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STANDING COMMITTEE ON EDUCATION AND TRAINING

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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EDUCATION AND TRAINING

Thursday, 13 November 2008

Members: Ms Bird, (*Chair*), Dr Jensen (*Deputy Chair*), Mr Clare, Ms Collins, Mrs D'Ath, Mr Irons, Mr Oakeshott, Mr Sidebottom, Dr Southcott and Mr Zappia

Members in attendance: Ms Bird, Mr Clare, Ms Collins, Mrs D'Ath, Mr Irons, Dr Jensen, Mr Oakeshott and Mr Sidebottom

Terms of reference for the inquiry:

To inquire into and report on:

Department of Education, Science and Training annual report 2006-07

WITNESSES

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Committee met at 10.00 am**ROSS, Mr Alan, Chief Executive Officer, Construction and Property Industry Skills Council****TAYLOR, Mr Robert, Chief Executive Officer, ElectroComms and Energy Utilities Industry Skills Council**

CHAIR (Ms Bird)—I declare open the sixth public hearing of the House of Representatives Standing Committee on Education And Training, as part of its review of the 2006-07 annual report of the Department of Education, Science And Training. I welcome representatives of the Construction and Property Services Industry Skills Council and the ElectroComms and Energy Utilities Industry Skills Council to today's hearing—and I commend you on managing to get your tongues around the titles that you hold. Although the committee does not require you to give evidence under oath, I should advise you that this hearing is a legal proceeding of the parliament and therefore has the same standing as proceedings of the respective houses. I invite you to make an opening statement on the issues we are looking at. Then I am sure people will be very keen to ask you questions. Mr Taylor, would you like to make an opening statement about the Construction and Property Industry Skills Council?

Mr Taylor—The industry skills council has been supported by all persuasions of government over a period of time. Since this federal government has been in place it has been strengthened. Industry now has a viable input into the training standards for the industry, particularly the electrocommunications and electrotechnology industries. The energy part of our coverage is becoming quite prevalent in that it falls into the government's line for climate change. We are probably involved with contributing to the greenhouse gases situation with the generation packages and our transmission and distribution of electricity. All those things will suit the climate change agenda. We have to be responsive to that; therefore, we have to train people to undertake the changes that the government requires. That is probably the biggest challenge we face at the moment, as well as getting the training standards through the system so they are truly national. Any blockages in making them truly national are probably the things that face us at the moment.

Mr Ross—We have some strong demands on our industry skills council and our industries over the next few years. Master Builders Australia estimates there is \$1.7 trillion worth of building work to happen in Australia over the next 10 years. We will have to attract another 200,000 workers into the industry to cope with the demands that we have. We will of course be revising some estimates, given the economic downturn.

We have a range of challenges. The skills council's job is really to build the workforce, and we do that through a range of measures—through the national training packages and through policy advice on skill shortages—but we are really trying to maximise the use of the workforce. We are particularly interested in attracting, training and retraining people into the workforce. We think that the national system is a robust system; it is a good system. We also feel, though, that there are significant problems in terms of implementation of the system and that a lot of the issues with that have been there for a long time and have not been addressed. We would like to see some of those fixed before people want to reinvent the wheel.

CHAIR—Would you like to outline what they are?

Mr Ross—Yes. The way the system works at the moment with the national training packages is that we have to go out and consult widely around Australia, put the competency standards and qualifications together, have the qualifications signed off and have them go up through a range of processes involving a state teleconference. They get endorsed by the National Quality Council. Then state ministers have to sign off on them before they are put on the National Training Information Service. Quite frankly, the system does not work that well at times. To give you an example, the state of Victoria is still using the 1998 construction training package. They chose not to implement the 2003 package, for very minor reasons; other states certainly did implement that package. We have just revised the construction package at the moment. It has been endorsed by the National Quality Council, and the state of Victoria is not allowing us to put that on the National Training Information Service.

CHAIR—Can you indicate where Victoria's area of concern with the new package was?

Mr Ross—Yes. Their main concern is basically tied up with industrial issues. There were some COAG qualifications put through two years ago. The states chose not to implement those qualifications; they were put through very quickly at the direction of the previous government. The states having rejected those qualifications, we were instructed by the Department of the Prime Minister and Cabinet to leave those qualifications in. We did. Now the state of Victoria is holding that up. We have been told that the federal department have decided that they would like to establish a committee to fix that. We have been working on this stuff for some years now; the last thing in the world we need is another committee, and Victoria is still using the 1998 training package, which is just ridiculous.

