



**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, 27 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).

## **WITNESSES**

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**The committee met at 2.20 pm.**

**FIGUEIREDO, MS SHARON CARTER**, Chief Executive Officer, AXIS Development Inc

**THE CHAIR:** Thank you very much for coming in. You have read the card?

**Ms Figueiredo:** I did.

**THE CHAIR:** I need to ask you whether you understand the privilege implications contained in the card.

**Ms Figueiredo:** 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:** Could you state your full name and the capacity in which you appear?

**Ms Figueiredo:** Sharon Carter Figueiredo, CEO, Axis Development, which is an ITO that specialises in community services and health. I am chair of the ACT Community Services and Health Industry Training Advisory Body, Community and Health.

**THE CHAIR:** You know that we are inquiring into skills shortages in the ACT.

**Ms Figueiredo:** Yes.

**THE CHAIR:** You did not send us a submission, did you?

**Ms Figueiredo:** No.

**THE CHAIR:** I would invite you to talk about your experience in the area and then members might want to ask you some questions.

**Ms Figueiredo:** Because my experience is mainly from the community services and health background, is it okay to relate it to that?

**THE CHAIR:** Yes.

**Ms Figueiredo:** I did a few notes to the questionnaire that was sent out. Thank you very much; that was helpful. At this point in time we do not have a problem getting traineeships in community services and health. We have a problem with the completion of those people, mainly because they move on to better paid positions.

**THE CHAIR:** Before they have finished their training?

**Ms Figueiredo:** Before they finish their training. The other issue is that there are lots of issues within that industry, such as low literacy and the age of the workforce. Community services and health has the highest proportion of mature aged workers of any industry. They are issues.

They have low literacy skills and low IT literacy skills. All of those things impact on the training as well and on their completion because there is more expected of them. There is also a problem because there is a shortage of people. There is a shortage of people in the industry, but part of that is because of low wages as well.

The ability of the employers to release them for training is a problem. The employers are really good at getting them into training because they want trained, qualified people, but it is all those other issues that impact on the completions, specifically the low wages.

One of the issues is that it is a very high part-time workforce. Many of the people who work in this industry are single parents or mature aged, divorced. They need to earn a living wage. Some people are working 60 hours a week because they need a full-time job; they cannot exist on a 25-hour a week job.

**MR GENTLEMAN:** So they need to do the extra hours to get the income?

**Ms Figueiredo:** Yes. It is a big issue, particularly in aged care. It seems to be a bigger issue in aged care than in any other area that I have experienced so far.

**THE CHAIR:** Could you outline for the committee the areas that you actually train in?

**Ms Figueiredo:** We actually train in 77 qualifications.

**THE CHAIR:** The groupings, mainly.

**Ms Figueiredo:** From certificate 3 right through to advanced diploma qualifications across community services. In health, it is the health non-professionals. It is certificate 2, certificate 3 and certificate 4 qualifications. We do not go up to enrolled nursing and things like that.

**THE CHAIR:** You do aged care?

**Ms Figueiredo:** We do aged care, childcare, all the health non-professionals and the management level in community services. They might do child care cert 3 but then they will go right through to advanced diploma. Then some of them will go into community services management or business management if they are getting up to that level in their positions, especially management level because that is also where skills are lacking.

People are promoted because they are good at what they do but, when they get into those management positions, they realise they lack supervision skills and they lack human resource management skills. There is a big gap in management knowledge in the industry as well.

**THE CHAIR:** Are you still providing training to people who work in the laundry systems?

**Ms Figueiredo:** Yes, we are still doing that. That is with Totalcare. We do all the training in laundry and training for Calvary Hospital as well.

**MR GENTLEMAN:** From recollection, there is a good success story at Totalcare.

**Ms Figueiredo:** There is a wonderful success story at Totalcare. Even though they are a government department, they do not receive any funding; they are totally self-sufficient. They have a real learning organisation. They start from their certificate 2s and train right through to management. Everybody in that organisation is in some form of training and development. I think it is wonderful.

There are career pathways. A couple of people have gone from cert 2 and cert 3 to cert 4. One woman, because of that, has been able to leave and get a public service position. That is good, too. That is great. That is a good outcome. Totalcare, I think, should be held up as an example.

**THE CHAIR:** To link the two things that you were talking about—firstly, the low pay and the people not completing their training and, secondly, the age of the

workforce and the lack of literacy skills that you were experiencing—would you say that there is a better success rate in all of these areas in the Totalcare experience?

**Ms Figueiredo:** There is, because Totalcare management give a lot of support. Our trainer, who does their laundry support right through to cert 4, is out there a lot. She does a lot of work out there. They put in a mentoring program so that people who have been through the cert 2s and cert 3s can mentor up-and-coming people. They are good at releasing people to do training. They make it family friendly. People do not have to stay after 3 o'clock because that is when they want to go home to their children. They make that, especially cert 2, very family friendly. They put a lot of time in.

But they develop people so that, by the time they get to certificate 3, people are starting to put their own time in. By the time they get to certificate 4, they do not do much training in the workplace; most of it is in their own time. They are happy to do that because they have had all this support. They still provide mentoring support in the workplace.

It is a really good model, I think, for workplaces—that mentoring support and being family friendly, specifically for people with low literacy backgrounds or non-English speaking backgrounds who are working part time and need to be home for their children. They have had a wonderful success rate; they really have. It is because of that support that is in place.

**THE CHAIR:** Am I correct in saying that most of the trainees that come through are people that are already in the workforce?

**Ms Figueiredo:** Yes.

**THE CHAIR:** What percentage would be already in the workforce, compared to those that are coming in?

**Ms Figueiredo:** When you say “already in the workforce”, they may have only just commenced; they may have only been in the workforce for about three months. To access a traineeship you have to be working.

**THE CHAIR:** Would you have any idea how many have been in the workforce for a long time, and are we catching up now?

**Ms Figueiredo:** No. We are doing a lot of programs for recognition of prior learning for those people that have been in the workforce for some time. They can see other people gaining a qualification and now they have decided they would like to get a qualification. Some of them have been in the workforce for 20 years.

**THE CHAIR:** Is the number of people doing that increasing?

**Ms Figueiredo:** Yes, it is increasing.

**THE CHAIR:** Is it difficult, though, for some people to actually go through the paperwork that is involved?

**Ms Figueiredo:** No, because, again, we give them a lot of support. We do a lot of group time with them and encourage them. It is a matter of talking to them and, all of a sudden, they realise they can do that and have been doing that for a long time. If you are going to do that, you have to have good support mechanisms in place to enable them to be able to do it.

**MR GENTLEMAN:** In your introduction, you indicated that one of the concerns with retention was the level of wages. Can you give us an indication of the wages we are talking about for these trainees?

**Ms Figueiredo:** In childcare and aged care, it depends where you are. Some can be as low as \$14; some may be even less. Then it goes up from there. You can go to Aldi and earn \$20 and not have the same responsibilities.

**THE CHAIR:** Per hour?

**Ms Figueiredo:** Yes.

**MR GENTLEMAN:** Or the opportunity for training?

**Ms Figueiredo:** Yes.

**THE CHAIR:** Having that responsibility for an older person or a young person and being paid that level of wage is a lot different to having no responsibility and working on the check out?

**Ms Figueiredo:** Yes, unless you get the training. It still takes a while to get up to that level.

**MR PRATT:** Are salary and wages the main impediment to retention or is it also the conditions and the nature of the work once these trainees are at the coalface?

**Ms Figueiredo:** In aged care, it is hard work. I think it is that lack of recognition that it is hard work. These people do a wonderful job. The community services sector is trying to change that perception, but it is still that lack of recognition, I think, by the community in general. We place our people in aged care facilities but we do not realise the work that goes into keeping them there and keeping them with a good quality of life.

