



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Reference: Current and future skills needs

Roundtable

WEDNESDAY, 2 APRIL 2003

CAIRNS

BY AUTHORITY OF THE SENATE

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to: **<http://search.aph.gov.au>**

SENATE
EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
REFERENCES COMMITTEE

Wednesday, 2 April 2003

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

Substitute members: Senator Allison for Senator Stott Despoja

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

Senators in attendance: Senators Allison, George Campbell, McLucas, Stephens, Tierney

Terms of reference for the inquiry:

To inquire into and report on:

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

WITNESSES

ANDERSON, Mr Dale, Institute Director, Tropical North Queensland Institute of Technical and Further Education	125
CLELAND, Mr Darren, Executive Officer, Ecofish Tropical North Queensland Ltd	125
HUNT, Ms Jacqueline, Market Development Manager, Superyacht Group, Great Barrier Reef (Cairns Region Economic Development Corporation).....	125
IRELAND, Mr Murray Glen, Director, Cairns Aviation Skill Centre Ltd.....	125
MASON-MITCHELL, Ms Susan Jane, Director, Super Yachts Australia Pty Ltd.....	125
MAY, Ms Bobby Narelle, Manager, Vocational Partnerships Group Inc.	125
SUTCLIFFE, Ms Kathryn Ann, Chief Executive Officer, Gulf Savannah Development	125
VIEIRA, Mr Tomas Artur, Executive Officer, Far North Queensland Area Consultative Committee	125
WHYTE, Mr Sandy, Executive Officer, Cairns Chamber of Commerce Inc.	125
WINSOR, Mr John Charles, Chief Executive Officer, Cairns Region Group Apprentices Ltd.....	125

Committee met at 1.28 p.m.

Participants

ANDERSON, Mr Dale, Institute Director, Tropical North Queensland Institute of Technical and Further Education

CLELAND, Mr Darren, Executive Officer, Ecofish Tropical North Queensland Ltd

HUNT, Ms Jacqueline, Market Development Manager, Superyacht Group, Great Barrier Reef (Cairns Region Economic Development Corporation)

IRELAND, Mr Murray Glen, Director, Cairns Aviation Skill Centre Ltd

MASON-MITCHELL, Ms Susan Jane, Director, Super Yachts Australia Pty Ltd

MAY, Ms Bobby Narelle, Manager, Vocational Partnerships Group Inc.

SUTCLIFFE, Ms Kathryn Ann, Chief Executive Officer, Gulf Savannah Development

VIEIRA, Mr Tomas Artur, Executive Officer, Far North Queensland Area Consultative Committee

WHYTE, Mr Sandy, Executive Officer, Cairns Chamber of Commerce Inc.

WINSOR, Mr John Charles, Chief Executive Officer, Cairns Region Group Apprentices Ltd

CHAIR—Welcome. As part of its inquiry into current and future skills needs, the Senate Employment, Workplace Relations and Education References Committee is conducting a series of roundtable meetings with people involved in various ways with identifying and responding to the skills needs of industries, communities and individuals. The committee is also holding more formal public hearings with those who have made submissions to the inquiry. The committee wishes to have the opportunity to discuss or explore views on current skill formation policies and programs and suggestions for change with those representing the diversity of interests and viewpoints in the community. The purpose of these roundtable discussions is to allow the committee to consult with a broader range of people than is possible through the more formal hearing process, including those who do not wish to make formal submissions.

Although these roundtable discussions are meant to be informal, we are bound to observe one important rule of the Senate in regard to privilege. This discussion is privileged and you are protected from legal proceedings with regard to what you may say. Hansard will produce a verbatim transcript of evidence, which will be provided to participants and which will also be available on the committee's Internet site as official documentation of the committee's proceedings. This recording is not intended to inhibit informal discussion. We can go in camera if you want to put something to the committee in confidence. I point out, however, that such evidence is often difficult to report in an inquiry of this nature and, in any event, the Senate may order the release of such evidence. Many of you have provided the committee with some brief written information about yourselves or the organisation or interest that you represent and your

key issues in relation to current and future skills needs, for which we thank you. For the benefit of all participants and the transcript I will start by asking each of you to introduce yourselves. Following the introductions, I have a couple of questions to kick off the discussion.

Ms Mason-Mitchell—I have been in the charter industry in Queensland for some 25 years. I was the President of the Game Fishing Association in North Queensland for some nine years and I was on the Marine Board of Queensland as well. So I have been involved in the boating arena for many years. My husband actually started out as a wooden boat builder in Brisbane and then went on to prawn trawling. Then we both ran charter boats for many years. We now run superyachts overseas.

Ms Hunt—I am here representing the Superyacht Group, Great Barrier Reef, which is an industry cluster administered by Cairns Region Economic Development Corporation. I am the Market Development Manager for the cluster.

Mr Cleland—I am the Executive Officer of Ecofish, which is the seafood and marine cluster for Far North Queensland. Our membership base is predominantly commercial fishermen, or about half our membership is. The other half of the membership is seafood and marine support businesses including wholesalers and marketers right down to lawyers and accountants.

Ms May—I am from Vocational Partnerships Group Inc. We are a school-to-industry links group or a school-to-work transition. We are a community based organisation and we work with 14- to 25-year-olds providing entry level training, vocational education and basically any form of assistance we can give them to move into that transition to employment.

Mr Anderson—I am from the Department of Employment and Training. I am the Director of Tropical North Queensland TAFE, which is a large TAFE here in North Queensland. It operates from Tully to the Torres Strait over eight campuses and 1,000 workplaces, and 40 per cent of our operation is Indigenous communities.

Ms Sutcliffe—I am Chief Executive Officer of Gulf Savannah Development, which represents the shires of Carpentaria, Croydon and Etheridge. We have a number of corporate and associate members as well. Our role is regional development throughout that area.

Mr Vieira—I am Executive Officer with the Commonwealth government's Area Consultative Committee. Up here the region is from Cardwell West and Croydon up to Weipa.

Mr Winsor—I am the chief Executive Officer of Cairns Region Group Training. We are a group training organisation employing in excess of 1,000 apprentices and trainees in the area from Cardwell to the Torres Strait. My other positions are President of the Group Training Australia Queensland/Northern Territory Association and member of the national board of Group Training Australia.

Mr Ireland—I am replacing Dave Adams, who is replacing David Maguire. I represent the Cairns Aviation Skill Centre and the initial start-up of the Cairns aviation cluster, which represents the general aviation side of the Cairns airport.

Mr Whyte—I am Executive Officer with the Cairns Chamber of Commerce. We have 850-odd members in Cairns and we are the largest chamber in Queensland. Our main interest is in

protecting businesses and making sure that they go all right in Cairns. Our main reason for being here is just to keep an eye on things. There are plenty of industry reps who have specific industry knowledge, but we just want to make sure that everything is okay and particularly that regional issues rather than national issues are taken into account.

CHAIR—I would like to pose three or four general questions to you, but by all means do not feel that you are confined to those issues. This is a wide-ranging inquiry and we can discuss whatever issues you think are important to put on the table. In opening things up, can you give us your views about how you see the relative importance of Commonwealth and state incentives in promoting training as a general rule and whether traditional trade training, which we have known for a long time, remains relevant and important in that context; secondly, whether or not current training programs and policies adequately identify current and future skill needs and prepare the labour force to meet that demand; and, thirdly, the role you see the Job Network playing in identifying and being able to respond to those skill needs, particularly on the original basis and in areas such as North Queensland. The other issue is how you think industry investment in training their work force could be best facilitated—whether it is by putting on apprentices, through tax incentives or training levies. There is probably enough there to get someone interested in making some opening comments. Feel free to range far and wide on any of the issues that are on the terms of reference.

Mr Winsor—I feel that Commonwealth incentives have become a little less relevant because of the change in their nature. Incentives used to be given on commencement, with a progression payment as well as a completion payment. From 1 July there will be only commencement and completion payments—no progression payment. Given the fairly high drop-out rate being experienced not only through group training but across the whole state in DET, the completion incentive will be hard to get with a lot of employers and they will not see that as much of an incentive.

Ms May—I suppose I will follow that up. It is combining a couple of questions. I have often discussed with our staff the possibilities of looking at training levies or continual payments. The drop-out rate is something that may produce a greater incentive to work harder to keep people on or to look at the problems that are occurring as they happen, if people are paid continually during that training time rather than given lump sum incentives. This might encourage employers to seek help if they see that there are some problems occurring with young people in traineeships. There is a drop-out rate. We get over some of those issues with a period of work experience, but it does occur.

CHAIR—How significant is that drop-out rate?

Ms May—I know there are state figures. Certainly for our students with whom we work in school based traineeships, which is our specific area, the figures are not as high as they are in other parts of the state. I think this is because we put a lot of groundwork into it with our cluster system and work experience. The reality is that we have often thought that continual payment or a training levy might be a better incentive, rather than just an incentive in the beginning or at the end.

Mr Winsor—Concerning the drop-out rate, I do have some percentages from NCVET from 1999 to December 2001 which indicate that across the whole of the state—not just group

training—53.5 per cent completed and 52.66 per cent cancelled, so it is a fairly significant cancellation rate.

Mr Cleland—I was interested to hear John say that employers would rely on incentives less and less, but from our perspective, where we are about to enter into an arrangement where Cairns Region Group Training will be the group employer for the commercial fishing industry, that state incentive particularly and that federal incentive hopefully will be the only revenue going back to Cairns Region Group Training that will pay them for providing that service to us as an industry. From that perspective, we see that as very important because, if that funding did not go to Cairns Region Group Training, we probably would not have anyone to look at group training or we may not even have an industry that is willing to take on a trainee. The group employer by providing employment for those individuals is really worth a lot of money to industry. When you are dealing with fishermen on fishing boats, they do not want to know about the paying of the trainee and all the paperwork tied up with that, because generally it is an industry that is based on shared fishing agreements. They just pay a percentage of cash, so the whole idea of paying wages is new to the industry. It is very important for us to have a group employer like Cairns Region Group Training doing the work for us.