CHAIR—Thank you. I might kick off. I should indicate to those listening to the broadcast that Mr Clare has joined us. We have had a look in our papers at the document that was put forward, *Facing up to Australia's skills challenge*—the national document developed in the policy collaboration—so I would like to get some comments about a few issues from both of you on that. I will follow up on the evidence you have given us in your presentation there. Mr Taylor, you talked about the portability of qualifications. Is that still a challenge?

Mr Taylor—For the endorsed training package, it is not a challenge once it is implemented in the states. The issue, which is probably very similar to Alan's issue in the construction industry, is that we can go around and be quite responsive to industry's needs as far as gathering information and getting the qualifications up are concerned, and the actual system is fine; it is just the way it is implemented. Each state and territory has its own right of veto, and if it does not suit that state or territory for whatever reason then that just does not go ahead. Sometimes you can be waiting for 12 months to improve the portability of a training package because the system does not allow it. It is not the process; it is the actual implementation of the process through the system.

CHAIR—Would you find that the same barriers are less severe with skills and more to do with the surrounding issues of industrial relations, occupational health and safety and so forth?

Mr Taylor—It is the bureaucracy, yes. Correct. The issues are really not the portability of skills. I think industry are really quite responsive in what they need. We get that information

quite readily. If you look at the make-up of our board, it is quite relevant to where the industry is going. Even with projections of what we need, we know what that is. It is actually getting them through the system so that they are viable and portable through the eight different states and territories—probably the eight different countries, really, when it gets to the end of the day—and they are all right.

CHAIR—Understood. I should indicate to you that my background is in TAFE. I would have been at TAFE around the time that we started to move towards modularised national skills, which I think has inherent value, but one of the real challenges is balancing that flexibility and responsiveness with quality. Mr Irons has indicated that from some employers you are starting to get the feedback that they do not trust the qualifications. They say that they get people who are supposedly qualified yet they are not happy with the quality. I do not think I am verballing you, Mr Irons.

Mr IRONS—No, not at all.

CHAIR—You would agree with that. So I am just wondering, in terms of your engagement with the employer sector, whether that is something that you are hearing as well. What are the best ways to identify the specific problems and where are they being generated?

Mr Taylor—I think that quality is an issue. Under the AQTF system, through the states, registered training organisations supposedly adhere to policy and guidelines and a quality framework. The fault in the system has probably been that they are being process driven rather than outcomes driven. They have tried to address that. I think it will take time for that to come through. Probably the quality could be put down to a process driven auditing system of RTOs rather than an outcomes driven system. I think time will test whether the new regime is successful. I do not think we will know for another couple of years.

But, overall, I think the flexibility of an RTO to be able to deliver particular qualifications is dependant upon the quality of trade teachers. There is a massive shortage of trade teachers, and that is going to be the biggest issue that faces us in the next six or seven years. We have a giant roll-out of smart metering and photovoltaic renewable sources so that, unless we get people who can train people, we are going to have not just a massive skill shortage but a massive quality problem down the track. In my opinion the RTOs did not really address that in their human resources planning 10 or 15 years ago.

CHAIR—Would you say to some extent the way governments fund, by means of short-term, contract based funding—you might be on a one-year or a three-year contract—does not encourage employees? I know, coming from TAFE, that it is difficult to get casual teachers in the trade sectors because of the tax implications of the additional income they earn. They just do not see it as being worthwhile. So for them to think, ‘I’ll give up my workshop or working in the trade to teach in a sector where I am only going to get a one- or a three-year contract,’ is hardly an attractive option either.

Mr Ross—I think, with the construction trades in particular, people can earn very good incomes, and the TAFE area is simply not competitive in terms of the wages that are offered. People can earn a lot more very quickly, without having the constraints applied to them that they would have working in a TAFE.

CHAIR—And for RTOs as well? Do you see the same challenges for personnel in the RTO sectors?

Mr Ross—Yes, I think there are exactly the same issues.

Dr JENSEN—The question I have is: how much of the problem that we have at the moment is attributable to what you could call the boom times that we have had over the last decade or so, when there have been more attractive options elsewhere? Now that those options might shut down will that actually improve the situation in terms of training? Some of the people, who you might not have got previously to be trainers, might now be available as trainers. The other question I have is: what do you foresee will be the demand for training places?