**MR PRATT:** I apologise if you have answered this earlier. Can you quote the loss rate during the training phase of these traineeships? Have you got a rough percentage of that?

**Ms Figueiredo:** As an RTO, we actually have a high retention rate. We would lose about 20 per cent. I know others can lose more. It depends, I think.

**MR PRATT:** What would you put down to as the fact that your retention rate is high? What do you do which you think is different?

**Ms Figueiredo:** We try to go out to the workforce a lot and visit them and give them a lot of support. We try to visit them and maintain that contact. We go to the workplace and do a workplace assessment and have study groups within the workplace. I think it is that contact and that support. We work with people with low literacy, one on one, to try to explain things better to them.

**MR PRATT:** Is it the case that increasing the salary level even for the traineeships and making it significantly higher would be all you have to do? Is it the reality of the work that some of the trainees have not understood?

**Ms Figueiredo:** It is the reality of the work.

**MR PRATT:** That is natural.

**Ms Figueiredo:** It is. Aged care, specifically, is not an industry that attracts younger people. Child care does. Aged care does not attract that many young people. That is an issue in itself, especially that gap between, say, 25 and 35. There is a gap of people in the industry in that age group. There are some younger ones, not in aged care, in childcare. There may be a few in aged care.

In childcare—we took some stats—there is that 25 to 35 or 40 gap. We did some stats once. We had a lot of younger people and a lot of the mature age, but there is that gap in the middle. I thought maybe that was when people stopped to have their children, stayed at home with them and things like that. It was a while ago that I took those stats. There is certainly a gap there.

I think we need to attract that age group back into the industry as well. Again, they are the ones that are saving up to buy houses and wanting to start families and things like that. They are looking at wages.

**MR PRATT:** Would some of those people be perhaps first-time mothers who want more flexibility in their hours?

**Ms Figueiredo:** Yes.

**MR PRATT:** I think you said earlier, did you not, that there is flexibility in the industry.

**Ms Figueiredo:** I think there is a lot of flexibility in the industry. The other problem, as I said, is at the other end, the people who need to work and can only get part-time work and not full-time work. They are having to work at a couple of jobs to maintain a living wage. That is the problem, I think, because they get burnt out. It is a difficult situation.

**THE CHAIR:** Are the conditions that you talk about due to the nature of the high responsibility of some of the positions? Are there different factors in their working conditions?

**Ms Figueiredo:** There are different factors in the working conditions. It can be hard physical work. You have help with lifters for lifting and things like that in childcare.



But it is hard physical work when you have got to constantly watch and be on the lookout, especially with children and aged people. I think it is those difficulties. It is hard work.

**MR GENTLEMAN:** Looking at aged care, for example, have you looked at how industries work in other countries?

**Ms Figueiredo:** I have not, no. I have talked to somebody from another country. I talked to a social worker who works in an aged care facility in another country. We discussed conditions. It was the same thing. She said, as I say, often workers have issues of their own. That is also a problem. That is why that specific aged care facility, in fact, had a social worker not only for the aged but for the workers themselves.

We do not have that sort of thing here in Australia. I thought that was a really good thing. The workers do often have their own issues, because of that low socioeconomic background of many of them. They come to work, with their own issues. It is hard, in the main.

**MR GENTLEMAN:** My father was in aged care accommodation here for eight years, and my brother was. I got to know the staff very well during that time. It was very difficult for them, for sure.

**Ms Figueiredo:** Most of them care about what they do; they really do. It is the same with child care; they really care about what they do. It is that lack of recognition and pay. Pay, I do not think, is the only issue. Most people in this industry do not work because of the pay; they work because they feel they want to do a good job and they feel passionate about what they do.

**MR GENTLEMAN:** The committee went to Queensland last year. We did not go for this particular inquiry. We did speak to a group that were instituting training within the aged care industry. There had been this whole dynamic change within their particular area because they were providing more training and certificate-style training within the industry. They also raised the question of incomes. They saw quite a change.

**Ms Figueiredo:** There is a change. We have done a lot more training in the home and community care sector in the last couple of years. We have noticed a difference there, with the people and with the service they provide. The organisation that we train for are also very supportive of their people. If the employers get behind it and are supportive, I think it makes a huge difference. They also, like home care, have a whole learning organisation. It is Home Help Service ACT. They are wonderful the way they support their people through training. It is not only through training, they support them with workplace assessment; they support them with time to do the training and a whole lot of things.

**THE CHAIR:** It comes back to the support of the training organisation and the employer supporting the person in the workplace?

**Ms Figueiredo:** Yes. Again, it is money, too. It is much easier for those large organisations to support than it is for a small organisation.

**THE CHAIR:** Small organisations, you are saying, do not have the resources?

**Ms Figueiredo:** They do not have the same resources, no.

**THE CHAIR:** Have you got any last things you would like to say to us, particularly about attracting people to the industry?

**Ms Figueiredo:** Attracting people to the industry, I do not know. This is what Totalcare and Home Help have done. They have tried to be an employer of choice. I think they have tried to give their staff things like reasonable wages but also the training, the support and the flexibility so that people want to work there and stay there. I think that makes a big difference.

**MR GENTLEMAN:** There is security of tenure, too, is there not?

**Ms Figueiredo:** That is right. There is. The other thing with the training is that there are a lot of casual positions in community services as well. Those casual positions are not eligible for traineeships. The training for them is relying on what is called—do you know about it?—strategic priority program funding.

**THE CHAIR:** No.

**Ms Figueiredo:** Training and adult education have a bucket of money that they let out each year for strategic priority programs. That is available for people who are not eligible for traineeships. Again, they have to have their priorities, too. If the people are over 40, that is fine. If they are unemployed, that is fine. If they are casual workers and they fall in that gap of under 40, it is harder.

**THE CHAIR:** That is new. We need to look at that. Have you got some notes that you could leave with the committee that we could incorporate?

**Ms Figueiredo:** Yes. They are just dot points.

**THE CHAIR:** That is fine. It would be really helpful. I am sure, in the brief amount of time we have, you cannot go through everything you have prepared. I apologise for that. Thank you very much for coming. We will get the transcript to you as soon as we can so that you can check it. If there are any other questions that members have, particularly after reading through that, we will get them to you. We will give you a copy of the report once it is done. Thanks for coming in.

**McDONALD, MISS JUSTINE ANNE**, Account Manager, Australian Training Company

**THE CHAIR:** Thank you for coming along to this inquiry into skills shortages, Miss McDonald. Have you read the yellow card?

**Miss McDonald:** Yes.

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

**Miss McDonald:** 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.

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- 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:** You did not send us a submission, did you?

**Miss McDonald:** No.

**THE CHAIR:** Would you like to make some points about your experience in this area. After that, we will ask some questions.

**Miss McDonald:** I am the account manager for the Australian Training Company, which is a group training organisation. I have been with them since March last year. The primary concerns that we have in attracting apprentices or trainees are wages versus cost of living in the ACT, the ability of public transport to get people to work on time, especially in shift hours, and workers compensation. They would be the three areas of concern at this stage.

An average wage for a first-year apprentice is about \$246 plus allowances. For their fourth year, they are up to about \$550 plus allowances. That is gross per week. In the trainee arm, the minimum pay is \$312 per week. The adult rate is \$483 per week. With rental properties and housing prices as they are, your expenses become more than your income. As much as we get people applying for the jobs that we list, when they come for an interview and realise what the wages are, they decline the positions. Is there an easy solution? Probably not.