CHAIR—Group training has been around for a long time—20 years at least now. We had a roundtable meeting in Brisbane on Monday with a number of apprentices—some of whom were employed directly with companies, some of whom were employed through group training schemes. Some of the apprentices from the group training schemes were critical about being used as cheap labour in a lot of instances. They were being picked up for short-term jobs for two or three weeks, were just put on the one job and essentially being used as a cheap labour force. That was certainly the criticism that was coming from them. That is one of the issues involving the group training scheme that is of concern and should be avoided. Apprentices within the scheme should actually experience the range of activities that are necessary for them to come out as a well rounded tradesperson at the end of the period or apprenticeship that they serve. Mr Anderson, do you have any mechanisms in place to ensure that you avoid that type of criticism occurring and that the trainees, apprentices—or however they are defined—do get the breadth of the training mix?

Mr Anderson—We work very closely with group schemes up here, and it is my view that it is probably the opposite: when we see apprentices who are tied to one small company, they get a very limited range of experience; whereas with the group scheme they are able to move people around and expand that range of experience. This is definitely the case for the people in remote communities in the cape and the straits. It enhances their training.

Mr Winsor—Representing the only group training company here, I had also better answer that. From our point of view, there is no basis for saying that apprentices are not being looked after. In fact, ANTA have actually ‘imposed’, which I think is the word to use, regulations on group training companies, which are called national standards for group training, which we all have to abide by and conform to. Those standards include at least quarterly visits to apprentices and employers to not only monitor their training but check on their welfare.

Mr Ireland—One of the reasons that the Cairns Aviation Skill Centre was formed is that the industry got tired of dealing with the subsidy. Half of the aviation apprentices put on last year were in Far North Queensland, but we had to send them to Brisbane for training. We have three in our company, which costs us \$10,000 a year each. We get \$1,700 from the government, so

the subsidy is not really relevant, which has been one of the things that has stopped people putting apprentices on. The other thing was the training skills. As John said, they deliver a standard but for quite a few years the standard was geared for the airlines. We are a totally different part of the industry. I do not know whether anyone is aware, but over 500 employees work on the general aviation side at Cairns airport. The study we did last year showed that it brings in over \$100 million to the community, but most people do not even know it exists.

We decided to do something about it ourselves and, with the help of State Development and the Department of Education and Training, the first part was starting up Aviation Australia in Brisbane, which is catering for what Boeing, Qantas and the airlines need. But the general aviation side was not represented, so we started our own training centre. We are using the standard as a minimum and having the students trained to what the industry wants. One of the things we found was that when they came out of the training schools they were not satisfactory. We basically had to do our own training in house. This way we are having our own training done in our own training school. Other industries have done that too. I think the building industry has done that in Cairns.

CHAIR—Just on that point, Mr Winsor, I read the comments in your submission. It seems to me that you are a little bit critical of that approach in the sense that you think the broad skills of tradespeople are being diminished, that there is now too narrow a focus on the agenda to suit the specific needs of companies rather than the broad generic skills that tradespeople should have, which gives them the flexibility to move across industries. Is that your experience in this area?

Mr Winsor—Whilst I am making that statement, I am not critical of all traineeships. There are some traineeships which are very relevant, even though they may be slightly narrower of base. I certainly do believe that the proliferation of new apprenticeships, to use the Commonwealth term, has had an effect in the diminution of the trade callings.

Ms May—I would like to make a brief comment about incentives generally. We have been running a pilot program over the last seven months. It is actually focused on school based traineeships, but I think this is relative to the incentive situation. Over something like seven months we signed up 130 school based traineeships in the Cairns region. We were actually getting numbers of around 13 school based traineeships a month when the program finished at the beginning of this year. The incentives were very important to the employers in this area. I think it is a fact that the number of traineeships was increasing according to the new incentives that had increased at the beginning of this year. Employers do find incentives very relevant, so I think that is worth noting. I could say too that I think the Cairns Region Group Training is very active with us in doing that work; we have a great partnership. So it is working up here.

CHAIR—How do you see the vocational education and training system in schools in this area? Is it working?

Ms May—It needs a lot of work. I think there is a lot of work that still has to happen on vocational education and training, and you are probably aware that we have education and training reforms in progress in Queensland at the moment. One of the big issues is that there are some major changes that have to happen, but it appears that no one department is actually taking responsibility for the ETRF at this stage. There also appear to be many requests for groups and schools to do a great deal to change things, according to the ETRF, but there is

actually no funding or money to support that. That seems to be an issue that is echoed through a lot of people that we are working with.

CHAIR—We were in Gladstone yesterday at Toolooa State High School. The school's principal seems to be very active on the issues of school based training and VET. The school was working with local companies like the NRG; it had access to workshops and some equipment et cetera. Why do you think there is such an uneven approach within the school system for dealing with vocational education and training?

Ms May—I think it is to do with regional areas. From my observation, some of the areas have larger corporate companies who will actually take on board more vocational education assistance and support, whereas Cairns does not have a lot of big corporations that will do this. They are very much small, individual industries. The greatest support that we get is often from single small businesses, family businesses, which are very willing to support what we do but cannot do so in a monetary fashion. So they certainly will support with assistance and putting on trainees, but they are often very close to the line with their own business.

CHAIR—Do you not have a capacity to network any of those companies to give you the substance to be able to do it?

Ms May—There has been discussion. I suppose that is more a group training situation where they are networked as far as traineeships. Our board in Vocational Partnerships Group largely comprises industry representatives and it is very supportive, but it seems that there is a line where financially in this area it is not able to go any further.

Senator ALLISON—What is the nature of those changes that you are suggesting need to be made but are not? Can you give us an example?

Ms May—Regarding our education and training reforms?

Senator ALLISON—Yes.

Ms May—There are a number of issues regarding assisting young people. We are quite well aware that probably 70 per cent of the young people in schools do not go to university and, therefore, are looking to meet their needs to a greater extent than the education system has been able to in the past. I think the schools have been geared to university aims. It starts with the teachers, who are actually trained in subjects for university and not trained in vocational subjects. That is where it starts, but of course it goes further to actually supporting those young people. We have a program called the Jobs Pathway Program, which is an excellent program where we give assistance to young people in planning their school-to-work transition. It is specific, and we are limited in the number of young people we register in that of course, but I think this type of program where each young person can be given the assistance to plan their career and to look at their career should be offered to all young students.

Senator ALLISON—If planning were offered to all young students to do as you have just described, is that enough or are there other changes you would want to see in schools?

Ms May—I think the schools do need to—and I think they recognise this from the ETRF—look more broadly at many trade areas as having the same recognition as university entrance. I

think there is still a lot of value given to the university person, and the reality is that we all still look at the electrician and the plumber as being very important to our lives but do not give those jobs the recognition. It is a culture change. That is going to be gradual, I guess. Perhaps there needs to be more equality and recognition when you leave school that a trade certificate—like a school based traineeship—is almost equivalent to university entrance.

Senator ALLISON—You would like to see degrees being awarded in vocational education?

Ms May—I do not know that you would necessarily call them that, but I do not think there is enough to make people recognise them equally. I am not proposing to say how you would do it at this stage.

Mr Vieira—I just want to support those comments. Having skimmed through the reform paper for education in schools, one of the concerns I have is, although I like the concept of developing individual pathway plans for our young students, as Bobby May pointed out, there is no resourcing in any of that. If we are going to really get serious about reforming the pathways while still at school, there needs to be adequate funding to actually develop those plans and then to coordinate the implementation and delivery of those plans to ensure that kids have multiple pathways within any given structure and they are able to chop and change. All that requires resourcing. While the plan sounds wonderful in principle, I do not see any dollars attached to that plan.

Mr Ireland—Up until about three years ago in our industry we had a constant stream of students from high schools coming out to do job experience. That has all been stopped now because of insurance problems. We still take them on if they take the risk, but there have been cases where kids have hurt themselves and companies have ended up with problems because they are not covered by workers compensation as they are not on the payroll. Maybe the government could look at some way of addressing that.

Ms May—That is what we do: we offer work experience insurance for students working in your industry. It is limited in what they can do, but we do offer it to your industry.

Mr Ireland—It is the high schools that will not allow their students to go out.

Ms May—We work with 23 high schools, so it is up to them if they want to use us. There has to be a fee for the insurance, but it is available. That is the point I want to make.

Mr Ireland—The other problem we have found is what you said before—the vocational guidance people in schools are tending to push more the university type training, not the trades schools. The Australian Industry Group spent \$100,000 on a CD that was distributed to every careers advisor, and I know of about four cases in the local area of careers advisors who cannot find their CD. Now we are spending \$180,000 on another one. Our trade has been restructured from the bottom, from a basic trade right through to a degree in aeronautical engineering. You can start at the bottom and keep working up—which ties it all in.

Mr Winsor—Regarding the school based arrangements, Cairns Region Group Training has just over 100 school based apprentices and trainees employed at the moment. We have a host-employer database of over 400 that we can easily place them with. We work in very closely with the Vocational Partnerships Group. I am on a subcommittee of the training and

employment board which meets with the ETRF implementation committee. It is starting slowly. There are seven trials, I understand, being conducted throughout Queensland. Cairns is not one of those, so we are going to be a bit slower than other areas. I am not sure why Cairns is not one when Townsville is one and they have very few school based apprentices employed down there.

