



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

**STANDING COMMITTEE ON EDUCATION, TRAINING AND
YOUNG PEOPLE**

(Reference: Vocational education and training and skills shortages)

Members:

**MS M PORTER (The Chair)
MR M GENTLEMAN (The Deputy Chair)
MR S PRATT**

TRANSCRIPT OF EVIDENCE

CANBERRA

THURSDAY, 20 MARCH 2008

**Secretary to the committee:
Dr S Lilburn (Ph: 6205 0490)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry that have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

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The committee met at 2.02 pm.

FITZGERALD, Mr Michael, Organiser, Australian Education Union

HAGGAR, Mr Clive John, Secretary, ACT Branch, Australian Education Union

THE CHAIR: I would like to thank you both for coming along to this public hearing into VET and skills shortages, Mr Hagggar and Mr Fitzgerald. It is really good to have you here this afternoon. Have you read the privilege card that is in front of you?

Mr Hagggar: I have.

Mr Fitzgerald: Yes.

THE CHAIR: Do you understand the privilege implications of the statement?

Mr Fitzgerald: Yes.

Mr Hagggar: Yes.

THE CHAIR: I move:

That the statement be incorporated in *Hansard*.

The statement read as follows—

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the Resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it.

Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

I also have a few housekeeping matters which I need everyone in the room to observe:

- all mobile phones are to be switched off or put in silent mode;
- witnesses need to speak directly into the microphones for Hansard to be able to hear and transcribe them accurately;
- only one person is to speak at a time; and

- when witnesses come to the table they each need to state their name and the capacity in which they appear.

THE CHAIR: I should say what this document is.

Mr Haggar: I am happy to do that in my address.

THE CHAIR: This is your—

Mr Haggar: It is not just our submission in relation to the Skills Commission interim report; there is some further advice in relation to numbers of training completions in the skills area, problems with employers, and there is a major paper produced by our federal office in terms of speculating about the future direction of federal funding which impinges particularly on TAFE here in the ACT.

THE CHAIR: Okay. Would you like to make an opening statement, Mr Haggar?

Mr Haggar: Thank you very much. Mr Fitzgerald and I are both very pleased to have the opportunity to talk to the committee today, and we recognise the important work of the committee.

I would like to draw attention to the various papers that we have provided to the committee. The first is a submission on the ACT Skills Commission interim report. We have had the opportunity to discuss our submission with the chair of the commission, and we appreciated that opportunity. We have included a budget submission which we provided to the ACT government last year. Specific reference to VET in schools and CIT begins at page 5 of 9. There is a paper that goes into significant detail about possible directions that the federal government may well take, coming out of a report commissioned under the previous federal government by Boston Consulting Group on the Skilling Australia's Workforce Act.

They are all relevant papers because we are at a significant point in our history in the ACT and we would all, I think, recognise the statement in the Skills Commission interim report that there needs to be significant investment in education and training in the ACT in order to best establish the city's and the population's circumstances for the future.

We have been very critical of past ACT governments—of both colours—in terms of their treatment of the major training provider in the ACT, which is the Canberra Institute of Technology. There have been major funding reductions to the institute going back now for more than a decade. This has been paralleled by significant reductions at the federal level in terms of both recurrent and capital funding, to the point now, when you look across the national scene, that we are not inconsistent with other TAFE systems that have experienced, on average, a 26 per cent reduction in funding in real terms.

Our conclusion, in terms of the skills shortage that we are facing here in the ACT, is that it is no great surprise when you look at what has happened to the funding regime for our major training provider. Given the present circumstances, there is the opportunity for both sides of politics to take a fresh look at the circumstances and to

move forward.

I want to caution, though, that the view we have about public provision of training in the ACT is one that does not simply involve training but also the significant educational and further educational role that CIT has played in the past and which we believe should grow. It is important to make that point because the Boston Consulting report commissioned by the previous federal government is gradually moving through the new federal government's decision-making processes, to the point where its recommendations are apparently going to be considered at a major meeting of VET ministers—federal, state and territory—in the near future.

In that report, there are recommendations that have been dealt with by the national senior officers group. There are recommendations, for example, for full contestability of funding for all public VET providers. Whilst it would be introduced over time, it would mean that our public training institutions would have to compete for every operational dollar available from the commonwealth.

The recommendations go further than that. In the recommendations that are going forward to government, they are apparently committed to the commonwealth using its funding power to put pressure on the states to make all of their funding available to their public providers contestable as well. In the name of evening up the competition, they have even suggested that public TAFEs be charged a figure for the use of the public facilities that they heretofore have owned on behalf of the public. So a dramatic set of changes are being considered in the national TAFE and VET areas in the next few months.

Our organisation has written to the local minister, Andrew Barr, expressing our concerns about the direction of these national policy papers. We have also written to local members of the House of Representatives and to Senator Kate Lundy. We have also expressed our concern to the leadership of the Australian Council of Trade Unions. With respect to the paper that you have there, if those recommendations or anything much like them are pursued, as I have said, they will have a dramatic impact on the capacity of the ACT, and particularly of the CIT, to move in a positive direction in terms of community support for training.

As I say, it is a very interesting point in time in which you are conducting your deliberations. We have not had a good history in the ACT of supporting our public provider, and we are faced with a circumstance where we may well have an even worse history in terms of balanced, equitable, quality provision of public training.

THE CHAIR: Mr Fitzgerald, did you wish to add anything at this stage?

Mr Fitzgerald: Not at this point.

THE CHAIR: Thank you very much for those additional papers and also for your initial submission. I was particularly interested to read in your submission about the incentives to young people to take on apprenticeships and traineeships. You talk about the fact that it is not necessarily all about the training supply side; there is also the unmet demand for apprentices. You believe that we need to give some incentives to young people—or to any person, for that matter—to acquire those skills.

Mr Haggar: We have to recognise that when, in a full employment circumstance, you have what are, by comparison, relatively highly paid jobs in, for example, retail, hospitality et cetera, even though they are not necessarily highly skilled jobs, young people see the kind of wage structure and employment conditions within apprenticeships as not being particularly attractive. There are four years of training before you are earning a competitive wage.

We have been interested this year in having some discussions about the notion of accelerated apprenticeships. In particular industries, young people have had to spend a considerable period of time when they are not performing anything like the major work that is being done in those trades. I refer, for example, to hairdressing, where a young apprentice might spend a year sweeping the floor and taking money rather than cutting hair. It is interesting to look at that circumstance and talk to people about the level and quality of support they are getting.

In the little note that we have got for you which was done more recently on the terms of reference and which contains some detailed statistics, there is a real focus on the difficulty of getting employers to take up their responsibilities in terms of the future of their own industries. There is a fairly strong recommendation about the need to ensure that there are sufficient numbers of group training companies. If the smaller employers are not willing then perhaps group training companies can be encouraged to address the need to grow the apprenticeship numbers.

Of course, we also have school-based apprenticeships. We are strongly in support of that. We feel that our school retention rates are certainly not what they should be and that school-based apprenticeships present an opportunity to re-engage youth where they have lost connection with the school system. Around the country, there is a focus on increasing the compulsory schooling age. That sort of alternative is absolutely essential for us. It goes without saying, coming from our organisation, that if it is not done with adequate support and resources, so that we are not seeing VET teachers exhausted by the additional work that they are undertaking—and there is reference to that in other papers—then it would fall over as a scheme.

THE CHAIR: Apart from having accelerated learning and the other things that you mentioned, what other incentives do you think should be put out there to encourage—

Mr Haggar: For example, if a school student undertaking an apprenticeship is able to maintain engagement with school, there would be a qualifications incentive to remain at school but they would also be earning an income. It is not for me to make recommendations about the level of apprenticeship wages. They are not in our industry, and that sort of issue is considered more nationally. I reiterate the point I made earlier: they are entirely uncompetitive, at least in their earlier years. So it is the quality of the experience, perhaps having the side benefit of maintaining the school qualification and there is the financial circumstance as well.