With respect to skills shortages in the apprentice trades, there is extra financial support offered by the federal government. They can receive wage top-ups of \$500 every six months for the first two years. They get a tools-for-trade allowance of \$800 after the first three months. They get a commonwealth trade scholarship comprising two payments of \$500 for the first two years. They have their RTO fees supported and they can apply for a living-away-from-home allowance. That all helps. It helps the employer and it helps the apprentice with their costs of living.

In the traineeship arm, they are supported by a living-away-from-home allowance, if they qualify. So if an apprentice has to move more than 90 kilometres away from their parents' house to do their traineeship, they can apply for government support. There are no other incentives offered in the traineeship arm. Both sides, traineeships and apprenticeships, have commencement and completion incentives supplied. On average, they will receive \$1,500 if they are there for the first three months, and \$2,500 if they stay with the company and complete the qualification.

**THE CHAIR:** Does that go to the person or the employer?

**Miss McDonald:** That goes to the employer.

**THE CHAIR:** The employer, not the person?

**Miss McDonald:** No.

**THE CHAIR:** With the federal assistance for apprenticeships, that is not for all the trades, is it?

**Miss McDonald:** It is for skills shortages. I have a list here of the trades that qualify for that. I can leave this with you. That is according to the national skills needs list, in effect from 1 July 2007. They are the apprenticeships that can receive that support. It means that if you want to become a carpenter, you will get the support. If you want to

become an aged care worker, you do not get it, because aged care work is in the traineeship arm. It is the same with information technology qualifications, which are some of the skills shortages in the ACT. It is a traineeship and does not receive this support.

**THE CHAIR:** The previous witness, Sharon, was saying that in her experience they have a 20 per cent non-completion rate. Do you have difficulties in that regard? What would be your percentage?

**Miss McDonald:** In one of our larger contracts at the moment, which originally took in 79 people at the beginning of last year, there are 43 people left in the program. It does not finish until the end of this year.

**THE CHAIR:** That is more than 20 per cent, isn't it?

**Miss McDonald:** Yes. In my company, I deal across all traineeships and apprenticeships. In aged care, I would probably agree that 20 per cent would drop out in the first three months.

**THE CHAIR:** Does it ease off after that?

**Miss McDonald:** It seems that, in a 12-month qualification, the people that survive the first three months will usually stay to complete the qualification. If they are leaving after that three months, it is because of an unforeseen circumstance that they never saw coming.

**THE CHAIR:** Maybe a family matter or something like that?

**Miss McDonald:** Yes, terrible things like their grandmother dying and that sort of stuff, or the family unit splitting up. Something has changed dramatically so that they can no longer commit to a social life, a work life and a study life.

**MR GENTLEMAN:** Do you have some ideas as to why there is so much loss in retention?

**Miss McDonald:** I think there is a lack of understanding of what traineeships and apprenticeships are to begin with—not understanding the field that you are going into. As much as you may have an idea of what it is to be an aged care worker, what it is to work in information technology or what it is to be an office assistant, when you actually start experiencing it, you might say, “It’s not for me.” That is one side. The other side is people having difficulty in combining the three lives.

Everybody has to have a social life, they have their employment life and they have their study life. It is marrying the three together that becomes problematic. When I offer aged care, I always offer aged care only in a 30-hour contract, because on top of all that, that is shiftwork as well. It gives people time to meld everything together. If they want to do more hours once they have got that, they can, but we would never sign them to full time in aged care, or in any shiftwork arrangement. Traditionally, when we have done so, they do not stay; they become too tired, they can't work it out, they are not showing up to work on time, they take a lot of sick days off because they

are trying to maintain that 38 hours a week and do everything else.

**MR GENTLEMAN:** Those 30 hours are full time but it is only at 30 hours a week?

**Miss McDonald:** Yes. It is a part-time contract. That incorporates their study time as well. In that arrangement, they would be doing one day at CIT to do their study and three days at their workplace facility.

**THE CHAIR:** You mentioned a public transport issue.

**Miss McDonald:** Yes. Because in Canberra we rely on buses for public transport, and we do not have access to train systems as well, it is really difficult to get people to their workplace on time. I will give a couple of examples. If you live on the south side, in Conder, your first bus out of there is at five to six in the morning. It gets you to the Woden interchange at 6.46. If you are in a shiftwork arrangement in Fyshwick, you do not get to Fyshwick until 11 past seven. Most things start at seven o'clock in the morning. And that is just getting you to the bus stop at Fyshwick; it is not getting you to the actual door that you need to walk through.

With most shiftwork, they basically have set hours. So if you are on a morning shift, you usually have to start at seven. Public transport does not enable you to get there at seven. In the aged care field, I know that they try to be very flexible with that. If your bus can't get you there until 20 past seven, they will try and have you start at 7.30. But they can't have everybody starting at 7.30. They can't even afford to have half their staff start at 7.30. It is a 24-hour arrangement and they have to have it covered all the time. So the later you have somebody arrive, the longer the person on the previous shift has to stay to cover for you.

Therefore, my first choice in getting people into those kinds of arrangements is that they have a drivers licence and a car. These days, to get your P plates, the average cost is about \$1,000. You then have the expense of running a car and you are on a traineeship wage. So it does not work. In the traditional trade apprenticeships, there is a minimum requirement of a drivers licence, as long as you can get somebody who can pick you up and take you to the work site.

People coming from the north side have the same problem. They are getting in to Civic at about 7.30 and then trying to get from Civic to whichever bus they need to get on to take them where they need to go. At the other end, you are trying to get people home between 9.30 and 11 o'clock at night. The buses don't support that, either. It makes it really difficult to place those positions.

**MR PRATT:** To try to pick people up at 11.00 pm from their workplace?

**Miss McDonald:** Yes, from their workplace and then get them home.

**MR PRATT:** That is the time when a lot of nightshifts finish?

**Miss McDonald:** Nightshifts traditionally finish either at 9.30 or 11 o'clock, depending on whether that facility has eight-hour or 10-hour nightshifts.

**MR GENTLEMAN:** I worked shiftwork for about eight years. We had some varying shifts. Most of them, though, were the periods that you mentioned. There were three rotating shifts in a day: seven to three, three to 11 and 11 to seven in the morning. We tried to modify some of those shifts into 12-hour shift groups. Some other shiftwork groups, such as the ACT Fire Brigade, have a 10-hour dayshift but a 14-hour nightshift, so that less time is taken up in the dayshift.

**Miss McDonald:** That is possible in some areas. In a former life, I was a critical care nurse. In critical care, is it plausible to do 12-hour shifts? Absolutely, because it is more taxing on the mind than on the body. In aged care, if you are putting somebody through 12-hour shifts consistently, you are just increasing your workers compensation.

**MR GENTLEMAN:** It is much harder physically.

**Miss McDonald:** Yes, it is quite physical labour and you are going to increase your workers compensation. You are going to have people coming down with more injury.

**THE CHAIR:** You did mention workers compensation as being one of the barriers. Can you talk a bit about that?

**Miss McDonald:** Yes. Workers compensation is also part of the cost to the employer. Even though, as a GTO, we are the legal employer, we gather all these costs and then charge the host. The difference between the ACT and the other states is that the other states set their workers compensation charges by legislation. The ACT does not; it is up to the broker as to how much they charge. Therefore, if you make comparisons between the states regarding aged care qualifications, the ACT charges 19 per cent workers compensation. New South Wales charges 7.5 per cent. In sport and rec there is a significant difference as well. So for people wanting to do sport and recreation qualifications, the ACT charges seven per cent workers compensation; New South Wales charges 3.2 per cent. It is a significant cost to the employer compared to other states regarding what they have to pay just because you are training in Canberra.

