one-third work in other places. They may be HR people with an interest in career development.

**Senator BARNETT**—So some schools may or may not have a career counsellor?

**Mrs Leeson**—That is correct.

**Senator BARNETT**—You said that in your ideal world—and you said this in your last recommendation—you want dedicated positions. I assume you are saying that for every school, but there are small schools that may not be able to afford it. But in the ideal world that is—

**Mrs Leeson**—In secondary schools. It is utopian, I know.

**Mr Stokes-Thompson**—I think it would be fair to say that every school has a career counsellor, but not necessarily one formally designated with that title. But they do some form of career counselling. Even every classroom teacher does some form of career counselling for their students and their classes—or to parents.

**Ms Polomka**—Can I add to that. I am unsure about the requirements in other states, but certainly in our state there is no requirement that a state school has a career counsellor in place; and so, essentially, it would be up to schools to decide whether they wanted a person in that particular role or that position.

**Senator BARNETT**—I am just drilling down there. Is that determined more by the principal of the school or by the education department? You are saying it is more the principal of the individual school.

**Ms Polomka**—Currently in South Australia it would be up to the school to make that decision. However, I have not heard of many schools, particularly larger ones, that do not have people in place.

**Ms Fletcher**—They are given funding, and it is up to them to decide what leadership positions they wish to have and how they will allocate their funding that way.

**Senator BARNETT**—Thank you for that helpful background. Those two recommendations are to the Commonwealth government. Obviously most of these people you are talking about work in schools which are funded by the state government, so you might want to think about other parts of the community, including state governments, and whether they contribute to such funding because of a principle of user-pays and whether you kick in yourself for those sorts of contributions. I will leave that with you to think through. In regard to obtaining qualifications, I think you mentioned that you can get a graduate diploma and a master's from Curtin University.

**Mrs Leeson**—You can from Edith Cowan in Perth and RMIT in Melbourne. There are many counselling courses that include one module on careers, but that is not what we are looking at.

We are really looking at the competencies of career counselling. And there is a course up in Queensland. We are really rather short of courses.

**Senator BARNETT**—So, if I am in Tasmania—I am a Tasmanian senator—and I want to be a career counsellor, is there any opportunity to be a career counsellor and have that training in Tasmania? Is that obtained and available?

**Mrs Leeson**—You could do an online course. There is a very good counselling course at the University of Tasmania. Peter Tatham, one of the authors of the paper that I have handed to you, is head of careers there. They were looking at getting a course up and running in the summer breaks, but the demand across Tasmania is not great enough to sustain a specific course in career counselling.

**Senator BARNETT**—Do you mean a specific university course?

**Mrs Leeson**—Yes, that is right. I would prefer that people kept it at a postgraduate level. We are assuming, of course, that you have a prior qualification before you move into this role of careers.

**Senator BARNETT**—I appreciate your emphasis on the need for a research and evidence based approach, which I think is excellent. I commend you on that. The Canadian research that you have included in here has absolutely astounded me. On page 3 of your submission, it says:

... new labour market entrants are likely to experience a succession of up to 25 different jobs in a variety of occupations in up to 5 different sectors of the economy.

**Mrs Leeson**—That is right.

**Senator BARNETT**—And then I think you make the point that this is similar to Australia. You say:

Australian youth are likely to follow a similar pattern.

**Mrs Leeson**—That is right.

**Senator BARNETT**—Have you got any evidence to support that claim, apart from the Canadian research?

**Mrs Leeson**—There is a great deal of American research too—Edwin Herr is a noted researcher on issues like that—but it seems now that going into one industry and staying there is not a pattern for the future, with growth in technology and also the casualisation of the work force. Young people, too, do not want to stay in the one industry. In my lifetime I have worked in three different industries. We have had a number of jobs, probably bucking the trend a little bit, but nevertheless all of us here had other occupational areas.

**Senator BARNETT**—But five different sectors of the economy and 25 different jobs—would we all agree with that?

**Mrs Leeson**—Yes.

**Mr Stokes-Thompson**—I definitely would agree with that. In fact, the trend really is to have a portfolio such that you have a basic level of skills. I think this is what we would like to promote in the school system: that people have some basic underlying skills and then are flexible enough to move into whatever area is required when there is demand. This gets back to the skills shortage issue. If people have some underlying basic skills and there is a skills shortage in a particular area, it is just a matter of moving into the industry and then picking up the additional skills required. I was interested to hear the building industry talk about metal framing. Metal framing of houses is only a very recent innovation, yet virtually everybody is now moving quickly into that. All those people who had a background of carpentry skills have had to almost give those away and move into the steel industry in order to pick up those particular skills. It just shows that they had the basic underlying skills and it was just a matter of transferring some of those skills to a new medium, essentially. That is the sort of idea which I think we need to look at.

**Senator BARNETT**—Is this pretty much accepted amongst other groups?

**Mrs Leeson**—Yes.

**Senator BARNETT**—I know there has been an increase, but this seems very large.

**Mrs Leeson**—It seems astronomical, but I think Frederick and I—because we have both been working on the labour programs for a long time—have seen that time and time again.

**Senator BARNETT**—If it is, it has an impact on how we train and educate our young people.

**Mrs Leeson**—Of course it does. Yes, we should be doing it differently. I would like to make a contribution regarding what the Construction Industry Training Board were talking about—and I have not read their submission. I believe we have a vast untapped resource of people who could move quickly into an accelerated apprenticeship. I think there are many young men up to the age of 40—I still think that is young—who are actually fixing up their own cars, building their own patios—and doing a bit of illegal wiring even, heaven forbid!