The premise must be that these kids must not be able to leave school unless they are going into a job or doing a training course, a certificate level 3. One area of my concern is that I have not been able to place a certificate level 3 graduate into a job since they started the bloomin' thing, because they go straight onto a third-year rate having had no industry experience. That is another impediment to employment. The skills are being imparted—there is no risk there, they are getting the skills—but they will not be able to use them if nobody will employ them. I have already informed the implementation team that that is one area that needs to be looked at.

CHAIR—There are a couple of issues in this area and I would like to put a couple of examples on the table and get your response to them. When we conducted the last inquiry we did on small business, we talked to a number of small business people in Brisbane. One small business proprietor who had a toolmaking business told us a story about going to the local high school because he could not get apprentices. He got them to bring the year 10 and year 12 kids down and he showed them through the factory, showed them what was done, and put on lunch for them. He said that the first thing the careers teacher who was with them said was: 'If you do not study hard you will finish up working in a place like this.' His response to that was that if he had had a shotgun there would have been one less careers teacher to worry about! That is an issue of concern.

The point was made before about the plumber and the carpenter, but is there an argument for looking at a system whereby kids can go into apprenticeships at year 10, 11 or 12, whatever it may be, and for the period they serve as an apprenticeship to be somehow or other credited or have formal accreditation applied to it which would then provide an access pathway into university education, whether that is to go on to do an engineering degree or what have you, so that there is a seamless transition? It seems a lot of the pressure on young people at that level is coming from the parents, who want them to be better than they were and want them to get a university education. They see going into a trade as being a blockage to going on to further education.

The other issue about which there seems to be some anecdotal evidence around at the moment is that there are a lot of kids who are staying on at school to the age of 18 who are missing out on matriculation and are then finding themselves, at 20, in the dead-end, low-paid jobs. They are the ones who seem to be falling through the cracks in many respects, who finish up with no pathway to go down at the end of the period; they can neither go backward nor forward. There is a bit of anecdotal evidence around for that, although there is nothing empirical that we can put our finger on. I would be interested in your views on those dimensions of the problem and how you would see that being addressed, or whether it is even being remotely touched upon in the current environment.

Mr Anderson—The ETRF agenda here in Queensland addresses many of those problems. I see a great deal of energy sitting around that agenda at the moment. It allows for those pathways and for banking of skills, so those young people who have a discontinued education can bank the skills that they require. They can get those skills in the workplace, a high school or a TAFE college and they can discontinue their training and restart it again; that is part of the whole plan.

CHAIR—Is Mr Vieira right in saying that there are no resources behind that?

Mr Anderson—I think it is about how you use resources. In the last three or four months—and Mr Winsor, my colleague, has been with me for some of these meetings—we have had high school principals come and talk to us about how they are going to redirect their resources and how they can use their resources in a different way to meet the needs of those young people in their schools. We are seeing a lot of evidence of that at the moment. So there is certainly an entrenched culture in schools—there is an entrenched culture in all long-term organisations—but the ETRF agenda has given some energy to high school principals and high school teachers to rethink the pathways that are available to them. They are certainly working with me and people in my TAFE to provide a different pathway for those young people who have previously been disengaged. In the areas we work in, which are remote, it is only through partnerships with people like Cairns Region Group Training, our TAFE colleges and the schools that we can provide those relevant pathways.

The other thing that really needs to be brought into this discussion is the role of the universities in pathways. At the moment, we have some difficulty in getting the academic and work related skills of some young people accepted by universities. Young people are then frightened to go down a vocational track in case that vocational track does not lead to a higher education qualification. So people want the possibility of a pathway leading to multiple exit points. I see that schools are starting to address that and think about multiple exit points, but I guess the link that is missing at the moment is that link with the universities so that the multiple pathways end up in some cases in a university qualification, because, no matter what we say, many people still aspire to a university qualification. But we need to allow different channels into that university qualification.

CHAIR—We are told that in the main this is an elitism issue—that is, it is not a practical issue in the sense that universities cannot do it but there is a high degree of elitism in their approach to it.

Mr Anderson—It depends on how we construct it. There certainly is a degree of elitism, but it is up to all of us—the people sitting around this table and those elsewhere—to break down that elitism and allow those channels and pathways to exist.

Mr Winsor—I would like to add something to that. The other day, about two weeks ago, our company had about 14 guidance officers from schools to a meeting at our premises who were very excited about identifying students who would be able to go into school based apprenticeships and traineeships. In the white paper, there is provision for quite a number of placement officers to be put with TAFEs, schools and other organisations, which I guess would require some funding. Whilst this is a slow process and nothing is really going to take off until about 2006, it has got to be done correctly. You cannot just rush into this. I believe that with a couple of little massages along the way this will be the manner in which all first-year apprentices will start their working life in the future—that is, through a school based apprenticeship.

Senator TIERNEY—I want to turn now to the issue of providing these sorts of educational services in the more remote areas of North Queensland. Looking at your submission, Ms Sutcliffe, I was intrigued by some of your comments relating to your feeling that what were fundamentally needed were strategies to build regional capacity in these more remote areas.

Could you expand on what you meant by that and how that could happen in delivering services to far-flung communities where there might be only small numbers of people in each area of training?

Ms Sutcliffe—One of the problems we have had for quite some time is accessing training in that remote area. You do not have many people. It is a vast distance to travel. Our main concern really is to get competition within the training provision so that there is a wide variety of different types of training accessible. We find that the current training structures are a little bit inflexible, because we often cannot get the numbers to the training, they may not be able to be delivered at appropriate times of the year or they are not flexible over time. For example, in the tourism industry you do have a seasonal impact in the gulf, so you might only have a trainee there for six months. It would be good if there were more flexibility in terms of transferability, time and location.

The other issue that we face out there with both the Indigenous communities and non-Indigenous communities is that they much prefer one-on-one training and mentoring. Again I think this comes back to the whole issue of not being able to get large groups of people together. In those smaller towns they certainly prefer one-on-one training, mentoring and coaching, and that is the approach that we have been taking in building the capacity of those communities. We are adopting that with a whole range of areas, whether it is IT or small business training, FarmBis or whatever. Does that answer your question?

Senator TIERNEY—Do you see a role for emerging, new communication technologies in perhaps alleviating some of these difficulties? If you see it that way, how do you think that would be best applied?

Ms Sutcliffe—Yes, I certainly do see a role for technology. The sorts of avenues we are pursuing is we have, with state government funding, set up a web site which we are going to be using for education and training purposes. We have funding from the federal government for capacity building. Again that is concentrating on encouraging people to be able to use the Internet for e-business, e-commerce, e-democracy and also to access all sorts of information. For breaking down isolation and being able to get through to people, yes, technology is absolutely vital.

Senator TIERNEY—Could you provide us with a better sense of where that is up to here in relation to, say, Far North Queensland?

Ms Sutcliffe—It has got a long way to go. Just as an example, in developing our database we were ringing around to get information from each of the businesses and corporations out in the gulf as to names, addresses and so on. One question was, ‘What is your email address?’ and the answer was, ‘What is email?’ So we do have a way to go in terms of getting people used to using technology. Again there is the issue of the digital divide. Quite a lot of families out there do not have computers, so you have to set up the means by which they can access publicly available computers through a school, a university or whatever.

Senator TIERNEY—Of course, there are e-literacy questions everywhere in Australia but perhaps even more so in such areas. Is there capacity to deliver this via satellite and are the technologies in place at the moment in Northern Queensland to do this?

Ms Sutcliffe—The technology is there to do it. It is a matter of getting people to access it.

Mr Cleland—On the same issue, the commercial fishing industry is a bit remote in relation to our training needs as well. I agree with Kate that the technology is there, but I see that as just being one part of it. I think the real issue is flexible delivery, whether it be by technology, whether it be via short courses, whether it be by getting a group of guys together on a beach in the middle of nowhere and flying a trainer in. I do not think we have really—

Senator TIERNEY—Do you actually do that?

Mr Cleland—No, we do not. I suppose cost is always an issue.

Senator TIERNEY—It is just a strategy you are suggesting.

Mr Cleland—At the moment within our industry, the only time that we really train is just before Christmas, just after Christmas or in the middle of the year. Everyone else is at work for three months at a time for the rest of the time. On top of the technology and the flexible delivery, I think the other component that is missing is a strong core group of workplace assessors and trainers right throughout the cape, the gulf and into the Torres Strait, where we have qualified people in the workplace to take up some of the role that traditionally would have come out of a TAFE college—or a high school or a university for that matter. So I think we have to look at it as being broader than just technology.

Mr Anderson—I was going to say much the same thing. Remote communities require different forms of delivery. We are the only place in Queensland, maybe in Australia, which can deliver nurse training remotely, but we can only do that in partnership with the health department where there is a facility. However, some of our remote communities have chosen not to have remote delivery. For instance in Bamaga, on the tip of the Cape York Peninsula, the 15 nurses in training would not accept our video link training because they wanted face-to-face training, so we provide that; whereas in Normanton, which is in the gulf, we provide training to nurses directly through computers and through video link. I think the way to go is to negotiate with communities and partner with whoever is on the ground, be it the health department or Cairns Region Group Training. We do, as Darren knows, fly people in to beaches to deliver training. If that is what people want, we are able to do it.

If I may, I will pick up on one other comment that was made about how best to deliver in remote communities. We have a trial being conducted at the moment in Cape York, where we have limited the number of providers. There is a set of preferred providers there who are given the responsibility of delivering all the training, and it is on the heads of those in charge of those organisations to ensure that training is delivered. There is not a lot of choice, but there are certainly heavy performance indicators and a fair bit of funding from the Queensland government to provide that training. We have been able to increase dramatically the outcomes there—my colleague John Winsor and I are involved in this—. We are able to provide training to one person in a community, and that is the capacity we need. We need facilities to provide one-off training, not to have large groups, which you are required to do if you go into a competitive model. That model is called the Cape York purchasing strategy. It is on trial for three years and has had fairly good outcomes.