In Queensland, they do a legislative arrangement as well by industry, but they also have a GTO component. Depending on what qualification you are employing under, you will either be charged one per cent, 1.5 per cent, 2.5 per cent or seven per cent for at-risk areas.

**THE CHAIR:** For the record, what is a GTO?

**Miss McDonald:** A group training organisation. At a minimum, a host is charged the wages and the workers compensation. Because workers compensation comes in a percentage, it is a percentage of how much the wage is. It is a big issue compared to other states. With my company, we work in Canberra, New South Wales and Queensland, so you see significant differences between each state. Because they are trainees and apprentices, they are learning the job, and they are more at risk of injury than people who have experience in the area.

**MR PRATT:** Going back to the question of public transport, during the day, when people are attending their studies, do some of the trainees go from their place of study

to their employment? Is finding transport through the day a problem as well?

**Miss McDonald:** No.

**MR PRATT:** So fundamentally it is the early and late hours?

**Miss McDonald:** Yes. Usually in our arrangement, we do either fully on-the-job training or a mixture of on and off-the job training. The on-the-job training is when you are at your workplace; the off-the-job training is when you are at your RTO. If we have you do a combination of both, we will pick one day in the week when you go to your RTO and there is no requirement for you to go to your work on that day. So they would then be trying to get public transport from their home to where their RTO is, and back again. That is not so much of a problem as it is with getting to work, because the RTO attendance is within business hours, and there is a better service for people within business hours. It still can be problematic; you still have areas like Hume which do not get a bus service. Hume is the industrial area. There are no buses out there.

**MR GENTLEMAN:** Going back to the discussion we had earlier about picking up apprentices and trying to get them on board, I understand you have been successful in picking up a tender for providing school-based apprenticeships in the ACT?

**Miss McDonald:** Yes.

**MR GENTLEMAN:** Has there been a good response to that from the government departments?

**Miss McDonald:** Yes. The government departments are being very supportive. At the moment we are dealing with the Department of Education and Training. They are going through all of their sections at the moment to provide positions. Other ACT government departments are still working out their procurement processes in order to come and join the tender. Once that is sorted, they will be offering positions as well. There is not a large response regarding positions being offered from schools themselves. Because it is a new system and a new way of doing this for them, we are still getting everybody into the new process.

Getting applications is also proving not to be so easy. Again, it is a lack of understanding of who you apply to, what an ASBA is and what the requirements of an ASBA are. Because we are not encouraging employment into your own school, and you would go and work somewhere else, there is also the issue of transportation, of getting them to their worksite. I envisage that, as the year goes on, we will be doing a lot of promoting to deal with the confusion part of it. But it is slow at the moment. I would have thought I would have received more applications than I have for the positions that are available.

**THE CHAIR:** Thank you very much. A copy of the transcript will be sent to you as soon as possible so that you can check the draft. If there are any other questions from members later on, we will get them to you as soon as possible. Are you able to leave that paperwork with us?



**Miss McDonald:** Yes.

**THE CHAIR:** That would be helpful. We will send you a copy of the report when it is completed.

**Miss McDonald:** Thank you very much for your time.

**Meeting adjourned from to 3.03 pm to 3.19 pm.**

**DALY, MR GRANT**, Director, Education and Training, Master Builders Association of the ACT; Kindred Organisation member of the Canberra Business Council

**FAULKS, MS CHRIS**, Chief Executive Officer, Canberra Business Council

**THE CHAIR:** Good afternoon, Mr Daly and Ms Faulks, and thank you for appearing before us this afternoon. You have read the yellow card, so you understand the privilege implications in the statement?

**Mr Daly:** I do.

**Ms Faulks:** I do.

**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:** If you would like to make some introductory remarks, the members would then like to ask you some questions.

**Ms Faulks:** The Canberra Business Council, on behalf of the business community, welcomes this opportunity to address the Standing Committee on Education, Training and Young People inquiring into VET and skill shortages.

Just by way of background, the Canberra Business Council is a peak business organisation in Canberra. We represent both individual members and the interests of 35 industry associations, known to us as kindred organisations. Directly and through our kindred organisations, the council represents more than 5,000 businesses across the capital region, which stretches from Goulburn down to Bega. In addition to that, in 2007 the council entered into an affiliation with the New South Wales business chamber, and through that affiliation we have connections with 100,000 businesses across Australia.

Just by way of introduction again, the Canberra Business Council have had a large input into the Skills Commission report and we have subsequently made a response to that interim report. You will appreciate that the council itself is not an RTO and does not have direct involvement with apprenticeships and/or vocational education and training. However, through our member organisations, we do have rather a strong input into that—organisations such as the MBA, the Australian Hotels Association and others that are either registered training organisations or their members have a large connection with training.

As the CEO, I have brought with me today Mr Grant Daly, who is the education and training director at the Master Builders Association and I think between the two of us we should be able to answer your questions both at a high level around the skills shortage and at a more specific level around vocational education and training.

**THE CHAIR:** Mr Daly, would you like to make some remarks.

**Mr Daly:** Just to say that I am the director of education and training, employed by the Master Builders Association, which also administers an RTO, a registered training organisation, and that is MBA group training. We have in the vicinity of 300 apprentices doing school-based programs and full-scale apprenticeships in the traditional trades, principally bricklaying and carpentry. We also run advanced learning programs for what we call cadets, and they are doing the paraprofessional roles such as contract administration and estimators and they are in training to become project managers. I can hold most other things, to answer questions that you may have.

**MR GENTLEMAN:** Chair, I might just hark back to one of our previous presenters, Miss McDonald. We had a conversation with her during the break and she said that one of the issues that had come up and that she has been presented with is that with any of the schemes that they are able to access they are not able to sign up people who are not permanent residents of Australia. She was saying that they have a lot of applications from people who are not permanent residents and want to go into these areas that we show as skill shortage areas at the moment. I put that question to you: do you find applications from people who are non-permanent residents?

**Mr Daly:** I can give you an example of that, if it is helpful. My accent probably gives me away: I am a New Zealander. New Zealanders, under the trans-Tasman code of

reciprocity, providing they have been resident here for six months, can get into a training agreement, can participate in vocational training, and they can train variously from certificate II level right through to advanced diploma level, which is your certificate VI level. That is a special and unique arrangement between Australia and New Zealand. As a New Zealander you do not have to be a permanent resident; you are simply what is called an Australian resident, and ipso facto New Zealanders qualify and can participate in training—and do. With the number coming over, I suppose that is a very significant—

**Ms Faulks:** There is a slightly broader issue here and that is that we know that under the commonwealth contracting arrangements—and I am assuming it is the same in the ACT—if you are not a permanent resident, you cannot put your name on a tender document. So, for example, a large accounting firm, even though they may have brought in skilled immigrants or have located them here, cannot put their names on the list of people who will be working on a particular contract. That severely limits their capacity to use the people that they employ from overseas, particularly in a place like Canberra. It is pretty well unique to Canberra because there are so many government contracts here. But we have been talking to the minister for immigration about that and to the procurement minister at the national level

**THE CHAIR:** Going back to Mr Gentleman's original question, I know you said that New Zealanders are a special case, but do you have other people who come to you expecting to be able to access your training, employment or whatever but find that they cannot because of that?

**Mr Daly:** Broadly, no. In the four years that I have been working in the area that I have worked in, I do not think that, other than once or twice, I have encountered that.

**MR PRATT:** There are no special refugee type training schemes, are there, where the federal government has proposed something and asked providers such as you to have a look at perhaps putting something together?

