

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

STANDING COMMITTEE ON EDUCATION

(Reference: Vocational and education training)

Members:

**MS K MacDONALD (The Chair)
MR S PRATT
MS R DUNDAS**

TRANSCRIPT OF EVIDENCE

CANBERRA

TUESDAY, 29 OCTOBER 2002

**Secretary to the committee
Mr D Skinner (Ph: 62050137)**

By authority of the Legislative Assembly for the Australian Capital Territory

The committee met at 9.35 am

CLIVE JOHN HAGGAR,

ROBIN BALLANTYNE and

TIM McNEVIN

were called.

THE CHAIR: You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections, but also certain responsibilities. It means you are protected from certain legal actions, such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Could you please state, for the record, your names and positions.

Mr Haggar: My name is Clive Haggar. I am ACT branch secretary, Australian Education Union.

Ms Ballantyne: I am Robin Ballantyne, ACT branch, assistant to the secretary (professional) of the Australian Education Union.

Mr McNevin: I am Tim McNevin, Australian Education Union, ACT branch, TAFE and VET in schools organiser.

THE CHAIR: We have received a submission from the AEU—thank you for that. Feel free to talk, and then we can ask questions.

Mr Haggar: I might make a few points, given that you have a written submission from us. There are things we wish to emphasise, in particular those put to us by our own members working in the VET in schools area.

The Australian National Schools Network commissioned a research project in November last year. That project, which was undertaken by Lee Zipin, then from the University of Canberra, highlighted the workload issues for VET teachers working in the schools environment. Through another survey instrument, teachers at CIT have highlighted their workload pressures. However, there is no doubt that, if you are examining the work of teachers involved in the VET area, there is a range of responsibilities, principally around dual reporting mechanisms for years 11 and 12, which mean a significantly enhanced workload.

We are also concerned about registration arrangements within the education system for schools and colleges which are RTOs. I have suggested in our paper that there ought to be an examination of a streamlined method of dealing with the paperwork involved in those exercises.

The department of education was previously a registered training organisation but, with the devolvement of that to individual colleges, there is a lot of replication. They need to look at ways and means of systemically decreasing the workload, without undermining the necessary accountability arrangements that underpin RTOs.

One of the approaches we have encouraged for a long time is the notion of sharing of resources and personnel. We are starting to see increased emphasis on this, and we support that. We now have, within our schools and colleges, encouragement of teacher mobility, which means a sharing of opportunities and expertise. A degree of specialisation in terms of provision by the colleges is seen as important.

We also recognise now—coming out of the schools strategic plan *Within Reach of Us All*—that there is an opportunity for high schools to move into vocational education, particularly to try to re-engage students at risk in study and work experience that they will find worthwhile. There are a couple of excellent examples of industry involvement in that area, at the present time.

We had discussions with the Construction Industry Training Fund before they supported a teacher assistant at Canberra and Copland colleges. We are very supportive of that contribution from them. We would like to see that sort of contribution by industry expanded, not simply within the construction area where, through their training fund, they have resources, but also into other major areas—retail, hospitality and the like.

The Construction Industry Training Fund deserves some kudos for the pilot program it is running at Ginninderra District High School—the traineeship cum apprenticeship program. There are 10 young people involved in that program. Most of them would have been seen as students potentially at risk. We have had very good feedback as to the way in which the program has operated. As a model of community and industry involvement in the VET area in partnership, with our schools, this is something we strongly endorse.

In discussions, we have highlighted concerns. We are increasingly receiving reports from our members. We must remember that most of those working in VET—particularly all of those working in the CIT—have industry experience.

Members are becoming increasingly concerned about the loss of the training culture, mainly in smaller organisations, as business pressures increase and opportunities for funding support dry up. I suppose it also has to do with the general work intensification we are experiencing in the community, but our older members are lamenting the loss of the notion of passing on their skills and expertise as tradespersons to the next generation.

There are two other points I would like to make. The first is in relation to careers education—there is a review taking place now. The interlinkage of quality career advice education with the VET sector is obviously very important. We have previously put in a budget submission calling for the creation not of a centre of excellence but a careers advice centre which could provide high quality advice to all Canberra young people on their career options pathways. That would be staffed by a mix of educators, industry-experienced people and the like. In that, there needs to be recognition of the student welfare component of quality advice. This is also something we support. The general level of knowledge and expertise of teachers presently working in our high schools and

colleges as to the very different, burgeoning, careers and the multiple pathways available to young people are pretty limited.

Our VET teachers have expertise within their own industry area but that does not mean that teachers have the knowledge—or even the time or the capacity—to gain that sort of knowledge across a broad range of industries. Hence, a centre where individual students, groups of students, or students and their parents, might go to get that sort of expert advice would be seen as important. Obviously, on-line services would be attached to that.

The only other point I make is in relation to user choice. We opposed its initial introduction. We can understand the desire to have some competitive pressures to remove inefficiencies, but the reality is user choice, the tendering arrangements and so on. Whilst we have seen a growth in the private training area, it has introduced significant other pressures into public sector organisations which have community service responsibilities that do not exist in private training organisations—especially the for-profit ones.

Any expansion of competitive tendering and user choice arrangements is always something which creates a problem, and there is often a multiplier effect with organisations like CIT. We do not want to see our colleges pushed into a situation where, ultimately, they forget their duty of care responsibilities for their students, and VET's broader place in general education. We have had that debate regularly for the past decade, and I do not see it as being a significant ideological divide at the moment. I think that, in the ACT now, we are starting to see a much stronger coming together of minds in the VET area. It is about quality, delivery and adequate support.

There is a very strong focus on making sure our students have quality multiple pathways, because of our concerns about the present stagnating retention rate. From other reports we have had, there is the issue of trying to engage young boys, especially, in the latter years of secondary education. In no case are we in the extreme circumstances of other states—nevertheless, it is still an issue of significance here.

THE CHAIR: Are Tim or Robin going to speak at all?

Mr Haggar: If you have specific questions, they will talk your ears off!

THE CHAIR: That is what the inquiry is about—having our ears talked off and making sure we find the best system we can for vocational education and training in the ACT.

When you used the term “enhanced workload”, I think you meant increased workload.

Mr Haggar: Yes.

THE CHAIR: I wondered about that, but then you did talk about the huge increase in workload, with colleges becoming RTOs. Of course, I have a view on this—that it has added a great deal of extra pressure to those teachers who already have a number of lines of responsibility, and they are not getting any recompense for that. You have talked about the amount of paperwork out there.

Do you have any views on whether we should be looking at it going back to being the responsibility of the department? Should it be the department that is the RTO rather than the college, or do you have views on its possibly being a partnership with, say, CIT or even privately registered training organisations?

Mr Haggar: I will comment briefly from my perspective. We have been encouraging much stronger partnerships between the colleges and CIT for 15 years. You will find in our paper a call for a systemic registration method, perhaps back to a single RTO, where something like the board of studies underwrites arrangements.

Mr McNevin: The AEU recently—to try to promote partnership between the sectors—established an AEU-VET committee which draws representation from the high schools, colleges and the CIT to try to promote dialogue between those sectors. The discussion at that committee has fairly suggested that the registration of colleges as RTOs was, at the time, a rushed process. The pendulum about autonomy of those colleges has swung so far in that direction that to drag it back rapidly may not necessarily be the right process.

What is probably needed is a staged centralisation of some of these administrative responsibilities—still allowing some of the colleges to maintain that degree of autonomy which the VET system promotes and encourages. If they are going to operate within that system, they need some degree of autonomy. It is the duplication of effort that occurs, where colleges are presenting the same paperwork—for want of a better term—as all of the other colleges in the system, and duplicating that effort.

If there were to be some sort of audit of what processes could be undertaken centrally and what needs to be done in the colleges, then we would have a better picture and be in a more informed position as to where we should be heading. As a general sort of consideration, dragging it back more centrally is something we would support.

MR PRATT: A balance between complete autonomy but trying to underwrite those departmental benchmarks?

Mr Haggar: I do not think any of the colleges would support complete autonomy because, apart from anything else, it just leads to competition for the courses on offer. We do not have the population to do that. We need rationalisation of the courses. With the capital costs of setting things up, you do not need commercial kitchens in every college, for example, because there is not the student demand for it.

MR PRATT: Your earlier comment about the need for the sharing of resources would support that concept anyway. Regarding mobility and sharing of resources, what is the depth of the problem that you think now exists, with the availability of technically qualified teachers able to be deployed into colleges? Is that a major problem, or is it just something that needs to be tweaked?

Mr Haggar: I think there is a major problem for the future with finding high quality teachers, full stop—let alone teachers with VET specialities.

MR PRATT: That is right.

Mr Haggar: Yesterday, we were holding discussions with the department about the sorts of mechanisms we are going to have to move to, to make sure we remain competitive with the other states. Forgetting the salary issue, there is recognition of industry experience in New South Wales. You are picking up up to three years incremental movements based on industry experience and they are giving you another three years for child-rearing. We have to make sure, though, that that is underpinned by recognition of appropriate qualifications.