CHAIR—I do not want to start World War III, but in the submission from Gulf Savannah Development I thought you were a bit critical about the limited RTOs in the gulf.

Ms Sutcliffe—That is from experience, yes. We found it difficult to get RTOs to deliver out in the region, particularly with TAFE but not necessarily the Cairns TAFE.

CHAIR—Is there a point of difference between you on this?

Mr Anderson—No, I think we are agreeing. What we did in the cape was limit the number of RTOs, give them the backing to do it, give them the responsibility and fund it. We are not yet working in the same way in the gulf.

Ms Sutcliffe—With respect, I do not know that we want that. I do not know that we want limited RTOs. I think we would have to think that one through, because certainly the community out there want a choice as to who their training person is.

Senator TIERNEY—I have a final question on Gulf Savannah. Kate, you mentioned in your submission that you thought the ACC was in a pivotal position. Could you just expand on what way you saw their role?

Ms Sutcliffe—The ACC represents a very broad range of businesses and government departments right across the north. It certainly has its finger on the pulse, and perhaps, if I may, I can hand that question to Mr Vieira.

Mr Vieira—I guess when we were talking about it, it was not so much that we have the capacity to individually evaluate any kind of training program. However, because of the make-up of the board and the activities we are already used to in terms of the feedback mechanism in relation to programs such as the Regional Solutions Program, RAP, or any of these other funding programs, there is an organisation that exists that can provide some feedback to government about the training. For example, if it is not a priority in that particular area and somebody is running God knows what training, then at least we would be able to say, 'I'm not sure whether this one fits into the plan as I know it or the strategic plan, or where the group or that region is going, or where its priorities are.' Perhaps that answers some of the questions about whether you have limited providers or whether you have it wide open.

You could have it wide open if you had some mechanism or criteria of deciding what kind of training happens if it follows certain criteria that may be looking at whether this is part of a community plan or part of a regional development strategy, or down to another level asking the potential client who is about to sign up with whichever provider: how is this particular training going to link to employment or economic development for you and for those students? Those are the kinds of questions that shake out those providers who are just in there spin doctoring, and next thing you know you have signed up and you think, 'Beauty! I need this training.' If we put some onus back on the community about what sort of training they want and then return to the question that Kate raises in her submission, then there is some sort of role there that could be played very broadly by an ACC.

Mr Winsor—I would like to clarify the limitation of training providers, particularly in remote areas like the cape—the gulf is similar, although it is not in our area. The Department of Employment and Training recognise the fact that training providers have to invest in

infrastructure and resources and both TAFE and our company have invested quite a lot of money in human and physical resources in the cape. If training is going to be given to someone else, then I sack half a dozen field officers and trainers and Dale pulls out, what happens to the training then? Whoever goes in does not necessarily have those resources. That was the reason for it.

Mr Vieira—That is right.

Mr Cleland—I see Tom's position. The community has to prioritise its training needs, but across Queensland particularly I think we lack hard, quantitative analysis of different industries in relation to what sorts of jobs we are looking at and what areas to go into. We could get a group of marine people together who could say, 'These are our priorities,' but when you start looking at training across Queensland, TAFE have to decide where they are going to allocate their funding. All too often it seems that the people who put their hands up get the money, rather than doing some hard-core analysis of what the job outcomes might be and what the demand for training or the growth prospects of that industry are. In commercial fishing, we are faced with it all the time. Everyone down in Brisbane or Canberra says, 'Commercial fishing is being reduced over time,' and that is the reality.

The other reality in Cairns is that our industry has been growing quite substantially. Exports out of the airport have increased 15 per cent over the last 12 months and, on average, 30 per cent over the last four years. We have just had three major processing plants established—the largest seafood processing plant outside Brisbane—but I would hazard a guess that the belief in Brisbane and Canberra is, 'Seafood training: it's a bit slow, there's not much growth there.' But no-one is getting in there to do the real analysis, to come up with the real picture of where the industry is going. I would hazard a guess that that is the same for a range of industries, not just my industry.

CHAIR—You had some criticism in your submission about the training packages not being flexible enough.

Mr Cleland—Yes. A perfect example is the seafood industry training package that was set up federally. Yet in Queensland we have just lodged an industrial agreement with the industrial commission to establish a traineeship wage so that we can actually employ trainees. Federally, we have had three reviews of the seafood industry training package, yet, as far as I am aware, no state in Australia can actually employ a catching sector trainee. A few are taken on, but generally they are the sons of the skippers who own the vessels. You are not finding too many people that will take an individual on. So that was a good example, I thought.

Another example, I suppose, is that we have a transport and distribution training package and then we have a seafood industry training package. Both streams learn how to drive a vessel—essentially they do the same training—yet the packages are really not aligned. They do not enable us up here to throw the fishermen and the trading people in the same room to get economies of scale and delivery. This does happen up here, mind you, but it is not spelt out. I think there is a lot more opportunity. We have a seafood industry training package up here. I do not know if you are aware that we have a large crayfish, trochus and sea cucumber industry and we have a seafood industry training package, but it does not have a diving component in it. Diving is within the sport and recreation training package, which is not accredited nationally anyhow. So, in terms of workplace health and safety and giving information to divers who are

working in Cape York, we are very fearful of what sorts of implications there might be for some of our employees up there.

At a state level, the industry training advisory bodies have been established, but I do not know if they are really feeding back into government in relation to training. In the marine sector, we are just coming to grips with that whole issue at the moment. We have a TAFE, a state marine advisory committee, the Marine Board of Queensland and probably another half a dozen committees around the state. But the message does not seem to be flowing from industry back into government and training institutions.

CHAIR—Is that a similar problem experienced in other industry sectors?

Mr Anderson—It was in the aviation industry, but it has been addressed at this stage. In 1997, I think it was, when MERS ITAB started to restructure aviation skills training, the only two representatives from the industry were Qantas and Ansett. All they wanted was certificate II trainees, who are single-job-trained people. That is what they wanted—low incomes and restricted chances of advancement. In the end, we actually had our industry classified as a certificate IV instead of a certificate III. But, at that stage, if you had a certificate II and you wanted to go on, you had to go right back to square one and start again. It was only through the pushing of a couple of people, who got onto that committee, that that was changed. At that stage both Qantas and Ansett were not happy about it.

CHAIR—Have the funding cuts to the ITABs exacerbated the problem or is there a need to look at some new structures for collaboration across the industry to ensure that these sorts of disconnected situations are taken into account?

Ms Mason-Mitchell—I think there should be a new structure, quite frankly. I back up everything that Darren has said. We have actually commenced setting up a new structure here in Cairns. The Whitsundays are already advanced on the marine side of things, anyway. It is more industry focused, with industry actually coming up and saying what they require in terms of training. I think there is a huge need for a new structure there.

I would also add that we were trying to do an economic study or an industry study on the needs of industry and what industry—how many fishing boats, charter boats or whatever—was actually out there which could provide jobs for our young people. That study, to my knowledge, has not been done. The Cairns Professional Game Fishing Association was going to conduct that study, simply because we felt that training was not being delivered at the right times for the right industry needs. In Cairns there is a lot of marine training—and the TAFE will back me up on that—yet it is not necessarily the correct training or the correct level of training. It just seems to be extremely disjointed. There is a huge need to sort that out urgently.

CHAIR—Are there any other views on this? This is one of our specific terms of reference.

Senator ALLISON—Mr Cleland, you say there needs to be better data and someone needs to do this and we need a new structure to do it. What is to stop the chamber of commerce or whatever associations you belong to getting together and developing your own set of requirements and putting them to TAFE? Why is it necessary for a complex structure to be set up?

Mr Cleland—I do not think it has to be complex. Resourcing is probably the No. 1 issue and somebody needs to coordinate it. At our level we will probably try and do it. There is industry at a regional level, but someone has to do it across the whole state and then across the whole country at a regional level.

Senator ALLISON—But don't you have a relationship with your local TAFE provider? To what extent does it have to be state wide?

Mr Cleland—We do, but TAFE is not our only provider. In relation to marine training particularly, there is a lot of movement of students right across the state, depending on when and where they are in port and the like. At the moment we are flying a little blind as far as where the real demand exists and where the real job outcomes exist.

Ms Mason-Mitchell—As Darren rightly said, TAFE is not our only provider. We have had a very mismatched maritime training regime in the past in terms of state and federal regulators, and our state qualifications are not necessarily accepted in other states. In, say, Queensland, if you aspire to a higher level of marine qualification, you go to Tasmania. Unless you have the desired sea service, you cannot get a national ticket, a national qualification, so you are back to a state qualification, which does not get you anywhere out of that state's waters or jurisdictional area. Your state ticket allows you to go to 200 nautical miles, whether you are driving a prawn trawler or a boat up to 35 metres, such as a trading boat. There has been no agreed national-type training for maritime—I mean completely agreed national standards; there is a national standard for commercial vessels that has only come out in the last six months, and that is supposed to fix that problem. The USL, the uniform shipping laws, were supposed to fix that problem; they did not.

Senator ALLISON—Why was that?

Ms Mason-Mitchell—Because the states did not agree on the level of training. The RTOs do not deliver a standard of training that is agreed everywhere in Australia.

Senator ALLISON—Sorry to press this point, but are you saying that you, as the industry, agreed but that the states did not?

Ms Mason-Mitchell—No, the regulators say that the RTOs are not delivering to their standard, and you get the colleges saying, 'We have a syllabus and we are delivering to that,' but at the end of the day when you get all of these certificates and you try and transport your qualification outside the state or overseas, you are faced with the incredible impediment that you are just not accepted, no matter what TAFE or another RTO or Queensland Transport or AMSA say. I can tell you right now, from a personal viewpoint, that it is all wrong in Australia for training for maritime. It really is.