**Ms Faulks:** In terms of education, obviously a large number of people come from overseas and they can access education here. Training is in a different category. But certainly at CIT and at ANU there are a significant number of overseas students and permanent residency is not an—

**MR PRATT:** Education visas, and sometimes they can perhaps have part-time employment for a maximum of 20 hours a week. I think that is the scheme.

**Ms Faulks:** You can go beyond that. One of the other things that the council is lobbying for is regional status for the ACT, to match the status they have in Adelaide. There, international students can work while they are students and then they can stay for 18 months after they complete their education. In Canberra they cannot do that; they have to leave as soon as they finish their qualification.

**MR PRATT:** So that is a state/territory level jurisdictional matter.

**Ms Faulks:** It is a regional classification. Unfortunately, the department of immigration at the commonwealth level classifies the ACT differently for different

programs, so it is regional for some but not for others. What happened with the international students is that the whole of South Australia was classified—

**MR PRATT:** As regional perhaps, as you might categorise Mildura or one of the other rural areas.

**Ms Faulks:** Yes. The problem is that institutions like Canberra university in particular, but also the others, are competing with universities in South Australia to attract overseas students. In terms of the business community and the skills shortage, we are very keen to have that status changed, to encourage businesses in the ACT to take on overseas students while they are training here and then to get the benefit of them working for up to 18 months when they finish their qualifications. As it is now, businesses are a little bit reluctant because they are getting part-time international students but no real benefit at the end of their training.

**Mr Daly:** If I might footnote that comment, because it seems germane to the point that Chris is making, master builders are strongly supportive of the policy of training Australians first and foremost. Our principal interest is in identifying young Australians, and Australians who for various career reasons might want to change the way that they have structured their career or make a sea change, or even young people who have done a little bit of some career or some training and want to come across to our industry. That is our first priority in terms of the training population that we have and that is largely in and around our constituency because we are a member organisation, master builders.

Chris made the point about the provisions under section 457 of the Immigration Act for people who have got required skill sets. DEEWR, as they are now known, have a list of skills that are in short supply. People who are on that list can come in, and the ACT, in that context, is designated as a regional area and people can come here. The irony is that, in other areas as it relates to training and to education, that demarcation does not exist.

**THE CHAIR:** It is applied differently in different cases, as you said. One of the things we have been looking at is the recognition of prior learning and also recognition of people whose training or qualifications may have been gained overseas. Have you any comments or experience in either of those two areas?

**Mr Daly:** Yes. We have a fairly robust and very current policy as far as RPL, recognition of prior learning, is concerned. It is based on and enshrined in the quality training framework requirements because as an RTO, a registered training organisation, we must adhere to what the Accreditation and Registration Council sets out for us as our terms of reference, the way that we can offer training. That is something that we have moved to develop in significant ways because it is becoming a substantial business ticket item. That is, where we have people who may be changing careers or who have for a long time carried out a role without formal qualifications, because there have not been formal qualifications or they have never gone to university and have been project managers et cetera, we are now using the RPL as a means to formally qualify those people by putting them through an interview where they portfolio and they present evidence that they can meet and attain the competencies.

The extrapolation of that, of course, is that, once we have tried and tested the methodology that we are using at the moment, we are going to be in a place where we can quickly do that for people coming in from overseas. Obviously, we work very closely with the Accreditation and Registration Council to pursue that.

**MR GENTLEMAN:** Are you getting any support from the federal government for that sort of program?

**Mr Daly:** Not strictly speaking; that tends to be a process where the user pays, and in most cases at the level where we are working with RPL at the moment, most of the people who are recipients are in a position where they can meet the fee requirements. But, no, we are not supported at this point in time.

**Ms Faulks:** Could I just add at a high level that the council has focused fairly heavily on the skills shortage. I should preface my remarks by saying that the council's view strongly is that it is not just one of skills shortage; it is one of population shortage. We believe that in Canberra we have very good training organisations that could skill the population if we had it.

The relevance to what Grant has just said is that there are only a certain number of ways that we can increase our population. One is through natural population growth, which in Canberra is problematic because we have a very highly educated female population and they tend not to have the sort of sized families—until now; I am not sure whether that will change—that they have elsewhere. Certainly, we have not seen the growth that has been seen in Victoria, for example. So we think that most of the growth will come from interstate and international migration.

But there is a section of the population where we think we can increase participation, and that is women returning to the workforce after childbirth and also the sorts of things that we were talking about with recognition of prior learning, where people may not have formal qualifications, may be out of the workforce for whatever reason but have nevertheless a level of experience. For that reason, the council is very supportive of recognition of prior learning and also skills that are attained in other jurisdictions or overseas. Rather than expect somebody to start from scratch again, there needs to be a—

**MR GENTLEMAN:** It even occurs around Australia. We have seen evidence of people who may have attained quite a reasonable level in another state but it is not recognised at all in the ACT.

**Ms Faulks:** Yes, and certainly harmonisation is an imperative for Australia, not just in this area but across a whole range of areas, including training and apprenticeships. We obviously live on the doorstep of Queanbeyan and yet there are different rules that apply. I had the instance of a manufacturing business in Queanbeyan not all that long ago that had to do their training in Wollongong, even though we had training facilities in Canberra. One day a week their people drove to Wollongong to do their training.

**MR PRATT:** Can I return to the question of trying to plug these gaps. After your primary mission, which is to look after young Australians who are looking to

re-stream and perhaps take another course open to them, do I presume that the MBA and the other building industry players are still suffering the same sorts of shortages as they were a couple of years ago? You are always struggling to fill those gaps?

**Mr Daly:** It is a good question but it is a very difficult one to answer. I mused before with Chris when we were outside; I noticed that one of the things that are of interest to you is the demand within the building and construction industry for people to fill the gaps. One of the most serious gaps, the greatest shortage, that we have in terms of training apprentices—and you will begin to see how circular the whole argument becomes—is host employers. In other words, it is a willingness by employers to take on people to provide them with the on-site training that they need alongside of the theory training that they receive in the off-site situation with master builders. That is one of the areas where there is the most acute shortage.

I could cynically muse that we are meeting the demand. Do you see what I am saying? It does not really in truth answer the question. We are working now much more with the invisible partners in any training agreement. A training agreement is between an apprentice, an employer and a registered training organisation. The invisible partner for a long time has been the employer.

What we are now starting to do, particularly with the advanced level qualifications, is work more with the employers to get them more involved with the training, to have a greater say in terms of how competencies are achieved and to involve them in more formalised aspects of the training to excite their interest and to increase the employer base so that we can proliferate the number of apprentices coming in and the number of cadets coming in.

It has been working very successfully with the cadet program that we run; that is the paraprofessionals—the estimators and the contract administrators and so forth. We have yet to find the mechanism to activate the same level of interest with the carpenters and the bricklayers. They are in very different situations. They are in smaller, residential one-on-one situations often with an apprentice. They do not have the superstructure within their organisation, the availability of time or the availability of resources. But the key to meeting the skills demand from our point of view is to work much more with employers as stakeholders in that process.

**MR PRATT:** Is there a role to play for organisations such as yours, if your capacity was increased, to perhaps provide some of the administrative and logistical support that some of those small employers might need to be able to better take under their wing an apprentice?

**Mr Daly:** Yes. That is what we are looking at. We want to work with some of the potential employers that we have—and these are people who perhaps recently finished apprenticeships themselves through master builders, who moved to becoming a subcontractor in the first instance and then a contractor—to teach them how to practise and to carry out their finances other than on the dashboard of their vehicle. We want to provide them with small business skills. We run a group scheme. So functionally all they have to do is take the invoice with one hand and pay with their EFTPOS or credit card with the other hand. We want to minimise the administrative load and we want to work with them in terms of their overall business needs so that

they can have more time to fulfil the other roles that are necessary.