Mr Ross—The demand for training places is a difficult issue. When you see unemployment going up you quite often see the demand for training places also increasing, because if people are not working they will be put into training. But at the same time the issue is that the employers' demands will drop, because they are already pulling back in terms of the numbers of people they are recruiting. There will be fewer people going through. So it is a complicated scenario that you are referring to there.

Dr JENSEN—The issue that Mr Irons highlighted and the chair pointed out is the problem where you get some people coming out of these training organisations who appear to be inadequately trained. Is that an issue of training or is the issue that we effectively had close to full employment and some of the people were not really able to pick up the skills required?

Mr Taylor—Probably the boom time for training is also where quality suffers as well. As an energy industry—and with the ramp-up of the government's climate change and carbon trading policies—we are probably a little bit different to Alan's industry. Our workforce will probably change from the demands of the construction industry into those of the energy management type role. So we will probably ramp up our training rather than let it fall away, particularly looking at the domestic installation of photovoltaics and so on. People are going to have to do things like put different generation systems, such as co-generation systems, back into the grid.

From our point of view, when we shift from construction and when those infrastructure things are put on hold, the climate change issues will still come, so our demand for training will probably increase and the jobs available in the industry will increase. For example, 1.5 million smart meters are being installed in Victoria in the next 12 months. Somebody has to do that, and that is just one state and just meters. That is a joint-venture with the Victorian government, and it will be the same in each state and territory. Smart metering is where people can balance their loads et cetera from their own computer. Those sorts of issues are going to face the energy industry and electrocomms—the big broadband rollout and all those sort of things are coming. We will probably increase our numbers rather than decrease them, and the demand for training will obviously increase. The problem we will have is attracting the people who want to do those jobs into training. There are a lot of strategies you can use. Wages is an obvious one, but there are other things too, such as a proper, viable career path as well as utilising people who are not in the workforce anymore—old fellas like me. You encourage them to do that type of work. So there are challenges ahead, but the big challenge for us at this point in time is how we are going to train these people enough and get enough numbers to do the work.

CHAIR—It is interesting you raise people out of the workforce. I was talking to a Comcar driver in Perth who was an auto-electrician who, because of physical injury, could no longer work as an auto-electrician. He was driving cars and I thought surely he would be a great TAFE teacher.

Mr Taylor—Workers compensation companies try to place people on workers compensation in industries, whereas we direct them into trade teaching. There could be some sort of partnership with insurance companies. You really need to drive the model rather than let it take its course. I think it has to be a driven model.

Mr Ross—In terms of getting the right candidates for jobs, that is always an issue. The construction, property and services area is very large. We cover 1.6 million employees and 526,000 enterprises. One of our areas, the security industry, for example, has a lot of problems attracting people. They have troubles because of image, pay rates and a range of reasons. Getting the candidates is an issue because of the nature of the work and the profile and image of the industry. Some of the employers out there, like SNP Security and others, have done a great job in terms of overcoming those issues just by good marketing and treating people really well, and their turnover rate is quite low. The construction industry, on the other hand, is quite difficult. The non-completion rate for new apprentices in the construction area is about 50 per cent, although that figure is not all that clear cut, because a lot of those people go off and do specialised things in the work. They might not finish their apprenticeship but go off and do something specific like framing or another particular area where they can make good money. The group training companies around Australia are generally chock-a-block full of suitable candidates. Now that the downturn is on, I think you will have an oversupply issue there for the next few years in terms of candidates.

What you really need, though, are qualified tradespeople who have some experience. That is where the problem is. There is a range of ways of addressing that. We have redesigned our qualifications to try to attract people in at a younger age. We have school qualifications to get people interested at a younger age. We have built career structures. We have built management qualifications up for construction. We put a dozen of those through about 18 months ago. The construction industry is physically quite demanding. By the time you hit about 40 it gets quite difficult to do some of the hard work that is required, so we have tried to build a management structure. People can go into different jobs. Companies can try to retain people, make the most use of those maturer workers and not lose their skills. TAFE is a good option for those people.

There are different issues for different industries. The MBA is importing tradespeople from overseas under a range of visa options. That is another solution that is being supplied, but it is not always all that easy. Nearly every modern country around the world is trying to do exactly the same thing. I was in Canada three years ago and that was their strategy for dealing with skills shortages: they were going to import people.