MR GENTLEMAN: I have seen in the building industry some work where they have determined kids at risk in about year 10 and beyond. Their training authority has picked up those that have wanted to do it. They have gone and worked for 12 months perhaps in the building industry and earned a wage, and they have come back and

finished their schooling after that. Mind you, it is not an apprenticeship but it is still a taste of what it would be like to do an apprenticeship in the building industry. That seems to be quite successful.

Mr Haggar: Yes. In our original budget submission and associated papers to government, we made the point that full-time schooling and a school environment may not necessarily suit every student. With the notion of a gap year, it might not necessarily need to be done after the completion of schooling and prior to going on to do further training or further tertiary education. It might be done by way of part-time arrangements or even during breaks. But we need to look at having more and varied options if we are going to improve that retention rate.

The overall focus has to be one of lifelong learning. The days of completing your schooling at year 10 or year 12 or simply, in our profession, your university training, have gone. We expect, in the teaching profession, that people will be engaged in continuous learning. The changes in our society, in business and industry and in our physical environment require people constantly to upgrade their skills.

THE CHAIR: I want to follow up on that engagement issue. On page 2 you talk about engagement. You say that it is no good paying for glossy brochures to throw at young people and that we need more to engage people. Do you want to enlarge on that?

Mr Haggar: I think it comes back to the nature of the experiences they can have in the school situation. I will come back to the CIT here. One of the things that have interested me in recent years, looking at CIT's success around their access 10 program and their year 11 and 12 program, which is a single-year program, is that they are dealing largely with formerly disengaged students. A different environment and sometimes different teaching styles mean they are re-engaged and that many of them are very successful in completing training and other educational qualifications. But at the core it is about how much individual attention and support can be delivered for the particular student.

It needs to be remembered that we are talking about high-needs students here, if we are going to grow the retention rate, and it is not helped by having large class sizes. It is not helped by having heavy teaching loads. It is not helped by having heavy general workloads, which has been the experience of our VET teachers in schools in recent times, and particularly by teachers in CIT, with the continuous reductions in their budget over more than a decade.

The other element is about issues of pastoral care, of counselling. I will put a tick in the box for the return of the high school staff equivalent of what was cut in the 2006 budget—the school counsellors that we got back at the start of this year and the high school support program. That is an attempt to get kids re-engaged with training and further education, and we are hoping that will be successful. We would like to see improved career counselling and pastoral care support. In our secondary colleges, we would like to see greater levels of support for our VET teachers, particularly in the secondary colleges, so that they can link with industry and business. When they try to do so at the moment, it is adding significantly to an already burdensome working environment.

The other thing that is worth flagging here is the actual age profile of the teaching service. Our college teachers and our TAFE teachers have one thing in common: their average age is well and truly in the 50s. That is mirrored in TAFE around the country. These are people who will be taking advantage of early retirement opportunities. They will often be in a situation where they can decide to go into private training or private industry, once they hit the minimum retirement age, because there are financial rewards and often the working environment is better than what we are able to offer at the moment.

We then come back to recruitment. We are simply not competitive in TAFE across a whole series of industries, when they are earning the money that they can by remaining with the tools of the trade in many circumstances. If we are trying to attract TAFE teachers from interstate, our superannuation arrangements are no longer competitive.

It may well be, in the brave new world, with the sort of propositions that Boston Consulting want to push, that we are facing a Victorian type circumstance with a massively casualised workforce, most of whom have got other jobs anyway. If you try and deliver quality TAFE programs in that situation, and if you are trying to invest in your staff and get them to keep their skills up to date, it presents a serious problem, just as they are experiencing in Victoria.

MR PRATT: On page 3, in that first paragraph, you state that educators and trainers are not being paid anywhere near the rate they should be.

Mr Haggar: Yes, that is our submission.

MR PRATT: Do you have any stats on the failure to replace the required rates? Have you got any idea?

Mr Haggar: In terms of numbers of vacancies et cetera?

MR PRATT: Yes.

Mr Haggar: If you are interested, we can certainly provide some stats. The NCVR, which is the major independent research body, has done a number of publications over the years on the training workforce, but we will see what we can do to find you some of those.

MR PRATT: You touched lightly there on people retiring and perhaps going off to private industry. I want to question you about the reverse. Is there any sign of people who are perhaps reaching retirement in their professions being prepared to come across in some numbers to perhaps, on a part-time basis even, make a contribution, or is there an obstacle to that?

Mr Haggar: No, there is no obstacle. One of the great ironies of our current circumstance is that when I go to CIT, particularly at Reid campus, I often bump into former, particularly, secondary teachers who have retired from the secondary workforce and have moved across into the TAFE environment. Generally, they are

doing it part time, but they are enjoying that experience often because they have a secure income through their old CSS—mostly CSS—superannuation and they are not dealing with a large number of students.

This does not tend to be in the trades area. This tends to be in the advanced diploma area. They are often maths teachers or similar science teachers. They are there, but there is a national shortage around teachers with those sorts of qualifications, IT et cetera, whether it is schooling or in the training environment.

MR PRATT: And that has been the case for some years now, has it not, really?

Mr Haggar: Yes.

MR PRATT: In terms of trade trainers then, is there any pattern of movement, part time, into the TAFE system out of, shall we say, professional life, industry—any at all?

Mr Haggar: There is some. In fact, there again, you have got examples like the former Leader of the Opposition in the Assembly becoming a TAFE teacher at one point when he was not in the Assembly. But there are people who are attracted to the notion of returning something of their professional expertise into that environment. We can pursue that for you if you have got a particular interest in that area. People do do that. But it is whether or not you are in a situation of meeting the demand.

I really would emphasise that, in the circumstance of full employment but one where people are screaming out for skilled workers, if the CIT had the resources and were able to attract people, whether it was from industry, from retirement, from other professions, then we would be in a much better position in terms of overall skills capacity in the ACT.

MR PRATT: So the same pattern applies? It is not only a problem of retention of existing staff but there is no attraction in terms of the resourcing and the packaging available?

Mr Haggar: If you are not in a situation to offer the course you will have no students. We have always had a history of unmet demand in the ACT, but we are now in a circumstance where, right across the board in terms of industry, we do not have enough skilled people; yet we have still got a considerable number—it might be better figures than elsewhere in the country—of young people leaving school without completion or not going on to other forms of training.

Packing bags at the local shopping centre—and this is not to demean retail or hospitality—or carrying plates as a part-time waitress or waiter, in the circumstance of the opportunities that should be available in Canberra, is a pretty sad circumstance. We have got to be investing in those young people, but we have also got to be investing in our general working population as well. And that requires reinvestment in TAFE and better support for our secondary schools.

MR PRATT: I actually have some further questions around that theme but I am happy to come back to those if you want to embark on another set.

THE CHAIR: I do too, but I can always put them on notice.

MR PRATT: I appreciate that. If I can go to the back page of the AEU's response—and I will make these quick—I notice that you say that the AEU does not endorse the imposition of further changes to the compulsory attendance age of students. Why is that?

Mr Haggar: We have had further debates since this paper was written, which was last year, but fundamentally it is about whether or not we had the resources available. The carrot is always the better tool than the stick. Nevertheless, if a decision was made by government to lift the age—and this is the position that we put to the chair of the Schools Commission, Derek Volker—it would have to come with a package of support because the people that we would be focusing on would be very high-needs students.

MR PRATT: That comment really relates to the resource question, not a view about—

Mr Haggar: No. It is an issue. No, we do not have a fundamental philosophic view.