**Senator BARNETT**—Now, now.

**Mrs Leeson**—Or digging some trenches for the plumbers. In that trades deficit, we are always focusing on young apprentices. If you look at young men and young women who have perhaps had not a very successful transition from school to work, you see that often they spend a lot of their time doing what they call unskilled jobs for others. Those people are a huge resource, I think, for industries where you could provide short-term training. The apprenticeship model is really the master guild model, and I am not surprised that it is difficult to find some employers willing to take someone on for four years. I do not know too many employers in Australia who would make that commitment.

**Senator BARNETT**—Especially in small business.

**CHAIR**—Under the CBT system there should be a capacity for that to occur. There is no time limit now on how long it takes to serve an apprenticeship; the issue is how long it takes you personally to get the core skills that are required to meet the training packages. If you can do it in six months, good on you.

**Mrs Leeson**—I think there are many people who could; I just do not think they know about it.

**CHAIR**—That may be a different issue. The system does not restrict it occurring.

**Senator BARNETT**—I have two other questions. In your submission you talk about a potential gain of a more self-reliant work force, from the Canadian research. That is very interesting research to see. Can you confirm my understanding of that—the potential gain of a better managed approach and a more self-reliant work force? Is that what that refers to?

**Mrs Leeson**—Yes, they are the gains—and they are government statistics. The Canadians are very farsighted in their approach to career development issues and skilling the work force. They start really early with their young people—not just in secondary school but from kindergarten onwards—by playing games. They are not asking anyone to make a decision; you are just exploring yourself and work. I believe that those gains are possible. If you have satisfied workers, then the industry's need for higher profitability and productivity will be met.

**Senator BARNETT**—The last question relates to our ageing population. You talked about young people of 40 and under, which is a nice comment. But we had the Intergenerational Report last year, saying that we are an ageing population in which 12½ per cent is 65 and over and that it is increasing to 18 per cent or so in the next 10 years. What about the lifelong learning and the impact on the possibility for those people, our older population, to be productive and to be retrained, as it were? How important is that, would you say? Could you expand on that? There is so much focus on young people. Are we missing a gap here?

**Mrs Leeson**—I think we are. I manage transition when workers are retrenched, and it is just amazing that you can predict that there will only be a couple of people retrenched under 30. There is a bias towards retrenching older workers, who are often seen—quite misguidedly, I think—to be inflexible and rigid, and unwilling to adapt to new technology. But, once you do some proper career work with those people, that is not what it is like. That is their expectation, and often they have not had proper career pathways in their own industries where they could learn and be constantly upskilled. I say to my clients, 'You can be prepared to work for at least as long as I am working, and probably through to 75.' I think some of the outsourcing of work has resulted in fewer economies than anticipated and in greater loss to the community in general, in terms of social and economic benefits.

**Senator BARNETT**—Mr Stokes-Thompson, do you agree with those comments?

**Mr Stokes-Thompson**—Yes, I definitely agree with that. It is also getting back into the more senior people's concept of changing—adapting to change, accepting change. I think it comes back to always challenging them and giving them more skills to learn. For a lot of people who are leaving employment now, for whatever reason, at a mature level, their last level of schooling or professional development occurred back when they were in high school. They have a concept that learning is what it was like back then and they do not want to go back to there. I understand

that in the Philippines, however, as an example, high school teachers need to go back to three months worth of retraining every three years as part of their ongoing professional development. I think we need to have a system very similar to that, whereby people are almost obligated—although that might be too strong a term—to be challenged and to learn new skills as an ongoing process so that the concept of lifelong learning and the concept of learning new ideas and being exposed to new ways of doing things are not foreign to them. Then, when the time comes that they have to make that transition, they already have the basic skills, understanding and knowledge to be able to do it.

**Senator BARNETT**—Thank you. Very good.

**CHAIR**—Just on that issue, Mrs Leeson and Mr Stokes-Thompson, there are experiences here in this country, both positive and negative, in terms of dealing with older workers. I think the reality is that, once they get out of the work force, it is very difficult to get them back in again. There is a perception amongst them that they are not going to go and sit in a classroom at a little desk with their knees up around their neck—the concept they grew up with of what school is. But there have been positive experiences. At BHP in Newcastle, for example, virtually all of the work force got alternative employment, primarily because there was a two-year lead time to the closure of that facility and there was a capacity to take the training on the job, in the environment they were used to on a daily basis. A lot of those people who were employed by BHP are now working as TAFE teachers, because they are able to translate their skills into the capacity to carry out training in that area. Most of them finished up with alternative employment. It seems that one of the issues that have to be addressed, if you want to address the issue of older workers, is how the redundancies in industry work—the capacity to say to companies, ‘Well, you can’t make people redundant without giving enough lead time for training to occur on the job.’

**Mr Stokes-Thompson**—An outplacement service, yes.

**CHAIR**—I think that, if we do not capture them while they are in employment, in an environment they are comfortable with, it is very difficult to capture them after that.

**Mrs Leeson**—That is right.

**CHAIR**—If the competencies that you are talking about could be established, should they then become a subject in personal development for teachers in schools, or should we be looking to build those competencies into the teaching curriculum so that all teachers are equipped with the core competencies to deliver career development advice?