There is currently a debate about what it takes to turn, say, somebody who we believe is more than fully qualified to teach 17, 18 and 19-year-olds plus in the TAFE environment into somebody who can teach in the college environment. We have an interest in preserving the professionalism of teachers, and obviously maintaining the qualification standards. We must recognise that we are now in a competitive market for teachers. The more that is demanded of us to meet the rapidly changing needs of industry et cetera, the more we are going to be looking to making sure teachers have the opportunity for industry experience.

There are things like teacher fellowships at the moment, which were a feature of the Carnell government's final budget. They are highly valued, but they concentrate on further tertiary training. We would like to see some flexibility there for teachers to perhaps pick up a fellowship that might see a six-month placement in industry, where they can enhance their VET qualifications. The wheels are turning, but very slowly.

THE CHAIR: Isn't there a problem, though, finding a replacement for somebody who comes out of classroom teaching?

Mr Haggar: That is right—there are current significant relief teacher problems. We are very keen on the construction industry model, with the support of an industry specialist working with the classroom teacher. That is something that allows people who have worked in industry all their lives to provide a larger return to the community through the school system. It means there is an alleviation of the teacher's workload pressures, and you have that person assisting the teacher in their liaison with industry. As I say, an expansion of that into other industry areas would be a good move. Retail or hospitality would be excellent, if we could find the funds to do it—or if the industry could find the funds to do it.

MR PRATT: Given this thin resource base, do you think that we, as the ACT community, should be focusing on developing capability of VET teachers at either CIT, high school or college level, if, as you say, you can find people who can transfer into the high school environment? That is a hell of a question to answer! Or should we be focusing only on the trade and technical development needs of the ACT, thereby not competing with other jurisdictions such as New South Wales—or should we be broadening the net as far as we possibly can, to offer the opportunities?

Mr Haggar: I think all ACT governments since self-government have seen the ACT as benefiting economically from a role that sees it as the leading community in south-eastern New South Wales. We find that our college students take jobs right across the nation. They go interstate to university and other training institutions.

It is striking a balance. Ultimately, we do not have the resource bases of the other states and territories. The one resource we have is people. A high quality work force will attract industry to the ACT. We have to make sure our high schools, colleges, the CIT and the universities can sustain a qualitative difference for our population—otherwise, we will not have the jobs, and we will lose what economic base we have.

MR PRATT: You would be keen to see whatever VET strategy is devised to match with the community's strategic needs? It is desirable, but whether it is practical, I suppose, is another question.

Mr Haggar: I do not think there ought to be a government strategy, full stop, or an industry strategy, full stop, that does not have a focus of delivering for the community in a partnership way. We do not have the resources to waste. That is why the notion of individual college autonomy has whiskers on it when you have that thin resource base. I am not suggesting a command-style economy, but you have to place your funds very strategically, for the best value to be added to the community

THE CHAIR: What is your opinion about school-based new apprenticeships—and where we should be going with them?

Mr Haggar: From my perspective, the Ginninderra model is a positive one. Nevertheless, we must be looking at how they progress, and see it as a developmental exercise.

Ms Ballantyne: It is a couple of years since I have been speaking to teachers about SNAPS. When I was in that position, there were some difficulties with SNAPS. The timetabling makes it very difficult to maintain your life in school, if you do want to take on a year 12 certificate of a mixed tertiary/non-tertiary kind, along with the SNAPS program. There are some models in South Australia where they have had school-based new apprenticeships working in schools—I think at the high school level or college level, although they are one system there, so it is a bit hard to define—where they have built their timetable around flexibility of blocks of time. It is clear you cannot go with a cyclical timetable of six lessons a day, which we classically have here, and have a kid also spending substantial time in the workplace, under school-based new apprenticeships.

At the time I was involved, teachers also had concerns about the pastoral care of students. They felt that the level of independent action a kid might need to be undertaking that workplace learning, and also school, was above that of an average straight, let us say, tertiary college student—and that often the kid you were aiming a SNAPS program at would be likely to have less of that kind of organisational ability, independence and so on than the average. So there was a bit of a mismatch between what you were trying to deliver to the child and their capacity to cope. When you get out in the workplace, or on a SNAPS placement, there is not necessarily the same level of pastoral care that is expected in a high school or college.

Mr McNevin: The user choice model applying to colleges has different issues present than those you would find in TAFE, for example. For instance, if the employer were to request competencies that fell beyond the scope of a particular college, the colleges do not have the capability to take up those competencies. That presents an issue for the

colleges, but also an opportunity for partnerships to be presented between the college and another RTO—for example, the CIT—to take up those competencies that the college is unable to present. Although the opportunity exists for the colleges to find them administratively viable, there must be a minimum number of students in a particular college, in a specific SNAPS program, to make it viable.

The suggestion is that at least 10 students are needed within a college. As Robin has been saying, you need support for those students. The fact that they are out of the classroom, in the workplace, means they also need to be coordinated. That means that a teacher or some other person needs to come off-line, to be able to coordinate those responsibilities. Unless you have that minimum number of students, it just does not become an option—so that is an issue.

THE CHAIR: That is another argument for a possible central coordination role from somewhere other than the individual colleges.

Mr McNevin: Balancing that with the pastoral care needs that Robin was alluding to could be difficult. The timing of the reporting of the SNAPS program this year presented an issue for some of our colleges. There was an attempt to centralise some of the administrative arrangements—so that would need to be considered. As a concept, we support the idea because it does target the needs of those students who are at risk. It presents an opportunity, but the management of it needs to be done carefully, in a considered way.

Mr Haggar: I make another point about the construction industry arrangement—the pilot program. When we first had discussions with them, they were suggesting half a person—in a point five role—in each of the colleges, whereas they have put a full-time person into the two colleges.

That level of resource, as a support for the VET teacher, is tremendous. You would not necessarily see construction as a VET course operating in all of our colleges—possibly in a third, but certainly not beyond half of them—but, again, that is an industry fund. It is their contribution, to reinforce the sorts of programs they want to see, and to assist teachers in their roles.

On occasions, other industries have made contributions. The old TRAC program in the retail area is one example. In the territory, we do not have a good record of industry investment overall. There is a reliance upon government assistance. We have just seen what has happened with the ITABs, for example. Federal funds have been cut there and the ACT government has to scrape around to find additional support. The message needs to get out for all industries to do what they can. If they want to satisfy their training needs in the school environment, they need to support the schools. Perhaps a central resource is one step closer to delivering the kinds of resources presently being given to Canberra College and Copland College.

THE CHAIR: You have mentioned that you would not want to do construction across all of the colleges.

Mr Haggar: The demand is not there.

THE CHAIR: I know that, but not everybody is aware of that. There is also the issue of how to get industry to come on board—industries such as business—when business is extremely scattered. Even the number of businesses which are members of the ACT chamber of commerce is quite small. They do not necessarily have a history of training within their industries, or within their organisations, to look at it as something towards which they see value in giving money and time. Have you any thoughts on how to deal with that? If you do, you win a prize!

Ms Ballantyne: I do not know that I have any thoughts on how to get around it. However, I am aware of the fact that, overwhelmingly, businesses in the territory are very small, and that there are very few medium-sized businesses. You have a situation where the large businesses are doing in-house training. Woolworths even have their own training package.

Then you have a massive number of businesses—I cannot remember the percentage, but it is overwhelming—where there are one, two or three people involved in the business. There is an expectation that they would have a lot of time for training others, but they probably do not. There is a kind of structural problem with ACT business—about having enough middle level businesses where you can ask them to do that kind of thing. I do not know what possibilities there are for other kinds of funds.

Mr Haggar: I recently sat on the knowledge economy board fund panel that did the allocation of the initial \$1.3 million, I think it was, in grants. One of the views I was putting to the panel was that, in the future, I would like to see identified from the companies putting in submissions requesting government support, what return there might be in the form of supporting a traineeship, or a program of support from a business to a college environment—CIT or what have you.

You have people saying, “Please can we have \$100,000? We are developing this wonderfully innovative software package. We are going to make lots of money—and we live in the ACT.” That is fine, but what is the return to the community? With some of them, there is a clear return. We must try to get people to focus. I have asked that it be written into the guidelines for future grants that they identify more explicitly in their applications the returns that might be obtained. There are other government grant arrangements that could say, “If you are going to be picking that up, what is the clear return to the local school system, or to some training program?” That is just one proposition.

THE CHAIR: Looking at it as the human return as well, not just the economic return.

Mr Haggar: Ultimately, if you hold the same view as I do, that the only capital we have is the human resources of the territory; that you are going to be getting taxpayers’ money and that there are other benefits the territory government can offer—start-up firms and the like—it does not have to be as blunt as, “And we want you to employ a trainee.” There are ways and means of getting that return back to the education and training system.

Mr McNevin: There seems to be a lack of congruence between the messages the peak employer groups are providing, about the directions the VET system needs to take, and the messages our members get back from the small businesses of the ACT. The peak

employer bodies are saying that an increasing level of on-the-job training is what they are seeking. However, the small employers here are saying, “It is not our core business. We would like the public education system to provide that training. We will provide the environment where they can exercise those skills, but training is not our business.” So this ideological pursuit of on-the-job training does not seem to be lining up with the feedback industry is giving our members about where they would like their trainees and apprentices to be undertaking their training.

