HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Reference: Factors influencing the employment of young people

BRISBANE

Wednesday, 13 November 1996

OFFICIAL HANSARD REPORT

CANBERRA

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Members

Mr Charles (Chair)

Mr Peter Baldwin	Mrs Gash
Mr Barresi	Mr Griffin
Mr Bradford	Mr Marek
Mr Brough	Mr Mossfield
Mrs Elson	Mr Neville
Mr Martin Ferguson	Mr Pyne
Mrs Gash	Mr Sawford

Matter referred for inquiry into and report on:

Factors influencing the employment of young people.

WITNESSES

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON EMPLOYMENT, EDUCATION AND TRAINING

Factors influencing the employment of young people

BRISBANE

Wednesday, 13 November 1996

Present

Mr Charles (Chair)

Mr Brough Mrs Elson

The committee met at 9.33 a.m.

Mr Charles took the chair.

CHAIR—I declare open this public hearing on the inquiry into factors influencing the employment of young people. The committee has received over 80 submissions and conducted public hearings in Canberra, Sydney, Melbourne and Adelaide. Tomorrow the committee will conduct the first of a number of school forums in which young people will have the opportunity to voice their views and opinions on this very important matter.

The purpose of the inquiry is to consult widely and produce recommendations for government action that will help promote the employment prospects of young people. I am keen to hear the views of all sections of the community about how we can better equip young people for employment. I am particularly keen to hear the views of people who are active in commerce and industry, for they are the potential employers and the creators of the jobs for the future.

This is a very broad ranging inquiry. Matters raised in submissions so far include: the attitudes of young people; the work ethic of young people and their familiarity with the requirements of the workplace; the adequacy and relevance of the education and training systems; the importance of developing better linkages between schools and the business sector; the need for a more flexible industrial relations system; and the effectiveness and efficiency of government programs to assist young people to find employment.

This is not meant to be an exhaustive list of issues the committee will consider or which might be raised. We are entirely open to the views of everyone who wishes to make an input to the inquiry. We are here to listen, to learn and to help improve the prospects of young Australians.

Today, the committee will take evidence from the Queensland Retail Traders and Shopkeepers Association, Wagner Investments, the Australian Council of Trade Unions, the Youth Affairs Network of Queensland, the Australian National Training Authority, the Queensland Secondary Principals Association, the Queensland Chamber of Commerce and Industry and the National Food Industry Training Council. I now call Ms Karyn Hart of the Queensland Secondary Principals Association.

Ms Karyn Anne, President, Queensland Secondary Principals Association, PO Box 3340, Logan City, Queensland

CHAIR—Would you like to make a brief opening statement?

Ms Hart—My opening statement would basically be that secondary principals are increasingly concerned at what we perceive to be a lack of employment opportunities for young people. We are equally concerned at the frustration young people in schools are showing towards that very fact.

CHAIR—In this equation—complex though it may be—of how we make young people more employable and how we encourage industry to make more jobs available for them, do you think that the school system has in any way let young people down?

Ms Hart—I think we have not been as well prepared as we should have been for the factors that are influencing society at the moment. Presently, an increasing number of schools teach young people who are second and sometimes third generation unemployed. We have no facilities or skills at that stage to try to motivate them into believing that there is work out there for them. We have an increasing population where dysfunctional families are seen to be the norm and not the traditional family that we know. Therefore, schools are used constantly and consistently to provide values for young people that they are not taught at home. We do not believe that, within the context of schooling, we can continue to do that without adequate resourcing.

CHAIR—Some respondents to this inquiry have told us that they believe that youth today understands very little about the world of work—what opportunities for work there are; what career opportunities might be available; and what work is like—and at the same time we are told by some that, in some respects, they hold the education system or teachers partially responsible for this. To give you an anecdotal example, the teacher holds up a photograph of a manufacturing plant in front of the class and says to their students, 'Look, if you don't study hard and go to university, you are condemned to get your hands dirty in this horrible job'; or holds up a photograph of an abattoir and says, 'Can you imagine anything worse than having a job like this?' They fail to tell the students that they might earn up to $1,000 a week doing that horrible job in the abattoir, which today is really quite a good job. Do you have any comments about those sorts of complaints or statements from respondents?

Ms Hart—My comment would be that teachers today have teaching as their only career. Unfortunately, young people today have recognised that that is not going to be the case for them. They are going to have to change their career paths to a greater degree as they work in a variety of different areas. Young people are very familiar with part-time work. The number of people from 15 onwards in schools who hold part-time jobs to either supplement the family income or to assist them with what they want to do as far as their basic schooling and education is concerned grows rapidly. Some young people even hold down two part-time jobs as well as juggling their studies. I think they are very familiar with the working world.

Mr BROUGH—The expectation I think is all built in with that. With the teachers, if you have a teacher that has finished senior, gone onto higher education and gone straight back into the school system, obviously their experiences outside the schooling system, the education system, is pretty limited. We reflect the experiences we have in our own lives. So if their expectations and experience is based on education then

that is what a lot of the teachers may be imparting and therefore imparting an unreal expectation on a percentage of the students.

Ms Hart—I do not believe they intentionally set out to do that, but I believe that you do draw on experiences from you own life. Broadly, teachers have gone on from high school to university and back to school to teach. They therefore have not had the working experience and the change of working experience that other people in other industries have had.

Mr BROUGH—Following on with the expectations, from what we have gathered from information so far, there seems to be two expectations—that is, that there are no jobs out there, it is impossible to get work so do not bother trying; and that there will be a percentage of young people who will finish school this week in Queensland who will leave school with that expectation and, therefore, will make very little effort to get work. There are those, on the other hand, who have too high an expectation that they will finish grade 12 and that simply because they have done that they can expect to start second or third rung up the ladder. If you take that to the next step, they finish their higher education, still have no life experience or job experience and will also expect to start further up the ladder. Is the statement I have just made broadly correct? Is there an unreal expectation at both ends of the spectrum which is being thrust upon young people and, therefore, they do not have a realistic approach to the job market?

Ms Hart—I think the majority do have a realistic approach to the job market, but I do think there are extremes. I would agree with aspects of what you have said. I think young people today expect a lot from society and they are going to test those limits all the way through. They do not understand what the working world is like as far as competability is concerned. I think that is part of the problem.

Mr BROUGH—How does the school do that then? We have heard conclusively that most young people know their rights in a workplace. They often do not know their responsibilities—

Ms Hart—Or the consequences that go with them.

Mr BROUGH—Yes, exactly. How do we make the education system more relevant to be able to impart that onto them when the security blanket of the teachers is left behind? The dysfunctional family is becoming more the norm. How do we better equip them than we currently are to face those responsibilities?

Ms Hart—I think there are certain things that are already going on in schools that are really quite successful—work industry placement, for example, and work experience that students do. All of those things have been successful in the past and with more resourcing could be more successful in the future. But, realistically, those resources have to go to the schools for that to occur and there has to be communication between the workplace and the schools to allow that to happen.

Mr BROUGH—So what is actually happening there? Can you give us some examples in the workplace? We have seen what happens in Salisbury in South Australia, which you may be familiar with, and its very successful integration in the workplace with the school. I know how we have work experience for one week. Is there any more that any schools in Queensland are doing?

Ms Hart—Yes, some schools in Queensland have students doing particular courses, where they go out to work one day a week in the work force. They are assessed on that. It is competency based. They come back to school for four days a week.

Mr BROUGH—Is there any anecdotal evidence to suggest whether those people in those schools are achieving better results both academically and then in their transition into the work force?

Ms Hart—Because it has only been happening in the last 12 to 18 months, I think it is too soon to actually gauge that, but the popularity of the courses is overwhelming. Also the number of business people who were more than happy to have more and more students come into that must suggest that it is working both ways.