**Mrs Leeson**—That is a very interesting question. I believe that career counselling—and we do have a hundred years of evidence to support the value of career counselling—is as specialised, or should be as specialised, as teaching physics. I think it is a mistake to think that everyone is going to provide effective facilitation in decision making. However, I believe that some of those competencies should be incorporated into the curriculum. We teach young children according to their developmental stage in junior and primary school. We teach subjects in high school. Some of that wonderful, hands-on, applied problem-solving that occurs in the early years of education is submersed with a whole range of other demands from universities, from parents—from everybody; everybody wants a slice of the curriculum. I think we forget that these are still developing young people and that they do need some specialised work in the

career field but they also need to be having that applied problem-solving approach—complex reasoning in schools.

At least 75 per cent of our workers are concrete problem solvers; they are not abstract theoreticians. We need to be giving those young people—and we do, through some of the VET courses—the chance to learn in many different ways. You can learn physics through a theoretical approach or you can learn it through a very exciting, physical, hands-on approach. That applies to careers as well.

**Mr Stokes-Thompson**—Here in South Australia, in order for you to teach a particular subject in high school, you have to have had three years of training in the subject. I think that should be the same for career counselling and counselling in schools. I think that needs to be a speciality that you need to have trained for as opposed to something which you pick up because you are a teacher.

**CHAIR**—The reason I asked the question is that it is obvious that from a very early age children start to show certain aptitudes in certain areas. Quite often, it may be about identifying those aptitudes and fostering them, which eventually leads them into particular career paths where people have got the skills, the capacity and the competencies to do that, as opposed to waiting until they get 16 or 18 and saying, ‘This is what we think the opportunities are out there for you. This is what we know the opportunities are. Go and try one of these.’ That may well sit with the aptitudes they have got but may well be at cross-purposes for the aptitudes that the individual has. It just seemed to me that, if these skills were much more broadly incorporated in the training curriculum for teachers, it is more likely to penetrate deeper into the culture in schools than it does at the moment.

**Mrs Leeson**—I think the ACCI-BCA employability skills framework is very good, but it has been developed by employers. There are other skills that you need to manage your career and life effectively. I think it is a great document, and if we combined it with the blueprint we would have an amazing framework where this could be part of the incorporation of teacher learning in the subjects, where they have an opportunity to develop that. I could not agree more. I think in Canada they still have career counsellors in every school even though they have a blueprint for the competencies that people should achieve over four developmental stages.

**Ms Fletcher**—I would actually support the notion of teachers having a general education. I think that every teacher in a school in some way is a counsellor at different times for different students. They need to have that knowledge. That is why they need to be able to give them current and accurate information and knowledge. That is not to detract from saying you actually need specialised people. There are times when kids will actually develop a link with the grounds person or the receptionist—it may be a very unlikely mentor, but areas like that really need to be supported as well.

**CHAIR**—I must say, Ms Fletcher, that, when I was at school, there was much more brutal counselling that took place.

**Mrs Leeson**—Children are exposed to a range of ideas about what they are going to do when they grow up. You ask three-year-olds, ‘What are going to do when you grow up?’ Really, it is delaying the decision making while some genuine exploration can take place so that children are

not just screened on the results of formal academic subjects into careers. The UMAT now is a clear indication that streaming high-profile students into a profession has not really been the answer. It is having people who care about the place they are going to, not so much about the status. If we do not have plumbers, we do not need doctors, do we?

**CHAIR**—No, that is right. Or you may need more doctors. But it is also how we value the role of those individuals in our society.

**Mrs Leeson**—Yes. That is right. That is what I meant.

**CHAIR**—Thank you. I now welcome our next witnesses from the community and health sector.

[12.23 p.m.]

**CLARE, Ms Elizabeth Jean, Executive Manager Corporate Development, Masonic Homes Inc.**

**CLARK, Ms Anne, President, Association of Child Care Centres**

**DILLON, Mr Warrick Arthur, Manager, Corporate Services, Community Accommodation and Respite Agency Incorporated (CARA)**

**HARNETT, Ms Teresa, Chairperson, OSHC (SA) Association**

**HARRISON, Mr Craig, ACROD National Committee for Employment and Training Committee Ltd**

**LAWSON, Ms Diane Patricia, Chief Executive Officer, National Industry Training Advisory Board, Community Services and Health Training Australia**

**WHARLDALL, Ms Denice, Chief Executive Officer, Leveda Inc, and Chairperson, ANGOSA**

**CHAIR**—I understand we have no written submissions. The committee prefers all evidence to be given in public, although the committee will also consider any request for all or part of the evidence be given in camera. I point out that this evidence may subsequently be made public by order of the Senate. We have a number of questions relating to issues which a number of you will wish to make comment upon. I open by asking you, Ms Lawson, because you are from the ITAB, how you see the new ANTA super council structure and how you think that will affect the consultation and input into the training agenda from the state levels.

**Ms Lawson**—We are very positive at our board. I actually have one of my board directors here with me. We are very hopeful. As you may or may not be aware, we have some grave concerns without our industry about the support that we have received traditionally in the community services and health training area, for a large of number of reasons. One reason is the diversity and pure size of our sector, being around 10 per cent of the work force. Also, massive changes within the community services and health sector around work force development issues and restructuring over recent years have placed great demands on training for our industry, as have new regulatory requirements, demanding high levels of skill for staff within our sector.