**Ms Faulks:** From the council's point of view, certainly we would like to replicate that across. You will notice in the ACT government's submission to this inquiry, and also in the Skills Commission interim report, they raise the same point, that currently there are too many employers in the ACT and Australia who are reluctant to invest time and money in training their staff, and that comes down to apprenticeships.

If you recognise the fact that in Canberra 90 per cent of businesses have fewer than 20 employees, and a significant number have a lot fewer than 20, taking on an apprentice or training your staff beyond just apprenticeships is sometimes quite a large commitment. At the moment, because businesses run as independent organisations, so they are not part of a bigger organisation, there has been a reluctance there in the past to take on—

**MR PRATT:** Unless the young employer brings his mum along to take care of the books, he does not have the capacity.

**Mr Daly:** Yes, you are right. It might be his partner, his mother or a number of other different people in that context. It is also important to understand the living culture of building and construction. Substantially, when you are talking about residential building and construction, you are talking about a contract culture and a subcontracting culture.

People operate between projects. When you are operating between projects, taking on an apprentice is an ongoing liability, and it really does require people to be future thinking rather than thinking about what is in front of them today, in order to make that commitment. A response to that is the group schemes that are run variously through HIA, Master Builders, CITEA and Capital Skills. The group schemes mean that a person can pick up an apprentice to meet a need and then put the apprentice back to be recycled in another context. It is a mechanism by which we can work with the contracting and subcontracting culture.

But with that contracting and subcontracting culture, there is very much a focus on the here and now—on incremental payments to meet mortgage requirements, tax requirements, WorkCover requirements, insurance, the utility, the toolbox and all of those things. They are enough in themselves, without the additional responsibility of an apprentice in many cases. They will tell you that, and I understand that.

**MR PRATT:** Beyond that particular model, going back to the smaller employer who might want to take on an apprentice longer term, you still have that capacity problem. With that particular example, what percentage do they make up of the employers that you are working with? What is the scope of this particular problem in terms of smaller employers' capacity and therefore their enthusiasm to take on more apprentices?

**Mr Daly:** If the economy in the medium and long term could sustain it, and we are talking about somewhere in the vicinity of three to four years, because that is the projected cycle for an apprentice completing an apprenticeship, even given that it is competency-based outcomes, we could probably double the number of apprentices that we have at the moment.



But it is not the only issue. It is not just about carpentry and bricklaying, which we do adequately and for which we have a waiting list of kids who want to get into those areas. The areas that acutely concern me are areas like painting, tiling and plastering, where we can't get either people wanting to take up the apprenticeship or employers to host them so that they can actually complete that. If the resolution existed inside carpentry and bricklaying, it would be very straightforward, but we are dealing with something which systemically is much wider than that.

**MR PRATT:** Other skills which are just as important?

**Mr Daly:** Equally.

**MR PRATT:** They make up the total mosaic?

**Mr Daly:** Yes. You have now got legions of people working out on site who have never formally undertaken an apprenticeship. In some cases they are second generation, because the people that taught them how to tile, grout, plaster and carry out some of those other roles have never been in an apprenticeship either. So you are getting this culture of people who are at variance in some areas with the formal training structures that apply to apprenticeships and formal apprenticeship training.

**THE CHAIR:** We heard from witnesses before that there is quite a substantial drop-out rate, particularly early in the process of taking on some training of some description.

**Ms Faulks:** I can make a general comment. I spoke to our national apprenticeship centre specifically about that point. They said that was not the case in their view—that people change streams, so they may decide that they do not like plumbing or whatever and become an electrician but that the drop-out rate is a lot less, certainly, than a lot of people talk about.

**THE CHAIR:** It seems to be quite substantial in the human industries, so maybe it is a different type of industry.

**Mr Daly:** Certainly not in our particular industry. There is one overarching consideration—that is, when somebody terminates a training agreement, even if they are just changing the RTO that they are attending for training, such as moving from CIT to Master Builders or Master Builders to CITEA, that is treated as a termination. Statistically, that is captured, and that is what you are seeing in those completion rates in terms of the NCVER figures that you are probably basing that on.

Within the ACT we have an atypical situation. At Master Builders and CITEA—they are the two that I know most about—we probably finish somewhere in the vicinity of 80 to 85 per cent, or probably more than that, of the apprentices that we start. There are a number of reasons for that. Our school populations here tend to stay at school longer and many of the school kids who stay longer get involved in the Australian school-based apprenticeship programs. Those kids, because they have had that exposure at school, tend to see out their apprenticeships and they tend to complete. So you have a much higher completion rate in the ACT.

**THE CHAIR:** We did have a comment from a witness on another day that parents often steer their young people towards a university degree rather than towards an apprenticeship or a traineeship in a trade, for instance, because they see it as the expected thing—that they always wanted to go to university or they did in fact go to university; therefore: “My child should go to university.” Do you think that is changing and people are having their minds opened to more options now?

**Ms Faulks:** I think it was, and remains, largely the case, particularly in a population like that of Canberra, where the parent population is above average in terms of education. For some time, a huge amount of effort has gone into the 30 per cent of our students who end up in university as opposed to the 70 per cent who do not. I know that at the federal level, for probably 10 years, they have been looking at that and at how that can be changed. I think it is a cohort result, in the sense that, with those people that did professions some years ago—medicine, law or whatever—it was thought that was the way to progress socially. What has happened now is that they are not necessarily the professions that are making the money; it tends to be more some of the tradespeople who are in short supply.

**MR PRATT:** I wish I were a plumber!

**Ms Faulks:** I think there is a lag in terms of that as well. It is changing, but it is slow.

**Mr Daly:** We have begun to shift that rather stale paradigm by asking people to think of building and construction not only in terms of the traditional trades but understanding that the paraprofessionals—the project managers, contract administrators and various other people—need a higher level of training. It is possible to articulate into university courses and not accumulate a HECS debt because you have the ability to have either saved to pay your own way through university or to finance your way through university by working part time in the skill areas that you have developed. University is very much the icing on the cake for our paraprofessionals and, indeed, for our tradespeople who can articulate through from being on the tools into positions where they become site managers and project managers.

**Ms Faulks:** I think VET in schools has made an enormous difference as well.

**Mr Daly:** A huge difference.

**Ms Faulks:** It used to be the case that you had to choose at a very young age whether you were going to go on or whether you were going to stay, and a lot of parents I think encouraged their children to stay on, in the hope that they might get to university, but at least they would be a bit more mature when they left school. I think that now the VET in schools offers that alternative path. It has been very successful.

**MR PRATT:** Are you satisfied that enough is being done in the department of education to promote the apprenticeship stream as the alternative? Are you seeing the benefit of that? I know there has been some effort made in the last three years to improve the understanding of that.

**Ms Faulks:** I think there is always room for improvement. I think there has been enormous success from where they started, but there can always be improvement. Again, it comes back to finding the right placements for the students. From anecdotal experience, you are dealing with relatively young people who are not necessarily going to add value to your business when you take them on at that stage. You are doing it in a voluntary capacity for the community, if you are a business.

Once again, it comes back to encouraging businesses to step up to the mark as well. We have said in all of our submissions that at the end of the day it has to be a partnership between the training institutions, the government and the private sector, because none of those can achieve the outcomes that we all want unless we are working together.