CHAIR—We have had anecdotal evidence for years that we have a literacy and numeracy problem. Recently we saw some statistical evidence, finally, to back that up. In 1994-95 this committee produced a report called *The literacy challenge*, which has become the bible for literacy. David Kemp released some results of ACER testing over the last 20 years that indicates that we have a very serious problem. As a secondary principal and a representative of all the secondary schools through Queensland, what do you think about literacy standards today compared to what we really need in society?

Ms Hart—I think we need to spend a lot more money on the literacy and numeracy problems that are increasing, to a degree, in schools. That is very obvious in the secondary sector because when young people come into year 8, we usually provide them with texts, and those texts are for a certain reading age. It is extremely obvious when those young people cannot read the texts in front of them and we then have to supplement them with extra material in order to try to assist them through a very simple process of learning. They then feel disadvantaged and believe that they are disadvantaged because of that.

I do not know the answer. I do not think it will be one that we can actually achieve overnight. Because the problem has been there for a number of years, it will take a further number of years to address it successfully and do something about it. In Queensland, for example, we have the integration of what were special schools into mainstream schools. That provides another variance to the literacy and numeracy problems that we have. So, again, that is an increasing load on teachers on the mainstream to try to accommodate quite a wide variety of reading levels within one class.

CHAIR—It seems to me that industry has had very little involvement in our education system in Australia, for whatever reason, perhaps because government has always been seen to run all three levels of education. Do you have any ideas about how we might actively involve industry, both in the financial side of education provision and perhaps, just as importantly, in helping schools and teachers teach their children more what the real world is all about without disturbing your curriculum too much?

Ms Hart—Our curriculum gets disturbed every day. It does not matter what we choose to do; it will be extended further and further. I do not have any answers to that. I think it would be unrealistic of me. I am not a business person. I am sure the business people could come up with some ideas, but I do think we need to communicate a lot more with business people to find out what is going on and what is achievable. I sometimes get the perception that business people think that schools are not teaching places, and they are. They are also

learning places. But we only have that teaching and learning that goes on for six hours a day, five days a week. We have an ever increasing curriculum with which to deal and an ever increasing number of family problems that schools are expected to deal with.

CHAIR—You have commented on the family problems a couple of times—the sociological problems. Do you have any ideas on how we could deal with that? You have said that parents seem to expect the school system to pick up their deficit and make it good. You think that is probably realistic. How do we deal with these problems?

Ms Hart—We need to do some more community work because within school communities there are agencies that can interrelate and assist. They do exist at the moment but I think they, too, are overstretched with what is going on in society. Until society as a whole comes to terms with the fact that what has actually evolved is not necessarily in the best interests of young people and that we need to stop and have a look at this quite seriously and make some changes to assist young people and families, then I can only see us going down an ever decreasing pathway for young people for tomorrow.

Young people at school get very frustrated. For instance, when they get offered an apprenticeship, they come back to the school and say, 'Why are we working when our friends down the road are on unemployment benefits?' There seems to be not enough of a disparity for them to be motivated to continue down that apprenticeship line. They say, 'My friend is at the beach and here I am working. There is very little difference between what we bring in.'

Mr BROUGH—It is a strong pull, isn't it?

Ms Hart—It is.

Mr BROUGH—Particularly on Monday mornings.

Ms Hart—Yes.

Mr BROUGH—What are student counsellors and career counsellors: are there sufficient; do you believe they are equipped to do the job of counselling everybody rather than just counselling the so-called problem child; and should the intervention of counsellors be much earlier? I am referring to perhaps maybe even starting at primary school. That is in relation to not so much their streaming—whether they are going to go into higher education or into some form of employment—but just advice of the options that are available to them and giving the students some idea of where their aptitude would best direct them.

Ms Hart—I think it is extremely important to start in primary school. But the role of the counsellor in primary school is very different from the role of the counsellor in high school. In high school, you tend to look more towards career counselling in many aspects. The behavioural problems that may be associated with that tend to go to the administration. In the primary school, because of early intervention, you tend to have counsellors intervening to assist the children who have problems rather than focusing on what their careers may or may not be. But I think hand in hand with that there needs to be another program for parents, because their perception of the working world is very different from what the reality of the working world is and their

perception of what their child is able to achieve can be very different from the reality as well.

Mr BROUGH—How do you deal with the situation when you have a student who is falling down in literacy. It generally involves the teacher coming back to the parent to say, 'This is where Johnny is falling down. You need to do this.' Then, as the chairman said earlier, it is almost in reverse with the parent saying, 'Hey, you as the teacher are falling down in this area. You need to do this.' It is almost a buck passing of responsibility. There seems to be a breakdown of communications as to the importance of these things, that it is everybody's responsibility and that it is a team effort. I have seen that in the schools I have been involved with. Do you have any comments on how we can best address that because, obviously, that is adding to the literacy and numeracy problems?

Ms Hart—Again I think it needs to go back to the community situation. I can only refer to this anecdotally as far as my school is concerned. What we do in our school is run a program for parents who come in to tutor young people who have literacy and numeracy difficulties. We have approximately 150 volunteer people who come in to do that. These volunteers also undertake a training program. It is their lack of confidence in what they are very able to do that we need to address on a regular basis with them. A lot of parents are scared of schools.

Mr BROUGH—Bad experience when they were there.

Ms Hart—It must be.

Mr BROUGH—Are you familiar with Mountain Creek High School up at the Sunshine Coast?

Ms Hart—Vaguely.

Mr BROUGH—I have a relative that is going there. They tell me that they are now changing the school system with the junior school starting school at 10 a.m. and finishing at 4.30 p.m. and with the senior school starting at 7 a.m. and working through to 1 p.m—do not quote me on those hours but thereabouts—so that their resources can be best utilised throughout the whole school. Obviously the aim is to get everybody up to a higher standard. Is that something which is likely to take off and be an advantage throughout Queensland?

Ms Hart—I think there are a number of schools trying variations to that already. If we can get the transport system organised within school areas, I think it will take off because it is a great opportunity for the sharing of resources, as well as the use of those resources.

Mr BROUGH—Are you familiar with the apprenticeship system we are looking at establishing; that is, where a student can be in the school as well as in the workplace?

Ms Hart—Yes, I am.

Mr BROUGH—What are your thoughts on it?

Ms Hart—I think it is an excellent idea, but I still think we need to sit down and have a look at that curriculum to see what variation needs to happen within a school for that flexibility to occur. I think the

resources need to go with that to enable that to happen, rather than disadvantaging the child.

Mr BROUGH—Do you think it will be embraced by the schools rather than being seen as an embuggerance in some regards?

Ms Hart—I certainly think the majority of schools will take it up very successfully.

CHAIR—That gets back to how you keep young people interested in school. Surely, you have found that some percentage of your school population either sits there and stares vacantly at the wall or only shows up two days a week and makes no effort at home—that sort of thing. Do you have particular programs or mechanisms that you use in your school? Are you aware of others being successful in trying to engage young people in this education process?

Ms Hart—I think it goes back to the individual student and what you can actually do in the time frame schools have. We run several programs run in our school to encourage students who are unmotivated, but we try to include their families in those programs as well. Often we find that unless we can get the family onside with the school the child or the young person will last about a month and then go down a similar track again. It really is getting everyone working for the child and having the child understand that we are working for him or her. Truancy is a problem with regard to that.

CHAIR—Some principals and teachers tell me that we seem to have a problem at about year 9 or year 10 with a percentage of the school population disappearing. In other words, they exit school and we do not know where they go. They disappear. We suspect that they wind up on the streets, ultimately on the unemployment queues, with substance abuse, or in the justice system—any or all of the above. Do you have similar problems? If so, do you have any mechanisms to address that? Are you aware of mechanisms in other schools to try and deal with that on a systemic basis?