CHAIR—How good are we at movement between trades? It strikes me that, as you say, someone might do two or three years in the construction industry and they get attracted away by the higher wages to just work in a particular specialised area. There has to be a level of common skill developed across trades. I come from a mining family, so I understand that there is a big difference between a construction worker, a miner and so forth. But there is some common skill

attitude and aptitude that happens across the trades and it does not appear that we are very good at recognising it in ways that allow people to move more freely between trades.

Mr Taylor—In the suite of industries that we look after—generation, gas, TDR and electrotechnology, which is electricians, linesmen, gas, et cetera—we actually have a common stream across the whole four, so if somebody is a line worker and decides to be an electrician, they can transfer. It is the same for those wanting to go into gas and generation. So we have made a basic certificate II level where people can go across all of those sectors. They can change sectors whenever they want and take the credits with them. Portability is a real issue, particularly when the emphasis on construction has fallen away, or when energy management, gas generation or electricity are in an upturn, which is going to happen, particularly with gas and with the mining industry. With the boom in mining, we are going to transfer people across from each of those sectors into where the boom times are. We will be using line workers in the electrotechnology industry.

CHAIR—Please pardon us. Some of my colleagues have to duck down to the House briefly but we will still have a quorum, so we will continue. Sorry, Mr Taylor.

Mr Taylor—That is fine. At the end of the day we have tried to build that flexibility inside our qualifications so that they can go between sectors. They do not get it all. There are other criteria for them to be able to do it, but they do take the base with them all the way.

CHAIR—And there is the capacity to pick up the additional criteria without having to start from scratch.

Mr Taylor—Yes, of course. That is the idea.

CHAIR—Would you use a similar thing in your industry, Mr Ross?

Mr Ross—Yes. We have just rationalised the construction packages. There were three separate packages: general construction, offsite and plumbing and services packages. We have just collapsed those down to one and we have tried to pick up common core units in the qualifications wherever possible to cope with the exact issue that you are talking about.

CHAIR—We actually had a world-class trades training system, and tradesmen I know said that when Australian tradesmen go overseas they would be grabbed because they were broadly trained and able to move.

Mr Ross—That is correct; it is still the same.

CHAIR—That is something we should always keep in mind to retain.

Mr IRONS—I am an electrician by trade.

Mr Ross—In the brotherhood.

Mr IRONS—I would hate to think that a linesman could just swap across to electrical straightaway—as easy as that.

Mr Taylor—No, that is not true. As I said, there is a common core in first year—in their first block of training—across those sectors and it diversifies from there. So, if you want to talk about the basic principles of electricity, they are the same across all those sectors. We teach that the same way and then they go off and do their individual trade. So they can take the units with them if they want to change.

Mr IRONS—I want to get back to the issue of teachers and attracting trade teachers. I know from my time in the building industry—and I had a business in the building industry for 20 years or so—that there is a bit of a stigma about being a teacher in the trades. Right through the industry they say, ‘Those who can do and those who can’t teach.’

CHAIR—Exactly.

Mr IRONS—The trade teachers I had at school were great guys but, as we got older, it was only the guys who could not actually do the trade that went off to teach.

Mr Taylor—Correct.

Mr IRONS—That stigmatism is still there, and I think it has to be changed.

Mr Taylor—It is important that we recognise the skills that these people bring. I had good trade teachers, but I am with you: I think the reputation has dropped off now—where, if you cannot do it, you teach it. I think we have to get rid of that. We are trying to do that through some scholarships and things through our industry, but it has been difficult. The money that is available around the place for younger people—who you want to get involved—is quite a carrot to people not to get involved.

Probably the way we train puts people off, too. Our system, and the particularly states, will not fund anything that is not a full qualification post trade. The way we trained in the electrical industry was that, if you got a contract, you had tradesmen that you employed and then, if you had a job putting in programmable or logical controllers, you trained your people to do that. Now to be funded through the state system they have to actually enrol in a full qualification. So they cannot just get that bit of training.

You know what it is like—electrical contractor just-in-time training: you get the contract, you train your blokes and you get another contract. We have put in place units that can do that, but they will not be funded through the system because it is not a full qualification. That is really a detriment to upskilling our existing people.