**Mr Daly:** I make particular mention of a couple of schools in the ACT which are extraordinary. Hawker College comes to mind as being one such school where the commitment to vocational education and training is just above and beyond. There are other schools that we do not really have any dealings with at all, and nor do any of the other RTOs. I am inclined to agree with Chris's statement. An adequate answer is that, yes, I think there has been an improvement, but I am still of the view that, more broadly, either at a state and territory level or at a federal level, we could muscle up on the way in which kids from schools are apprised of all career possibilities, in a very objective—

**Ms Faulks:** What happens is that it is value laden. With those students that are achieving academically at school, that seems to be where most parents want their children to be, instead of being balanced—30 per cent will go to university and 70 per cent are not, so let us look at them both equally.

**MR PRATT:** I get the feeling from what you are saying that perhaps the RTOs and other representatives of the council have to get more actively involved in helping the government to push its message in schools. Is there a formal relationship between the department of education and the RTOs and the council, for example, in seeking to combine to sell the message in schools? Do RTOs visit the schools?

**Mr Daly:** Yes. Once a month, we go across and meet with them.

**MR PRATT:** Do you visit Hawker?

**Mr Daly:** No, we visit the department of education or the local state training authority. We are out in schools very regularly. We run a number of school-based programs, we run programs for year 10s at high schools, we run programs for years 11 and 12—the ASBAs, the Australian school-based apprenticeship programs, with years 11 and 12. So we are very involved with schools because, with most of those kids who come through those programs, we want to pick them up and take them into either our apprenticeship programs or our cadetship programs.

**MR PRATT:** My question was aimed more at pre year 10, when the concepts need to be presented to kids who are about to go into that year 10, 11, 12 stream.

**Ms Faulks:** My experience is that most schools offer quite detailed career counselling

at year 10 level, and sometimes before that, where a range of opportunities are offered. It varies from school to school. I agree that there are schools that are focused on school-based apprenticeships and have had successes in that regard. There are other schools that we are probably all aware of that have more of an academic focus and tend not to offer those opportunities to students. Schools do, on the whole, offer career counselling and exposure to a range of career choices from year 9 and 10 onwards.

**Mr Daly:** I want to acknowledge Vince Ball, seated behind me at the back of the room, for some of the work that the Construction Industry Training Council are doing with kids who are much younger than in years 9 and 10. Even at year 5 level, they have been doing some stuff. So they are involved at those very early and impressionable ages.

**MR PRATT:** They are the kids at risk, are they?

**Mr Daly:** They go on and can participate in those programs.

**THE CHAIR:** We will invite Mr Ball to appear at a later stage and we will look at that in more detail.

**Mr Daly:** Great.

**MR GENTLEMAN:** MBA is building a skills training centre in Fyshwick. Did you get some support from the Department of Education and Training for funding the program there?

**Mr Daly:** Yes, we did.

**MR GENTLEMAN:** How is the project going?

**Mr Daly:** The first stage of the project is the training unit, which is the area where there is the most acute need. If you came out, at my invitation, to visit our Fyshwick skills centre, which is housed within the Urban Services complex on Canberra Avenue, you would see why we need the facilities so urgently. That is due for handover, I understand, at the end of July this year.

So we are bursting at the seams because we have not only people coming in at point of entry for apprenticeships and cadetships but also career-based training for people who are wanting to do builder licences at the various levels and those wanting to articulate through and do higher qualifications to achieve higher honours. July can't come soon enough, as far as I am concerned.

**MR GENTLEMAN:** We would love to come out.

**THE CHAIR:** Yes. We will get the secretary to talk to you about a visit by the committee.

**Mr Daly:** We are more than happy to facilitate that.

**Ms Faulks:** We have had a focus to date, and I am happy for it to continue, on

building and construction. One of our kindred organisations, the Australian Hotels Association, deals with hospitality and catering. One issue that I would like to flag that you might like to follow up later on is that that industry is highly casualised and a lot of the training incentives are not available to casual employees. You may have noticed as you move around Canberra that virtually every restaurant has a sign up saying they are wanting skilled people to work there. Training in that area is of particular concern. A lot of the training outside the CIT is not highly regarded by the industry. I recommend that you talk to that industry group because there are some serious training issues there.

**MR GENTLEMAN:** Yes, my son is a chef, after an apprenticeship of a very long gestation. He completed his apprenticeship through a couple of different private sector enterprises. It was only the larger one that was able to give him the support and let him have the time off to go and complete his apprenticeship. When he was working for some of the smaller companies, they would simply say, “We can’t afford to give you the time to go.”

**THE CHAIR:** We have contacted that organisation but at this stage they have not responded to say they would like to appear before us.

**Ms Faulks:** I am happy to encourage them.

**THE CHAIR:** Could you do that?

**Ms Faulks:** Yes. I had a conversation with them and there are some issues that are different from the building and construction ones.

**THE CHAIR:** We would love to hear from them. If you could encourage them to contact us, that would be good.

**Ms Faulks:** Yes, I will.

**THE CHAIR:** We will be having other hearing dates. We also heard about people leaving to go to Western Australia to make money driving trucks for the mining industry or doing low-skilled carpentry work, for instance. Are you finding you are having people who are maybe commencing and then just leaving to go to WA?

**Mr Daly:** We call that the Pilbara effect. It is a generic term applied to anybody who gets footloose in the final stages of their apprenticeship. Some of them may go to WA; we don’t know. We are not really talking about a significant number of people, once captured, who do forsake completion of their apprenticeship—certainly not at Master Builders, anyway. That is something that is discussed over the teacups with the apprentices, but the actual, palpable reality for us is that it would be negligible.

**THE CHAIR:** Sometimes these things get a life of their own and may not match reality.

**Mr Daly:** Romance and adventure—

**Ms Faulks:** A number of our members talk about that—not just going to Western

Australia, but the private sector in the ACT competes for staff with the ACT public sector and also the federal public sector, both of which have much more comprehensive training for staff and better conditions in a lot of ways. You find that in the private sector people leave to go into the public sector and a small number go to Western Australia to make multiples of the amount per hour that they can make here.

**MR PRATT:** From the council's perspective, in terms of looking after your members' interests, and then zeroing in more closely on the MBA, what else can the ACT government do to help foster and support organisations such as your own in increasing the number of people who could be skills trained?

**Mr Daly:** Are you going to give me the first crack at that?

**Ms Faulks:** No, we are both going to come up with the same answer. It is not so much what the government can do. You could train more people if you had more host employers across the board, if the business sector were able to encourage more businesses to take on apprentices and train staff. It is not just apprentices; it is across the board training, because while your staff are out being trained they are not in your office, working, and sometimes that means that somebody else has to backfill that position depending on how intensive the training is. Also you hear employers say that they are happy to train their staff but all that happens then is that they become more qualified and move somewhere else.

If you are asking what the government can do, I think there needs to be a much more robust partnership between education institutions, training institutions, the business sector and government around promoting the range of opportunities that are there, the value of education and training for staff generally, and then working with the business sector to encourage employers to accept the responsibility both to train their own staff and to take on apprentices where appropriate.

**MR PRATT:** We heard earlier about the aged care and childcare industries. What was presented as a significant issue was assisting young carers to get to their work sites on time to commence their shifts, which are often very early in the morning and public transport is not available to get them there on time. Perhaps a Cabcharge might be suggested somewhere, for example. That is a small issue for government; it could be something that government could foster or promote. In terms of administration and logistics, are there any other issues like that that may be impediments to retaining apprenticeships, traineeships and cadetships, where government might be able to step in and assist?

**Mr Daly:** I agree with what Chris said. My view on that situation is that we really ought to, as a training organisation and as Master Builders Association, take some responsibility for picking up on that invitation and come back to you with some very specific ideas about what we think might work and the contribution that government could make. It is not necessarily financial—

**MR PRATT:** It might simply be legislative. It might be a stronger coordination role. It might be pulling the parties together to iron out some of the issues, particularly in terms of what you were outlining, Chris—the partnership between the players. Maybe there is something there that you think can be better pushed by government to foster

that.