Ms Hart—Our school is presently running a homeless youth program. We have someone employed full time. That person is kept very busy—certainly more than 9 till 3—just tracking such children and encouraging families to come in to talk about the problem and to try to get the child either back at home or in an environment that is safe. We find that that is one of the most difficult aspects: finding places for young people who are not at home. The street is very popular with them.

CHAIR—I am told that most schools teachers are able to identify the students who are at risk of disappearing out of the system before it happens.

Ms Hart—I would agree with that.

CHAIR—Are you doing anything to try to keep them at school?

Ms Hart—Because of the homeless youth program that we run, we have a variety of courses that these young people can undertake. We usually meet with them on a regular basis. They do not meet with me, as the principal, because that is fairly threatening to them. They meet with the counsellor who does work at the school. That is an extra to a school. I do not believe imposing the same thing on a school that has not received

the funding we received would be successful. The program would certainly not work as successfully as ours has. Within 48 hours we were able to identify children who appear to be uncomfortable at school, find out what is going on at home and deal with the situation.

CHAIR—You said earlier that—and I will make this the last question—there seems to be some sort of dichotomy between social security or the dole payment and—

Ms Hart—I was kind. I called it unemployment benefits. I did not call it what the kids call it.

Mr BROUGH—What do the kids call it?

Ms Hart—It depends on where you come from. Where I come from, they call it the mini-wage.

CHAIR—The mini-wage. That is an interesting comment. How do we deal with the problem that unemployment benefits, social security, the dole, the mini-wage or whatever you want to call it—

Ms Hart—The homeless youth allowance. They can tell you how much they get per week before they leave.

CHAIR—How do we deal with making that less attractive? Do we cut it?

Ms Hart—No, I think we need to make more attractive the apprenticeships and the traineeships that businesses can undertake. We need to work in a positive way rather than in a negative or a reactive way, because some people desperately need those amounts of money. There needs to be a greater variance between the two.

CHAIR—Before, you talked about the fact that you had students in families where the students are the third generation of people who have never had a job. Do you really think that, in an effort to change the social security system itself, you have any hope of removing welfare dependence?

Ms Hart—No.

CHAIR—Thank you.

Mr BROUGH—I wanted to follow that up. Is it too easy to get the mini-wage? If they are coming from a disadvantaged group and they are finding education a bit hard and they are finding that their literacy skills are not that good—so they fell into the categories we mentioned earlier—is it too easy for them to opt out? I am not trying to come up with, 'Let's crackdown on everyone,' but do you think there should be some mechanism, if it is possible, in which to intervene between that decision to opt out?

Ms Hart—Yes, but I do not know of any way in which you could actually do that.

Mr BROUGH—That is what we should aim for, but trying to achieve it is a very difficult thing. In the same line, Austudy and the like—

Ms Hart—The school wage?

Mr BROUGH—What are their thoughts on that?

Ms Hart—Some people need that to survive at school. Schools are very aware of the students who use the system and then abuse it. There are students who come to school one or two days a week and do not hand their assignments in. They create disturbances in classes so that the children who are there to learn are not able to learn.

Mr BROUGH—So it is like an unemployment diary? There is some form of checks and balances so that a student who is receiving this income perhaps should be looked at to ensure that we not only give them the support but also there is an outcome as a result of that support which may, in the long term, lead to a better education and to employment. Would that be a reasonable assumption to make?

Ms Hart—Yes, schools now do checks and have to send in information for those students who have not attended. There is no check, though, on whether or not the student who is at school is still participating in the classroom or is just staring vacantly at the wall for six hours a day. That needs to be brought into it as well.

Mr BROUGH—Thank you.

CHAIR—Thank you very much for appearing before the committee. I apologise again for the late start. I want to thank you for your clear and concise answers. As a principal, you did not waffle, so I must compliment you. Thank you.

Ms Hart—I am known as a minimalist, so there you go.

[10.05 a.m.]

WAGNER, Mr Denis Patrick, 8 Harvey Road, Glenvale, Queensland 4350

CHAIR—I welcome Mr Denis Wagner before the committee. In what capacity are you appearing before us today?

Mr Wagner—As a private citizen.

CHAIR—Denis, we have received your submission. Would you like to make an opening statement to this formal inquiry?

Mr Wagner—To give you some background on who I am and where I come from, my family operates a company called Wagner Investments Pty Ltd in Toowoomba. We are in the business of pre-mixed concrete, quarrying and transport. We employ approximately 130 people, five of whom are currently apprentices. The basis of my submission concerns the lack of incentive or the need for incentive for employers to increase staff numbers and the need for incentive for the unemployed to gain employment.

CHAIR—You talked about attitudes in your submission. Could you tell us in some detail, as others have, your view of the attitudes of young people towards the world of work.

Mr Wagner—I have had several experiences interviewing young people for potential jobs, some being apprenticeships, some being labouring jobs and some being truck driving jobs. On many occasions we have had a prospective employee come to an interview and the very first question they ask is, 'How much do I get paid and what do I have to do? I am not going to do this task or I am not prepared to do this.'

We have a fairly rigid policy in our organisation. For example, we have a dress standard. We do not like our employees to wear earrings at work. That is just a company image thing. On numerous occasions young people will say to us, 'If you give me a job, I come with an earring.' Our attitude to that is, 'We are paying the wages; if we don't want you to have an earring whilst you are representing us, they are the rules. If you have an earring after hours in your social life, that is not a drama to us, but whilst you are representing us, we expect you to come up to our standard.' The same applies with dress standards, general cleanliness, tidiness and attitude.

CHAIR—Some respondents to the inquiry, not many, particularly the ACTU, argue that youth being paid less than an adult is not an incentive to hire more youth. In fact, it acts as a disincentive because they find unemployment benefits attractive. If youth wages and training wages were the same as full-time adult wages, would you hire any young people?

Mr Wagner—As an employer, we need to look at it on a value for money basis. If you have a young person with limited experience, or in some cases no experience, he is not worth as much to an employer as someone who has experience. I think that needs to be kept in perspective. I agree that the unemployment benefits that are on offer today do not encourage people to go out and work. They do not encourage people to really want a job so that they can progress in life or have a future.

Mr BROUGH—You mention here a pre-vocational education system. You have obviously had some direct experiences with people who have either been through that or whatever. Can you give us a run-down on what that involves?

Mr Wagner—I have had experiences in two instances when, after interviewing potential employees, I have offered them a job and they have said, 'I can't start now because I have to finish my TAFE course.' My attitude to that was, 'Firstly, you should have told me that before we got to a stage where I offered you a job. Secondly, the reason you are doing a TAFE course is to get a job. Now you have got the job, forget the TAFE course. Come and we will teach you what it is like in the workplace, in the real world.' I know of another case where an employee left a position because she received an Austudy grant to go and do a TAFE course. In my view, that is counterproductive.

Mr BROUGH—What about training on the job? You would have employed people somewhere along the line who have been given training to get some of the skills they need. Have you found that has been a benefit, or do you prefer to get people—as some submissions have said—and train them from scratch as long as they have got the right attitude?

Mr Wagner—In general, we would prefer to do our own training. However, if someone has done a TAFE course—for example, in welding—they would have a very basic knowledge of the equipment, and generally that is about it. They certainly cannot be considered skilled workers or anything such as that.

Mr BROUGH—You mentioned also the attitude of youth. In particular, you did say the older generation as well when they are looking for work. But then you also went on to talk about their responsibilities to maintain the employment. Are you finding there is a big difference between the actual attitude of people getting the job and then what is required to maintain their responsibilities?

Mr Wagner—Generally, I would say the attitude of an employee would change certainly after a couple of months, if not before.

Mr BROUGH—In what way?