Mr Winsor—There are ITABs and there are ITABs. I guess most of you would know the reason that funding was cut. There have been some amalgamations. One of the most difficult things is not only working out the training package; it is the industrial relations that go with that package. We have been working with Darren, with Ecofish, with one of my experts in industrial relations, and I think we are just about there, Darren. It is difficult and I really do not know whether it requires a different sort of a set of ITABs to be formed or whether it needs another type of body.

CHAIR—We do not know why the funding was cut, but we are quite happy to hear your view on it.

Mr Winsor—You do not know why it was cut?

CHAIR—We have suspicions, but we do not know why it was cut.

Mr Winsor—I have suspicions as well. My suspicions are that some ITABs were not performing to their terms of reference. Some ITABs, such as those dealing with, say, the motor industry, are mostly large and capital city based. For the motor industry in Cairns, I do not even know if there is an ITAB committee. They cannot go to the meetings anyway. ITABs seem to have mostly comprised the larger businesses within the particular industries. The construction industry is one example—the MERS ITAB probably has large companies in it. The regional centres are pretty much underrepresented because (a) nobody bothers to tell them anything and (b) they are small businessmen, in the main, and small business people have difficulty in going to a meeting in Brisbane; they are flat out making a dollar.

CHAIR—That may well be a major omission in the ITAB structure but, at the end of the day, we do need some consultative mechanism to ensure that there is uniform recognition of skills right across the country. Otherwise we will finish up with a mishmash of rules and regulations and different criteria determining different sets of figures.

Ms May—I should fess up and say that I am actually on the northern arm of the ITAB for transport and distribution up here. One of the reasons we formed a northern arm was that there is a huge marine industry up here—I was involved in the marine industry for 10 years and marine training for the past five—but basically nothing was happening. We have a huge marine industry here—probably the biggest in Australia if you combine fishing, trading, charter and tourism—but decisions were being made for us in Brisbane which did not really suit the region. If you look at the input to the economy from fishing and marine, right across the board—including superyachts, which has been a more recent area of the industry—it is big business and it employs a lot of people. We would have the ability to put a large number of young people into this industry if more coordinated training were available. The issue of what we need up here has not ever been recognised in Brisbane. We have struggled over the past five years but we have now combined as an industry, as Sue said, and we now have a joint group combining the whole marine industry.

CHAIR—That is right across leisure, fishing—?

Mr Cleland—Yes. We were quite fortunate in that the seafood ITAB was one of the ITABs that lost their funding. I think that is a reflection on the way the ITAB was operating. It was basically the head of the Queensland Seafood Industry Association, the head of the Queensland Seafood Marketers Association, an AWU rep and someone from DET. That was our industry advisory board, which did not really reflect the views of industry. Fortunately, I say, our seafood ITAB had its funding cut. We were then forced to merge with the transport and distribution ITAB and we have come under their wing. Now, at long last, marine is actually together, whether you are in fishing, superyachts or trading, which obviously should have happened 10 years ago.

Now we are in a situation where we have got together the way we should, and I think the whole marine section should come out of transport and distribution and have its own identity. But, of course, now we do not have the resourcing to do that. The real problem has been that, while they were industry training advisory bodies, I do not believe industry had adequate feedback into those ITABs in the first place and that is why they have been unsuccessful—except for the larger ones, where the ITABs are playing a much broader role. The transport ITAB acts as a training provider for one of the major road transport companies—they have a permanent employee in there. That is a big focus, instead of going back to being a conduit for information. I did not really see—and Dale might be able to enlighten me on this—how the ITABs fed into DET and employment and training, and into the vocational training system, because TAFE had their own advisory structure. Just who the ITABs were advising has really confused me.

Mr Anderson—The difficulties we had with ITABs, reflecting on what John said earlier, is that we very rarely saw them in the north. We have a number of processes where we attempt to engage with ITABs—I will not name them but there are probably only three ITABs that really engaged with our organisation here in the north. So we have not really seen anything different with the ITABs dropping off.

CHAIR—As I understand it, you are all saying that you see a need to have some form of consultative mechanism across the industry to deal with these issues, whether that be ITABs or some other structure, but it needs to be reflective of the whole of the industry. I think that with the ITABs there was a bit of historical carryover from the old traditional players, which did not reflect the newer people coming into the industry.

Ms Mason-Mitchell—We do have the NMSC, the National Marine Safety Committee, in Canberra. The committee is made up of industry, which really by rights should be fed from the ITABs and industry and all sorts of things. But they also do not seem to be getting the right mix of people to address the needs of the maritime industry in particular. Although we have evolved, and certainly the charter industry in Australia has evolved in a very short space of time, I think the industry players who are on that committee are probably not from the emerging industry side of things. I think the biggest problem with our country is that industries do tend to evolve quite quickly. Unless you get the right industry players, you are not looking outside the square.

We have something like 40,000 South Pacific people—and that is Australians and New Zealanders—in the marine industry who are overseas right now on boats. We are missing out on the revenues from that training, because they are currently paying in excess of \$A50,000 to receive a UK qualification. We are missing out on those dollars right now, because we do not have broad acceptability of a marine qualification for our Australian mariners that can be transported overseas and used here.

Senator TIERNEY—Maybe they should not have put AMSA on Lake Burley Griffin!

Ms Mason-Mitchell—Maybe. AMSA have their problems anyway.

Senator TIERNEY—That is right; it is another issue. I want to discuss the region coming together in particular industries as well as consulting and training. A few years ago I was in America looking at cluster development. When I was in Chicago they were telling me about this

great cluster in Cairns, just a little bit north of Brisbane. Could you perhaps explain to us what role, if any, the cluster development in the maritime area has in relation to training?

Ms Hunt—As I mentioned, I am the Market Development Manager of the Superyacht Group, which has been in existence under the umbrella of CREDC, Cairns Region Economic Development Corporation, for almost three years. My appointment is funded under RAP funding administered by FNQ Employment ACC. Just to fill in the other blank, I am actually a business development consultant for Tropical North Queensland TAFE. Through TAFE's involvement in all of the clusters that are operating under CREDC, I was released on a 50 per cent capacity to undertake the role of market development manager, which was offered to me personally. Releasing me by 50 per cent is one indication of TAFE's support for economic development and utilising the cluster model, so that is just one way that that is manifested.

In regard to the operation of the clusters of superyachts, we can speak specifically about the group that has just recently formed, on which there is TAFE representation. We are establishing close links with the Australian Maritime College to look at value adding to the marine operations undertaken by the institute in Cairns and also to stimulate dialogue between the state and the national regulatory bodies and, in turn, the international regulatory bodies. You will see from the points that Sue prepared that we have significant constraints for people wishing to enter the international maritime industry in that there is no transportability at this stage for them to get recognition of their Australian qualifications. We are seeing consistent restraints. We are looking at facilitating that dialogue across all of the bodies. TAFE is very much involved in that process.

Mr Vieira—I reckon you ought to add a bit more about that.

Ms Hunt—Yes.

Mr Cleland—By way of background for those who are not as learned as Senator Tierney, I will explain what clusters are. A fellow by the name of Michael Porter at the Harvard Business School wrote an 800-page thesis to basically explain that there are benefits to be derived for people who are linked by the products they sell or the markets they serve by working together. The basic concept is that you do not just have the people that make and sell the products; you have all the other businesses that benefit in some way through that industry. Hence with Ecofish or superyachts there will be not just people involved in marine but lawyers, accountants and government departments. The people who sell the boxes that the prawns are put in are members of Ecofish. Previously these people did not see themselves in marine but in packaging, but we are now seeing a change in mindset up here where these people now see themselves involved in marine, involved in tropical foods, involved in whatever they provide their packaging for. They are starting to build up an ethos in the region that, no matter what you do, you have to think about what industry you are really involved in. If you are a lawyer, you are not really involved in the legal industry; you are involved in the industries in which your clients are based.

We have founded a lot of our success on bringing all these people together and everyone working towards a common goal. With marine, we are a little bit disparate with superyachts, Ecofish and the tourism industry through Dive Queensland and the Australian Marine Park Tourism Operators Association. With training now, we have all the groups involved in marine together and we are working towards a common goal. It is only through industry that that has occurred. If that had been left to the bureaucrats in Brisbane or Canberra, they would have been

hived off, and the tourism people would have remained in transport, we would have remained in seafood and never the twain shall meet. By having industry drive it, the real benefit is that, hopefully, we are getting outcomes that are relevant to industry, rather than relevant to bureaucrats elsewhere.

Senator STEPHENS—Following that comment, Mr Cleland, in relation to other submissions that we have had to the inquiry so far, we have had some mixed messages about the effectiveness of training packages. I would be interested in hearing from industries and organisations which have been using training packages about their effectiveness. Some argue that the flexibility that the use of training packages allows is very constructive, but we have had very strong submissions put to us that using the training package model which focuses on skills development does not take into account the soft people skills that our young people require. We have heard in some submissions from industry that those kinds of people skills—responsiveness, healthy attitude to work and those kinds of things—are as important, or more so, than first- or second-year apprentices' and certificate 2 level skills. I am interested in understanding how industry sees that issue and the effectiveness of the training packages.

The second issue I have, which comes back to Mr Anderson's comments earlier today, is about articulation pathways, including the transition from TAFE to university. A quite specific comment that we had yesterday was about competency based training and competency based assessment not allowing people to move the other way from a university qualification to TAFE to expand their skills—so going from a theoretical or an academic base into a practical program. I am quite interested in anyone who might have some comments or suggestions to make about how we could do that better. So I have two issues. The first one is about the training packages, which someone might like to comment on.