CHAIR—But they never were funded through the system; they were funded by the employer.

Mr Taylor—That is correct.

CHAIR—So is the problem the funding or is it still a problem with recognition? I am a bit hard. I think some of the problem is that employers now expect governments to fund so much more—but more at the entry level, to be honest, than at the higher level. But, where employers are doing training, are we putting barriers in the way of that then being recognised?

Mr Taylor—It is the availability of getting those skills sets trained. That is the hard bit for us. In the system, what they do is enrol in a full qualification—

CHAIR—But pick a subject and—

Mr Taylor—and then drop out halfway through. They get what they want out of it and then drop out. And that is not recognised in our statistics of how industry trains. It is something that I think we need to look at.

Mr IRONS—In talking about swapping between trades, the business I was in was refrigeration and the best tradesmen we could pick up was someone who had an electrical and refrigeration certification. But there were no credits at that stage for guys who came in for either subject. Maybe there needs to be a holistic process that says, ‘These trades mix and match together—

Mr Taylor—That is right.

Mr IRONS—and we should be doing these units with these guys.’

Mr Taylor—That happens now.

Mr IRONS—Does it?

Mr Taylor—Yes, that is being done.

Mr SIDEBOTTOM—Where have you been, Steve?

Mr IRONS—I have been working.

CHAIR—Now that you have interjected, Mr Sidebottom, I will give you the call.

Mr SIDEBOTTOM—You may have asked this question while we were running in and out, but I was just wondering who trains the trainers nowadays, how well are they trained and how do we know how well they are trained?

Mr Taylor—That is a real issue for us. It is the RTO’s responsibility to train the trainers—given that they have to have an industry background in where they are teaching. It is an issue for us. We attempted to put a diploma of teaching in our electrotechnology training package. In that would be a minimum requirement of being a CERT IV training and assessor and also a requirement to refresh the teacher on the stuff that I have forgotten—and probably you have forgotten—when we did our trade. That was opposed by the state training authorities because it is a duplication of a teaching qual. It is a generic teaching qual.

We are saying that, for technical trades, the idea of me now getting up in front of a class of people who range from 16 to 35 and talking about the actual physics and maths that are required for our trade, frightens the living daylights out of me. The way we would do it is to have a refresher part of that Diploma of Teaching coupled with the training and assessment

qualification, and give people confidence that they could do that. That has been opposed by each state and territory training authority.

CHAIR—The universities offer a diploma in education and vocation.

Mr Taylor—Yes, they do.

CHAIR—Are you saying that that is not flexible enough?

Mr Taylor—No. It is not specific enough to the technical nature of our industry. It is generic teaching skills.

CHAIR—But if they could offer modules where people could pick up modules within that qualification, it is more specialised.

Mr Taylor—Exactly. That is what we put up as a model, but it really got bowled over by the states.

Mr SIDEBOTTOM—We talked about impediments as well, so what are the objections? What objections are they really putting up?

Mr Taylor—Duplication of qualifications.

Mr Ross—In Australia we have a problem between courses and national qualifications. There are always those issues. You have TAFEs wanting to deliver programs that they may have developed themselves and that they have on their system and in their state, and you have national qualifications, which we push and which we want because we want national recognition and we want national qualifications, portability and all those sorts of things. At times there is a real conflict of interest with what is being offered. That convolutes the system and makes it quite difficult. At the same time I am not saying that there should not be specific courses. For some regions—it might be mining—the company might require a particular course for something that they do. Mining in particular, for example, even though we do not cover it, tend to use the training package as a base and pick out the units that they want and deliver that quite flexibly. That suits them. There should be more of it but it is not done. The politics in this also depend on the industry. With construction, for example, the unions do not like skill sets at trade level. They are not keen on that. They do not mind the higher level qualifications. The reason they do not like it is that they believe you are trying to fragment the trade. They say that the employers will use people just for specific purposes, they will not be broadly trained, and when they leave that job they will not be able to get work elsewhere.

CHAIR—From a training background there is some truth in that.

Mr Taylor—That is the truth.

CHAIR—It is not a short-term solution but it creates our long-term skills problems.

Mr Taylor—For our industry, our skill sets are post trade because of exactly the argument from the unions on that point—not to fragment the trade but have that generic tradesperson, as

you spoke about, that is recognised worldwide, and then gain the skills sets after that. But that is an issue for each industry. They all differ.