Mr Wagner—When someone applies for a job with us, they will literally tell you anything or do anything to get the job. After six or eight weeks, or sometimes even less, the attitude has generally changed in so far as it becomes, 'Hey, I am not doing that. I am not sweeping the floor today. I am a tradesman, I am not going to clean up my own mess. You get a trades assistant.' There are attitudes such as that.

My attitude towards youth unemployment is really no different to unemployment in general. In my opinion, if the unemployment rate was reduced, our youth would find it a lot easier to get a job, obviously to keep people in work.

CHAIR—You obviously interview a reasonable number of young people for apprenticeship positions. Do you have any trainees or just apprentices?

Mr Wagner—We have in our organisation a full-time driver trainer. Every truck driver who comes to

work for us goes with the driver trainer for a period of time. For a good operator, that may be for a day. For someone who has little experience, it may be a fortnight. Essentially, everyone we put on staff, we consider to be a trainee for a short period of time. They are always learning, or they should always be learning.

CHAIR—Of the range of people who you interview for jobs, do you find that literacy is a problem?

Mr Wagner—Generally not. In our location, in our industry, no, that is not really a problem to us. We do have employees whose ability to spell is lacking. I am not aware of any of our employees who cannot read or write. Generally, the problem is not insurmountable.

CHAIR—I notice that you are also in the transport industry. What is the extent of your involvement in transport?

Mr Wagner—We run a transport division of approximately 20 trucks. We do mainly bulk haulage; for example, sand and gravel for our other operating divisions: concrete and quarrying. We are mainly local-type work rather than interstate.

CHAIR—Didn't I see an aircraft down here?

Mr Wagner—We had a company aircraft. We have since sold it. We are in the throes of purchasing another one. Both my brother and I are pilots.

CHAIR—But you are not in the air transport business?

Mr Wagner—No.

Mr BROUGH—When you mentioned the work for the dole scheme, you also mentioned a lot about attitude, which almost all businesses do, understandably. Do you see there being a conflict between people working in your business, for argument's sake, for the dole and perhaps attitudinal problems which may negate any assistance they may get? For example, the conflict could be between—as you referred to—the earrings and all the rest of it and the standards that you wish to maintain; trying to get people who may not necessarily want to be there at all being actually a detriment to your business. Could you explain, giving some thought to those sorts of points, how you would see a work for the dole scheme helping to reduce the levels of young unemployed and how it would be administered?

Mr Wagner—The work for the dole scheme has really got to be driven by the government. In other words, if you do not work you do not get anything; there are no free lunches. I am not suggesting we put everybody out on the street. I am suggesting there must be incentives there for people to go and work. There also have to be incentives for employers to create jobs. Currently, there are numerous reasons why employers should not create jobs.

Mr BROUGH—What are they? Perhaps you would like to outline those for us, please, in your specific business?

Mr Wagner—In our specific case we have things such as payroll tax, annual leave loading, unfair dismissal, penalty rates, public holidays—the lack of productivity. Doing some quick calculations, if we employ a man to do his 38 hours a week, his cost to us is effectively 20 per cent more than the wage that he gets. If we employ a man to do 50 hours a week, his cost to us is effectively 38 per cent more than what his wage is.

To come back to the disincentives one at a time; firstly payroll tax: the more people you put on, the more money it costs you, so that is a big disincentive. Why go above the threshold and carry an extra expense for everyone for the sake of creating more employment? Secondly, leave loading: why should someone get paid more to go on holidays? It is the same old argument. It has been around, I assume, since leave loading came in. Why should that happen? Why should an employer foot the bill for it? Thirdly, unfair dismissal: an employee can walk through the door today and give us two days' notice in some cases, a week in other cases. He can say, 'See you, I am out of here. I do not like working here any more and I am going to something bigger and better.' Good luck to them, but why shouldn't an employer have the same right, the same ability, to say, 'Hey, you do not suit our organisation. Let us part company.' Fourthly, penalty rates: if a man or a woman works 7.6 hours a day, effectively thereafter they are less productive, but in actual fact you pay them more.

I am certainly not suggesting that our employees should be discouraged from working, because we like to encourage our people to work long hours, to work hard and to earn more money. But maybe there is some scope for a tax incentive for people to work rather than an impost on an employer. Maybe we should say, 'Hey, after your 7.6 hours, we will give you a reduced rate of tax instead of an increased rate of tax.' That is all working in reverse at present, in that the more someone works, the more tax they pay and the less they get in the hand. It is extremely frustrating from an employer's perspective when someone says, 'I am not going to work on Saturday because I pay too much tax.' There is nothing I can do about it. I require the work done. It is extremely frustrating.

Turning to public holidays: in my opinion, there are too many of them. Let us look at the productivity of an employee out of 365 days a year: if he works five days a week, takes his four weeks annual leave, takes his 10 public holidays and his 10 sick days, then he is only at work for 61 per cent of his time. If we have some equipment that we only utilise 61 per cent of its life, we sell it or we trade it in and we update it. We get something that we can get better productivity out of.

Mr BROUGH—Can you just go back again to the work for the dole scheme. Would you see any of these people working in your business?

Mr Wagner—Yes.

Mr BROUGH—How would you do that? How would you reconcile that with the difficulties of attitudinal problems, poor representation of your business, the administration of the scheme and the costs that would be involved?

Mr Wagner—As far as an employee with a poor attitude, we would not tolerate that. We would terminate the employment and get someone with the right attitude or an attitude that at least they are prepared

to learn and develop and grow with us. The only incentive that you can have for an employee there is what is he going to have if he does not make it work. It is no good if he goes back on to something that is, in some cases, perceived to be better than what he has already got. I cannot tell you really how to administer it but I do believe that, where there is a will, there is a way. If the cost of labour were to come down for industry, I firmly believe that they would be quite happy to bear some of the inconveniences of administration.

Mr BROUGH—So you would see that these people would be subsidised basically into your workplace by the government for a period of time until you either took them on or they found work elsewhere; is that right?

Mr Wagner—Essentially. But a key factor here is that, for the employer to continue to gain a benefit, he must continue to increase his staff. So you cannot have an employer that may abuse the system—

Mr BROUGH—He has to actually increase his staff.

Mr Wagner—He has to actually increase his staff.

Mr BROUGH—Similar sorts of things have actually been put before by another group; so thank you.

CHAIR—Denis, you were here while we were talking to Ms Hart from the Queensland Secondary Principals Association and you heard us discuss this issue about young people understanding what work is all about. Do you think that you as an employer have some responsibility to our youth in trying to educate them as to what careers might be available, what work is available and what work is all about today; and in helping, in some manner or other, instil positive work values in our youth?

Mr Wagner—Yes, I do believe that we have a responsibility. I also believe that most employers would fulfil that insofar as they would encourage people to come and work for them and, once they are working, they would encourage people to stay working for them. As an employer, the last thing we like to see is a staff turnover. Unfortunately, we get that. In some cases, it is through our fault; in other cases, it is through no fault of ours. In general, certainly with our business, we meet our obligations as far as encouraging people to learn to work is concerned: how to work, what is required of them and what standards we require.

CHAIR—If a school or a school system asked you to participate in a careers guidance type of program so that you could put your case for your industry to the students, for them to better understand what might be available, what is expected of them, what career paths they might have and what opportunities might exist for them, would you participate in that?

Mr Wagner—Yes, we would.

Mr BROUGH—If I can follow that one up: Holden down in South Australia—and a number of other organisations—takes on students in two-week blocks. It is not like the one week that we do here in Queensland. The students start with the shift and finish with the shift. They work on the assembly line and so it for a total of four weeks throughout the year. Others are doing one day a week constantly, so they are, for all intents and purposes, an employee of your company during that time. Would you support that mechanism

as well?

Mr Wagner—We would. In fact, currently we have one student from a TAFE college working for us for one day a week for 12 weeks.