MR PRATT: As a matter of interest, how do they explain how that partnership would work—that the government system would bring the trainer and the trainees to their environment?

Mr McNevin: I am not sure I understand the question.

MR PRATT: What role were those business interests seeing themselves playing? What was their responsibility?

Mr McNevin: My understanding is that they are seeking qualified employees. They understand that employees need an environment to practise and reinforce the skills they are learning in the off-the-job training they are undertaking.

What they are saying is that they are not interested in the business of conducting the training. The businesses are saying, “Let’s practise and reinforce the skills you are learning at TAFE or college, but please don’t ask us to conduct or engage in the assessment or the administration associated with those skills.”

MRPRATT: Employer supervision only of trainees?

Mr McNevin: Yes. That may or may not be the right position but, when you are dealing with an ACT community of small employers with limited resources, it is probably a reasonable one.

Ms Ballantyne: It goes back to the fact that they are two or three-person businesses. They just do not have the capacity to add a training function to try to keep their heads above water and make the books come out right.

MR PRATT: They would be happy to go into a marriage with the education system, which would see a trainer coming on site?

Ms Ballantyne: I think that, in a sense, they see it as more of a return to the past, in that the trainee would go to TAFE—getting their more formal delivery of the training through an educational institution of one kind or another—and attend the workplace to practise and reinforce those skills. The balance is back on campus training, rather than on-the-job training.

THE CHAIR: This is very interesting. We have been speaking mostly about schools and not about CIT at all. A lot of the stuff has been crossing over. I do not know, but we might look at getting you to come back at some stage to talk—and concentrate on the CIT issues as well.

Mr Haggar: Sure. We would be happy to do that.

THE CHAIR: We might do it at the same time that we get the CIT people in, because we have a few things to talk about. Thank you for coming in today.

Mr Haggar: Thank you for your time.

PETER KENNETH GORDON was called.

THE CHAIR: I will read to you a statement that I am required to read to all witnesses. You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal actions, such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Could you state your name and position, for the record.

Mr Gordon: My name is Peter Gordon. My position is director of a company called Something Ventured Pty Ltd, which delivers the Canberra Business Advisory Service on behalf of BusinessACT.

THE CHAIR: Would you like to tell us what you think about vocational education and training in the ACT, and how it can be improved.

Mr Gordon: There are a few things that I would like to mention, if I may. My perspective is from the business end of the community and therefore is probably a little narrower. But there are three areas I see from my perspective, and that is the training for students, the training for the teachers of those students and the training of business operators and owners.

So if I could start with a little spiel and then perhaps some suggestions. Firstly, I have got business trainer's qualifications on top of my list. I think that a lot of people that train in business are lacking some practical business experience. The day-to-day issues that confront businesses cannot be taught necessarily in the classroom because the day-to-day issues of a small business affect the best of text book theory. It is the coalface stuff that is important.

So a suggestion may be that teachers of business should review their practitioner knowledge every few years through some workplace experience themselves, just to bring them back up to scratch. For example, how many business teachers have done this since the GST was introduced? And we have some evidence that people coming through business training are lacking in some areas of currency in some of the compliance issues.

Perhaps there should be some teachers workshops. For primary and secondary teachers who instruct on business matters, maybe there are some training workshops on business principles, practices and employer expectations. The last speakers were, I think, from a training perspective, and I will go into that a little later. So it is interesting to see that there are different points of view to be considered here.

I split up into some categories, I guess, students to year 10, and this is again from a business perspective; I have nothing to do necessarily with education of children. But basic business principles perhaps could be taught, including issues such as retail and commercial maths, work culture and ethics, business forms, business communications and basic expectations of employers. Maybe this learning could include a work

placement learning module. Some programs do that from time to time, but there is no consistency in that.

We talking about students that may up to year 10 consider leaving school and entering the workforce. I think that that exposure to the expectations of the employer would mean that when they did apply for a job they would come into the workforce with some pre-qualification, including an understanding of why the boss asks for certain things to be done, and they would be a better employment prospect.

Then perhaps to years 11 and 12 a business employment focus elective could be available, or should be available, perhaps including the points that I mentioned earlier, plus the compliance issues employers are faced with—things like OH&S, tax law, awards. This would prepare those who are moving to the workplace from school but also those doing tertiary study, as they will eventually also be seeking work.

I think that a lot of people go straight from school to tertiary education and then into the employment areas but they don't have perhaps some of the hands-on experience that we find when we and other businesses I have talked to are taking on staff. Also senior business studies perhaps that are carried out at the CIT. Again I think there is a lack of workplace placement or mentoring modules in the business curriculum where a student can get a hands-on feel for a business. A lot of it is just textbook in the classrooms.

Also, particular courses that I am aware of are not suitable for existing businesses. So we are training people there in business but not business owners, because as soon as a business owner starts up their time is so valuable to them that they can't do a full-time course or an evening course because of the business. They crave the skill or the knowledge but not the piece of paper. So they are not necessarily wanting to do a certificate or a diploma; they just want to know what we do for marketing or what we do for this, or so on. So they would be probably more switched on to picking specifics out of a curriculum to hone their own skills at their own pace when it was convenient.

The other thing is moving onto existing businesses, and this is where we, as the Canberra Business Advisory Service, see more of this. I think post-opening training or after-opening training is very important. We find a lot of people go into businesses, they haven't got business plans, they fall into business and then they realise they need to do something a little bit more structured.

What we do and what others may do is conduct seminars and workshop-style activities where the information transfer is basically short, sharp and accessible. There is the opportunity for networking with fellow businesses. They learn very much from that sort of forum—"How did you do that?" "Well, I did it this way," or "That sounds good." Also, as one of the lady witnesses said, with a lot of small businesses there is the isolation issue of people working either in their own home or in small offices where they don't get to meet other people. I think that that is something to look at. I know that it is probably not your core objective.

If I could just firstly mention some of the things that we do at Canberra Business Advisory Service. In a way, I guess, it is a learning process. Firstly, of course, we do one-to-one interviews with clients, and so we pass on knowledge in that way. We do site visits to their business and we have a Q&A email service for question and answer.

From there we have some free products, We have a first step seminar, which runs for about 2½ hour once per month, concentrating on the basics of connecting to the market and compliance issues. We get about 30 people a month to that. Then we run monthly Business Plus workshops, which are free. There is a range of topics, it is a hands-on interactive format, and we get 50 to 80 people to those. We run specialist workshops, seminars, trade fairs, marketing—for example, BizStart in alliance with the ATO.

Then we have the recently announced small business employment ready program where we are going to run monthly Profiting through the Power of People seminars and monthly two-day workshops on the benefits of employing people and getting it right. I don't know whether it is appropriate, but I do have samples of brochures for all of these programs. We have run a group business mentoring program, where we get business people in a room with two or three mentors and run through issues. That is a structured program.

We have a strategic planning and action implementation program, where we take a business through a diagnostic exercise, ascertain the two or three most important things that business needs to do in the next three months and then guide them through the implementation of those issues. That is more a one-to-one thing but we find that useful.

We also have trained mentors here in the ACT. I have a contract, which is through the Victorian University of Technology. I run a business counselling skills course for mentors in the ACT, and we have had 12 so far and we are about to run another. We have mentors out there that have some qualification and are accredited, so that they are not running around giving the wrong advice. And also through that same Victorian uni contract I run, I actually train business advisers through the certificate 4 in Business Facilitation, which is the only accredited course. Anyone can be a business adviser, because it is not a regulated industry, but this at least gives those people some qualification. And we run quite a lot of other programs—mentoring programs 1999 and 2000, workshops, et cetera, and I won't bore you with those.

Do you want me to say more, or would you like to ask questions?

THE CHAIR: Steve, do you want to ask some questions or do you want to hear more about what CanBAS does?

Mr Gordon: I have got packages of, I guess, our stuff. There is one for each of you. I have put them in the order I mentioned them. The first one is the brochure on our next Business Plus. The next one is the new program, the Profiting through the Power of People seminar, and that is coming up on the 6th.

Someone mentioned the word “human capital”. We don't use that term in public but it's exactly that. It is actually saying, “Well, how can a business grow?” It can really only grow by putting people on. So this particular seminar is saying, “Well, hey, how is the business going? What is your growth potential? How are you going to do it?” and so on.

The next is the two-day workshop. What we are trying to do here is demystify the compliance issues, understand that the compliance has to be met; but the most important thing is if you get the employment process right you can minimise a lot of the compliance stuff as well. So that is a two-day workshop. It's a challenge, Karin.

THE CHAIR: Yes, it is a challenge.

Mr Gordon: The other four brochures are on the programs I mentioned and I won't bore you with that. And then there is a newsletter and also information about the certificate through Victorian uni.

THE CHAIR: A lot of your stuff is aimed at people either already in the business world or thinking about going into the business world who are post-formal study.

MR PRATT: They are not students.

THE CHAIR: Yes, they are not students. They are thinking about setting up a business. Do you see that there is role for CanBAS to play in terms of possibly doing work with schools and colleges?

Mr Gordon: Someone probably needs to. We don't have the resources to do that, but it's not a bad idea. There have been a couple of programs. I know that Daramalan had a program that they took the students through and the teacher that did that came and spent a week with us to learn the ropes, or to come up to speed, and I thought that was very good. He took students through the business processes, how to get a job, and those sorts of things.