We are hopeful that the new ANTA arrangements presently being negotiated will provide a better, or more meaningful, forum to assist the community services and health sector to get some of its issues onto the table, in comparison with some of the more traditional trades which, from our assessment, often seem to be focused on—more so than the community services and health area.

**CHAIR**—In South Australia, they are currently experiencing severe shortages in the health and nursing professions. It has been observed that structural changes in the nursing sector have

resulted in a dramatic rise in the training of registered nurses—that is, people with a tertiary education—and a decrease in enrolled nurses through the VET system. This professionalisation has been considered a desirable outcome for nursing. However, at the same time, the shortage of enrolled nurses continues. Given this, do you think the proposals made under the higher education review, in capping HECS fees for nursing, go far enough to address skills shortages in the health, aged and nursing sectors?

**Ms Lawson**—There are two responses to that question. The first is that, clearly, the registered or professional nurses are an extremely important and valuable part of overall health service delivery. However, what is happening in the modern work force is that the paraprofessionals or certificate level-type workers within the system are being asked to contribute more to the delivery of service. There is therefore a greater requirement for those folk to develop wider skills. I think the current project for enrolled nurses, which was recommendation 21 out of the nursing education review, is a very good and positive step towards getting the enrolled nurse qualification in line with the national VET system. You are probably aware, from that report, that enrolled nursing has consistently been viewed as a less desirable career option, and resulted in decreasing numbers of enrolled nurses. However, I know there are some folk here who have personal experiences of registered nurse numbers within their own work force and who may have some other comments on that.

**CHAIR**—Would anyone else like to comment on the need to perhaps line up the courses being undertaken through the VET sector and the university sector? Is there a need for greater articulation between the two in this area?

**Ms Wharldall**—Perhaps I can make a comment. I work in the disability sector and have done for over 25 years. Originally, I was a registered nurse. Probably about 15 years ago, there was a gradual change in the way service is delivered to people with disabilities, and a move away from a medical model of service delivery to a much more holistic one. Certainly for people with intellectual disabilities, there was a much more developmental and social focus around supporting people to live good lives in the community.

I have seen a real drop in the number of professional staff involved in the lives of people with a disability now—even things like wage structures. For instance, when the career structure was developed as an alternative to the nursing structure, the pay of what were called developmental educators lined up, dollar for dollar, with nursing wages. At that time, I was a developmental educator level 3. That was exactly the same as a clinical nurse consultant. I would say that, now, there would probably be a \$10,000 to \$15,000 difference between the wages of people doing similar work. The nursing is higher—probably by \$10,000 to \$15,000.

So there are very few nurses in disability. If there are nurses working in the disability area, they are doing specific work in training and credentialling staff on health care procedures. We need workers who have a wide range of skills like homemaking skills, the ability to teach people with disabilities new skills; expertise in managing people's behaviour—say autism. There is a wide variety of skills that people need and they are working in far less supervised areas now. They are working maybe one to one with a consumer in their own home or in a group home, often unsupervised. When I trained and learnt my trade 25 years ago, I was in a highly supervised setting. Now the settings are much smaller. Then there is the casualisation of the work force. I do not think that is just in disability; it is certainly in the aged care sector as well.

**Ms Lawson**—I think it is fair to say that there is a trend towards service delivery within the community service areas. That is not in institutional based care but in communities, whether it is in step down care for health—that is, people having day surgery and then going back into their homes to have care in the home—or care for people who are no longer in residential care facilities but who are increasingly being provided services within their homes rather than going into institutions.

**CHAIR**—Just on that issue, there has been a lot of work done through the University of New South Wales and a number of doctors in the eastern suburbs in Sydney looking at the linking of aged care people within the community to local medical practitioners and the use of information technologies in order to make those links and to expand the capacity for care of people in the home rather than taking them into residential type environments. Is there any similar work being done in South Australia, to your knowledge?

**Ms Clare**—I am not aware of that model at all. Assessment of aged people in the community is carried out by the aged care assessment teams, who then refer the residents, or potential residents, to an aged care facility or to an organisation such as ours, which provides not only residential aged care but community aged care packages and HACC funded community programs.

**Ms Lawson**—However, I think it is fair to say that here in South Australia we have the rural health training units, and they tend to be the focus around those sorts of models. I am aware that there was some work done some years ago around work in regional areas like Port Augusta and Whyalla. The expertise of the medical professionals may well be here in Adelaide, for example, in mental health assessment, dementia assessment, et cetera, and they are experimenting with technologies doing assessment. I am not sure how far that has gone in terms of mainstream.

**Senator BARNETT**—Thank you for your comments so far. I had eight years on the board of an aged care facility in Hobart and I have worked with Ian Hardy, who you probably know, here in Adelaide, South Australia, with Aged and Community Services Australia. I know there is a wage differential of up to 20 per cent between the aged care and the acute care sector. Ms Wharldall was just commenting on those working in the disabilities area. You were speaking of \$10,000 to \$15,000 less, which obviously makes it doubly hard for you to be able to get the people who you need in that sector to provide the services that are needed. I am just wondering this. We have addressed some of the problems. Can you help us with some of the solutions in terms of how we can address those problems that you talked about? Is there something in the way the home and community care or CACP packages are designed? Is there a different way we can fund those or include terms and conditions in those agreements between the state and federal government to identify this lack of funding support in those areas—whether it be aged care or disability services? Or are there other ways we can help this differential? A lot of people would say, ‘Look, it is the law of supply and demand’, and just let the market prevail. But government is very involved in funding with aged care and disability—and you have got state and federal government—and it is very hard to design a system that works. Do you have any suggestions on how we can address the problem?