Mr Ross—The quality of TAFE teachers varies a lot depending on the individuals as well. You get some fabulous people out there who do a wonderful job and you get other people who are filling in time to retirement.

CHAIR—I suspect that is a problem across the education sector.

Ms COLLINS—I am particularly interested in retraining for climate change. Do you have any ideas about the numbers of people out there already with qualifications who you think will require retraining on top of those who need new skills—new people with new qualifications.

Mr Taylor—Our work force is about 150,000 electricians in the country. That is without contractors. They will all need retraining.

Ms COLLINS—Every single one of them?

Mr Taylor—Every one, particularly in sustainability, particularly in auditing of domestic and commercial installations. Everyone involved in that will need retraining. In the past there were electives that actually picked that up but nobody took them. We had them available but nobody took them.

CHAIR—You are nodding, Mr Ross. Is it the same in your industry?

Mr Taylor—Yes. Business drives it, the dollar drives it. Until it hits bottom dollar, then it becomes a point and all of a sudden a whole industry is created.

Ms COLLINS—So it is a very significant task.

Mr Taylor—Exactly.

Mr Ross—Licensing requirements and minimum levels of training to get the job done tend to be the focus, which we should be well aware of.

Mr IRONS—My experience has been that as well. As the manufacturers change their technology, forced by legislation, employers will take them on and do the minimal training to bring them up to speed under those new changes forced by legislation. Industry will not change unless they have to.

Mr Ross—Sixty per cent of people in the construction industry have no formal training. So we have a massive job ahead of us there to try to—

Mr Taylor—We have both been proactive in the sustainability argument in our training now. These new training packages have all sustainable work practices built into the training. But we are talking about a different generation now. The bosses that run the companies are my age and certainly that would not come into our thinking—those days you left the tap on and washed the concrete.

Ms COLLINS—Obviously, in saying that the modules are there—

Mr Taylor—They are there. We have addressed it.

Ms COLLINS—So you go through the process of making them compulsory.

Mr Taylor—Yes.

Ms COLLINS—How long does that process take? You talk about the issues with Victoria. But, if you put those aside, realistically, how long does that process take?

Mr Taylor—The actual physical training of a group of say, 150,000—

Ms COLLINS—I mean the process of getting that module compulsory.

Mr Taylor—It is compulsory now. It has been endorsed and everything and it is rolling out. Our apprentices now are being trained that way.

Ms COLLINS—They have to do that?

Mr Taylor—Our apprentices and all our personnel. For anybody who does a higher qualification, it is the same. It is written into every qualification we have—up to advanced diploma.

Mr Ross—We are building sustainability into all our qualifications as well. So we are doing those sorts of things, but the issue is that a lot of people out there do not have that.

Ms COLLINS—That is right. That is why I asked the question.

Mr Taylor—The skills set, to me, is the ideal answer to address that need. So, if I am Joe Blow the electrician, I would take up the skills set to roll out smart metering, photovoltaic and sustainability in a set of three or four units of training—and not a qualification; ‘I do not want a qualification, but I want that.’ That to me is the way we would have to do it. The trouble is getting access to be able to do that. That is the challenge for us—convincing RTOs, registered training organisations, and the bosses to take these up.

Mrs D’ATH—Just following on from that, you have the modules in place now and it is compulsory for new apprentices coming through. But, on that reskilling issue, is there any incentive for employers to be reskilling? What planning has already occurred on how this reskilling is going to occur and the time frame in which it needs to occur?

Mr Taylor—We have got things like ‘Green Electrician’, which is part of an employer association’s role, but I do not think the training is rigorous enough to really satisfy all needs. The idea of government subsidies for installation of electrical systems in a house will force businesses to take it up. For example, there is now an \$8,000 rebate for somebody which puts a photovoltaic system on their house and generates back into the grid. If I was qualified enough to be able to attract that subsidy on behalf of my client—you have to be qualified to be able to do

it—that drives business. Because I am the only one who can do it—which allows my client to get the \$8,000 subsidy—they are going to ring me.

CHAIR—But you are saying that part of the problem is that there are not enough people trained to train the people.

Mr Taylor—That is right.

CHAIR—So we are creating a supply problem that could drive up places—

Mr Taylor—Exactly.

CHAIR—Which will make it less attractive for people to take up the government initiatives.