MR PRATT: the suitability of kids or—

Mr Haggar: Our view is that every student should have the opportunity to remain at school until they complete and then pick up training opportunities and further education opportunities throughout their lives. There is no question about that. And we have supported training guarantees being available for people, curriculum guarantees at the school level. They cannot be done without significant resources dealing with those high-needs students.

MR PRATT: Which addresses the concern you made earlier about poor kids packing at the age of 16 rather than perhaps doing something about it. I have one more question in that area. In that same paragraph, clearly you have got a concern about the extension of VET below year 10. Is it your understanding that the proposed extension of VET, according to the interim report, below year 10 is formal, certified VET training?

Mr Haggar: Again, further discussion, since the original submission, indicates that it is certainly at the lower end of the training. But we have had a view that we should keep students' options open. But an industry or a training opportunity for a year 9 or a year 10 is a taster-type arrangement or a cert I-type arrangement. We do not see that there is a problem there, again if it is properly resourced. Of course, coming out of the 2006 budget, we had had a five per cent reduction in staffing in our secondary schools. And the colleges are still wearing all of that.

MR PRATT: Again, there is not a concern that kids in years 8 and 9 might get streamed too early, so to speak.

Mr Haggar: We were not talking about year 8. My understanding of the proposition was around 9 and 10 and we were not talking about streaming. What we were talking

about was opportunities. Educationally, that is a sound proposition. It is a part of an educational mix that those students would enjoy in those years, then perhaps leading on to 11 and 12 school-based apprenticeships and traineeships and the like.

THE CHAIR: Mr Gentleman has one question about retention. I have a quick one which you might be able to say yes or no to. Because we started a little late, we might try to cover those two and then we will go to the next witness.

MR GENTLEMAN: To touch on retention within the apprenticeship scheme, on page 3 of the original submission in 2006 you have indicated:

... they can work in pleasant surroundings, in the comfort of an office. Or they can take on an apprenticeship, be paid lowly wages for 4 years, complete all requirements of a course of study and work in often unpleasant conditions.

It can take a long time. We have had presentations from other stakeholders, too. One example was where apprentice carpenters were being headhunted by mining industries and moving from their \$10 an hour wage as a first-year apprentice to possibly as high as \$40 or \$50 as formwork carpenters, with no skills attached and no qualification.

Mr Haggar: We have teachers in WA driving trucks.

MR GENTLEMAN: There you go. Is there anything more that you would like to add on retaining?

MR PRATT: The mining boom.

Mr Haggar: I would have to say that the mining boom has massively distorted the training and skill requirements in the country. But we do not have a mining boom in the ACT. The one natural resource that we have here is our human capital. And we have got to be investing in that. If we are going to be an attractive environment for the future, if we are going to sustain a cohesive society, it has got to be a question of reinvesting in education and training.

In terms of stats and shortages, have a look at the non-completion rate in that little exercise that we have done for you against the terms of reference there. There is a very high non-completion rate in our schools in terms of VET qualifications. It might be that some of that is all right but it might be, too, that we have not been able to sustain programs of sufficient variety or of sufficient interest to students to stay with it. And I do not have a problem with a student trying something and moving on.

Again, we have got to start recognising that it is about investment in young people. TAFEs, our colleges and our high schools are the major vehicles for doing that. What has been our history? Particularly over almost the entire period of self-government, it has been one of reducing real funding effort in both those areas, particularly in the last decade.

THE CHAIR: The decision was made by the federal government yesterday to phase out AWAs and there will be no new AWAs. It is not like the situation that you discuss

here about the way that young people are treated in the workplace. Will that improve? Have we got to wait or are there many other factors in that?

Mr Haggar: I think the experience in the city around AWAs was very much of two worlds. We had some AWAs in private industry and in the public service that were basically offered above agreement or above award, with very little in the way of trade-offs. It was essentially bonus schemes, if you like. But the great majority of them were in low-skill, low-wage occupations where people were being seriously ripped off.

What reinstatement of an effective award system and collective bargaining actually means is that we have recreated a worthwhile safety net for working people and we can build on that. Industry can build on that. Negotiations with employers and unions can build on that so we can start addressing industry-wide concerns, large-business-wide concerns, professional concerns, once again.

If we had been dealing in our environment with AWAs, it would have been utter and complete chaos. It was bad enough as it was trying to get the last collective agreement. I am very grateful in terms of the approach that the current federal government is taking in that area.

THE CHAIR: Thank you very much, both of you, for coming in this afternoon. If we have any other follow-up questions we will get them to you as soon as possible. We will also get you the transcript as soon as possible so that you can look at that and let us know whether there is anything missing.

Mr Haggar: For the purpose of record, if you do not mind, this will be the last opportunity I have got to address the committee because I will be retiring on 30 May. I want to express my appreciation for the courtesy that we have been extended over the years, both me personally and the organisation, and the opportunities to put submissions to the standing committee and various other committees that we have addressed. I have always felt that we have been given a good hearing and our arguments have been listened to and taken seriously. Thank you very much.

THE CHAIR: Thank you, Mr Haggar. All the best in your retirement.

WALLETT, MR BARRY JAMES, Chief Executive Officer, Construction Industry Training and Employment Association

THE CHAIR: Mr Wallett, thank you very much for appearing before us this afternoon. I would like to welcome you to this inquiry.

Mr Wallett: Thank you.

THE CHAIR: You have read the yellow card?

Mr Wallett: Yes, I have.

THE CHAIR: So you understand the privilege implications that are contained in it?

Mr Wallett: Yes, I do.

THE CHAIR: For the record, I move:

That the statement be incorporated in *Hansard*.

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THE CHAIR: Would you like to introduce yourself, perhaps make some opening remarks and then members will ask you some questions.

Mr Wallett: I am the Chief Executive Officer of the Construction Industry Training and Employment Association, more commonly known around town as CITEA. We are a group training organisation, a registered GTO, and we are also a registered training organisation or an RTO and we primarily operate in the ACT. We are probably one of the largest employers of building and construction industry apprentices in the ACT. Depending on what time of the year you count them, we have up to 200 apprentices in our employment.

The employment side of our business is the GTO business and the majority of those apprentices we probably train as an RTO, like the CIT or something like that. The training that we do on our premises, relatively new premises in Dickson, is basically around the carpentry, bricklaying and painting trades; those are the physical trades that we train on our premises. We do a number of other short courses et cetera as well, and as a GTO we employ other trades as well and have them trained by other providers like the CIT. So we also employ plumbers, plasterers, roof tilers and things like that.

My comments are related to the building and construction industry only. Before I go on, I should say that we are quite strongly supported in the community by the construction industry itself and the individuals who sit on our management committee. We are also strongly supported by the training fund authority and also the ACT branch of the CFMEU. There are some, I guess, challenges for us as we move forward at the moment. Even though we have got strong demand for skills, we always face the challenge of attracting and retaining apprentices. Mr Haggar, before me, was mentioning retention in VET training and things like that. That is always an issue for us, especially in some trades, more commonly known as the wet trades, like bricking, plastering, painting and those sorts of things.

The other side of our business as an employer, attracting suitable host employers to give those apprentices the on-the-job training that they need each year, is always a challenge for us, remembering that the training part of it is about six weeks a year or so. Taking away holidays, that means that an apprentice really needs to spend, in round figures, about 42 weeks of the year actually gaining on-the-job experience. In many ways, the RTO component of our business is the easy one; the actual training is easy.

We do not necessarily find major difficulty in attracting trainers. There are lots of carpenters and bricklayers around who are prepared to give up the trades and, with appropriate additional training in training and assessment, can generally pick up the training side of it. We find that there are quite a few who have a great interest in passing on the knowledge that they have got. So we do not necessarily have that problem as such, but we do have an issue with being able to find enough host employers to make sure that these apprentices have the appropriate on-the-job training and variety of training that they need to complete a carpentry apprenticeship or a bricklaying apprenticeship, for example.