**Ms Clare**—Certainly in aged care, one of the biggest issues that we are finding with our registered nurses and personal care assistants concerns the need to document and the documentation that is necessary for the organisation to receive its funding. The lengthy, tedious

documentation by staff is impacting severely on our ability to attract staff. As we have already alluded to, they can work in the acute hospital sector, receive up to 20 per cent more wages and not have to worry about that. Where funding is already guaranteed, they can go in, do their job, walk out and not have to do all this tedious documentation. That is the biggest single factor that is influencing our ability to attract registered nurses.

**Senator BARNETT**—That is a big statement and very much appreciated. I sort of agree, from my own background experience in aged care, about the red tape problem where registered nurses are there filling out all the forms rather than having hands-on care for the residents.

**Ms Clare**—Exactly.

**Senator BARNETT**—That has really hit the nail on the head. But there is a review taking place at the moment.

**Ms Clare**—Unfortunately, there are plenty of reviews happening, but that is all.

**Senator BARNETT**—I agree with that too, but, with respect, a new federal minister came in called Kevin Andrews, who acknowledges the problem and has specifically said that it is a problem. He set up the review. Be assured. I am on the backbench health and ageing committee, and that will be seriously addressed.

**Ms Clare**—Yes. I believe that review has almost finished. It has been going for 12 months.

**Senator BARNETT**—Yes, we are towards the end of it. There is also the RCS review, which you would be aware of—a \$7 million review, which would have to be one of the most expensive reviews ever undertaken. Hopefully that will come up with streamlining the classifications for residents in aged care facilities.

**Ms Clare**—That would be very welcome, Senator.

**Senator BARNETT**—Good.

**Ms Wharldall**—There are a lot of formerly trained staff in the disability sector who perhaps have been working for a long time. It is very difficult, particularly for small agencies and country agencies, to find mechanisms to help those staff gain qualifications and upskill themselves. A lot of the incentives that are available to new employees are not available to that group of people. Certainly a freeing up in this sector, which is largely dependent on government funding, to allow those agencies to access some of the traineeship incentives for a work force that has been around for a while, would be helpful.

**Senator BARNETT**—That is a very good point. It came up with the last witnesses when I was asking them about the older work force. We have an ageing population with 12½ per cent over 65 years and older, and that is increasing markedly to 18 per cent. We have this older work force, particularly in the health sector. Are there any initiatives happening here in South Australia? Does the state government have any initiatives to provide further education and training for perhaps the older work force?

**Ms Lawson**—We have been funded by DEST, as the national ITAB, to do a scoping project looking at the over-45s as a potential market work force, for our industry in the first stage, to see what is actually happening in Australia. I think it is fair to say that, as with all activities, being a federation, each state takes its own initiatives and does its own thing. For example, in New South Wales in this financial year they did not allocate any CTP funding at all for training for aged care. They had a 14-page document which did not list anything to do with aged care as a priority. Things prioritised were things like apprentices to renovate heritage trust buildings et cetera. There seems to be a lack of coordination—for us, for example as a national ITAB, when we meet with these folk to generate a strategic direction about the priorities for our industries. In speaking to Senator George Campbell, I said that the hope with the new ANTA process is that there will be a greater adherence by the various states in their agreements to prioritising what industry is acknowledging.

In Victoria, for example, its training minister has allocated and prioritised aerospace and entrepreneurship as the priority thrust for its training agenda. While I have no problems with aerospace per se, the issue is that it is one of balance. At the end of the day, we are competing as an industry for a work force pool of a diminishing number of young people who, even with the numbers we have now, are not making a preference to come to our industry. When we see so much energy being put into traditional trades, again we have no problem with those people having that work but we need different strategies for our industry, which is already encumbered with a historical view that it is a feminised work force. In child care, nearly 90 per cent of the work force is female, but how do you attract over 45 year old men who are likely to be the older pool of workers into what is seen traditionally as a woman's job?

**Senator BARNETT**—Does the South Australian government have any initiatives for these people who are out of the work force? Perhaps they started off, then married and had kids. That is all understandable. Then, when they want to get back into the work force, is there a possibility? I know some states provide it, particularly nursing. Is that provided in South Australia at all?

**Ms Wharldall**—Not that I am aware of.

**Mr Harrison**—There are some state government traineeship opportunities through the New Apprenticeships system, but again it is about new workers coming in; it is not about upskilling the existing work force.

**Ms Lawson**—I think it is fair to say there has been a flavour—I am not quite sure what it is driven by—about the focus, as again I appreciate, on new entrants into apprenticeships and traineeships rather than upskilling an existing work force. There seem to be some tensions, whether they come from within DEST or from the state training authorities, around whether you should focus your energies on New Apprenticeships. Clearly, if you are trying to get into traditional trades, that is what you would be doing. But anywhere up to 50 per cent of our workers could be in the workplace without existing skills or assessment to give recognition of skills, and we have a priority need with regard to existing worker apprenticeships and traineeships, which seem to be prioritised less frequently at a state level.