Mr Cleland—We welcome the training package generally, although it has got some warts on it. In my experience from talking to industry their response would be opposite to the ones that you have received previously: they feel that there has been too much of a shift towards communication. You will find that under the package all those subjects are generally mandatory, no matter what training package you are under. Dale might be able to confirm that. From our perspective, we are probably more concerned that there has been an erosion of the technical side of the training at the expense of increasing the non-technical, general human skills. We hear of this all the time particularly in engineering courses. If you do a five-week engineering course in marine engineering, you would probably do only two weeks of engineering. The rest of it is all the other subjects. So I am quite surprised by that comment.

Senator STEPHENS—Different industries are perceiving different things.

Mr Cleland—Obviously.

Senator STEPHENS—What kind of a five- or six-week course would you have in your industry? Would that be just one module of a broader qualification?

Mr Cleland—No. Most of them are qualification based. That is where the training package falls down a little, in that we have this national training framework but we still have not signed it off at the state government level. With our training package, we have problems with Queensland Transport not signing off on the national training package. Whilst it is fine at a

national level, we have a Queensland department of transport that will not acknowledge certain parts of that package, and they are working through it.

Ms Mason-Mitchell—That is what I was saying before. You might have this national piece of paper out there that we are supposed to follow but, whilst in Australia we still have inconsistencies with the states agreeing and the overarching federal body, AMSA, disagreeing, then we look absolutely stupid to the rest of the world—yet we are supposed to be a rather large maritime nation. You were asking about a five-week course. That will be made up of navigation, ships knowledge, radar, radio, meteorology—all sorts of things. A small component of it may be bridge resource management and human behavioural skills or whatever, but you usually have several modules each week. Some take 10 days; some take five days. You have an examination at the end of that. That is what it is made up of. There are lots of those. Most of the maritime courses, up until master class 4 and the engineer MED2s, are over a five- or six-week period. It is only when you get to class 3 that you do a six-month course.

Senator STEPHENS—Would those courses be competency based?

Ms Mason-Mitchell—They are trying to get them mostly competency based. I have a problem with that. I know that there is probably a really good reason behind it but I do not think that there is any exact science for some of those modifications. Competency based courses have merit but, when you are trying to get up into the big shipping arena, probably most captains would prefer face-to-face, hands-on, class-type situations. Most of them now are simulated-type courses, based on the big shipping. While some of the smaller qualifications can be knocked out in a competency based way—how to tie a bowline, how to drop an anchor, how to launch a life raft; they are all things that you can cover in a competency based way, very basic entry-level sorts of things—there is quite a lot that cannot be done in a competency based way. There is definitely a mix but, as I say, there is not an exact science in it really.

Mr Cleland—The national training framework is competency based, but in the marine sector, for all your training, you have to do a written exam and then an oral exam. Whilst we have a national training package that is competency based, in reality, on the ground, getting your ticket is not competency based. The basic, simple things are, but the more technical items are not. It just does not exist. It exists at a federal level in name but not in practice.

Mr Ireland—From our point of view, the competency based system is probably one of the best things that has happened, because it means that a person who should not get to the top will not get to the top, whereas with the old system, which was based on hours of experience, they could ultimately end up with a qualification and we would end up with people with varying levels of skill. Our industry finds the competency based system really good. One of the biggest problems we have in the aviation industry is that we have two standards. We have MERS ITAB, which sets a training package that all apprentices do. At the end of that they have a trade certificate saying they are an engineer. They have nothing that the Civil Aviation Safety Authority accepts. Then they have to start again doing all their exams to end up with a licence or a formal qualification. At the moment, they are actually talking to each other. We are in the same room now to try and line it up. Three years ago, we were not even in the same building. It was just a case of each one not wanting to budge. But it is getting better now and, when all the new regulations come in, that will bring it all into line.

Ms Mason-Mitchell—I would like to add to that. The aviation industry had hours, and we have sea service. So you have to have X number of days of sea service before you can enter the industry on a command type qualification. You can enter the industry without any sea service at a deckhand type level and just do a sea safety course, but you do have to have actual sea service for a command qualification. The entry level command sea service requirement in Queensland is presently 913 days of sea service, and there is an argument as to whether that is restrictive. Overseas, they had a very lenient sea service requirement and now they are tending to go to quite a heavy duty one. But we are talking about command of a vessel, and there are certainly questions about all of that as to whether that amount is too much or not enough. Issues about competency based courses also come into that. A lot of people grapple with whether competency based courses are great for the industry or not so great. I do not know whether we have adequately sorted out all of those issues yet.

Ms May—I have a skipper's ticket and I did my 900-and-something days at one stage. Based on my past experiences, I would have to say that I have been at sea with people who have also had tickets and I did not feel their competency was adequate for the job. It happens, and sometimes you have to combine things. I do not know how they are going to do it, but I do not agree that you should just have to have 900 days, because you may still not be competent. The flipside is that you may seem to be competent after a week but the question remains of whether you have the experience you would have after 900 days. So there is something that has to be compromised there. That is just my personal experience.

Mr Cleland—I would like to add to that. Nine hundred days might not sound like a long time, but particularly in the fishing industry now—

CHAIR—It is close to three years.

Mr Cleland—it would take a man or woman working on, say, a gulf trawler 10 years to get their skipper's ticket at the moment. It would just about take them longer to become the skipper of a gulf trawler than it would to become a brain surgeon. So there is a bit of juggling we have to do.

Senator STEPHENS—Moving on to that second issue, about articulation and other pathways, I do not know what the experience is in this region about the opportunities for that. Yesterday, we heard in Gladstone about some quite clever negotiations that have been put in place that allow some young people in the secondary school system to opt for a trade based approach in years 11 and 12 and allow others to focus on a degree strand with an informal arrangement that has been set in place with Central Queensland University about pursuing engineering skills. It allows those students to spend half of their time in VET courses and get some credit for that kind of thing. Have those kinds of plans been thought through in this region? Are there opportunities for that kind of connection?

Mr Anderson—Those are the sorts of things we are working on with high school principals now. One of the things we have to talk about in discussing this—and I hope I am not going off on a tangent—is the concept of learning versus competencies and the deep learning that is required to go into some courses. There is continuing recognition of that. It goes the other way as well. We are now getting a number of students who have completed university degrees coming into our TAFE college to gain work competencies so that they can take on different positions. All of those things have to be thrown into the decision. But certainly if you take a

diploma at a high school or a TAFE college, and some high schools are now offering diplomas, that will give you an OP score in this state that is better than six—and that has to be recognised—which will get you into any course you like, including the brain surgery courses that Darren was talking about. So we have got to have balance.

My concern about the training package as an assessment only of competencies is that there is no assessment of that deep learning. Concerning the soft learning you talked about, a lot of that comes back to the teaching and the culture of the organisation that is delivering the training or the education. I still have difficulties separating training and education—it is all a form of education. If we have a culture of teaching, it is to get it done quickly and fast, to assess the competency and get people out. It is a transfer of knowledge only. The trainer has the knowledge and they transfer it; they do not transfer the skill to acquire new knowledge and to develop innovative skills. That is the sort of thing that all our industries are looking for. If there is anything that I believe is missing from the training package, it is the ability to teach innovation and to teach what I call deep learning. Having worked in all the school and higher education sectors—I am a very new person to TAFE—I still think we need to bring that type of thinking to all of our education.

Senator STEPHENS—Thanks.

Mr Winsor—The training package is really an assessment tool. I mentioned in my submission that there has been a proliferation of traineeships. There are some very good training packages that do articulate. One of them is in the aviation industry. But in my experience—and I have only been working with apprenticeships for 20 years—that has not happened yet up here. You may have seen the example I quoted about engineering traineeships; there is a specific training package for them. Where do they go after that? That is a level 2. They should articulate then into level 3. None do. None have, to my knowledge, up here in this region. I do not know about Brisbane or other parts of Queensland. We have to really start to look at what we are producing.

Once upon a time, traineeships used to be called jobs. That is what they were. You have large employers in this state, the large grocery stores, the large pizza places and hamburger joints and so on—I will not mention any names; we all know who they are—who were employing kids during and maybe just after school in jobs which taught them how to work. It did not give them any marvellous skills. I can cook a hamburger or a bit of fish. That does not take any skill. Those jobs taught them how to work. Why should that be funded by the state government as a training course and why should kids be told that this is a lifelong skill which they can carry with them? Gosh, they could take it with them before they got the qualification. So what does the qualification really mean? Those sorts of traineeships, in my view, are not worth the paper they are written on.

In the retail industry, there are other good traineeships which are for individual, small business employers. They teach kids how to run a business. A number of trainees whom we have put through Cairns Regions Group Training have bought businesses or have been promoted to management positions within small retail establishments and they are doing very well. The whole concept of traineeships and training packages has to be looked out. We should pick the eyes out of them, pick the ones that will work and do articulate but chuck out all the other hamburger cooking ones and all that sort of stuff—they are not good.

CHAIR—Is there a need to look at restructuring the training incentive payments that are available, putting more focus on longer term training, the traditional four-year tradespeople, as opposed to short-termism? A lot of short-termism has crept into the training incentives. I understand what you are saying about the hamburger industry. We had an example in the cleaning industry of a seven-hour module that taught people how to empty a rubbish bin. My mind still has not got around that one. It seems to me, if those are the sorts of things that are out there that we are paying money for, then there is something crazy in the system. Resources ought to be going into getting those skill levels of what we would traditionally classify as traditional trades and above.

Mr Winsor—When I first started this job, I believed that the Commonwealth incentive for apprenticeship employment was for kids to go into entry level employment. That sort of incentive now is being used by a number of training organisations to pay for the training of kids. They say to an employer, ‘Okay you’ve got all these existing workers, you’ve got all these new trainees coming on. You’re not going to get funded by the Queensland government for training. However, you will get that employment incentive from the Commonwealth’—which is the \$1,800 commencement money and the completion—‘You give us the commencement money and we will do your training.’ We do not do that, but I know of a number of training organisations that do.