Mr Taylor—Exactly.

Mr IRONS—And, while you have got a huge demand in the marketplace for work outside those areas, people are going to say, ‘I’m going to keep working in this area because there is plenty of money in that area; I don’t need to get into that area.’ When you demand drops, they will start looking to go into those areas.

Mr Taylor—So it is a twofold problem: you have to get people trained—you have got to have trainers—and then you have to make the businesses think it is good enough to be able to run a really good, smart business. People are changing their business focus as we speak. But, again, where do you get your people trained?

CHAIR—From a government policy perspective, if we are giving out an \$8,000 rebate, we would rather it was \$8,000 of a \$15,000 cost than \$8,000 of a \$25,000 cost, because there is such a shortage of people to do the job. So it has implications not just for our education and training but also for our climate change policies and so forth. Did you want to add something, Mr Ross?

Mr Ross—No, just that I think that employer confidence in training is an issue. I think the issue there is getting the qualifications through the system and available as quickly as possible. The employers work very closely with us in developing these qualifications. They put a lot of time and effort into it—ramp it up, ready to go—and then sit there wondering what the hell is going to happen.

CHAIR—The comment that you made about process rather than outcome is really significant for us, because we have seen in the tertiary sector, where overseas students have come in, some very sad examples of very poor quality stuff that probably ticked off all the process boxes, but where the outcomes were particularly poor for the people. We would not like to see that play out broadly in the trade sector. That is what worries me. I think we have got something right for a long time and it would be terrible to lose that. You have indicated to us the importance of having a look at that, rather than just ticking off process boxes. Those who want to make a profit in the sector without really being committed to it can tick off those boxes pretty easily—

Mr Ross—Correct.

CHAIR—as opposed to measuring the outcomes. I think that is a very valuable message for us.

Mrs D'ATH—I just have one more question before we move on. We talked about quality and the concerns of industries out there about the quality of training that is being delivered. We know about the shortage of trades people to train, but in light of those comments about school based apprenticeships and traineeships, what is the general feedback from industries in relation to the quality of the training we are delivering to our school kids? What can we be doing to start addressing those concerns?

Mr Taylor—It is something dear to my heart; I will answer. From our point of view, our trade is based on basic physics and maths. And you just cannot change the laws of physics because the education system does not concentrate on that. So, for us, the pool of people we want in our trades have to have a basic understanding of physics. Otherwise things happen. We think the emphasis on that is going away from the education system. In the ACT, for example, you can get through your high school certificate without doing physics and maths. Now that is a worry to me, and it is a worry to industry. I would be stupid if I did not tell you that we worry about basic physics and maths for students for our industry.

I say that would be the same for Alan's industry, because they measure and do all sorts of different things. It is really a basic problem for us. We are tending to find now that there are a lot of mature age workers becoming apprentices. The enterprises and employers are starting to pick people who are 25 as apprentices, because they actually understand life, and also they can add up.

CHAIR—And they have overcome their school aversion to poorly-taught maths and sciences.

Mr Taylor—Correct. For example, I know that Energex in Queensland have really concentrated on mature-age apprentices rather than people who are 17 or 18. It is basically a physics and maths issue.

Mr SIDEBOTTOM—So no doubt you will be making some submission to the national education council's curriculum redesign!

Mr Taylor—Well, I got told by one head person from a school in Canberra that we would have to lower our physics and maths standards in our trades rather than them teach it—which went down well.

CHAIR—Well, having taught in high schools I have to say that there is some truth to that, because when you are largely drawing from a male population base, what you have described is exactly what happens. They hit 21 or 22 and suddenly maturity kicks in. They get an understanding and appreciation. Trying to pump it into them at an earlier age is not necessarily going to get any easier.

We are fascinated and we could probably talk to you for hours and hours but there is another committee that people need to attend. Thank you very much for your comments and submissions today. I think it has given us some really useful and very practical things to think about in terms of our recommendations. I do not think we have asked you to provide any additional

information, so we can leave that. We may, however, have some additional questions following this hearing, which the secretariat will forward to you if you would not mind providing us with the response to those. You will be sent a copy of the transcript of your evidence, to which you can make corrections of grammar and fact. Again, thank you very much. It has been very valuable evidence, and helpful to us.

Resolved (on motion by **Mr Sidebottom**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

Committee adjourned at 10.45 am