Mr BROUGH—And would you be happy to extend that to high schools?

Mr Wagner—Yes, we would.

Mr BROUGH—Excellent.

CHAIR—Denis, thanks very much for coming along. We appreciate your input. We expect the inquiry to run until next May or June. It is an important issue and we want to deal with it in a positive manner. We want to make a few simple, straightforward, strong recommendations to government and hopefully see something positive happen. Thank you again for all your time and effort.

Mr Wagner—Thanks for the opportunity.

[10.31 a.m.]

CASTLETON, Ms Geraldine Elizabeth, Lecturer, School of Language and Literacy Education, Queensland University of Technology, Faculty of Education, Kelvin Grove Campus, Locked Bag No. 2, Red Hill, Queensland 4059

COMERFORD, Ms Lurline, Industrial Officer, Social and Community Services Division, Queensland Services Branch, Australian Services Union, 32 Peel Street, South Brisbane, Queensland 4101

OVENS, Ms Carolyn Anne, Training Liaison Officer, Australian Council of Trade Unions, Queensland Branch, Floor 5, 16 Peel Street, South Brisbane, Queensland 4101

SIMPSON, Ms Lynette Elizabeth, Acting Head, School of Communication, Faculty of Business, Queensland University of Technology, George Street, Brisbane, Queensland 4000

CHAIR—I welcome the Queensland branch of the Australian Council of Trade Unions to our committee's inquiry. Without going through the whole preamble, this inquiry is about employment, not unemployment. We are really trying to deal with two issues: firstly, how to help young people become more employable; and, secondly, how to encourage employers to make more work available for our youth. That is really the whole intent of the inquiry.

In what capacity do you appear before the committee?

Ms Simpson—I am working on a collaborative project funded by the Australian Research Council on enhancing rural women's access to interactive communication technologies. We are working with a number of industry partners on that project. We have been visiting rural areas all around Queensland this year, the first year of the project, and collecting information, so I cannot report findings today. But I will be reporting some of the scenarios that we have been finding.

Ms Comerford—My responsibility is to address industrial issues raised by our membership, who are located throughout Queensland in various non-government or community based welfare, community development, labour market program type areas, such as skillshare, neighbourhood centres and those sorts of places.

Ms Castleton—I am here to report on a project I undertook last year for the Queensland Adult English Language, Literacy and Numeracy Council, which is a body that advises VETEC in Queensland. The project was required to report on the training—in particular, language, literacy and numeracy—needs of a wide range of people across a number of target groups in remote areas of Queensland. One of the target groups included was youth. Another was people in small business. I am able to table a copy of that report to this hearing and also to talk to it today.

CHAIR—We have received your submission. Thank you for that. Would you like to make a brief opening statement to this formal hearing of the committee?

Ms Ovens—I am tabling my submission overview. As indicated to you in the written submission, the submission of the Australian Council of Trade Unions, Queensland branch, will augment material produced by the ACTU to the inquiry by relying on data from rural Queensland on factors influencing the employment of young people. The presentation will rely on a case study approach to highlight the human condition behind the statistics which have been sourced from the Queensland Department of Local Government and Planning, incorporating rural communities.

About one-third of Queensland's young people live outside the Brisbane and the Moreton statistical districts. According to the 1991 statistics, more than 75 per cent of Aboriginal young people and 86 per cent of Torres Strait Islanders lived outside the Brisbane and Moreton statistical districts. Ninety-one per cent of young people in rural Queensland speak only English. They tend to leave school earlier than their counterparts in Brisbane and Moreton and have similar income levels but lower home ownership rates. This material is appendaged to the submission outline.

This presentation will combine two research projects conducted by the QUT—one by the Faculty of Business and the other by the Faculty of Education—on the needs of people in regional Queensland with current information from union members whose work involves assisting rural families and young people. The presentation will outline the structural elements which influence employer attitudes rather than the psychological barriers employers in rural Queensland have to the employment of young people.

The research conducted by the QUT School of Communication, Faculty of Business, helps paint a picture of regional Queensland where the labour market has failed as businesses are in survival mode due to the rural recession and the series of droughts. The research points to strategies for revival of the rural economy which would influence the employment of young people which depend on greater expenditure on public infrastructure and thus intervention by governments.

Lyn Simpson, whose project has developed and used the powerful regional networks as a source for processing products which influence employer attitudes, will suggest some strategies arising from cases easily available from the network. Job creation, employer training and retraining which develop skills and information to open up new markets, including labour markets, and new ways of working with overseas companies rely on the state-of-the-art communications technology. Unless governments use an interventionist model as an approach which harnesses the considerable motivation and strength of the bush, all social indicators for rural young people will deteriorate.

Geraldine Castleton, the next presenter, will reflect the findings of her project focused on literacy levels of both the young people denied employment in their local area and their potential employers. She will show that businesses in rural Queensland have been restricted in their access to developing markets using the new communications as a result of the globalisation of the Australian economy, due mainly to their own low levels of education and lack of the required literacy and numeracy skills to be successful in business.

Studies overseas indicate that low educational levels of business operators impede their entrepreneurial skills and consequent attitude to employment. The lesson here is from little things big things grow. Small literacy grants, often less than $4,000, to local operators galvanise local networks and produce over time fine businesses and employers of local labour. By the way, I am the elected chairperson of a grant scheme called

the community literacy program from which that case is highlighted.

Both Lyn and Geraldine have found cases of children who are too poor to attend school and are working long hours as labourers on properties. This finding is in accord with recent data from the International Labor Organisation, which indicated that earlier work substantially underestimated the extent of child labour in developed economies. This points to a very serious problem for future generations in rural Queensland which will be trapped by no formal education and all the problems which arise as a result.

Lurline Comerford works for the affiliate union of the Australian Council of Trade Unions, Queensland branch. Her division of social and community services within the Australian Services Union represents workers in community organisations which rural people, both young unemployed and business operators, utilise when the free market fails. Her members afford us the most recent data of what is happening in rural Queensland from the point of view of service providers.

To sum up the submission, it should be stated that for Queensland job creation and wealth creation are dependent on infrastructure and government policy which provide an upgrade and enhancement of the communication technology and the development of networks which overcome the tyranny of distance and the considerable inherited, intergenerational disadvantage of neglected public infrastructure.

CHAIR—In your submission, you made the point that you believe that youth wages are no longer appropriate and do not enhance the employability of young people. And yet, the Australian Retail Traders Association and such high profile companies as McDonald's and Woolworths, which are generally recognised as not only substantial employers of young people but also good at training them, have made a strong point to the committee that something in excess of 200,000 young people who currently have part-time or casual jobs would be likely to lose their employment if we were to eliminate youth wages. I would appreciate your comments on the dichotomy between the two positions.

Ms Ovens—The people who are making the presentation here are for a vast land block in Australia where, no matter how low you made the youth wage, the employment would not result. My point is that the wage is a furphy when businesses are going daily to the wall in rural Queensland. They cannot sustain their business because we are hearing that they do not have the levels of literacy to indeed run their business nor to run their business in the emerging globalised economy.

There is very little room for the retail outlets in rural Queensland to further employ young people. They are simply in survival mode themselves. We cannot name names, but it is apparent that towns are just disappearing. The retailers have sold what was left and left the town.

Mr BROUGH—Following up that point: I am not meaning to be disrespectful, but I think you missed the point that there are 220,000 people currently using junior wage rates. If you move towards a competency based system, would some employers not like to take on a person that also has life experience and perhaps has in some cases a greater desire to work? This morning we have heard the Secondary Principals Association referring to the mini-wage, which is how students are referring to the unemployment benefit in Queensland. The principal this morning said that the problem she perceives and that their association perceives is with young people trying to come to grips with whether they should work or take unemployment benefit.