There are other programs that come round, but they are elective, I guess, or a school can choose to pick them up or not—things like Young Achievers and all of those other ones. Obviously the basic curriculum of maths and English, which are the two important ones, are being taught but it could be a little bit not skewed but pointed towards something which is useful when the student gets into the workforce.

THE CHAIR: So the practical applications of mathematics and how you actually use it in the real world—that sort of thing?

Mr Gordon: Yes. Quantum physics is probably not the thing for the shop assistant. It is very important as a process. Even if we are on the other side of the counter as a customer, if we had some understanding of what the person on the other side had to go through to serve you then that would be an outcome as well. So it can be utilised. That sort of training in the school, particularly in the formative years to year 10, would be useful.

Your brief, your terms of reference, also asks you to look at what could be done. I think we have had three or four people in our business through apprenticeships. We have got one currently from the SNAPS program. He is a mentally challenged fellow who is basically doing his schooling through Koomarri. He is great. He comes in one day a week. But for all of those, and not specifically that one, as a business person we have had the most difficulty in implementation, in the paperwork, in the signing up phase, and what rate do we pay them.

It would be very simple for these providers to give a business which is wanting to put on a SNAPS person or an apprentice a procedural checklist, and to do it right from the start. It might sound pedantic but there are different awards that come into play, different rates, different sorts of issues, and so maybe that is an area for customer service and follow through. We and other business people have had such instances. So that has made them think twice about putting someone else on.

MR PRATT: I wonder if you have got a comment on the attraction to the small business community. Just expanding on the last point you were making: what does the community need to do to provide incentives, I suppose, to business to go into stronger partnerships with the community in general to perhaps generate further interest in on-the-job training and the taking of young people into small business positions? Apart from this capacity building that you have been talking about to encourage businesses, what else needs to be done? What are the screaming priorities if we want to foster that sort of program?

Mr Gordon: Again, I think there are a lot of small businesses that need half a person, if you like. So there is some possibility for traineeships that aren't necessarily full time, and there are some where it is part on site, part off site. I guess that the business needs to be convinced that there is some advantage for them to put some of their income into—

MR PRATT: Resources.

Mr Gordon: Yes. The incentives that we get to put on trainees—it's not bad. I mean, most people put a trainee on because they do need someone and, to be quite honest, it's a cheap alternative. I don't think that is the right reason necessarily, but I think it is an option for business to put people on.

We now prefer to do the training ourselves. So, as a small business, if we put a trainee on we encourage the sponsor organisation to come into our workplace to do some training. But we like to train our own people. I know it is not as uncommon as perhaps the last speaker suggested.

MR PRATT: So you wouldn't necessarily agree with that?

Mr Gordon: We prefer to keep the trainee on site most of the time rather than have a day or two a week where the trainee goes off site to a college or to a training venue because we have found in the past that what they are being taught isn't current, it isn't cutting edge, it isn't sort of regional.

We had a girl last year that came with an assignment on microfiche, for Heaven's sake! Because it was part of that curriculum, they were studying microfiche. We have got and use computers and other databases. It was ludicrous. So here we are trying to remember the old days.

THE CHAIR: That is an interesting point. Do you think that is just at the college level, or is at the post-college level as well with registered training organisations where they are being taught inappropriate material?

Mr Gordon: I think there is some of that. I am not saying it is everyone. But I think people fall in with the curriculums. We are all the same, I guess, where we get into a habit—that is our routine, that is what the curriculum says you have to deliver—and so the person being paid to deliver delivers it.

So obviously some updates are needed, and the microfiche example is one of those. It is a little bit dated and it makes you wonder what else your trainee is being taught. You are asking them to do one thing and they are being advised that there are other things that they could be doing or should be doing. So there is a conflict there. We prefer to have them in our workplace and have the trainer come in rather than sending them out, because at least we can monitor what they are actually being advised and told.

THE CHAIR: You are a business advisory service and part of your make-up is about training. How do you think that that impacts on the desire of people out there in the business community to take up trainees?

Mr Gordon: I think training by the business owner should be encouraged because they are generally, firstly, wanting the student to do it their way, not by some text book learning back off site; and, secondly, hopefully most of the business owners have their methods and processes up to date and maybe the curriculum that the student has to follow isn't up to date. I just think that it is a better relationship if the business does have a more active role in the training, and it doesn't have to be an impost on the business time wise because it doesn't matter where the staff comes from.

We heard an earlier comment that if they were somewhat pre-qualified through their educative years at secondary school, then when they come into the workplace the business, the employer, doesn't have to spend as much time on the basic skills. But then, the on-job or the on-site skills have to be taught to anyone that starts in that business, whether they are a trainee or not, and the business person really in some ways likes to put their own methodology or own culture onto that spin.

MR PRATT: You are essentially talking about, I suppose, CIT-based programs where there is a marriage between CIT and business. What is your comment on the concept being put about of school-based, or college-based, or even high school-based, shall we say, junior certificate 1 type VET training? Do you think that could feasibly work? Do you think businesses can take high school and college students in, given that they also undertake their general education and have their pastoral care taken care of? Is that going to work or is that not viable from the employer's perspective?

Mr Gordon: That is a very good question. I think that it is a great opportunity to marry business with the schools because, through that brief process a student gets an understanding of what business is all about. It also helps them form perhaps what their career opportunities might involve. But the business really has to get something out of it too, and basically that is some work. It also instils the work culture in a student, who may not have had it. Not everyone can work at McDonald's, for example. So we are actually talking about, in some ways, the extension of the McDonald's plan across business generally.

I guess the payment of wages, the compliance issues of who is responsible for workers comp and those sorts of things are issues. One of the reasons that businesses are hesitant is “What’s it going to cost me as far as those issues are concerned?” So maybe there is an opportunity there for a trainee. There is, I guess, a checklist of what has to be paid, the hours, the conditions and the who pays what as far as workers comp goes and so on and so forth.

THE CHAIR: Okay. Is there anything else you want to add?

Mr Gordon: Let me say as just a throwaway line that one of the biggest lacking areas in our community is hosting or customer relations, customer service, training. I think if we are trying to get tourism and a whole heap of other things done here in Canberra then a program of customer service would be something to look at. It would be good skills for people to have as well. That is a throwaway line. Something that I come up against all the time is poor customer service.

MR PRATT: It is pretty important, given that one of the ACT’s industry priorities is certainly tourism, isn’t it.

Mr Gordon: Yes.

MR PRATT: Tourism is one of the things we have got going for us.

Mr Gordon: One of the things that has been around for a long time is the Ozzie Host program. I am not suggesting we do that exactly, but we could have a Canberra host program or we could have something else that is actually training in customer relations; a how to deal with people program for those that, firstly, meet with our tourists. But, secondly, across the board it might be even, dare I say, for bank tellers and other people that deal with the community.

THE CHAIR: I don’t know. After having spent five weeks overseas, I think that everything that runs in Australia actually runs wonderfully.

Mr Gordon: It depends which country you went to. Customer service in the States isn’t bad.

THE CHAIR: Oh, I don’t know. It depends on where you go.

Mr Gordon: Yes, I guess so. But Canberra could be good or better.

THE CHAIR: Oh yes. Canberra could be better, that’s right. Thank you very much for your time, Peter.

JILL BAILEY was called.

THE CHAIR: You should understand that these hearings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means you are protected from certain legal actions, such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Of course, you know me, and you know Steve. Thank you for your submission to the inquiry. You can address the submission or add to it, and we will ask some questions from there.

Ms Bailey: Jill Bailey, Manager, Employment and Training, ACT and Region Chamber of Commerce and Industry. Thank you for the opportunity to come and speak to my submission. I hadn't realised, once I had put in a submission, that I would also be asked to speak to it. That is even better.

I come from the perspective of industry and employers, so the submission was written with that in mind. But, having also a background in vocational education and training through Erindale College, I know both sides of the fence. I have done the training, and I have organised many thousands of students doing the training.

I was with the Hotels Association at a national level organising their training packages. The other one I did was for ACTION Buses, writing all their customer service training packages for the bus operators as well.

I have had a very broad perspective of vocational education and training in the ACT from its inception, with training packages first coming out in 1995. So I speak from a very broad area. Working with employers, in my role with the Australian Chamber of Commerce and Industry, it is interesting to see whom I now represent.

I think there is a turning around, in that vocational education and training is not really producing for employers the skills that it was thought it would. There is now a perception that we probably will be going into VET training rather than skills training, in VET education.

A document has just been put out by the Australian Chamber of Commerce and Industry and Business Australia—a combined document—and has now been accepted by the Department of Education, Science and Training to be used for writing reports of students. It is called Employability Skills, and it is on the web site.

It is now with MINCO to be accepted by all ministers of education for the reporting. Going back to that earlier gentleman, it is literacy/numeracy skills that are to be reported on and also some of the things I wrote about that employers want—customer service, teamwork and what we used to call “core competencies”—which have really been left on the wayside of VET education and reporting for employers.