If you look at national statistics, you will find that the retention rates for group

training organisations are much higher than they are in the general apprentice trade; that is, someone who is hired by an individual company. Our retention rate is around the 85 per cent mark and can go higher. I think the average is a bit over 50 or something in the construction industry. That figure may be a little wrong, but it is around that.

So the group training business is very successful as a model in retaining apprentices, primarily because of our ability to move apprentices around, change host employers if they do not get along with them, move them from the cottage industry to the commercial industry and back to the cottage, moving them around so they get a variety of experience; that is quite attractive.

Another issue for us, of course, is wage levels and wage levels in comparison to what they can get as labourers and things like that. But, overall, I guess our focus really is on trying to ensure that these apprentices are well looked after when we do get them and that they get the appropriate sort of training through the host employers.

MR GENTLEMAN: I am very impressed with the retention rate of 85 per cent over what occurs outside. Can you expand on why you think that occurs, why you have got that higher retention rate?

Mr Wallett: There are a couple of different areas here. We provide pastoral care, very strong pastoral care, for the individual apprentices. It is not unusual for them to come in and talk to us about their financial problems and those sorts of things. We are a not-for-profit organisation, so we overservice them, I suppose, would be a fair comment.

We are much more like a training organisation. We wear these two hats, which can be difficult for us sometimes when you have industrial relations law and you are then training people; it is a bit of a balance. But, overall, we tend to be more towards the training organisation, even though they are our employees.

We spend a lot of effort on pastoral care. I have two full-time pastoral care officers. All they do is look after the apprentices, talk to host employers, visit them on site—those sorts of things. We have an extremely strong ethic towards punctuality and on-site performance. We have a very strong safety ethic and that is portrayed, I suppose, as our pastoral care officers move around the various sites and look after these apprentices.

The other advantage is that, as I mentioned earlier, we have the ability to move apprentices around. For my sins I have got sometimes up to 200 18 to 22-year-old males, and managing them through a training/employment environment is not always easy. There is probably nothing I have not heard in relation to stories, but we are fairly sympathetic to those. They get counselled, they get that sort of support and I think they feel a lot more interest in what they are doing, and we try and foster that. So they feel a lot more secure.

What is important is that we are able to move them from host employer to host employer. It is not unusual for young guys not to get on with some other guy on a worksite or something like that. So, rather than having them risk their total

apprenticeship, dropping out or not being bothered to go back in and doing all the signing up, the paperwork, we will say, “Okay, if you do not fit that site, knowing a bit more about you, we might be able to put you somewhere else,” and that sort of fits them, or if they say, “I don’t like working on this type of project; can I move to something else,” and we are able to arrange that, that tends to hold them, quite honestly.

THE CHAIR: It seems to me that what you are saying is that you work with the whole person rather than just the aspect of their training, so that you take into account that things might be happening at home or whatever else and work with them that way. You said that sometimes they may not get on with somebody else on another site. What about the subject that was brought up when we were talking just briefly before the end of the last session—whether or not they were being treated well by their employer? Do you get much of that?

Mr Wallett: Yes.

THE CHAIR: They request to be moved because they do not think they are being given proper treatment by their employer?

Mr Wallett: That can happen, and what we would normally do in that sort of instance is talk to the apprentice and talk to the host. There is no question that there are some host employers who simply use them as cheap labour. We try and manage that and we try and help the apprentice through that sort of process. So he might come in one day and say, “All I have been doing is sweeping floors for the last week and a half.” Rather than him not being able to tell anyone who can help him—we can help him because we are his employer—we might say, “That is okay; these sorts of things happen. You need to be able to watch what you are doing and move on.”

We provide that support and I think they feel much more indebted to us as an organisation. If they are not able to talk to their boss, the traditional boss as such, they might be considered to be slack or not wanting to work, thus putting their apprenticeship at risk.

There is a hell of a lot of paperwork to change employer if you are an apprentice. We have seen many times an apprentice who has been offered more money than, say, we would be paying them, for whatever reason, to go and work for someone else. And then three months later they have realised they are not getting paid, their superannuation is not being paid for them or whatever, and they will leave that employer. And sometimes they will never go back into an apprenticeship—they will just continue working as a labourer—because they have got to get signed up by a new employer, they have got to get all the paperwork done for the ACT government—all of that sort of thing. It is really quite a convoluted process. But, with us, moving around is nothing; they just come back one day and go somewhere else the next.

THE CHAIR: And are you also able to help the employer realise that there has been that disconnect so that they could look at their practices? Maybe sometimes the employer does not realise how they are supposed to be working with the young people; would that be the case?

Mr Wallett: It is. We have a lot of contact with our host employers, more so than you would find if an employer was employing their own apprentice. In fact, individual employers of apprentices get little feedback, quite honestly, whereas we are constantly in contact with the ACT government, we are constantly in contact in relation to changes and requirements and those sort of things.

It is part of our requirement that we let all host employers know the contractual conditions under which apprentices work, so we provide them with documentation and those sorts of things. We provide an important link, I think, between information and the actual host employer themselves. Many of our host employers are much more up to date on what the requirements are than, say, someone who has employed an apprentice and off they go and they do their work; they disappear for a day a week or something like that, then they come back and they disappear. Often they do not take any interest. But we track their training. We monitor it; we monitor their competency levels, we monitor their performance, we continually counsel them on performance, if they need it. It is an ongoing basis. That is what we are paid to do as a group training organisation and that is why the retention rates are better.

MR PRATT: There may be an answer that I should know and I do not, but I will ask this anyway. Is it a requirement that all apprentices in the construction arena are monitored and looked after by CITEA, or are we talking about different arrangements here for some—direct employments?

Mr Wallett: As a group training organisation, we are required to monitor, just like MBA group training is. HIA is a group training organisation; they have smaller numbers. MBA is about our size. It may be a fraction smaller; it depends on the numbers. In order to be qualified as a group training organisation and continue your registration, you have to provide these sorts of support services. That is a requirement. As an individual, if you are working for ABC constructions or something, the monitoring of you as an apprentice is much, much reduced as opposed to through a group training organisation.

MR PRATT: Right. So we have different categories. Do you have any rough idea, taking your own industrial arena, what proportion of apprentices are operating under your wing versus those who have got separate arrangements?

Mr Wallett: There were some statistics produced by the Construction Industry Training Council, Vince Ball. I do not know whether you have spoken to Vince at all.

MR PRATT: Do we have those stats, chair?

THE CHAIR: I do not think so.

MR GENTLEMAN: We can write to them.

Mr Wallett: I brought a copy of them with me, in case you asked that question. Overall, the group training organisations would represent roughly half of all construction industry apprentices in the ACT.

THE CHAIR: Mr Wallett, are you able to table those, or are they your only copies?

Mr Wallett: They are not my statistics; they are statistics put together by the Construction Industry Training Council. I am happy to copy those.

MR PRATT: It would be interesting to compare those.

THE CHAIR: Yes, okay.

Mr Wallett: They are not in any way secret.

THE CHAIR: It would be lovely if we could have them.

Mr Wallett: They are compiled from public sources.

THE CHAIR: Thank you.

MR PRATT: You spoke quite extensively about the difficulty that CITEA has in finding enough appropriate employers to take on the number of young apprentices who would like to step into that arena. What are the main impediments to that occurring?

Mr Wallett: It is a difficult question to answer. The reality is that, as many of our tradespeople start to move towards retirement, we have got a situation at the moment that is extremely busy. We have got the skills shortage; everyone knows about that. But the individual tradespeople who are moving towards retirement are in a very lucrative earning phase of their life, I suppose. A couple of people have told me: “I’ve got a very good business. I am booked up for six months in advance. I am getting premium rates for my work right now. I don’t want the hassles of looking after an apprentice. I just want to go out there, do my work, get paid and look forward to my retirement.”