I accept your point that no matter how low the wages get in rural Queensland, in particular, where things are very tough, there is not going to be a sudden cut in wages and an employment of more people. That will not happen. But is there going to be a potential loss for young people, which is what this inquiry is focusing on, and a shift away from some of those jobs from young people to people with more experience because they can get them for the same price?

Ms Ovens—I think you have to consider that there is an infrastructure required about getting to a job. And maybe the people with higher levels of experience are simply unable to release themselves at the times that are convenient to the retailer. Young people have perhaps more flexibility and a lifestyle that would support some of the unsocial hours that impact on whether the labour supply is there. I think you will find that people work several part-time arrangements to get a level of sustenance—or subsistence. So it is not a case of competency based wage arrangements impacting. There are a whole host of infrastructure and social wage components that will release that labour market. Whether it is a competency based system or whether it is a junior rates system is immaterial, I think, because in the cases I am talking about now the social infrastructure has been increasingly depleted.

Mr BROUGH—Okay.

CHAIR—Geraldine, can you tell us about your literacy project, the kind of findings you had and what you see as some solutions?

Ms Castleton—We visited large tracts of Queensland; we surveyed providers of training; we talked to representatives of all kinds of organisations who could speak on behalf of target groups; and we also spoke to members of target groups. Across the state, the group about which people were most concerned was certainly youth. That was the message across the state. When we asked about all of the target groups, the most concern was expressed for youth. They asked, 'What are the opportunities going to be for our youth? We are concerned about sorts of jobs they will be able to get.'

There was general concern about the lack of training opportunities for young people in rural and remote areas. People are concerned about their children having to leave to attend training. Also, because of the focus of the project, I was interested in people's perceptions of literacy levels. There is general concern in the population about the limited literacy skills of a large number of the youth who are moving out into the work force.

The other area which I guess is significant for this inquiry is that, again, across the board we were getting reports from adult literacy providers, from training providers and from people running neighbourhood centres about small business operators. These operators, through their own lack of literacy, cannot cope with the increasing literacy demands placed on them. The introduction of quality assurance procedures, the increased levels of reporting required for workplace health and safety, and the deregulation of industry—those kinds of things are really placing great strain upon the literacy skills of some small business operators.

These same operators did not necessarily see training as an important option for them because, as Carolyn has already suggested, they are more concerned about surviving. Studies both here and overseas show that business operators who have low levels of education themselves are not necessarily likely to value training

and want to spend their very hard earned dollars on training, particularly literacy training. It is often difficult to show the true benefits of that sort of thing.

On the one hand, I suppose, we have a real problem in the availability of training opportunities for youth in rural areas and also in their ability to access that training because of their limited skills. On the other side, we have lots of small business operators. Again, it is important to recognise the nature of small business in the country. We cannot talk about it as one sort of homogeneous grouping. You have got your town based industries. You have your properties which are, in a sense, out of town based. But then you have other operators like roo shooters and prospectors. These industries are tending to increase because it is seen to be an opportunity for work. They all have their own particular kinds of training and employment concerns.

CHAIR—The literacy issue is one that this committee has dealt with over a long period of time. We inquired into adult literacy in 1990, which was the International Year of Literacy. That then led us later in 1994 to produce a report called *The literacy challenge* which dealt with early childhood literacy development. You might be aware or you might have seen in the press recent statements that Dr Kemp has made about the ACER continuing research over a period of time and the new finally established federal literacy sample of the nation which will be released next year. It appears that we now have some statistical evidence to back the anecdotal evidence.

I recall sitting in this room and addressing group training companies during our inquiry into group training. I recall them telling us that something like 40 per cent of young people that they interviewed for an apprenticeship or traineeship position across Queensland failed their literacy tests and on that basis were not considered for selection. In your view, individually or collectively, do you have a place where you place responsibility for this? Do you have any specific ideas on how we go about addressing it?

Ms Castleton—I wish we did. I think we all would. I do not think there is any point, in a sense, in trying to place responsibility within any particular sector or whatever. I think it is something society as a whole must address. Certainly there are measures under way to address concerns within both primary and secondary schooling.

I think there is also a need to recognise the changing nature of literacy—the increasing demands of literacy because of changes at work and increased technology—and that this is not necessarily something we can fix now and be fixed forever. I think it requires some changes, as I said, in terms of our understanding of what we mean by literacy and how we might measure it. It requires some ongoing strategies in place to ensure that, at whatever level of training we are talking about or education, keeping in mind that we are talking about lifelong learning too, at any point in our lives, any task or new endeavour we might take on will have its own kinds of new literacy demands.

CHAIR—It is reasonably obvious, in relation to some percentage of the population, say, 20 years ago, when we had low levels of completion of secondary school and, by international standards, a low percentage of the population involved in tertiary studies, that literacy demands were much less than they are now. When there were a lot of labouring jobs, you did not need to be able to read Shakespeare or write and spell and have good grammar in order to be able to hold down a good job—nor did the small business operators have a need for that, because there was not the complexity of reporting, accounting or communication itself. So certainly

we have had societal changes.

I accept your statements about small business, about the problems they experience and what poor literacy does when people try to expand their business or indeed just survive without proper business management, entrepreneurial skills and literacy and numeracy standards—all of that. How do we go about addressing that? How do we help? You are dealing with rural and regional small business people and entrepreneurs. How do we go about encouraging those people—who are flat chat most of the day, when they are not sleeping, trying to survive, just keeping their business alive, trying to feed their families—to go back and pick up some of these skills? And then how do we go about providing it so that it is easy for them to do? Have you developed views about those things?

Ms Castleton—Certainly now the recognition that there is a concern for literacy levels in the adult population is a step in the right direction. I think it is important that there are those opportunities for people to undertake, as adults, this kind of basic training essentially that we are talking about, that in fact it be seen to be an integral part of vocational education and training. So whoever happens to be involved in that VET sector, whether they be within schools or whether they be outside schools, must be equipped and trained to be able to integrate literacy and numeracy into training. I think that would help deal with an issue before people got into the work force. Essentially, we need the sort of infrastructure in the community where people can access help when they need it.

A lot of these things can be solved very quickly. It is not necessarily that people want to undertake a 200-hour course to improve their literacy. They want to be able to fill in just this form today. So you need those kinds of agencies that can provide that sort of help. They become very critical in rural and remote areas as well. Having left the schooling or training sectors, people can still actually access those kinds of facilities.

I think there is a genuine concern that those kinds of facilities are diminishing in rural areas, particularly in terms of what was in place in the past in supporting the labour market, I suppose. People who might have been involved in those kinds of programs where available could be accessed by other members of the community. So whilst their job may not necessarily have been dealing with the farmers who come in off the properties with these forms to fill in, they were there and were happy to do it. As that sort of market is disappearing, so too will those providers and so too will that kind of access for people in rural areas.

Mr BROUGH—What sort of jobs are you referring to? This was not their specific task, but they were taking it on.

Ms Castleton—I am talking about adult literacy providers who might have been located in TAFE colleges or branches of TAFE colleges that often run outreach programs, in a sense. They may be providers operating through other kinds of agencies that were funded through various programs. I am particularly thinking of labour market programs. As those programs are disappearing, so too will those providers.

Mr BROUGH—Does the ACTU believe that training programs are an effective way of assisting the young and others to get work? Do you believe that it is better to be doing training on the job and that that will better lead to work?

Ms Ovens—As a training liaison officer, I believe that employment based training is a very powerful thing. We all recognise that workplace learning and experiential learning are extremely efficient types of learning for young people. However, on-the job-supports must be in place. A lack of infrastructure to support that employment based training which could address the literacy levels of both the supervisor and the young person in a small business arrangement that is of our greatest concern.