CHAIR—On Monday, the mining industry said at the outset that some RTOs were going around to mining companies and saying, ‘We will train the whole of your work force for whatever the payments are.’ I think the message was that they were providing considerable cash flow for the mining companies as a result. They were virtually turning all of their existing employees into trainees.

Mr Winsor—I have heard that.

CHAIR—If that is occurring, again that is an enormous waste of resources, apart from anything else.

Mr Winsor—As you said, it is an enormous waste of resources, not only at a state level but also at a Commonwealth level. The Commonwealth incentive for employing an apprentice or a trainee needs to be directed at entry level employment. At a state level, why do we train for jobs? Why do we not train real skills in real traineeships that will articulate into a trade base and even further? You spoke of university progression. We have had a number of approaches with the legal profession and James Cook University. We have been successful in getting James Cook University to agree that they will look at what we call a ‘uniship’ in, say, the legal profession, having a student in years 11 and 12 undertake legal studies as part of their school based traineeship and then go through to university. One of the prime reasons for the drop-out rate in university in law is the enormous amount of reading students have to do. I have been told by university law lecturers that that would really help to keep young people at university studying law. There is no reason why you cannot make a traineeship in the legal profession or in architecture—you could name the lot.

CHAIR—It seems to me that you are saying that the critical element is whether or not you can articulate it.

Mr Winsor—I believe you can. There are processes where I believe you will be able to articulate. The universities are now starting to recognise the OP component of some of this vocational training—there is your articulation.

Mr Vieira—I think enterprise training is something we should open up more to, especially when we are talking about regional, rural, remote Australia. Everywhere you go you are going to hear the same questions: how do we keep our young people here; what are they going to do; and, how do we sustain our town? I know that in the Atherton Tableland we have youth groups that have looked at what they can do. There are certainly opportunities for training through ECEF funded programs like Bobby May's, VPG, the JPP and this and that, but we have not looked at enterprise education and developing a business or a venture for young people. I am not talking about just school leavers but about those who have been out of the system for a couple of years. They may be in dead-end positions or not working, but wish to remain in the area. There is a lot of creativity there that is not tapped.

There have been some established programs—like the YAA program, which had some great results. But there are some models already out there that can be utilised. Maybe there is an example within the federal government structure of programs that it delivers, in terms of the school to work transition stuff, that could look a little more seriously at enterprise development and its application in rural, remote Australia.

CHAIR—Are you talking about the capacity of individuals to establish their own companies, establish their own businesses—basic business training type activities?

Mr Vieira—Yes—through actually doing, which is what the YAA does. It takes them right through the business plan, the prospectus, the launch and running it—because these young people are sitting around saying: 'What do we do here? What do we do in this town?' We want them here, but how do we create the mechanism for them to stay? Why do we always have to think in terms of, 'You have to get into the training, then do this, then that'?

Ms May—At present we are involved with state development, Cairns Region Group Training and Cairns Business Liaison Association in trying to develop or encourage enterprise education up here in this area. We have had some very positive meetings, promotions. But one of the great disadvantages is that the main focus for working with enterprise education is through the education system—back through the teachers—and at the moment, with the new ETRF reforms and so many other things, like retraining of teachers on issue because of increased vocational needs, it is just something else about which a lot of teachers are saying, 'We just can't cope.' The program has been quite good—we had a guest speaker up recently and had a workshop—but, although we invited 23 schools to come, we only had about 15 teachers attend. It is all too much at the moment. But that is where I see that maybe there is a need for greater funding to assist the change, because change needs everything from retraining to assistance programs, perhaps consultants. There is a lot of pressure on the system at the moment with the education reform changes, and I think it is just not going to happen without that funding.

CHAIR—At the risk of giving you a commercial, I recommend you all read our small business report, in which we have dealt with a lot of these issues. There are, for example, in a number of states business enterprise centres specifically set up to help businesses and small business people to get up and running. The ACCs have the small business assistance officers. A lot of them have now changed that and put them on a contract basis. That is going to change the

whole dynamic again, which means there is going to be a gap between the changeover and people building up a relationship and trust with those individuals. The thing we found in that inquiry is that there are a lot of organisations out there providing various forms of assistance to small businesses and start-up businesses. The organisations were fairly diverse but, in one way or another, were all providing a service. It seems to me that there is probably not enough known about it, or enough coordination in terms of those organisations, to allow a greater penetration across the community. It is an issue that obviously is important, because the more people that you can get into starting up businesses the more potential job opportunities you have being created as a result.

Mr Vieira—I think you mentioned the Job Network before, and you are quite right. I have jotted it down in my notebook—thanks for that. They are a source of a great deal of information in terms of skill shortages, the placement of employees and what employers are looking for. That is current information, but I am not clear about whether they are actually being asked to provide any of that in a regular fashion back to government.

Senator McLUCAS—That is a question I wanted to ask the group. How do we collect that information in this region and how do we transfer it back to trainers like you, Dale?

Mr Vieira—We will actually do that: we will convene a meeting with the Job Network providers and we will work with them. In Cairns we already have a couple of instruments that measure business confidence et cetera, as you know. So I think it is about designing an instrument here where we can get regular feedback from Job Network, bearing in mind that Job Network is still only No. 2 or No. 3 in terms of recruitment—individual firms are still No. 1. Certainly, I think they are one of the outlets for information that we are not tapping as well as we should, and we will do that.

Senator McLUCAS—Do we have any structures in Cairns that link identification of skills shortage, or potential skills shortage—

Mr Ireland—The aviation one started from that.

Senator McLUCAS—But that all works through the clusters—is that essentially where it happens?

Mr Ireland—Yes.

Mr Anderson—In terms of Indigenous communities, we have a number of processes there. I chair a committee that has a number of stakeholders, including many of the people sitting here. We backwards map all the positions that will become available in the communities from here up to the Torres Strait. We look at those jobs and then look at providing training and mentoring for local people in those communities to fit into those jobs. In many remote communities we experience skills shortages all the time and we have continual turnover, and then we have unemployed people in those communities who, with the appropriate training, can take those positions and stay there for the long term. That has just gotten under way—John and Tom are on the committee with me—and I think it is producing some positive outcomes at the moment.

CHAIR—Does the group around this table also operate as a cluster in terms of dealing with these types of issues?

Ms Mason-Mitchell—No.

Mr Winsor—We work individually.

CHAIR—But you have interaction with each other?

Mr Winsor—Yes.

Mr Whyte—With identification of skills, a lot of it comes back to getting to a critical point where the industry just cannot keep going without those positions being filled. The nature of Cairns is that we have a lot of very small businesses, and individually they do not believe that they can make an impact. It is only when it reaches a certain crash point that they say: ‘Bugger this. We’re going to actually do something about it.’ The development of the clusters is going to mean that some of that becomes more proactive than reactive, but not every industry or every business is going to be covered by a cluster organisation so there are still going to be cracks in the system.

We had some good results with the Australian airlines strategy that the Queensland Department of State Development pushed through last year. A lot of us were involved in different areas of that, including skills development. We have to realise that in a lot of regional areas we do not necessarily have strong industry bodies—organisations are too small and, to a degree, too independent of each other to be able to get together on a regular basis. Groups like Ecofish TNQ Ltd, which Darren is representing today, have had three, four or five years in the process and are now very strong organisations, but they have needed that external resourcing to be able to get to that point. The industry was ready for it and there was a mechanism in place to capture it.

In other areas the industry is not ready for it and it may be some time before there is enough confidence in each other for participants to bring it together, and they will continue to be reactive. They will get to a point where they say, ‘Look, we can’t keep going with this. We need to do something about it,’ and, obviously, there is a long lag time in them developing the skills or putting things in place. One of the problems for regions is how to bring those issues to the fore. I think Cairns is a lot further along that path than other areas because of the way that the clusters have developed over the years. Maybe that is one of the things to take back from this: using the clusters not just for industry development but for a whole range of other issues identification, including skills.

Ms Mason-Mitchell—Marine have not had any funding or any strong industry representation to bring these issues to the forefront. Anything I do is purely and absolutely voluntary. I do not get paid for any of the work I am doing here advising on training issues or the lack of professionals in the marine industry. At least there is some information coming back, I guess. In Australia, we presently have a shortfall of in excess of 20,000 professional mariners. That information has been gathered from the Australian Ship Owners Association and the institute for marine engineers. I have done that off my own bat. There is no strong industry representation to get those sorts of figures on the problems with the training and with qualification. The clusters are starting to address it and, again, I guess it depends on the representation on those clusters—who is on the clusters—as to the quality of information you get back at the end of the day.

Mr Whyte—Sometimes it is difficult for businesses to keep an interest in being on, say, a skills advisory board. It might only be a very small part of the needs of their business, whereas the clusters are addressing a broader range of issues. So those businesses are getting together on a regular basis and skills or training or education is part of what they look at. There is a greater need to be together because there are more issues addressed. Having a group that comes together every month or whatever to address skills is not going to keep people interested. That is one of the problems with some of these training boards. It is only the larger corporations that have an HR officer or whatever who can afford to spend the time. Most of the businesses in Cairns are owner-operators. They have one to three employees and that type of thing. They cannot afford to be going to a regular meeting just to discuss a very small part of what their problems are. They need to be able to get together on an industry level and discuss broader issues, and then they can start dealing with these problems. That also gives them some resources to start looking at how they are going to address those problems as well.