Employers don't want somebody to be skilled in, say, hospitality, by being able to carry eight meals at a time in a restaurant. Employers say they are just clowns' acts. What they want to provide is good customer service. They want people to be able to serve customers well, and they really don't want those other technical skills, because they are probably not as up to date as they should be in the workplace.

VET education is probably going to go back to reporting on key competencies, but under a new guise, called "employability skills", for want of a better name. This is what employers actually want.

THE CHAIR: What impact do you think that will have on training packages?

Ms Bailey: I don't think it will have any impact per se on training packages, because those skills are still required and required to be assessed. But within education environments in, say, the schools and colleges sector, I think we are not getting those skills reported on.

I opened earlier by saying that VET training will probably be phased out in the earlier years. In years 9 and 10, we will go into pre-VET training, so that students can go into the workplace—which I think is very important—to find out how businesses work and about career pathways.

In the college sector, up to certificate 2, and even 3, is now not a recognised skill per se, in regard to technical skills. But students need the hands-on. A lot of students learn by hands-on per se—everybody has a different learning style. So, VET learning is very important.

We need those skills reported on. We need teamwork, good communication skills, literacy skills and numeracy skills. We need ability to do research and knowledge of what the workplace is all about, and that is where VET learning is important for a lot of students. It is important that we don't lose sight of that.

In the ACT the BSSS needs to use those skills as a reporting method, and I think they have been lost along the way. "Johnny does well" tells an employer nothing on a school report. What does it say? Do I need to get rid of this guy? I can't say anything bad about him; he or she hasn't done anything that I can really report.

We, and employers in VET learning, also need to have lifelong learning reported. If that student has done voluntary work, why isn't that reported as part of their VET training? As we know, it is working with people—customer service. It needs to be reported for further training.

THE CHAIR: Are you suggesting a formalisation of that process, rather than leaving it up to the individual student when they make a job application? They would then be able to say, "Here is my BSSS record," and an employer would be able to look at the BSSS record and it will have things which are of use to them.

Ms Bailey: Yes. We have lost sight of that reporting through VET, through competency-based reporting. I have no problems. Obviously, those are the skills that the students are learning, but often they are out of date by the time they get into the workplace. To say

that somebody is competent at beating an egg or using a computer does not tell the employer very much at all.

What we are advocating as employers is the reporting, through education bodies, of skills that an employer can use to say, “This person would be welcome in my workplace. I can teach them to work on the technical skills.”

THE CHAIR: I suppose you would be looking at things like the reliability of the student to turn up on time—

Ms Bailey: Absolutely.

THE CHAIR: and be job ready at that time, as opposed to turning up, possibly on time, but still needing to get their uniform on and that sort of thing.

Ms Bailey: Yes. As I said, VET education is wonderful for doing that. Not everybody wants to sit down on a one-to-one basis or just sit in a classroom. Hands-on is much better, as we all know.

Things are changing so quickly. Look at the automotive industry now. We have got a program called T3, which we are bringing into the ACT. The chamber are part of this. It is with Holden, Mitsubishi and Toyota. This is a program we are bringing into the ACT from New South Wales—VET should be across the border, anyway; it is a national system—and it is for school-based new apprenticeships.

At the moment we can't find enough students who are literate and who can join that automotive program. Being able to read a manual, measure air pressure and those sort of things are fairly basic, but we can't find enough students to fulfil those needs at the moment.

MR PRATT: Is it that you can't find enough students who have got those essential skills, or is there not enough interest?

Ms Bailey: There is plenty of interest, but those three manufacturers need people with a basic level of literacy. They will give them 400 hours over the next two years, in years 11 and 12, to bring them up to speed. Motor mechanics is not that dirty now. There is a palm reader that you dial all your information on cars into.

You've only got to go to ACTION buses and have a look at their workshops. You could eat off the floor working under one of those buses because it is all automatic and computerised. They don't have a lot of hands-on, but they have to do a lot of diagnostic work and research. But this is industry.

You can't go back to pulling brakes and things off. Going back to that earlier gentleman, working on a Mini Minor in the school yard doesn't often prepare you for the workplace. What the employer wants is some of those other skills—employability skills—for going in and learning. Our concern as employers is that we are just missing that. Competency based at that lower level is too specific for industry.

THE CHAIR: I know that there is a huge demand on automotive mechanic apprenticeships in the ACT. It backs up what I have thought for a long time about levels of literacy, certainly in a previous role.

At the moment, I am going through job applications. I am looking through applications for business administration, and I am finding people who have made typing mistakes and do not have the attention to detail to even run a spell check—so that it picks up the basic syntax and grammar problems—let alone to go through and check that you haven't accidentally put in the wrong spelling of something that has an alternative form.

Ms Bailey: These are the areas that need addressing at the state level, but they are being addressed. Alongside that are career pathways in voc ed. We are very keen that vocational learning moves down the scale a bit, certainly into years 9 and 10. Year 10 in government schools is often a lost year for many students, in that they don't seem to have a focus.

One of the programs we have just done, which you might have read about, is the GRAPES program at Ginninderra High. The chamber were very involved in setting up that program. Those were the students at risk in year 9 who were just losing their way. Now they wouldn't miss a day on the work site for anything.

Their areas of success, just by having a day in the workplace, are in learning literacy skills, learning to work with people, learning loyalty, honesty, reliability and all the key competencies that we have talked about. The value of that is the difference, the turnaround, in those students.

One Aboriginal boy, who would only go to school about twice a year if he could possibly get away with it, is now the leader of the group. This is a year 9 student. It is just amazing. We go out to the school's workshop area just to see them working. He is encouraging others now, and that is what we want. They are leaders in their own peer groups and, as we know, that is how groups work. They don't take any notice of people like me saying you should go down into the workplace but, if you can get somebody like that, they become a leader.

That is what I mean about the value of voc learning in schools and of moving it down into other years. It is already a bit late in years 11 and 12 because students have had the influence of parents. How do we turn parents around?

THE CHAIR: That is the age-old question with that issue.

Ms Bailey: How do you turn a parent around from saying, "You must go to university. Vocational learning is for dummies"? That is what we are hearing at the moment.

MR PRATT: That's right. The stigma factor is the major problem.

Ms Bailey: But when they get to university, what are they doing? They are going back to the CIT to do training skills for the work force.

MR PRATT: So they can get a part-time job to then finance their studies. It's a vicious circle, isn't it?

Ms Bailey: Yes. They go to university and then move back into voc ed. I don't know that I have covered all that.

MR PRATT: This is a question I have asked a couple of times today: how viable does the chamber think a voc ed partnership between business and schools and colleges is?

Ms Bailey: Absolutely essential.

MR PRATT: We have talked about Ginninderra. That GRAPES program is interesting. Do you think your colleagues in the business sector are keen to sign up, and what incentives are they going to need? Of course, they'd need to know that they're going to get a service; that's part of the partnership. But what else would they need as an incentive to take on more kids than we are seeing being taken on?

Ms Bailey: They probably need more access to it. Voc ed should be industry—not education—driven. Unfortunately, employers are virtually being left out of that loop. They have been told by training providers what they need, and that has been a disincentive for many employers.

They often don't feel comfortable in an education environment and, having moved out of that, I know now how unwelcome they make people. You'd walk into a college and see students going in and out all the time, so you really don't know who the visitors are. And the places—Erindale is a huge place.

An employer such as John Mackay from Actew has an awful lot of people, but at least they have a focus for a visitor to move into. Going into a college, there is not always a focus group saying hello to you. They could be on morning or afternoon tea, and there would be no-one around.

Those relationships are not often easy for an employer to form. The demands on an employer are usually during school time, and it can be quite difficult for an employer to go into a college between 9 and 4 because that could be a peak time for them. It is especially difficult in the ACT with its small to medium-sized businesses, where many of the employers are often on the shop floor doing the work themselves, not sitting in grand offices.

Employers do not have a lot of input into curricula, and that is a sad thing. The curriculum is generally written, as we know, in the BSSS by teachers. I don't have a problem with that, and it is often consultative—there is a consultative committee that helps write the curriculum. But employers are really not involved in that curriculum writing at all. They might have one of the ITAB people, but I am not sure they are involved in curriculum writing at all.

What we would like to see as a chamber—it is my grand plan; I have spoken to Chris about this, and you can imagine his face when he saw it—is to have people in corporate bodies being principals for a day. I would get a group of 10 or 15 employers to go into schools and become employers for a day. They can then build up these relationships with a particular industry, and you might get a two-way receiving of information.

I know I wouldn't be a principal for the world; that is why I left education. I got to deputy principal but I wouldn't go to the next step, because I think you can't be all things to all people. It is a relationship that needs broadening. If an employer realises just what goes on in an education environment—and the principal knows what the employer can offer—relationships could be built up.

That might make that question of yours easier to understand. That is my plan for next year. I have spoken to several employers, who are members of the chamber, who would be happy to go into a school as principal for a day. That could be the start of some relationships. If they were principals, they would be involved in the curriculum and could say, "This is what is going on in the world of work. This is what we want students trained for or educated for."

We are not excluding universities in this. There is a role, as a community, to provide all options for students.