The ACTU and the QCCI are joint directors in a Nettforce company called the Queensland Small Business Training Company. That gave an enormous incentive to small business operators in Queensland to take on employment based training for young people. It is a totally on-the-job, delivered arrangement. However, it is apparent to us that, without any support to validate that the benchmarks in the training plan have been addressed and met, it leaves both the employer and the employee vulnerable to the misuse of government funds. The training company itself has to put in quality assurance measures that see contracted training providers monitoring the training plan in line with the agreement to ensure that a valuable undertaking has occurred during the 12 months. Yes, it would be a preferred option if the infrastructure were in place and the quality assurance were there. The transfer of skills to other businesses could also occur so that in 12 months the person would not be unemployed and the business operator would not be disenchanted with the results of the relationship.

Mr BROUGH—I will give an example that was put to me recently by a gentleman who employed someone. He has a construction business, so he has numerous machinery, ranging from bobcats through to excavators. He had a young person approach him who wanted training on the various machines. To cut a long story short, after he had completed some of the training, the employer found that this fellow already had a ticket on two or three of these machines but that his training so inadequate that he was not prepared to show his boss up-front because he was not competent. He then found that, when he went through the industrial relations system, he had to pay any person who steps onto any of those machines the rate of pay of a professional operator. This employer felt that that was a great disincentive to his bothering to put anybody onto that machine.

How does the ACTU feel about that? He saw it as a barrier for him putting someone on. He would rather get somebody who is already fully competent and can use the machine and get a good hour's work out of him, because he is obviously having to charge it out. He also does not want to go and do the work again.

Ms Ovens—It is unacceptable. The training system has failed that young person abysmally.

Mr BROUGH—I will go back a step. His complaint was that he feels the industrial relations system does not allow him to train someone at a lesser wage whilst undergoing training or being less productive. I want to know what you feel about that. He feels that he will not put on anyone else to train or that, if he does, he will train them on one specific piece of equipment and not let them step foot onto something else. Obviously, that is not the best use of his equipment. If someone is away, he might need people to chop and change between equipment. Do you follow where I am coming from?

Ms Ovens—I do. The person obviously had access to training that would have met the licensing requirements on paper. The fact that the person was deemed competent when they seemed to have indicated they were not—I will go back to that point—is fundamental to why this man had a difficulty. It seems to me

that the licensing arrangement contains a training provision—a simulation exercise, if you like, under very strict supervision—along with a minimum human resource statement about that training module which is agreed to by the training provider.

I see myself as a constant member of curriculum advisory committees. We go through human resource statements against those modules as carefully as we can. We assume that the quality assurance arrangements that have been put in place by the training provider which meet the accreditation requirements are authentic, valid and implemented. It is of great concern that that training provider has not met the requirements of that syllabus and that the industrial arrangements about safe working practices within a workplace—and that is understandable—preclude the valuable training arrangement from success. It gets back to syllabus requirements, training providers and quality assurance systems that pick up the inadequacies of the training providers. People who are licensed should be work ready. There should be no involvement of industrial relations barriers.

Mr BROUGH—What about the second point, which is that he is now reluctant to put on anybody, train them and provide tickets for them simply because he has been told that he will have to pay them the full wage applicable to each piece of machinery whilst they are undergoing training?

Ms Ovens—I would imagine that there is an enormous barrier to his employment of young people.

Mr BROUGH—I am wondering how that sits with your organisation.

Ms Ovens—I would see that as necessary, quite frankly, because of the involvement of arrangements that go to workplace health and safety requirements.

Mr BROUGH—What do you see as necessary?

Ms Ovens—The higher wage for that arrangement supports the fact that the person is a full employee and that the employer has a responsibility for the safest environment. I imagine that if the employer is being protective of the safest environment, he will have to pay the highest level.

CHAIR—Surely you have training wage relationships in place in Queensland.

Ms Ovens—We have a state training wage award arrangement here. The award is silent on the construction industry for this very reason.

CHAIR—You do not see that as a barrier to young people getting skills? I read in this morning's *Courier-Mail* that you have a huge deficit in apprenticeships in the construction industry. Something like 15 per cent of the total number believed necessary for the coming four years are employed today as apprentices.

Ms Ovens—The construction industry is in a very bad way in Queensland. We have had a prolonged period of uncertainty here. We are now reaping the rewards of that prolonged uncertainty.

CHAIR—We will change tack a little. I am concerned about the finding that some young people are

too poor to go to school and are working long hours as slave labour on remote properties. Can you tell us about that and how many we are talking about.

Ms Simpson—At this stage, we have not done a broad quantitative survey. It has not been an uncommon story. We have interviewed and workshopped with 100 women in a range of different communities around the state. In each workshop, we have had tales relayed to us about the state of people on properties in rural and remote areas around Queensland. The story you have just referred to involves a young seven-year-old whose parents could not afford the petrol to get this child into town. They had no power on their property and, therefore, no provision for accessing distance education for that child.

There are numerous similar stories; I could go through a whole range of them. There are children who have to do their school work from 5 a.m. to 7 a.m. and then go out and work on the property all day. There are mothers who work on the properties as labourers because they cannot afford labourers on the properties. The husband is the heavy manual labourer while the wife does the supporting labour, manages the finances on the property and does the negotiating with the local bank manager et cetera. Because the women are drawn in that way into the labour force to support those rural areas, children are dipping out on the basic education they should be getting in the home. The mother is no longer available to support that education on a regular basis. In the normal sorts of structures that we would envisage, children would have access to schooling through distance education.

CHAIR—What can we do about it?

Ms Simpson—I was going to say before, with all this talk about it, that youth wages is a bandaid issue. That is probably being fairly provocative. It seems that the major issue we are talking about here, particularly with rural Queensland, is that, unless we stimulate the economy and get rural production going again and rural businesses thriving, the opportunities will not be there. Properties are having so much difficulty maintaining viability.

A recent study published just last month found that total farming indebtedness has grown strongly by around 300 per cent in real terms. If we are talking about things like that, the sorts of jobs we are talking about for young kids who might previously have gone and worked as jackaroos or jillaroos on properties and taken up those sorts of opportunities just are not there any more. Where do they go? They are all heading for the cities. Their parents are encouraging them to go to the cities. They arrive, as we are hearing, with very inadequate literacy and education. It is almost a vicious cycle. At some stage, there has to be intervention to try to make sure that business is stimulated and rural existence becomes more viable. Opportunities will then exist for jobs for younger people in rural and remote areas.

The study I have been doing looks very closely at what sorts of infrastructure needs to be provided in those communities. Without a doubt, there is a huge demand for basic telecommunications and adequate power facilities so that people can access the sorts of technology and services that are available in urban communities. If you cannot even get your fax to run and it takes 30 minutes to send a one-page fax—I heard this story yesterday from a woman outside Atherton—at full STD rates, it is no wonder that you cannot afford to survive and compete. Until we start fixing some of the basic things and get adequate voice and data transmission and access for people in rural communities, the whole cycle will be undermined. If those things

existed, opportunities for the delivery of education and training to rural and remote communities would be enhanced. Internet access or anything that you can think of would be available in their home.

Employers wanting to do something about their basic literacy inadequacy will not front up normally to a class—I am sure that Geraldine would support this statement—because they are too embarrassed to admit their inadequacy. If education were available in their home, where they could go home at night, log onto the Internet and spend 20 minutes doing something about it in the privacy of their own home and build on that for 12 months so that there was a support structure for them, we would find a turnaround. But the incentives and infrastructure have to be there for that to happen.

CHAIR—Are you lobbying your state government to provide the power services that you are talking about?

Ms Simpson—I sure am. As I said, we have a range of industry partners. Telstra is one of our industry partners. They are really getting a hammering about the infrastructure. It is just appalling. People pay for phone rental and are lucky to have the phone work four days out of 14. These are not uncommon stories. There are some huge structural issues about ensuring that the employment exists in the first place before we start talking about youth wages. Unless we have viable rural economies and viable rural production, youth wages will be a nonsense. It is just so far down the track for people who cannot survive.