**Mr Harrison**—Most definitely. I would like to make an observation on that. Just to clarify where I come from, I work in the disability sector—

**Senator BARNETT**—Is that with ACROD?

**Mr Harrison**—Yes, but I run an employment service for people with intellectual disabilities. We place people who would otherwise be on the pension into award based jobs. So I come at this with two perspectives. One is, obviously, the professional development of the industry and the fact that many of our workers, whether they are young or old, do not have qualifications and do not have access, because of their existing employment status, to any form of training support. We have to pay for it, and the capacity to pay is not great in our sector. But there is a second group, which from my perspective is equally important: people with disabilities whom we support out in employment.

Part of welfare reform, as I understand it, is to try and encourage people to participate in the social and economic life of the community. We have many people who are working but in a sense are at risk of remaining in job ghettos because there is no capacity to recognise the skill and competence that they have already achieved. Again these programs that talk about new entrants rather than the recognition of skills in existing workers, both at our professional development level and at our client based level, are starting to have some significant impacts on the employability and sustainability of employment for those individuals.

The disability employment sector has enormous capacity to assist in skill formation right across the community. As a sector we are undertrained, again because of the capacity to pay. If we are going to have user-choice models that say that you can access training as a new employee or up to three months post your employment—which is the case in South Australia—we are going to lock out that significant body of individuals within our sector who ought be gaining skill formation, skill recognition and upgrading of their skills.

**Senator BARNETT**—So what is the answer? Are you saying that it is more resources at the upper end in terms of upskilling or reskilling at a later date?

**Mr Harrison**—I think there needs to be some significant investment in recognition of current competency and in agencies that have a commitment to the development of their work force rather than necessarily the acquisition of subsidies for training. As a sector we have a clear and demonstrated history of wanting to develop our work force, but again, for reasons not only of the availability of people coming into the process and the attractiveness of wage levels but also of accessing the training market and our capacity to pay for that, we have a diminished capacity to develop our work force.

**Senator BARNETT**—I am interested in the child care comments, if you would like to make any comments on your views. Child care places certainly feature in the media quite a bit, but what about training and retraining in child care?

**Ms Clark**—We have quite a few issues around staff shortages and the skills shortage. The first one would be pre-service, attracting people into our industry. Obviously, our wages are the most crucial inhibitor when it comes to attracting people to our industry. So, first of all, we need to get people to engage in our career and to find a study path that suits them. Some people cannot afford to study for two years full-time without an income, so we are trying to devise many different pathways for them: working part-time, studying part-time, doing it externally et

cetera. But our opportunities for that are quite limited because of the number of places and the amount of money allocated to the training institutions, so we find that difficult.

**Senator BARNETT**—Just to clarify that for dummies that do not know: is it a two-year diploma?

**Ms Clark**—It is a two-year diploma in children's services, child care.

**Senator BARNETT**—Where is that available?

**Ms Clark**—Only through TAFE.

**Senator BARNETT**—Is it the same in every state?

**Ms Clark**—It is slightly different in other states, but in South Australia it is only available through TAFE. So we have no other training opportunity—unless a person is undertaking studies externally from an interstate university or college. We then have people who are in our industry, like other people at this table, who would like to upskill, but again there are difficulties around how to provide time for these people to go off and train when we are already short-staffed, the fact that they cannot afford it based on income they are currently getting and the actual opportunity to undertake that training. Thirdly, the most difficult thing at the moment is actually retaining people who are in the industry. We are getting people through, we are skilling them and giving them qualifications, but then we are unable to retain them in our sector.

Also there is the increased documentation work. They have to comply with a lot of regulatory issues and a lot of accreditation issues. About 80 per cent of the assessment is around documentation so there is a lot of pressure on staff there. There is also the sheer stress of the actual job they do and the demanding role of that. To actually retain them is another issue. We now have a concern that many centres in South Australia and around Australia are running with what are called exemptions—each state calls them something slightly different. Centres are getting some kind of temporary pass for a person who is working in their service who does not hold a qualification. This in turn will have some impact on our ability to meet our regulatory requirements, our accreditation criteria and our high-quality criteria.

**Senator BARNETT**—Has the influx of more private operators into the child-care centre sector had any impact in South Australia or elsewhere?

**Ms Clark**—Not in terms of attracting and retaining staff, but obviously the more services are open—because there is no planning cap on child-care places—the more we are competing for the small pool of staff that we have.

**Senator BARNETT**—What about the remuneration and salary levels for your child-care service providers?

**Ms Clark**—Someone who holds a two-year diploma in children's services is looking at earning somewhere between \$12 and \$14 an hour. It is very hard to retain anyone with that kind of salary.

**CHAIR**—It is the biggest single issue.

**Ms Clark**—Yes, it is the biggest single issue. But if you ask the services to fund a wage increase and give employees something half respectable for the job that they actually do, then of course the parents are the ones that ultimately pay. So part of the wages campaign around Australia is to seek some kind of state and federal support for a wage case.

**CHAIR**—The local schoolgirl up the street will not babysit for \$12 or \$14 an hour. They want at least \$20.

**Ms Clark**—No, they will not.

**Ms Lawson**—We have just finished developing the national competency standards, and, while the diploma has become the minimum requirement for a qualified worker, I think is also fair to say that the industry has much greater expectations of the skills of these people. They are no longer people who are babysitters or minders; they are actually meant to be engaging children. As you know, the Prime Minister has made a commitment to the nought to three strategy. There are a whole range of things that we are now expecting of child-care workers around promoting parental support and giving advice to families around appropriate parenting skills. In some areas, such as areas of disadvantage, there are more social problems associated with child care. I know that, in our project to develop the new competency standards, a lot of the feedback we were getting was around the whole range of high-level skills that child-care workers have to have to manage some of those very difficult family relationships and very complex problems associated with supporting a child in child care and the family placing that child in child care.