MR PRATT: The AEU have made the quite interesting point—and from a resource management point of view it makes a lot of sense to me—that, given the shortage of qualified trainers—I think they mean at CIT, within the college and even at the school level as well, if schools want to take on more VET—or lack of capability, VET should become much more centralised, the education department may need to start pulling things in and there should be greater mobility of teachers between schools, so that resources are shared.

In determining what sort of course should be made available across the ACT to meet the ACT's strategic needs, how would you see the strategic planning working? What would be the relationship between peak employer bodies such as yours, the education department and the other stakeholders? What needs to be done to work out how best to husband the resources we have to target the sort of training we need?

Ms Bailey: I can give you two answers to that one. First of all, we would need destination studies. Students leave school, and at the moment we really don't know what happens to them. We simply don't. We can track students to university because you can ask them at university. But if they go into the workforce, we simply don't know.

There is a plan, through federal Education, to track students through careers now for 18 months. When students leave they need to say what their intentions are. They don't need to go into that, but there is a plan. With students who are doing training per se—if we are talking about colleges—what are we getting? There are over 2,000 students at the moment doing hospitality, where there aren't 2,000 jobs for those students when they leave.

There is a rationalisation of skills shortages to units of study offered in training institutions. You will find that a lot of the private providers do that tracking, but the ACT colleges are unique in that they are individual RTOs. The more bottoms on seats they get—that is, funding—the less tracking there is of the training needs the future may hold.

I am talking at cross-purposes now with voc learning. At present, students are being educated in skills that there is no work in outside. We are losing sight of those employability skills, which employers seem to miss being reported on, because there is a lot of emphasis on a particular skill rather than on being skilled for the workplace.

MR PRATT: Life skills.

Ms Bailey: Yes. There is a new scheme, which is for next year, that we are involved in. Four colleges are going to pool researching of voc ed: Canberra college, Erindale college, Tuggeranong college and, I think, Marist College. Students are going to be bused around. Because they are individual schools and have their own timetables, it will be interesting to see how the students will go from one college to the other for their VET.

This is what needs to occur where rationalisation of units is being offered. It is so expensive for a college to offer a multitude of VET. When you think of some of the equipment—for instance, a commercial kitchen or what it must cost the government to resource an automotive workshop in every college—the resourcing is incredible. Obviously, some things need to go on—for example, if a student is at Erindale and they are offering the course at Canberra College, you have to have a timetable that is going to fit that.

MR PRATT: With enough travel time built in.

Ms Bailey: With enough travel time built in. But it is a step in the right direction, and I commend them for that. We might then stop providing hope for the students that they are going to be employable in the work force. They should all be doing the new business services training package; I think that is going to be the basis of all training packages for the future.

THE CHAIR: I am not going to go into the ins and outs of the business services training package now.

Ms Bailey: No. But that is different resourcing.

THE CHAIR: We might finish it there. Thanks for coming to speak to us.

Ms Bailey: My pleasure.

Short adjournment

DAVID DAWES and

JERRY HOWARD

were called.

THE CHAIR: You should understand that these hearings are legal proceedings of the Legislative Assembly protected by parliamentary privilege. That gives you certain protections but also certain responsibilities. It means that you are protected from certain legal action such as being sued for defamation for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Could state your names and positions, for the record.

Mr Dawes: David Dawes, Master Builders ACT, MBA Group Training, Executive Director.

Mr Howard: Jerry Howard, Master Builders Group Training, Technical and Training Director.

THE CHAIR: Thank you for coming in. You were telling me outside that the Master Builders were planning on giving a written submission, but it fell through the time cracks, as a lot of things do. We appreciate you appearing before the committee. You can give us something in writing afterwards if you like.

Mr Dawes: We appreciate the opportunity, because training is very close to our hearts. MBA Group Training is the oldest building and construction group training company in Australia. It is something that we've fought very hard to continue. Over the last couple of years we've seen it pretty well run down. When I first joined the organisation, it had over \$1 million worth of reserves. Today we have \$38,000.

We have seen an increase in costs, which the organisations had to absorb, and a decrease in training funding. That is alarming to us. We've had a severe rationalisation of the group scheme and have gone back to basics over the course of the last 12 months to look at our core business and turn it around to ensure that it's around for the next 30 years.

Probably it's a good thing to get a handle on the nature of group training companies and what they deliver today that they didn't some years ago. Traditionally, apprentice training in our industry was all done by the major contractors and builders. They used to run major construction arms to their businesses and employ site foremen and supervisors and they have the apprentices working to them. Today they don't do that. They engage subcontractors. So all of the training now is provided by subcontractors to our industry, which has had an effect on the numbers we employ.

The major companies employed upwards of 20 apprentices in a year. Government departments also engaged apprentices. They don't do that today. It's left to subcontractors. With margins and all of that, they look very seriously at what they can afford and the numbers. That has an effect on the numbers that we can put through. The

skills shortages we're experiencing today are only going to become worse in the coming years.

As a group training company, we have worked fairly closely with the schools. We recognised that we needed to get more people interested and involved in group training. We've gone to the schools to try to attract students into building and construction as a career of first choice rather than a career of second choice. That has been very successful. We've been doing that for a couple of years. We were the first construction company in Australia to launch into a school-based apprenticeship. We did that some years ago, and that has been very worth while.

In recent times we've been involved in the kids at risk program, initially with Ginninderra High School. The 10 participants in this group were at risk of dropping out of the education system altogether, so we thought it was a worth while project.

One of the other alarming things was that some of them, not all of them, came from third generation unemployed households. If we can start addressing some of these problems early, I think it's going to be a lot cheaper in the long term for governments as we move down the track. If we can give young people basic skills and give them the incentive to become employed, then it's going to be less of a cost burden on taxpayers.

We got very involved in that. It has been very successful. Those young people are encouraged to go on to at least year 11 so that they can enhance their skills in maths and some of the other things they're required to do. Hopefully, they will be willing participants in furthering their education just a little bit. Host employers will then take them on. One of the problems is that in years 9 and 10 they don't have drivers licences and it's difficult for them to get to and from work. So they need to go on for another 12 months at least. That has been worth while.

Unfortunately, we're still following up our funding for that. We were given certain promises. We've delivered all of the outcomes and the training, but we're still battling away from our funding. It is probably appropriate to talk a bit about funding for the group training companies.

Mr Howard: We're also looking at expanding that program to Calwell and to Lanyon next year. As David said, we feel it's crucial to get into the schools at the early stage. The minister is extremely supportive of this program. I'm sure he can understand the benefits, as David said, of getting at some of these young people. Some of the young people we dealt with at Ginninderra were basically a lost cause. They just didn't want to be at school. But all of a sudden, when we got them out on site, they felt there was a purpose to life.

Out of the 10, one was suspended by the group—they were the judge and jury—and one guy pulled out. If we succeed even with six of the remaining eight, we will have potentially saved six kids from going off the rails.

THE CHAIR: That's a very good success rate.

MR PRATT: Yes, that's brilliant.

THE CHAIR: I'm really interested to hear about the kids you have from third generation families who haven't been in the full-time work force and how you break that cycle.

Mr Howard: Sometimes all they need is a chance to do something different. They just don't want to be in school. We give them a sense of purpose, I guess. Some of them are excellent. They've got excellent hand skills. They're quite keen on working. They're not lazy. Once they get a chance to do something different—they've just had enough of school—they seem to get a new lease of life.

Mr Dawes: Third generation unemployment was one of the issues we tackled. We tried to break the attitude: "Dad hasn't had a job. I don't really need a job." That was one of the first things we had to overcome to give them an incentive.

We were very lucky. A lot of these programs come back to the people you have involved in the program. We were lucky that we had some people who were very interested in the program. We had a teacher who was particularly keen to be involved. He has also followed up on site with host employers.

The 10 host employers knew of some of the backgrounds. We tried to marry up personalities. That was a crucial element to the program. It's fairly labour intensive to match up the people. Because they didn't have licences, we had to engage a host that could pick them up.

These young people earn a wage as well. They weren't just doing job experience and not earning anything. They were earning some money, which gave them an incentive.

We had a debrief with some of the host employers last night at our Gas Board meeting. We were looking at how we can improve the program. We are expanding to the south side, which means that we will be able to accommodate the north side and the south side. We're looking for a facility. Our skills centre is at Page. We don't want to bus all the young people from the south side. We're looking at how we might be able to partner with one of the high schools or colleges there to utilise their industrial arts room. I think it's crucial that we deliver that part of the training so that it flows on and that attitude flows out on site. That's the thing we've found.

MR PRATT: The relationship you have with Ginninderra is that you go in and assist in the training?

Mr Dawes: Yes, we take them to our skills centre, which is located at the old parks and gardens site in Burkitt Street at Page. We give them projects, teach them the basic hand skills and prepare them with the occupational health and safety induction and all of that, so that when they go out on site they're aware of all those practices. They then work with the host employers. We do that in six-week blocks.

Mr Howard: It's normally a 12-week program, but because of the time we had to reduce it to nine, but next year it will go back to a 12-week program. We bring them into the workshop initially for two weeks and then they go out on site, so they get a mixture of both.

MR PRATT: I take it your capacity to do this is restricted only by the partnerships you can form with schools and employers.

Mr Dawes: It is. That's correct.

Mr Howard: Yes.