So there is that side of it—a movement of individuals who are really probably looking to their own benefit, simply doing their own work, and who do not want the hassles. It is not without its problems having mostly teenage boys working for you. I do not want to stress that too strongly, but that is just a reality of life.

MR PRATT: I am a father; I can picture that.

Mr Wallett: The second side of that is the perceived value that these apprentices have. We try our best to prepare apprentices for work. We do initial up-front training. We do initial up-front training. I think we are the only ones that actually do that up-front training. So we do a block of training before we even let new apprentices out onto the market. They do between four and six weeks. So they are prepared. They have all of their OH&S quals, they have a tool kit and they have all of their working gear and things like that that we provide for them. But these are perceived values. If a small carpenter is being asked to pay, say, \$21 an hour for a first-year apprentice whom he perceives probably does not know one end of a chisel from the other that is an impediment.

That is not only with us; that works across the board in apprenticeships generally. You hear: “What’s the point? I’m going to train these guys for six months. I’ll get them

going and then they are going to move somewhere else or they are going to leave or something like that.” I just think there is a general resistance in some areas, but not with all of them.

We have some fantastic host employers—some really, really good ones—who are interested in passing on their trade to their apprentices, and probably the majority of our host employers are like that. Some treat them as cheap labour—they are there to do a job—rather than have an interest in their training. So there are two sides of it: a perceived value side and then a “I don’t want any hassles, I just want to go and do my work” type of approach.

MR PRATT: Yes. I presume the building industry, taking this particular example, must be particularly frustrated, given that there are people who want to step into the industry, that there are not enough employers willing to take them on. Clearly, it is very, very important that we as a society try and address that. What might be the steps that we can take? What can government do?

Mr Wallett: There are various incentives in the way in which the number of apprentices in our industry could be increased. We can train more apprentices—there is no question about that—and I believe the funding is there to train more apprentices. I am pretty sure the MBA could train more apprentices. I am pretty sure the CIT could probably train more. We are not anywhere near capacity. But as a group trainer, of course, this business mix that we have to manage is: how do many do we put on and how many can we have running around doing nothing?

At the moment I might have about 15 apprentices from the first year intake that do not have jobs right now. They are sitting around doing other projects at my premises in Dickson and I am still paying them. I pay them 52 weeks of the year, five days a week. I can burn a lot of cash by having too many apprentices, so I generally tend to underemploy. My applications this year were oversubscribed. I could train more, but I cannot find host employers.

The college system could better promote the apprenticeship system through close liaison with industry. We have a lot to do with the counsellors and the careers advisers, but I do not think that apprenticeships are valued enough within the school system. I have teenage children in the school system as well and I do not think apprenticeships are valued enough within the system. There could be greater promotion there.

There could be more incentives provided for the hiring of apprentices. Our host employers do not get any incentives from hiring apprentices from us. We try to keep the costs as low as possible, remembering that we are a not-for-profit organisation, but we have to retain some earnings for the future, especially when you have got a number of apprentices not working, not earning income. And we rely very heavily on that income, by the way, too. The only thing that keeps training going, by the way, with us is that hiring out of apprentices. If we did not have that, we would not survive. We would close. So it is a very important part of our business.

All the incentives go to us, so we keep our costs as low as we can. But there are no incentives to the host employers. So potentially there could be some benefit there. The government in public sector projects could set minimum participation rates for

projects for apprenticeships. In other words, if you were spending whatever million dollars on a jail, subcontractors would have to employ a minimum or a certain percentage of apprentices on that. I use that example because quite a few of my apprentices are out working on the jail. Those sorts of projects would be beneficial.

I guess it is a stick and a carrot approach too. Some carrots could be offered. There are probably some sticks. I think we also should encourage the private sector to set minimum standards as well. You will see, in possibly a project coming up in the next six or eight months, that there will be written into contracts minimum apprenticeship participation rates, and I think that is a positive, because that will then help with apprenticeship placements. Apprenticeship placement, as I said, is the major requirement.

MR PRATT: Very good. Thanks for that.

THE CHAIR: We need to finish it there. Thank you very much.

Short adjournment.

DOYLE, MR MICHAEL, Manager, Student to Industry Program

THE CHAIR: Have you had an opportunity to read the yellow card?

Mr Doyle: Yes, I have.

THE CHAIR: Do you understand the privilege implications of the statement?

Mr Doyle: Yes.

THE CHAIR: For the record, I move:

That the statement be incorporated in *Hansard*.

The statement read as follows—

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the Resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it.

Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

I also have a few housekeeping matters which I need everyone in the room to observe:

- all mobile phones are to be switched off or put in silent mode;
- witnesses need to speak directly into the microphones for Hansard to be able to hear and transcribe them accurately;
- only one person is to speak at a time; and
- when witnesses come to the table they each need to state their name and the capacity in which they appear.

THE CHAIR: Thank you very much, Mr Doyle, for appearing before us this afternoon.

Mr Doyle: It is good to see you again; thanks for having me.

THE CHAIR: Thank you for this information that you have just given us. Obviously, we have not had a chance to absorb it at the moment. Would you like to address the terms of reference and then members will ask you some questions.

Mr Doyle: Do you want me to start by informing the committee about who we are and what we do?

THE CHAIR: Yes, who you are, what your role is and then go on to address the terms of reference.

Mr Doyle: With respect to the student to industry program, I have this little group of flyers that I will leave with you. We are in our 12th year. We are an incorporated not-for-profit body and we are primarily funded out of the Department of Education, Employment and Workplace Relations. We are also supported by the ACT department of education through accommodation and some IT infrastructure. We are, as I said, an incorporated body; therefore we have a board which is broadly representative of the community, made up of industry, education, youth, parents, unions et cetera. The membership appears on the third page, just to give you a bit of an idea. Our chair is Roger Buckley from the Chamber of Commerce and the deputy chair is John McGrath from John McGrath Ford.

Our main role is to support the career transition of young people aged 13 to 19 on their journey through school and beyond school into employment and further training and education. We do that through a raft of programs that we have offered over the last two years under the Career Advice Australia initiative, which is what DEEWR have funded us for. Our contract requests that we work with all secondary schools. That meant that last year we worked across at least 40 of the 45 schools in the secondary sector, which is a very high proportion. As well, we also connected with in excess of 10,000 of the 28,000 students in that age group. Those sorts of figures indicate the level of support that we have in the school community, and that is backed up by the rather large number of employers that have supported the program for over a decade.

In the early days we were primarily focused on vocational or work placements. That expanded into school-based apprenticeships about five years ago. I think it is fair to say that the student to industry program became a fairly major force in the growth of school-based apprenticeships from about 2003 to 2005, when we got a lot of school-based based apprenticeship groups happening.

In 2006 our new contract was introduced, and we had to draw back from the way we were operating before because our funding was not permitted for that area. Those numbers have actually dropped in the last three years as opposed to being in an environment where we could hopefully be growing them quite substantially. Would you like me to go through each of these dot points in the terms of reference?

THE CHAIR: It is up to you.

Mr Doyle: The demand and whether it is being met in the ACT: no, I do not think so. I think it is very clear that the demand for training still has a long way to go and I think that it is probably a reflection of the community that we live in that there is

scope for improvement in that area. In one of the documents at the back I put that we need to be working with the parent community a lot more than we currently are.

Also I think it is fair to say the education sector moves reasonably slowly in terms of change. That is a natural thing and so, whilst I think they, over the last decade, have been very positive in terms of engaging with vocational and other industry-based learning, it is now time to move that on, even more so with the students but beyond that into the parent community, to solve that problem of whether or not we are going to have a long-term view of meeting the needs of training in the ACT.