**Ms Clark**—That is right. Your training is not just about working with children; it is actually business management, because you have to run a child-care centre as a business. You have documentation work that you have had no training or experience in. Another critical area that we are trying to look at federally is medication management. For example, staff are being asked to inject children with adrenaline should they have an anaphylactic reaction. Staff are being asked to do diabetic testing, give insulin injections, administer asthma medication, give normal antibiotics and undertake gavage tube feeding. This is stuff that is normally done by people with a nursing background, yet our workers are being asked to do these sorts of things without any skilling or training. So our job role has changed very dramatically over the last four or five years.

**CHAIR**—You are also being asked to put a lot more effort into training at that preschool level.

**Ms Lawson**—Yes, in terms of brain development. The other thing that is really important to highlight is that none of what is being described is not what is actually required by society. When we talk about multiskilled and flexible workers who are able to transcend a range of areas, this is exactly what this looks like. So in the development of training packages, what we are finding is that within the vocational area for our industries there are much higher levels of underpinning knowledge and skills around a whole range of issues and service.

Even if you work in areas where you traditionally would not have thought you were taking on a lot of social work type of role, you are finding that more and more you are actually the person

who is supposed to assist in suicide prevention or identification of someone who is an ‘at risk’ person et cetera. It is actually where we want to be, I believe, from a vocational perspective. We want to have broadly multiskilled workers who are able to gain benefit and stimulation of interest in their work life. Where we seem to have the inequities are around support for those services to get to that multiskilled flexible work force.

Some of the issues are around salaries and comparisons with other industries, and what that retention looks like. Again, given that a large number of these workplaces employ fewer than 20 people, they are small businesses. They do not have large HR departments. Many of them are actually private companies. A lot of people make the assumption that we are run by the health departments or community services departments. In fact, large numbers of these businesses are small businesses, with all the requirements that go on companies for running a small business, with an HR responsibility as well as service quality delivery requirements. Again, that burden is placed on workers who we know have either a certificate IV or diploma level qualification within our package.

**CHAIR**—What is the gender balance in the child-care industry?

**Ms Clark**—About 99 per cent women and one per cent men.

**Ms Lawson**—The figures that we are quoting at the moment are across the whole of health and community services. They are around 78 per cent female across the industry.

**Senator BARNETT**—Seventy eight per cent?

**Ms Lawson**—Yes, that is even including medicine, which has had a significant increase, where traditionally there would have been more males in some areas. There are still some areas, such as disabilities, youth work et cetera, where there are still balanced gender numbers, but largely the feminised areas of child care and aged care push that balance over in terms of—

**Senator BARNETT**—But is that changing or is that the same in terms of the people coming through?

**Ms Clark**—No. In long day care, there are virtually no males. In out of school hours care, they have a higher percentage of males.

**Ms Harnett**—And it is probably only two per cent.

**Mr Dillon**—Could I just make reference to the parallels between the disabilities sector and child care. Talking about certificates III and IV, we certainly would like our staff, our care workers, to have a minimum certificate III; many do not. But they are required to undertake all those additional duties that traditionally an enrolled or registered nurse would undertake. We have moved from the diagnostic and medical model to the community based model, which Denise talked about. And we are requiring our base grade workers to do all those health interventions that you mentioned—some quite invasive procedures. Some of those staff do not even have the certificate III qualification. It is closely scrutinised by the Nurses Board of South Australia.

We employ at the moment around 432 staff. Of those 432, only 11 are nurses, and their role is actually the assessment of new clients and the training and credentialling of our non-skilled care workers. The issues for us are, of course, money and also the recognition, the status. In regard to the money issue, as a disability agency, what we have been required to do over time is to take on the role of some of those mainstream services. So the disability dollars have been stretched. For example, even in transport, we provide accommodation and respite for people with severe and multiple disabilities. For them to get around, we need to provide accessible transport, which the government cannot meet or chooses not to meet. A lot of our disability dollars are channelled into areas from where we would like to channel them back into improved wages for our carers, but we do not have the resources to do that.

**Senator BARNETT**—As a result of that, how significant is this issue of insurance not only for child care, but across the caring communities in terms of public liability and professional indemnity insurance? We have an expectation as a community of these wonderful services up here and you are only to provide down here. And then you have got the insurance requirements. How serious is that as an issue for your sector? Would anybody care to comment?

**Ms Wharldall**—In the disability sector, a number of agencies have not been able to get insurance. In fact, the state government have had to step in and encompass them under their state program while they are trying to find alternatives. There are quite a few agencies that have not been able to secure insurance—public liability mainly.

**Senator BARNETT**—Thank you.

**Ms Lawson**—It was mentioned that there nurses in the loop in disabilities. As the national ITAB we have gone on record as saying that, from our perspective, a solution for this is not regulation by other professionals of these workers. We are very strong in saying that. Industry has said to us, ‘We would prefer to manage the process through quality training and delivery strategies in which our consumers and employers are driving the regulatory process. We do not think it would add value to our industry to have any other professional group regulating the work of these workers. In fact, it would create a bigger impediment to flexibility and portability of qualifications if any of the other professional groups were to decide that they would like to license the disability workers or any of the other workers.’ We have gone on record with registration boards that might explore this issue as saying that is not desirable for our industries.