MR PRATT: As far as you're concerned, you could take on as many kids as you possibly could take on.

Mr Dawes: That's correct, yes.

Mr Howard: Yes, absolutely.

Mr Dawes: And it dovetails very well into the school-based program that we're doing in years 11 and 12. I don't want to mix the two elements, but the first year we ran the school-based program we had 21 participants. We did a government and a non-government school. It was an interesting exercise. We did Marist College and Canberra College.

I think it's fair to say we didn't have the full support of one school hierarchy, because they felt that their students should be going on to other sorts of studies and so forth.

MR PRATT: University.

Mr Dawes: We had some fairly enthusiastic careers advisers. I think that's the reason it works. Again, it comes back to the people involved in the programs within the schools. They were very enthusiastic. Out of those 21 kids, we employed 14 in our group scheme. One wanted to repeat year 12. He was motivated to go on and do some further education, so he opted to repeat. Some of the others we assisted to get other work, but out of that 21 we had a 100 per cent success rate. We haven't enjoyed that in the subsequent years, but that first one was extremely good.

We found that when those kids went back and were involved in the school they participated far more at school. They didn't feel that they were the troublemakers or whatever the case may be.

MR PRATT: The children at risk, the dropouts.

Mr Dawes: Exactly. That was fantastic. They had more self-esteem. That's the key. That's one of the things we tried to instil in this program we had with Ginninderra. I wasn't with the kids day by day, but going out and seeing them and talking to them you could see the change in them in those few weeks.

THE CHAIR: Did the attitude in the schools change?

Mr Dawes: Yes. They're very keen. We're being approached by more and more schools to be involved in the program, but we're restricted with the people who can do all the courses. One of the problems we have—it's a compounding problem—is that when you look at the number of teachers available in our industry there are not very many good-

quality ones. The youngest teacher, an ex-TAFE teacher, qualified to deliver the building and construction program is 51 years of age. He's rare. The others are in their late 50s and into their 60s. We've got a problem there that we need to address. Through our certificate IV course, some people doing their builders licensing course have shown a bent for going on and becoming teachers. We're certainly encouraging people to go down that path. If we don't address that issue, we're not going to have the teachers to train these young people down the track.

THE CHAIR: Registered training organisations, including the colleges, and certain members in the industry feel that people teaching the courses aren't aware of current practice. You're talking about addressing a major issue around the country. We have an ageing work force within the teaching sector. How do we replace those teachers. Looking for people who have a bent towards training and imparting the skills that they've learnt to others is an excellent way of doing it. Where do you see Return to Industry fitting in with that?

Mr Dawes: I will let Jerry answer that. We've found that some the people we've engaged are not up to date with the change in building codes. We've had to run some seminars and some mini-training courses for our trainers. There's nothing worse than learning something at our skills centre and going out on site and finding that the opposite happens or something different occurs.

Mr Howard: We're at the coalface of industry, if you like. We're out there all the time, whereas TAFE and the other institutions are not actively out in the industry. Some of the students that have attended TAFE comment that they're using textbooks that are out of date. We make sure that they have currency. Today we're going to Copland College. They're introducing a trainer from industry into the college. That's being funded by the construction industry training fund board, purely to bring relevance back to the colleges. They can sometimes work in isolation and not be aware of what's happening in the industry. It's very important that that interaction happens between industry and the colleges.

Through our ITAB, we're also developing a promotional program for the careers advisers in the colleges and the schools to promote the industry to students. This doesn't happen here. In the UK, at the primary school level they promote careers in the construction industry. We don't do that here.

MR PRATT: Bob the Builder, are you?

Mr Howard: That's basically what it is. We're just catching up with what they're doing over there. They don't have the same problems as we have with skills shortages. We've had a lot of promotion of IT and other types of industries. Everybody wants to get into the computer and IT business or to be stockbrokers.

All our students aren't brain surgeons. We're not saying that we don't need the brain surgeons in the construction industry. David made the point that Marist College were of the view that their students were. Marist College students have completed their apprenticeships from our school-based program. I think some of them have nearly completed.

Mr Dawes: That's right. They're in the process.

Mr Howard: They're in the process of finalising a career in the building industry. They were given the opportunity. If we didn't have the school-based program, who knows where they would have ended up.

Mr Dawes: In the Ginninderra High School program, one of the things we identified and have been talking to the school and the minister about is looking at the relevance of what students are taught in the early years of high school, years 7 and 8. We're encouraging some of them to go on and do even just year 11 so that they can get the basic maths. At the end of the day, they need to be able to do the basic measurements and order quantities and those sorts of things. If they do that, then they're going to be better participants in the industry.

It's competency based rather than TAFE orientated. Obviously, we still have them learning the skills, and our field people go out and assess them on site to make sure they're up to scratch in certain competencies. We teach them a basic business management course as well, because once they exit they're vulnerable. They're at the mercy of the builders. They need to be able to do their basic book-keeping. We introduced that. They need to know their responsibilities with insurance and so on. We have a couple of fairly intensive weeks on that for them.

This has been working well, because we can see it happening in our certificate IV course that we run, which is builders licensing. I know we're jumping around a little bit, but you can see how things are dovetailing in and what we are trying to achieve for the industry. But a bit of the apprentices finish and then start our certificate IV course. In the past, to get a builders licence if you had been in the industry 10 years you could walk into BEPCON and show that you had got the competencies and they would give you a licence. They don't do that anymore. We've lobbied against that issue. Now they have to do a minimum of six of the 11 modules to get a builders licence.

THE CHAIR: Sorry, you used an acronym BEPCON.

Mr Dawes: Building, Electrical and Plumbing Control. It's a division of PALM which is responsible for builders licences and so on.

THE CHAIR: I'm trying to get acronyms explained as much as possible.

Mr Dawes: Now they must do six elements of the 11-module course. It's not going to happen overnight, but in 10 years time the quality of builder out there will be better than it is today. They will have better customer relations and an understanding of properly pricing works and contracts. That is all part of the course.

Leading on from that, some years ago the university had a building degree course, which was dropped a couple of years ago because they didn't have the numbers. About 30 per cent of our class want to go on to further education. Jerry is doing quite a bit of work with the engineers, looking at reigniting that university course, and they're going to recognise what we're teaching them in their certificate IV, or part thereof, towards that course, which I think is a positive thing.

Mr Howard: I think it's very important, so that we can show them a career path which takes them from a trade to a profession. When I went out to Ginninderra College to talk to these young kids about helping them with a career, I said, "Just because you're going to start as a carpenter it doesn't mean you're going to finish as a carpenter. This is a career right through to the top. Before you know it, you'll be driving around in a Porsche." They liked that idea.

THE CHAIR: I'm sure they did. You were talking about basics in mathematics and encouraging them to go on. Are you finding problems with literacy, comprehension and reading?

Mr Dawes: Yes, that is a problem.

Mr Howard: Yes. David mentioned it briefly, but when we took on the Marist and Canberra College students they were amazed at the standard of maths required to do basic volume calculations. They just didn't know it. These were year 12 students.

MR PRATT: These are the kids who wouldn't have been involved in the current regime of numeracy testing?

Mr Howard: Numeracy, no. No, they wouldn't have.

MR PRATT: One wonders whether that's going to change in the future.

Mr Howard: When we took them out of the college and they could see the relevance of maths, all of a sudden they got interested. When they went back, they refocused and said, "We need to be able to do this. We need to be able to work out area calculations." They could see the relevance of it.

MR PRATT: What about other skills when these kids you take into the programs you're running get out on site and have to perform as members of a team? For example, are you happy that our schooling is preparing them in general life skills and understanding values, teamwork and coordination?

Mr Howard: We're not. We can probably see the shortcomings in the system. It's difficult. The teachers and the schools are sometimes insulated from what actually happens. That's why it's so important to get integration between industry and schools. Ideally, teachers should come out and work in the industry, and the industry people should go back into the schools on a regular exchange.

Mr Dawes: At Marist College, when we got involved in the first year, one of the teachers there came and worked with the association for a period of time and was Jerry's shadow, as it were. He didn't believe the things we get involved in. He was out on site talking to the hosts. So he got a far better understanding of what was happening. I think that should happen more.

Mr Howard: The impression is that you go into the construction industry when you can't do anything else. We want to completely change that perception.

MR PRATT: I go back to your first comment. I didn't quite pick it up. Are you saying that you're concerned that there is a shortage of skills in the ACT?

Mr Dawes: There certainly is.

MR PRATT: In the industry itself.

Mr Dawes: It's not just in the ACT; it's national.

MR PRATT: So it's not a dying industry by any measure, is it?

Mr Dawes: No, it's not at all. Good-quality carpenters today could be earning well over \$150,000 a year. They're certainly working the hours, but the income is there for them if they want to apply themselves. We're looking at running a series of articles in our *Building News* to build up some information sheets for people. There are some really successful stories. Our apprentices are some of Canberra's major builders today. We've got that history because we've been going for 35 or 36 years. You can see those builders that did their apprenticeships and have gone on further. Some of them are volume builders today. Some of the guys heading up some of the major builders—I'm talking about the multinational companies as well—started off as apprentices. They went on to further education, building degrees and all that.