MR GENTLEMAN: Mr Doyle, you have indicated there on the dot point, and you have referred to in your submission, that it is about making parents more aware of what is available for their kids.

Mr Doyle: Yes. I am yet to find one parent who when we lay the facts in front of them is not extremely supportive of the notion of their student going on and having a successful career, whatever that means. But, without the conversation, the natural point at which a parent believes they are advocating for their son or daughter is to go to university. I know we say that all the time and we probably get bored with hearing it, but I think that has changed. But I still do not think that parents are aware of all the options and how things like the Australian quality training framework engages people at many different entry points to achieve a meaningful outcome.

Also, parents do not fully appreciate the cycle they have even gone through. I do not think they have had that reflective moment to look at their own career and say, “Gee, I was a boilermaker at 16,” or a nurse or something, and then look at themselves today as a 40, 50 or 60-year-old and realise, “Gee, I’ve actually had quite a few changes.” I am sure we are around the table doing the same thing. As a general comment of over many, many thousands of parents in my time in the decade, I would say that they tend to think of career as a singular career as opposed to multiple careers. They also seem to have a belief that it is the school’s responsibility to impart that knowledge to the student.

We reflect to parents that in primary school they are virtually always in the school with the son or daughter, but in high school very, very few parents engage, and at college they barely know which college they go to and what subjects they do. That is not knocking parents; it is merely a reflection of the busy lives that we lead and that we think they are okay there and they are up and running and they can catch the bus. In fact, that is the time that the school teachers—and I think they do a fantastic job—and the careers advisers need the support of parents to be with them on the journey. It is a pretty good journey. It is a ripe environment for young people. But what we want to do is to get them to make better choices.

Skills shortages are one thing that sits off to one side for us, and I know that is important in terms of the economy, but at the end of the day what we want are good tradesmen that build the wealth of the country by engaging in the right industry when it is the right time for them, if that makes some sense.

THE CHAIR: Yes.

Mr Doyle: Parents to me are the cherry to be picked because they are very, very supportive of our program, yet I think the least work has been done on them, and that is where we believe most needs to happen.

THE CHAIR: Right. Do you want to go on to another point?

Mr Doyle: Yes. Incentives and impediments to the commencement and completion of apprenticeships: you have probably heard ad infinitum that where apprenticeships are a true competitor to real salaries for people of a relatively young age, it is a challenge, particularly with the fabric of our society now, where a lot of young people are either on their own, in single-parent families or do not have the support that others may have had, coupled with a lot of young people going on to do year 11 and 12 and then becoming a first year apprentice as opposed to a young person of 15 or 16 who can be mentored and taken in, under the wing, under that old master and apprentice type model.

They are huge problems, because the sort of young persons that we want to drive some of our skill shortage career areas walk out and pull \$35,000 and \$40,000, without any shadow of a doubt, in the community. The public service in this town is obviously one of the biggest problems. It is a fact that is there. I see it every day. I even see it in our own office. It is a real challenge to make your own workplace have a point of difference so that you get and retain the right people for your business.

As for incentives, sometimes people focus only on the dollars and it is a cheap throwaway line for employers in this city to say, “They cost too much to run.” It is almost like an excuse. To me, that may be valid. However, in support of that comment, or to try and work for a solution, I would rather be looking at educating the employer as to how to make the apprentice work better for them—not to just throw the money at it. Some of the incentives in some of the trade areas are, I think, quite strong, particularly when they are backed up with group training money and construction industry training fund boards and all those sorts of other benefits that come around.

If we are to get subcontractors, which are the one of the main areas in the traditional trades which do not take on apprentices, I think it is about developing models that get them to see the value in taking on apprentices and to give them some surety—not that they can sustain them for the four years but that, if they give them a good work environment, they can cultivate a positive, productive and profitable workplace. When we do information nights for school-based apprentices, I put it quite bluntly to the students and to the parents: if you are going to get paid \$8 an hour, how do you make that employer 20 bucks an hour? It is as dead simple as that. It is not rocket science; it is about being a valuable product. That is what we all are, so we have to earn our stripes.

I know that with one of the models that we did out through MBA, by getting the right connections together, which I think we are really good at at times, we were able to get subcontractors who previously would not have taken on apprentices; rather, they would have just pinched and thieved other subcontractors’ apprentices, as we know has happened for our whole lives. But they have got a part of a program where they see the value of it, where the students are part of a group training scheme with the MBA and they are rotated around so that they get the opportunity for young people to

be exposed to their trade area and work out at the end of the day where their skill sets lie.

I know you had Barry in here and he might have trotted out the same thing, which is quite believable, and we know it is the case: most young people want to be a carpenter or a plumber. But that is only because they are the most visible trades and everyone did a tool box at school—that is symptomatic of many of the trade areas—whereas a lot of young people do not know what skills they have got until they are exposed to them. We do that in a number of ways through some of our other programs—adopt a school, expert on tap, SIP trips and that sort of thing—to raise the profile. So, as for incentives and impediments, an impediment is awareness; incentives are that I think there are other models that can be used. It is a bit like the word “sustainable”. Sustainability is not built around nothing, no money; it is about building a valuable product that people want. So I guess it comes from that sort of thing.

The appeal of apprenticeships and traineeships as career development pathways: I know the appeal is there. We sell the model that it is a valuable pathway. However, I do not think the public awareness is there in terms of how young people, depending on their skill set and the type of person they are, can do an accelerated chef program or get involved in building at a school-based apprenticeship and then maybe not go on and do the cert III but get into a cadetship and be a project manager and jump around using the training blocks of AQTF to go on, do their diploma at CIT and then get full articulation through to the UC.

There are really good examples of all of those things happening across a suite of the industry areas, both emerging technologies and the traditional trade areas. It comes back to that parental thing. Research tells us that, of all students looking to get advice, 80 per cent go to their parents to get sound advice on careers, yet less than 20 per cent of those parents feel they can give it. That is research from the Brotherhood of St Laurence, but it is pretty solid research and it is pretty much what we see—definitely. Yet, once you empower the parents, they are quite supportive and that sort of thing.

Community perceptions: I think it is just lack of knowledge. They do not know what they do not know. From a grandparent to a parent to a child, you always want the best for your own, and it comes down to the perception a generation ago that the best was a uni degree and “you do not want to be hanging around the chook shed” type mentality, whereas it is a different world we live in and there are lots of people who want to be a part of that and take different pathways. With perceptions, we need to work with the parent community in the main. Schools do champion vocational education. Canberra, about a decade ago, embraced a notion of broad-based VET when it really kicked off in late 1997, and I think that is still the case.

One of the impediments is that not as many young people get out into the workplace. I did put that in my document, because a decade ago it was 95 per cent; of the nine or 10 VET courses that were running in schools virtually every one of them had a compulsory work placement—if not six, commonly two to four—if the student wanted to get a certificate II or certificate I in XYZ. Nowadays, it is 46 per cent of vocational courses, of which I think there are about 21—it does change depending on whether schools actually adopt it; that is why I am sounding vague—or 22 courses,

and fewer than 46 per cent of those require a placement.

So that means that Johnny who goes through and does a placement and Sarah who does not can come out with exactly the same qualifications. So industry, in many respects, is shooting itself in the foot there by not getting those sorts of compulsory placements into the workplace and getting the engagement. The feedback that we get from industry is that there is a very good work ethic in the students that are prepared by the schools, and commonly jobs are offered for young people, so they get good experience.

One of the things that is often a difficulty is that young people go through their high school years and they get a job because of someone they know. We all know that the network is hugely important for 80 or 90 per cent of jobs. But, if dad is the pharmacist and mum is the vet, how does Sarah become a mechanic? They cannot ring up John McGrath or whoever and go and get a job with them as easily. That is what we bring to the table. We provide them with an opportunity to get into an industry area where they may not have a linkage and that sort of thing, and get them to do some work placement to see whether or not they like that area. I think there are many ways to overcome the perceptions; I do not think we have exhausted them yet by a long shot.