CHAIR—That is a very important issue. There was a very important distinction made yesterday in Gladstone, which I thought hit the nail on the head in many respects. It was said to us that there is not a shortage of skills in this country—in fact, we have a very abundant skills base in this country—but there are skill shortages from time to time. You are never going to both meet the peaks or deal with the troughs, but there is a level that we have to train sufficient people up to in order to maintain that skills base and our capacity to service the needs of the economy. There are always going to be the peaks, which you will have difficulty servicing, and there are always going to be the troughs, when there is going to be unemployment. I think it was an important distinction to make. We have no shortage of skills in this country, because we have a diverse range of skills right across the community, but we do experience skill shortages from time to time because of the needs of particular industries or sectors of the economy. There is a shortage of people with skills but no skills shortage—they were the exact words they used. I think it is an important point to make. Even in your industry you say there is a shortage of 20,000 people, but there are people in your industry with all of the range of skills that are required to—

Ms Mason-Mitchell—I have to correct you, but there is not.

CHAIR—I am shocked that you are saying that. Where are the deficiencies?

Ms Mason-Mitchell—We have only 60 registered ships on our shipping register in Australia. They are not employing cadets to skill up to foreign-going master class 1. That is what I am talking about. That is the likes of AMSA—

CHAIR—But the point I am making is that you have people in the industry now who have that class of skills.

Ms Mason-Mitchell—No, we do not.

CHAIR—Where did they go? They were there 15 years ago.

Ms Mason-Mitchell—I am sorry but the shipping industry does not exist to bring those cadets through the system anymore; it just does not. They are not taking it from our end of the market, because we are classed as mudskippers. Our skills and our sea service are not acceptable for the jobs that are going to be out in the marketplace shortly. I am talking about

shipping port pilots, surveyors and the head of Queensland Transport, John Watkinson. For argument's sake, if John were to fall over tomorrow, there are very few with those skills coming through. His job may be filled, but we are looking at a serious problem.

We will not have the people to fill these positions very shortly. Currently we are short 20,000 of those in Australia, because we do not have the shipping industry to train them. It is no use looking at foreigners coming over to fill the positions either; they are just not there. We do not have the shipping industry to support bringing those people through. It cannot come from our end of the marketplace. Yes, we have skippers and engineers, but they are not adequately qualified to take over the positions that even AMSA are panicking about right now. I can show you this article which says 'AMSA has concerns'. That is from the institute of marine engineers, and I am not talking about the lower qualifications. There is no stepping from our qualifications to that qualification; there is another articulation from university degrees to vocation. It is exactly the same in the marine industry.

Senator ALLISON—Why do we need those qualifications if we do not have a shipping industry?

Ms Mason-Mitchell—We used to have a shipping industry, so it was always perceived that the person who was the head of Queensland Transport and had to deal with policy issues for jurisdictions—marine safety—

Senator ALLISON—Millions of bureaucrats—is that what you are saying?

Ms Mason-Mitchell—It is not just bureaucratic, it is private too. If shipping pilots are piloting a 30,000-tonne ship or greater into a port, you would expect their least qualification to be foreign-going master.

Ms May—At an ANTA forum I was at recently in Townsville, the question of globalisation came up and the fact that we aspire to globalisation, but our training packages, our training and our qualifications do not reach those levels. If we want to compete on the world market, which we say we are attempting to do, we are going to have to address those issues. Even if we do not have our own small industry, who knows which way it goes? Globalisation is really the issue. Are we going to compete on the world market? Are we going to be up there? Australian mariners have been considered the best in the world for years. Now we do not meet the qualifications. That is pretty sad when we have plenty of people to do it. I think globalisation is the issue.

Mr Cleland—On that globalisation issue, I am starting to get beautiful glossy marketing material in the mail every week from marine manpower companies. The one I got the day before yesterday was from IndoPower. They give photos of the mate and the skipper and all these Indonesian people that are ready to work in Australia on Australian ships. They are sending that material to industry now, saying: 'Here you go. We have the answer to your skills shortage: foreign labour.' That is the direction the industry is going in, unfortunately.

CHAIR—It has been going that way for a long time, unfortunately. But, at the end of the day, how are you going to train foreign-going masters for 30,000-tonne vessels or above if you do not have any 30,000-tonne vessels or above for them to work on when you train them? A lot of them do not want to work on flag-of-convenience vessels or with foreign crews.

Ms Mason-Mitchell—We should be encouraging our Australian shipowners to flag their ships in Australia. Unfortunately, we do not have incentives to do that. We have the worst regulatory regime in the whole world in the maritime industry, and no incentives to own an Australian boat—and that is right down to a charter boat. We have cumulative regulatory impacts from every level on our marine industry in Australia.

CHAIR—If I have time, I will sit down and talk to you about that. I fought for 30 years to try and keep it—without success, I might add.

Ms Mason-Mitchell—Exactly—touché!

Senator ALLISON—Mr Winsor, you said that New Apprenticeship centres, in line with the for-profit nature of their business, robustly market apprenticeships and traineeships but they do not carry out facility inspections at establishments where apprentices are placed or check on the qualifications of persons supervising these young people. Could you expand on that and perhaps give the committee some concrete evidence? I do not suggest naming names, but we need to know a bit more about that, I think.

Mr Winsor—It is just the nature of the business. A New Apprenticeship centre has a contract with the Commonwealth government to place as many apprentices and trainees into work as is possible. By the nature of the contract, there is a payment for a placement. Those organisations, to my knowledge, do not have anyone qualified to do a facilities inspection, nor do they—on anecdotal evidence, which is all I have on this—check on the qualifications of tradespeople who are employed with a company with whom they are wanting to put an apprentice. There are a number of instances I can quote on that one. I will not go into them, but it is a fact.

Senator ALLISON—Could you give us an indication of the kinds of businesses where the problem might be worse?

Mr Winsor—Metal manufacturing, automotive construction—right across the gamut of trades.

Senator ALLISON—Should the Commonwealth make some changes then to its requirements with regard to inspections?

Mr Winsor—That is probably not for me to say. I probably would not want to see them make any changes, because our business is to place apprentices. We do check that there are adequate facilities and that someone who is training the apprentice has the appropriate qualifications to do so.

Mr Ireland—I know what John is getting at. There is a set of standards out there that some people morally enforce themselves while other people just ignore them, and the regulatory bodies are not following them up. One of the other things I have had some trouble with is the requirements put on RTOs—and this even went so far as pilot training in Australia. If you had a higher failure rate than the training school down the road, you got audited because you were doing something wrong, not that you were doing something better and sifting out some of the failures. You were getting penalised because you had a higher standard.

Mr Winsor—Because New Apprenticeships centres are essentially Commonwealth government funded, although state regulations apply to them there is no policing from the state. The state does not now go out and do facilities inspections like they used to. It is more self-regulatory. As a group training organisation, we do facilities inspections. We would never put an apprentice in an unsafe workplace or where they cannot get proper training. That is because our charter is to do that. However, the New Apprenticeships and Job Network people—the people that place most of these employees in work—do not have an obligation to do that. This is where it is falling down. Kids getting placed into establishments where there may not be sufficient training or qualified training—there might not be sufficient facilities—is contributing to the drop-out rate of the apprentices.

Ms May—That is where we at Vocational Partnerships link in so well with group training and even the NACs, the New Apprenticeships centres, because wherever we place a student or a young person leaving school in a position we actually work to make sure that the pieces all fit together and the employer and the industry area is appropriate. If we are not involved, there is no-one to do that. As John said, the group training might do it if we are not involved, but no-one else.

Senator ALLISON—I have another question but on a different subject. In Gladstone yesterday a number of people talked about the failure of the general area to pick up on the skills of women and create more opportunities for girls coming out of school and women generally. Women are well represented here today, but is this an issue here as well? Are we not utilising the skills of women?

Mr Winsor—We have a very good EEO policy. We have a very good affirmative action report that I can show you. Just this year we have tried to improve on that by offering scholarships to female students in the aero skills technology.

Mr Ireland—We have three females out of 21 or 22 on it—Preinstitutional Certificate IV, which is not a very good name.

Mr Winsor—That is one example of what is occurring. We do that in other areas as well.

Senator ALLISON—In Gladstone there was a decline of female participation in apprenticeship schemes, particularly in engineering. Is that the case here too?

Mr Winsor—It is very difficult to get applications from females for boilermaker trades, particularly heavy engineering trades, and that has been my experience over 20 years. It is very difficult to attract females into those non-traditional type trades which are dirty and involve heavy lifting. I do not know why that is, but it is a fact.

Senator ALLISON—I can guess.

Mr Winsor—But we try.

CHAIR—Mr Winsor, going back to the point you made previously about the states no longer monitoring what is happening with the New Apprenticeships centres, do you see any connection between that and the high drop-out rate of apprentices?

Mr Winsor—That is certainly contributing. The Department of Employment and Training previously, as they would attest, used to do a facilities inspection on every premises that took an apprentice. That does not happen anymore. I am not saying it is the fault of the NACs because it is not a requirement of the New Apprenticeships centres to do that. It does not happen and it used to happen. Drop-out rates used not be as high as they are now. I am drawing some logical conclusions.

Mr Anderson—There is another issue associated with that in remote areas where the New Apprenticeships centres will sign up an apprentice, will contract an RTO from the other end of the state or from interstate and, when that RTO realises the costs and inconvenience of going to a community, it does not continue with the job. We have to pick them up halfway through and we always do. There is often a lack of consideration of the long-term implications of signing up trainees and apprentices in remote areas that the NACs do not consider.

CHAIR—I think we have exhausted questions from this side of the table. On behalf of the committee, I thank all of you for coming along today and making yourselves available. We got a high degree of information from you and hopefully, in considering what has been put before the committee, we can at least address some if not all of the issues you have put on the table. Thank you very much.

Committee adjourned at 3.31 p.m.