MR PRATT: Yes, particularly when you're talking about pathways leading to degree level and into the broader engineering fields. We ought to be promoting it in primary school that there are these pathways.

Mr Howard: Ironically, they make the best managers and project managers, because they can apply the practical aspects they've learned initially rather than going straight to university—

MR PRATT: Rather than these ponces who have come off campus.

Mr Howard: That's the problem. You can easily tell anyone who has been through the university system and is on site for the first time. They've read it in the book and say, "But the book says it has to be done like this." On site that just doesn't work.

MR PRATT: And the trouble they have in relating to other people as well.

Mr Howard: Yes, relating to people.

MR PRATT: Young blokes who've been out there in the field for a while.

Mr Howard: Yes.

Mr Dawes: Working as a team—I think you mentioned that too—is important. In the school-based scheme but also right across the apprenticeships all of a sudden they're part of a team. They've got to hold their end up and perform and get the home or whatever built.

MR PRATT: It's a team-oriented industry, isn't it?

Mr Dawes: It is. That's exactly right.

MR PRATT: The Ginninderra program, which is for years 9 and 10, provides those kids perhaps with a lead-in to the more senior courses which you are also running.

Mr Dawes: Yes, that's right. I think a couple of young guys are going to pick up apprenticeships out of that, because there is just no point in them going back to school. They've shown an aptitude to it, so a couple of hosts that have had them are going to give them the opportunity to carry on. It's going to be an interesting challenge. We've got 12 months with some of these. We'll need to address some of their literacy and numeracy skills. We've been talking to some people who can deliver a little bit of extra training. They're prepared to do it out of hours. If they're prepared to do it, we'll give them a chance.

THE CHAIR: You plan to expand to Calwell and Lanyon. You have the skills centre at Page. What will you do at the other end of town?

Mr Dawes: We hope to be able to form an alliance with one of the colleges on the south side and use their industrial arts classroom. I'd only be involved in it if our trainer can do it. I think the success of it is having our trainer do it. That prepares them for the site. If some of the teachers want to be involved and participate, that's not a problem. But I certainly want to see—

MR PRATT: But they must be driven by that.

Mr Dawes: Yes, that's right.

MR PRATT: That on-site trainer. It must be his program?

Mr Dawes: Yes.

Mr Howard: But a number of the schools are looking at grouping there as well, so we may end up with an offer of a bus.

Mr Dawes: If we have to do that, that's what we'll do, but we thought it would make sense if we could do something on the south side as well. We can bus them to Page on the north side, but if we've got a location on the south side—

MR PRATT: Bussing would work in terms of timeframes and all of that. Jill Bailey was talking earlier about four colleges in Central Canberra and South Canberra running coordinated programs bussing students around. That works because it is centre and south.

Mr Howard: Our industry is slightly different. That works quite well when they're going to our skills centre at Page, but then when we've got to get them out on site. This time it worked quite well, because we tried to match students that live close to builders, and the builders would pick them up on the way to work. We got one guy at Goulburn.

Mr Dawes: Something else which I think is crucial to touch on is funding. It costs dollars to do these things. I thought I would give you a bit of background to what we used to get and what we get today as well. Over the course of the last couple of years we've had to have a hard look at the way we operate our group training company. Otherwise, we wouldn't be in existence today.

That's the reason we've become an RTO and are training our own kids as well. We attract user choice funding so we can deliver some of the training. That has assisted in keeping the group scheme alive.

In our recurrent funding, funded jointly between ANTA and the ACT, we used to get \$120,000. Today we get between \$40,000 and \$50,000. You've still got the same infrastructure. You've still got the same administration costs, which have obviously grown from those days. We are getting less there. We also used to receive a rebate from the ACT government for the first years workers comp. Workers compensation is a real issue. Even though there's supposedly the cap at 15 per cent for group training companies, in reality that's not happening.

We used to get completion grants as well. Some of these things are being addressed. We've been driving some of this agenda through our national office, with the federal government as well. We used to get completion grants, which we don't get now. The anomaly is that in the last few years individual employers have been paid completion grants that group training companies haven't. That used to be \$1,500.

With trainees—this is something very close to my heart—you live with those people for nine to 12 months. They attract funding of \$1,250 at commencement. Because it's a group training company, you can get an additional \$1,000. If in that nine to 12-month period you progress them from stage 2 to stage 3, you get a progression grant of \$1,250. So potentially you get \$3,500 from that trainee.

As a group training company you have four-year cycles of apprenticeships. If you ran a trainee through a four-year program, the funding disparity is enormous. There would be \$14,000 if you progressed them from 2 and 3. For an apprentice \$2,500 is all we get from the government. There's an enormous difference between \$2,500 and \$14,000.

If, for example, you had trainees and you didn't do that progression you would only get your \$2,250. But if you ran the same numbers over a four-year cycle, you would get \$10,000. So there is still a huge disparity between what we get for an apprentice and what you would get doing solely traineeships. There's a huge inequity there. I think that's something that needs to be addressed.

That leads on to user choice funding. In the IT industry the same program will be used over and over again. If you're in the automotive industry, you can always strip a motor and rebuild it time after time. In the building and construction industry, once you start cutting timbers, that's it. You can only cut them so many times.

THE CHAIR: You can't put the tiles back together.

MR PRATT: You can't nail them back together, can you?

Mr Dawes: Exactly. That is something I don't think some of the bureaucrats really understand—the cost of delivering some of the training. I think they're becoming more aware of it. Jerry and I have certainly been knocking on doors and explaining that to them. That is a real inequity in the way funding is dished out.

THE CHAIR: I'm aware of similar issues in commercial cookery. You can't re-cook something. It is same with butchery. We don't have the same number of students as other states going through those courses.

We're going to have to finish fairly soon, but I'd be interested to know your view on a couple of things. One is the amount of paperwork that needs to be filled out in putting on an apprentice. The other, quite unrelated, is the role that training and adult education play. How much contact do you have with them, and how useful and helpful are they?

Mr Howard: We're already having discussions with TAE on the extraordinary amount of paperwork required. They're looking at streamlining the processes. A working group that we're on is looking at that now. Hopefully, that will fix that problem.

Mr Dawes: One of the frustrations was getting government grants. If the forms are not filled in 100 per cent, they're rejected. Sometimes you don't get the opportunity to redo them. It was very frustrating when the new NACs were set up. The people who picked up some of those NACs didn't understand all the consequences. We missed out on government funding. That's our problem at the end of the day. It became very convoluted. We'd fill the forms in and send them off to be processed. We were chasing them up and chasing them up, and you'd run out of time. That became an administrative nightmare.

That has improved, but I still think it has a long way to go. That's why we're involved in this little task force—to look at what we can do to try to streamline the processes. None of the systems talk to one another. It was even worse dealing with the federal government. We had to drive to Nowra once every month or two months to sort out the paperwork and chase up our funding. It was just a nightmare. It's not as bad today as it was. We are improving, but we've got a long way to go.

THE CHAIR: And TAE?

Mr Howard: We haven't had a lot to do with TAE. They've tried to be a little more proactive in recent times. We've tended to run our own race, as it were, and move on. Obviously, when the funding round comes around every two or three years and you sign your contracts there are discussions. But there hasn't been a lot of dialogue in between. Since the new CEO has been there, we have had more contact than we had with previous people.

Mr Dawes: There are certain things they have to do to satisfy the Commonwealth's requirements for funding. They seem to blame the Commonwealth for a lot of the problems. Within the education bureaucracy there is probably a lack of understanding of the different types of industry needs and different types of requirements. Our requirements are quite specific. They are different to those of the IT industry. I probably said this previously: it would be difficult for them to understand, because they're dealing

with a broad spectrum of industries. It's important that we keep the communication lines open and keep hammering at them that our industry is different.

THE CHAIR: I have a final question on the role of ITABs.

Mr Dawes: I'm probably being selfish here. Again, it comes back to people running particular ITABs or training programs. We talked a bit about our SNAPS program and our kids at risk program. We've had the right people. Especially in the last little while our ITAB has worked extremely well. The SNAPS program and the kids at risk program have certainly been generated through our ITAB. We have someone there who is very interested in the building and construction industry and understands the building and construction industry. I think that's the difference.

People previously in that role haven't understood our industry. The previous ED was from the IT industry and really didn't understand our industry at all. The current executive director, Vince Ball, has been very proactive. On Friday he's going out again with the manager of our group scheme to be involved in the Ginninderra program too.

Mr Howard: He's also the mentor for that Ginninderra project.

Mr Dawes: I think that would be so across a number of the ITABs. I think some would work far better than others, but it comes back to the person in the role and how they're assisting their industry. I suppose from a selfish point of view, the building and construction industry would certainly like to see our ITAB remain. We know that's all under review. We're waiting for feedback from that review to see where it heads.

We've got funding to go through to the end of March and possibly to the end of this financial year. I know that Vince worked very closely with the other building and construction CITEAs and group training companies to assist them.

He has been away with us promoting the industry on the south coast. We look at attracting students from the region into our group training company. He has been very proactive. So ours is working quite well.

THE CHAIR: I'm going to have to finish it there. Thank you very much for your time.

The committee adjourned at 11.08 am.