The effectiveness in addressing skill shortages sort of all stems back to—

THE CHAIR: To what you have been saying.

Mr Doyle: Yes. There is the immigration side and all that sort of thing. I think Canberra still suffers from not promoting itself well enough. It is a great place. I think a lot of country kids come to Canberra to take up positions when they finish school. We had a group of kids from Batlow in the week before last, doing work placement and that sort of thing. We could do a lot more in that area if we had the level of support. So, in terms of being greedy and only worrying about Canberra's skill shortage, there is a group of people from the bay, probably up as far as Shellharbour, Wollongong, way out west and down to Cooma, that we can draw on very successfully, if given the opportunity.

We do it in small numbers now—30 kids a year type of thing—whereas, if we really got the smarts happening, we could have hundreds and hundreds of kids, and seeing them come through each year would assist in a small way with the longer-term view of skill shortages. That is a sustainable measure because country kids that come to Canberra will stay and raise their families here, whereas some transient people may come, get the money and move on, which can happen in some of the trade areas. Anything else you want me to add on that?

THE CHAIR: I think members might have a couple of questions.

MR GENTLEMAN: I do. Mr Doyle, on the back page of the document that you have provided to us, page 4, the second dot point talks about some of the programs that you deliver. You have got one there called Work Ready. Can you just tell us a little bit about that one?

Mr Doyle: If it is okay, I will just give you how we started with Work Ready. Some years ago when we were getting into the school-based apprenticeships area, we had, as a mandatory component for anyone entering a school-based apprenticeship, or SNAP as they were known then, that they must attend a Work Ready with their parents. At the session they would get employability skills, often delivered by the Chamber of Commerce, resume writing, employer expectations, roles and responsibilities in the workplace, and then we would partner with service clubs, such as the Lions Club of Lake Burley Griffin, to provide mentor mock interviewers to cover the interview process and to give them feedback. It is at that point that we have a good opportunity to talk to parents and give students an opportunity to either continue on with the process of taking on an ASBA or realise that it is not quite for them.

Work Ready has moved along since then and, instead of that just being run monthly of a night with maybe 20 to 40 students and the same number of parents, it now is being delivered very regularly throughout the school days as well. The negative side of that is that we have dropped off that compulsory parent bit, which, to me, is a disappointing thing. However, we are picking up, probably doing 1,500 students a year, to the point where we are embarking on working with Rotary—I have already spoken with them—and Lions to get them on board to allocate them to various schools to assist us in that process. Essentially, that is Work Ready.

MR GENTLEMAN: Fantastic.

THE CHAIR: I am really interested in what you have had to say about parents. You did say that you were running a program and that there was a lot of demand but now you are not getting funding for that anymore. Was that a federal program? I was not quite sure—

Mr Doyle: Some years ago, we basically just did the work placement and we had, at that stage, the capacity to do school-based apprenticeship groups. I am just painting a general picture here. We would commonly have half a dozen students that would want a particular trade and we might have some employers that would want them. We would then go and source the rest to make up a group and it could be with MBA, it could be with the CIT et cetera. We would then put them through Work Ready and get those numbers happening. It was at that point that we saw school-based apprenticeships grow from 140 to 230 to 382—

THE CHAIR: And that funding was cut?

Mr Doyle: In 2006 that was cut and we—

THE CHAIR: That was federal—

Mr Doyle: Yes. Well, the contract changed, and so we do not have the capacity under our new contract. We can market and promote them, but in terms of walking the footpath and getting the employers, which is what we were pretty good at, we are not in a position to do that. That is something that I would like to make sure that the committee is aware of, because that did work back then.

We have a couple of thousand employers who take students on work placement, and one of the things that we have managed to get from the employers is that they help us with work placement but we advertise school-based apprenticeships and full-time apprenticeships on our website and out to the schools, free of charge. They come and help us with Expert on Tap—last year I think we had 130-plus different experts coming in to talk to students about various careers—and we visit them to do SIP trips where we look at the different occupations within industry.

If we could get back to those times, we would add a lot of value to the community in terms of those groups, like aged care. There has never been another group after that, which is disappointing. Building and construction has continued to be strong, but I think there is more—

THE CHAIR: More to be done.

Mr Doyle: in other areas that we could certainly build on, yes.

THE CHAIR: Thank you very much for coming in.

Mr Doyle: Thank you for your time.

THE CHAIR: If we have any other questions, we will certainly get them to you and we will get you the transcript as soon as possible so you can have a look at that.

McGREGOR, DR PETER, Fellow, Research School of Astronomy and Astrophysics, Australian National University

THE CHAIR: Thank you very much for coming in, Dr McGregor. Have you read the yellow card?

Dr McGregor: Yes.

THE CHAIR: Do you understand the privilege implications in the statement?

Dr McGregor: I think so.

THE CHAIR: Do you need any clarification?

Dr McGregor: I do not think so, no.

THE CHAIR: I move:

That the statement be incorporated in *Hansard*.

The statement read as follows—

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the Resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it.

Parliamentary privilege means special rights and immunities attach to parliament, its members and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will take evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

I also have a few housekeeping matters which I need everyone in the room to observe:

- all mobile phones are to be switched off or put in silent mode;
- witnesses need to speak directly into the microphones for Hansard to be able to hear and transcribe them accurately;
- only one person is to speak at a time; and
- when witnesses come to the table they each need to state their name and the capacity in which they appear.

THE CHAIR: I was particularly interested in what you had to say about the fact that you were finding it difficult to hold staff because of the projects being short term and finishing and then having to start up. I realise that we are looking particularly at the area of VET and apprenticeships, but the information that you might have to share with us about the way things are funded by governments, the nature of that and the environment that places you in with regard to holding on to staff is very important in light of evidence that we are hearing in other areas. I invite you to make some comments to the committee on those sorts of things. We may have some questions around that, too.

Dr McGregor: Okay. Until the end of last year I was the Associate Director for Instrumentation at Mount Stromlo Observatory, which is the Research School of Astronomy and Astrophysics at the Australian National University. Mount Stromlo is Australia's premier optical astronomy institution, but I want to talk about the commercial technical activities that are undertaken there.

You have seen some of the place; let me describe that we build optical instruments for telescopes but they are high-tech, low-light level, optical spectrographs and ways of analysing light. We have been building these for international telescope partnerships that Australia is a part of. To do that, we employ mechanical engineers, electronics engineers and software engineers. We also employ electronics technicians and we have a mechanical workshop where we employ fitters and turners—lathe kind of skills. It is those areas that are most relevant to your committee. It is not the science end; it is more the nuts and bolts end.

We have had two big contracts that are funded through these external international sources to build instruments. Since about 1999, we have employed additional staff to do that work. At the peak, we had something like 35 technical staff at Mount Stromlo doing these activities. As those projects ran down, those people have moved on to other jobs in the community. For example, a mechanical engineer is now employed at Electro Optic Systems in Queanbeyan. An electronics engineer is also there. We have had electronics technicians go to various places in CSIRO and that sort of thing.

With respect to the sorts of things you are addressing, the engineers come straight out of engineering school and have no experience of actual real work. We are employing them and giving them a lot of practical experience. When they leave us, they are then highly sought after, capable engineers who can go somewhere, rather than rookies who have just come out. So I think we add to the community in that sense.

Also, in doing these instruments, we collaborated with Auspace in Mitchell in rebuilding the instrument that got destroyed in the fires. That was a very positive experience for both sides because the commercial engineering staff at Auspace were exposed to all these funny scientists, and our technical staff were exposed to a more commercial environment where they had to meet deadlines and write proper reports. So it was actually a very positive experience for both sides to improve the efficiency with which we do what we do.