**Mr Harrison**—There has been discussion around quality, and I think the general trend in the community is toward expectations that we have multiskilled staff, that we are providing high quality services. One area that I think is of real interest in this issue is that services like my own in the disability employment area contract with the federal government, and in that contracting we have to meet certain standards, in the sense of not only the way we run our businesses but also the way we deliver our services. The national disability service standards are quite explicit in the areas of the qualifications that our staff are required to have and the kind of training that our clients should be getting. This very issue that we are raising, about our capacity to purchase access to that training, is coming into stark conflict with the need for us to have quality assurance status.

**Senator BARNETT**—And presumably adequate insurance cover too.

**Mr Harrison**—I think it is a part of the whole range of compliance costs. I have heard other members here talk about the issues of paperwork and of administrative burden. All of that distracts from our primary support role. No-one, I think, is actually arguing that we should not run our services as small businesses—whether we are not-for-profits or for-profits, we have got to treat public money in an appropriate and efficient way. But again I think we have to recognise that, whilst we have got these drivers for welfare reform and quality assurance, we need to provide the mechanisms for the services to actually get there, and our capacity to purchase training is a critical deficit in the current model. I am not arguing with the ideological direction or with the fact that we have got to get to a point of higher quality servicing. How we actually meet those quality standards, in particular around trained staff and the training of our clients, without a capacity to purchase that training, strikes me as being challenging.

**Ms Lawson**—We have just finished workshopping with 1,000 providers of training for our industry across Australia, and one suggestion for funding that has raised by those people as a possible solution is that, rather than funding for whole qualifications, as happens at the moment with the traineeship and apprenticeship strategies, we might explore a strategy around assessment only funding. That would be actually giving employers an incentive to evaluate the performance of their staff and identify gap training, rather than treating everyone as a new entrant or as someone with an apprenticeship or a traineeship, requiring X-amount of 8,000 funded dollars or what have you, as if they were all going to TAFE and doing a full course. Instead they might look at funding models where the training could be gap training or shorter training, actually giving employers an incentive to evaluate the performance of their staff against the national benchmarks, which is a significant cost within the training package process. To do assessment in a quality and meaningful way, and to provide meaningful feedback to your organisation and to the staff member about their performance, is one of the very, very challenging parts of the training package implementation. We agree wholeheartedly that training packages are a far cry better than curriculum models ever were. The other issue that I would like to flag is the one that was raised about the monopoly—

**CHAIR**—Just before you go off that issue, Ms Lawson: we have also had raised with us the quality of the assessors and their role in the competency based system, and whether or not there should be some assessment of the assessors. What has been your experience in that area?

**Ms Lawson**—DEST, through ANTA and the state training authorities, have introduced the AQTF, the quality training framework. That framework is meant to be used by the state training authorities in the role they are playing to evaluate the quality of registered training organisations. Within those standards there is a requirement regarding the quality of assessment. What we are finding within our industries is that, because of what we have discussed in terms of highly sensitive issues, a highly regulated environment, we are consistently getting feedback that the quality of assessment and of some RTOs is extremely ordinary. There are pockets of excellence and there is a lot of very ordinary assessment going on. We as a national ITAB have made a commitment to that through the workshops we have just undertaken, and we have strongly recommended back to DEST that more energy needs to be put into that side of the implementation of training packages.

A lot of the focus that comes through ANTA and the training authorities tends, for historical reasons, to focus only on the TAFE or public providing system. We did try to create a free market by introducing private providers into that marketplace to stimulate creativity and

flexibility, and by and large our feedback has been that industry greatly welcomes private RTOs who are flexible, who are getting out there and doing assessment, who are going to industry and saying, 'What do you actually need?' rather than the model that many TAFEs are still following, of saying, 'We are the people that are here between year 11 and university. For those kids who did not get into university, we are the transition point from which they will move forward into university.' What we say from our perspective as a national ITAB is that the VET system is not a second-class system, it is not about jobs for the also-rans who did not get to university. We actually have a high quality work force and want to improve their skills, but these are not people who are waiting to go to university. It seems we still have two systems running in Australia. One is the public provider, which is still locked in to old curriculum models of training people from high school, and the other is the private providers. Some of them get it wrong and do the cheap and nasty thing, giving the rest of it a bad name, but they are actually the ones who are out there pioneering the new flexible approaches, they are the ones who are getting on the plane and going to Moree and doing assessments, or out to Port Augusta and evaluating what industry needs. That does not seem to be coming so much from the TAFE system.

Perhaps there is a credibility gap that will be met over the next few years while the AQTF kicks in. We have serious concerns in our industry because of that pressure for regulation. We see the risk associated with the profession saying, 'This is unacceptable performance,' and wanting to take regulation, rather than waiting for industry to play catch-up, as a big risk for our industry at the moment. In fact, the Nurses Board of South Australia has done just that: it has had a scoping exercise to look at regulating care workers in this state.

**CHAIR**—We have to conclude at this point, to have lunch before the next witnesses are due to arrive. Thanks very much to all of you for your contribution. It has been very useful.

**Committee adjourned at 10.02 p.m.**