**Mr Daly:** I do not think it is an issue that I could sit here and simply pay lip-service to. It is something that I would want to sit and think about—maybe consult some people—and take up the invitation to maybe address it more formally once I had given it some thought.

**MR PRATT:** Why don't we ask you, if there is the time for you to do that, to send us some ideas later.

**Mr Daly:** Sure, certainly.

**THE CHAIR:** We are really happy to receive any other input that you would like to give us—written input or, if down the track we are having another day and there is some time available and you want it, we would certainly offer it to you if it was available.

**Mr Daly:** I might take that up through Chris then. I suspect that many of the things I come up with will be endemic across all vocational training and—

**THE CHAIR:** If you want to put in something jointly, that is fine.

**Ms Faulks:** If it is okay, we will come back. I will contact some of the other people involved in this and just see if there are some issues. I have to say, from the council's point of view, that we are not being lobbied heavily to lobby the government for very specific incentives or other things—not at this stage anyway.

But, having said that, some of our kindred organisations that are dealing with apprenticeships, particularly around hospitality, I know have taken some important steps. For example, they have the shortened course, which seems to be something that the government and the industry can work together on but it is not necessarily a financial thing; it is more about looking at what the demand is, what the hurdles are for apprentices now and for training, and trying to think outside the box and come up with a solution that might suit all parties. I think there are a lot of opportunities around that, but not necessarily for dollar amounts.

**MR PRATT:** I was also wondering, for example, whether through this committee in its recommendations to government, and then perhaps directly from you to government, there is anything the government can do with some of the international visa issues, to lobby the federal government to help free up—

**Ms Faulks:** We have already asked the ACT government to do that, mainly because we think it is important that the federal government become aware of those issues from a number of different areas. The ACT government have agreed to do that; it is on their radar as well. Anybody that we come across who is interested, we talk to them about it, primarily because, if you look at the figures that have just come out of the ABS, one of the largest components of migration into Australia is in fact skilled migration. The federal government has just increased it by, I think, several thousand per year. So, particularly with the students, it is something that we should be looking at, tapping into.

We are confident that a number of the overseas students that come here for education, and training in some areas, would stay longer and, even if they went home, would be interested in coming back again as part of a skilled workforce here, providing we can encourage them here in the first place and keep them here for a while.

**MR PRATT:** That is one example we might want to pick up on as a committee. Have we picked up enough information about that?

**THE CHAIR:** I think so at the moment, but we can certainly find out what—

**Ms Faulks:** I am happy to leave with you a copy of our response to the Skills Commission. I think this is going to be picked up in the final version of the Skills Commission as well.

**THE CHAIR:** Mr Daly, you were about to say something.

**Mr Daly:** Yes, there were two things I wanted to add. One is to formalise the invitation that I have extended to you to come and have a look and see exactly what we do, as an example of what a registered training organisation does in a building and construction specific context.

The other thing that I wanted to say—and I guess I was looking for an opening to say this—is that to a certain extent the problems that are specific and germane to the building and construction industry are problems that we are responsible for. Within our industry we have created these problems. It is not so much a matter of coming to government now to ask government to assist us; it is a problem that we have created in the way in which the building and construction industry has restructured, restructured and restructured, and tended to look at our feet at times rather than keeping our vision on something a bit higher. The first order is to charge the troops, as it were, to look within ourselves to find solutions—and that is the time when we can come back to government and say, “These are the things we want to do.”

We are dealing with an apprenticeship system that survives substantially unchanged since the 1930s and, because there has not been a lot of change, I wonder—and it is a wondering only—if the present situation, the way that we apprentice, the way that we structure our training, has become anachronistic. Maybe we need to look at something a bit more inclusive. For example, as Chris was saying with the casual workers, maybe we need to be a little bit less prescriptive around eligibility for various types of training grants so that people can in various ways, shapes and forms progress a learning pathway rather than necessarily be in holus-bolus for a complete trade qualification.

They are just musings; they are things that I grapple with and think about. It is clearly time for us to put our hand up and say that, if there is a level of responsibility within our industry for having created our present situation, we should take the initiative to start to generate some resolution to the issues ourselves. Having said that, the next thing is to look at who we can call in as potential stakeholders and as partners to deliver—not the needs of the industry, because the needs of the industry are being met; it is really the needs of the building program within the ACT.



Vince will bear me out on this: very recently there was a summit and at that summit we had a number of large employers. Vince scoped and said, “There is this much work that is going to take place; what will your human resource needs be, what will your training needs be?” I do not know how successful that was but it is the sort of thing that we ought to be doing. We ought to be having these summits and thinking about the building program for the next three to five years, the resource needs that we have, who has the resource needs, who can provide the training to meet that need, and then identify where we might draw the people from who can be trained to grow into those roles. I had the benefit of two or three minutes until you came back to me to think about that.

**THE CHAIR:** Thank you very much.

**Ms Faulks:** To add a final comment to that, I would like to reiterate that the goal that we should be working towards is a pathway, a training, throughout life, if you like. One of the gaps at the moment is junior management training; people are being promoted because of the skills shortage up to a level without a great deal of management training. They are taking on responsibility for staff and for large budgets without the training.

I would like to see a culture that virtually from the time you are born until you die there is a lifelong learning process, with training, whether it is an apprenticeship within building and construction, right through to the casualised tourism and hospitality industry, that is flexible enough to accommodate both the employers in those roles and also the people that are wanting to do the training. So, if you have a casual waiter who needs some sort of training, the training should be available in a model and at a time that suits both of those people, rather than saying to a small business operator, “Your person has to come out for one day a week to go to the CIT,” or to wherever—it may well be that they can learn online or that they can learn out of hours—so that the whole working population is continually improving in terms of its—

**THE CHAIR:** Do you think there is more work to be done in developing more online training? I know it is not appropriate in some industries, but there must be some industries where we could capitalise on that.

**Ms Faulks:** I can only give you some limited knowledge that I have. Certainly I know that the CIT is moving towards this and the universities already have quite a lot.

**MR PRATT:** The classic model of that is in the defence forces in leadership training; it is ongoing. As a young officer they train in their own time, then they are formally tested at the appropriate milestones. They are required to keep it up.

**Ms Faulks:** The other opportunity that we are facing is that, as each successive cohort of young people come along that are used to doing a lot of their learning online and are used to interacting with computers and hand-held gadgets, they will be more able to cope with that sort of learning than perhaps some of the older generation. I think we need to be moving with the times and making sure that we can constantly upgrade the qualifications and training of our people across the board, from your industry right

through to management.

**THE CHAIR:** Thank you very much. I was just going to reflect that one of the previous witnesses talked about how people come into an industry at the service delivery level—this is within the human services industry—find themselves promoted and find that they do not have those HR skills and the other management skills that you were referring to. It seems to me an issue that is quite widespread.

**Ms Faulks:** Particularly as those management courses are quite expensive. Employers are not always prepared to pay for them, and often they are too expensive for the employee to pay for.

**THE CHAIR:** Thank you very much, both of you, and if you do have some other thoughts that you want to send to us at any stage we would welcome them. We will send you a copy of the *Hansard* as soon as possible so that you can have a look at that and make any corrections if there is something that has not been interpreted correctly by Hansard. Thank you for tabling those documents as well. If any other questions come to mind, we will get them to you.

**MR GENTLEMAN:** We can liaise about a time to come and have a look at the skills—

**THE CHAIR:** Yes, we will liaise about a time with you, and if you could encourage the AHA to come along regarding the casualisation we would really welcome that.

**The committee adjourned at 4.16 pm.**