That is now history in that the instrument has been delivered, but we are still finishing off some projects and we are finding it very hard to hire short-term staff with the right skills to be able to do this. In fact, we have had to hire contract electronics technicians

from Melbourne, Victoria in order to keep this work going.

I feel that we are suffering because of a shortage of technically skilled people in Canberra. I also feel that we have the potential to do something about it in terms of having a workshop up there with capabilities and with technically capable people. In the past we have had apprentice fitters and turners at Mount Stromlo. But we are faced with a very uncertain future because there has been no funding from the federal government in order to allow these sorts of activities to continue.

The two instruments we built for the Gemini Observatory were funded through this international partnership that Australia was part of. Most recently, we have been building two instruments: one of them is funded through the insurance from the fire and the destruction of the facilities up there and the other one was funded through a DEST systemic infrastructure initiative grant. That is a one-off and we do not know where the next one is coming from.

At the moment we are not entirely clear about what the next work is going to be. When the current projects end, we are going to have to reduce staff even more. You get to the point where you have so few staff that it is hard to ramp back up again. When it is hard to get skilled people, it would be very difficult to ramp back up again. That, in essence, is the problem.

Our expectation for the future is that we would like the federal government to fund Australian involvement in the next big optical telescope, which is the giant Magellan telescope that you were told about at Mount Stromlo. ANU is a member of that consortium of universities. We are playing a big role in the preliminary design aspects of that. For us to become engaged in constructing things for it, the Australian government would have to fund the construction phase and we would have to be able to maintain the staff that we have at Mount Stromlo over that bridging period in order to have people still there and able to work on it.

The dilemma we face is that the projects come randomly and largely at the whim of the federal government. There is no direct support for maintaining those sorts of facilities up there. If there was, we would have the ability to train people. At some level this is the problem with trying to be too efficient in how money is spent and to be too lean: you have enough money to do the prescribed piece of work that is currently on your bench but you have no ability to train other people and do anything outside that. As soon as that work ends, you have to scale back.

I know that 10 or 15 years ago there was sufficient money in this sort of activity to be discretionary about what you did and you could afford to have traineeships and apprentices and bear the inefficiencies associated with that. But when you are under an excruciatingly tight budget, you just cannot afford to do that. So that is essentially where we are.

MR GENTLEMAN: For the lower skilled area of the workshop, have you thought about taking on other sorts of work that are not necessarily in the vein of the observatory?

Dr McGregor: Yes, we have. There are many issues associated with that. In the past,

using government funded facilities to compete with commercial enterprises was not viewed favourably. But there are a lot of commercial aspects of running that as a business that do not fit easily within a university context as well, and there is a question about what our core mission is. where should our focus lie? We are outsourcing a lot of the construction to places in Queensland, in Wollongong and in Victoria. While that might be the most cost-effective way of getting the part made, it does not do anything in terms of skilling people in the ACT.

THE CHAIR: That is right. So instead of skilling up our people here, you are sending this particular part of the instrument to Wollongong or Queensland—

Dr McGregor: Yes, to specialist machine shops.

THE CHAIR: for them to work on it, whereas you do have the capacity, if you had the skilled staff, to actually do it on site?

Dr McGregor: Yes.

THE CHAIR: But it is a matter of obtaining longer term, more certain contracts from governments, of whatever colour and at whatever level, to be able to maintain and plan ahead.

Dr McGregor: Yes.

THE CHAIR: So it is something about the planning ahead that is not happening?

Dr McGregor: It is the continuity and it is being confident that you are going to have sufficient ongoing work to keep an apprentice busy for three years or whatever it takes for them to do their apprenticeship.

MR GENTLEMAN: What would be the level at the moment of those that return after the work has been lost, for example? If you are in a lull and you need to shed staff, are you able to get some of those back when the work returns or is it a quite dramatic—

Dr McGregor: We have not been through that cycle yet, so we do not really know. Generally, people will move to other places where they are secure. So I suspect that they will not necessarily even stay in Canberra.

THE CHAIR: They will leave Canberra entirely?

Dr McGregor: I do not know that, but it is obviously a possibility.

THE CHAIR: But that is a concern of yours?

Dr McGregor: If we have to retrench people then clearly we have no call on them in the future, beyond what they want to do. So we cannot guarantee that they are going to be available. At the fitter and turner end, there is commercial competition for those people but at the engineering end these are very specialist skills. It takes four years to train these engineers. We have had two engineers who came out of engineering school.

They were not fully on top of this until four years later, after they had the opportunity to learn and make a few mistakes.

When I started doing this, there was enough money so that we were able to do things for our domestic facilities—in-house work. In that, the deadlines are not as severe and the costs, if you run over, are not as dramatic. So you can afford to make mistakes and have people learn how to do it. Once you enter into fixed priced contracts for a deliverable on a certain date, you cannot afford to make mistakes. You basically have to have the skilled people already in place. The problem I am trying to identify is that one of keeping things ticking over so that when you get the outside work it becomes an additional thing rather than everything.

I do not have a good answer to this, but that is the nature of the problem. If the university was seen as a resource within the community that was training people and had a role in that sense then there would need to be funding associated with that. I suppose that is what I am saying. That is new territory. The university has not done that. I think Mount Stromlo is unique within the university in terms of the sorts of commercial technical things that it does outside of or in addition to the scientific things.

THE CHAIR: I do not understand very much about the university's funding structure or how they allocate the funds that they have, but is there a system or aren't you aware of whether the university has discretionary money that they can allocate to certain parts of the university to do certain things?

Dr McGregor: It does. I do not know about whether it is discretionary but it allocates funding from the central pool to each of the research schools, and we are one of those research schools. But in the university context as it stands, the university's role is to do research and to produce the scientific outcomes. It has not traditionally seen its role as being more of an apprenticeship vocational training one, but it has occurred to me over the last year or so that that is a role that we could take on.

I have had conversations with Kevin Lonsdale, who is in charge of the workshop facilities at the Research School of Physical Sciences. They also find it hard to find the people they need. So they are also identifying a possibility that, given the right circumstances, they could be taking on apprenticeship people to help to create the pool that we then all use.

In the mid-nineties we did have apprentice fitters and turners at Mount Stromlo. In fact, we had one of the apprentices of the year in that area. So it is not unprecedented; it is just that, as budgets shrink, it becomes less and less able to be catered for.

MR GENTLEMAN: I think that gives the committee an extra insight into what is occurring in other areas that we have not seen.

THE CHAIR: It does. It is very interesting.

MR PRATT: This is a good example of a highly specialised area which might consider undertaking its own training, but you clearly have to have a lot of help to be able to do that.

Dr McGregor: Yes. I think some of the areas that we could be training people in are not as specialised as engineering. There is a broad spectrum at Stromlo.

THE CHAIR: There is the other machinery—

Dr McGregor: Electronics technicians are pretty generic. Lathe work is very portable. We do a wide range of things. I do not think people in the community quite appreciate how much applied practical commercial stuff is done at Mount Stromlo. It is done elsewhere in the university as well, in the workshop areas.

THE CHAIR: It is a whole new area that we have not actually explored or thought about.

Dr McGregor: There are probably as many people supporting scientists in the university as there are scientists. It does not just happen like magic.

THE CHAIR: Thank you very much. I am glad that we came across you when we were doing something for an entirely different committee inquiry.

Dr McGregor: Yes. I hope you enjoyed your visit to Mount Stromlo.

MR GENTLEMAN: We did.

THE CHAIR: Yes. Thank you very much, Dr McGregor, for giving us your time this afternoon. We will get a copy of the transcript to you as soon as possible. If there are any other questions in the next couple of days, we will also get them up to you. A copy of the report will be available once it is completed.

Dr McGregor: Okay, thank you.

Committee adjourned at 3.53 pm.