CHAIR—We understand where you are coming from. Your submission is based on a Melbourne submission of the ACTU. It starts off with this big mention of youth wages. You are coming from a different perspective entirely, and I accept that. I will tell you a brief anecdote about adult literacy that you would appreciate, where people are not willing to disclose illiteracy. When we were doing an inquiry, an occupational health and safety representative in the construction industry talked with us in Melbourne. He started a job on a huge construction site. Because he could not read, he was in constant turmoil. People would come to him with a question, and he would constantly ring head office to find out what he should do. He was constantly shutting the job down.

He finally woke up to himself and went off to an adult literacy class. As he appeared before us, he said that for two years on the site not one hour had been lost through a strike. I thought that was charming. It is an excellent example of how somebody was terribly insecure about their inability to read and do the job that they were hired to do. He took that insecurity out on everybody else by creating confrontation and shutting jobs down rather than dealing with the issues properly and seeing that they were addressed. His enhanced literacy skills fixed the problems.

Ms Simpson—When we hear stories about seven-year-olds who are not getting a basic education and who are working all day on properties as labourers, Australia starts to sound worse than Third World countries, particularly if that is allowed to continue. It is something that needs to be seriously addressed.

Mr BROUGH—You mention it being allowed to continue. However, that is the reality of the bush. I do not condone the reality of the bush—do not get me wrong—but they are trying to keep a roof over their heads. The infrastructure and whatever else put into Longreach or Charleville, for argument's sake, will certainly have very little impact on a property located 300 kilometres away. Those problems are massive, as

you say. To deal with that requires a turning around of not just the economy but also the actual weather conditions that have allowed this place to fall into such disrepair over the last 15 years.

Ms Simpson—We could talk about the other employment opportunities that are arising. A woman outside Blackall set up a business on a property to gain some off-farm income. She calls herself the Outback Jeweller. She is on the Internet and cannot keep up with the orders. There are other opportunities there. Unless that infrastructure is there to enable people to take part in that, they will not have a hope. She is employing people. Here we have a property that was going down and out rapidly and it has now completely turned around by that off-farm income. They are the sorts of things that we should be encouraging and fostering. We cannot do it unless there is that access.

You mentioned properties that are 300 kilometres outside Longreach. When the Telstra infrastructure for ISDN access is limited and stops off at 3.5 to five kilometres outside of town, what is happening to the rest of Australia? We are just denying them the opportunity to be part of where Australia is going in the next 10 years. That is a government issue. It is a policy issue. It is something for Austel to say that that infrastructure has to be there, that it has to be provided. Lurline, would you like to tell us about some of the things that you have found, please?

Ms Comerford—Yes. I guess I have a slightly different complexion on the sort of material that has been put before you today. I have views on the youth wage, and I think this committee clearly does have to address that matter. What I have come to talk to you about today is the situation of rural Queenslanders.

The situation of rural Queenslanders is one that probably needs some specific attention because of the highly regionalised nature of our state. You have had some statistics tabled today that show the concentration of Aboriginal and Torres Strait Islander young people in rural and remote communities in Queensland. Generally, about 30 per cent of our young people live outside the greater Brisbane area, but for Aboriginal and Torres Strait Islander young people, those figures rise to 74 per cent and 86 per cent. I think the level at which we are having discussion here today is about these communities and people in these communities who have been struggling for 20 years with economic and rural recession as well as the climate and the drought.

The material I have is anecdotal. It is not based on formal research but based on my participation in our broader social and community services industry in Queensland over the last 25 years. I have spoken to people in our industry who are employed as rural financial counsellors. They are employed throughout Queensland. The ones I have spoken to have been working in the south-west Queensland area and working in the various skillshare and other supported employment programs throughout Queensland.

You will be aware that in the broader context there is a fair bit of instability in terms of the provision of social and economic infrastructure in rural and remote Queensland, as well as throughout Australia, at the moment because of the various changes coming about as a result of different changes in government policy. The one that is probably having the most significant impact in rural and remote Queensland is the abolition of the regional development branch at the federal level, which was providing funding programs to the state department here: the Department of Business, Industry and Regional Development—DBIRD. A number of rural development offices were being funded through that, and that is hitting the Queensland rural sector very hard.

The funding cuts in the Aboriginal and Torres Strait Islander community areas are hitting Aboriginal organisations and Aboriginal people very hard. That will have a significant effect over the next year or two, because the bulk of the Aboriginal and Torres Strait Islander young people in Queensland are in rural and remote areas. The areas which are likely to be cut are family and youth support programs, cultural programs, and administrative and support programs for business and pastoral enterprises. Not only will the struggling development of employment for Aboriginal and Islander people be affected by this, but also the employment in the Aboriginal and Torres Strait Islander service delivery organisations will be affected by this.

There is restructuring of aged health and housing funding arrangements. In Queensland there has been a fairly significant backlog in the development of infrastructure—which places like South Australia, New South Wales and Victoria have taken for granted in the last 20 years—which have really only started to be developed in Queensland in the last 10 or 15 years. There is still a long way to go.

Other speakers no doubt will talk to you about the particular health and housing issues of young people, particularly those in rural and remote areas. You have probably already seen material on the alarming rates of youth suicide and those other sorts of mental health issues. I have to say to you that in Queensland social infrastructure is pretty non-existent.

The other areas that you will be very much aware of are the fairly major changes to the whole employment and education area—and obviously this is why you are sitting—the recent cuts and the anticipated further changes to the prevocational training and programs for long-term unemployed young people and other long-term unemployed young people. The whole disadvantaged job seeker area is of significant concern because this is where a lot of the rural and remote young people are currently being found.

Other speakers here have alluded to the movement to the cities. The movement to the cities is not just in relation to the population in the rural and remote areas but also in relation to the money. The rural counsellors that we have involved in our industry regularly providing a range of services to people who are—to use their words—battle fatigued and reeling from trauma to trauma. The rains come and the drought is over, but that is really not the end of the problem. There is the continuing effects of the entrenched rural recession and the fact that over that period there is actually no more money left on farms and there is no more money left in towns. These rural financial counsellors are doing huge amounts of bankruptcy cases. With low levels of literacy, they are providing some very basic sorts of services to assist people to survive those sorts of processes.

Towns are dying off. I am not allowed to mention which towns. They are very sensitive about that. Small businesses cannot function in these towns anymore. As the banks are closing down farms because of the level of debt, the farms are being bought up by foreign investors and managers are being put in and the dollars flow straight to the cities—and not even to Brisbane; quite often to Melbourne and Sydney and overseas.

To reiterate, where there is actually no infrastructure that allows any form of real or actual jobs for anyone, let alone young people in rural and remote areas, as towns close, as abattoirs close, wool scows close, railways close, services close, banks close and all those sorts of things that young people are a part of, a youth wage will not create a job if there is not one there. Whether you have a competent 30 year old or a 16 year old that still needs a lot of training, it does not matter whether you have to pay them $350 a week or $150 a

week if there is not a job there. If there is no demand, it does not matter what you do on the supply side. You can cut the amount as much as you like.

Our people working in these rural and remote areas tell us that things are getting worse not better, that the rains come but these people are leaving the country and coming to the city and that when they come to the city there is a whole range of problems that you have probably received a fair bit of material on in relation to urban youth matters.

In finishing my presentation—and I am obviously keen to answer questions if there is any time—I would like to say that there are strategies which have already been alluded to here. The small business sector, both formally and informally, is quite closely networked with the sort of social and community infrastructure that is often fairly informal. But where people live in those areas, they know who they are and with some assistance those networks can be fostered and developed. If nothing, women are becoming even more multi-skilled than they already are.

There are key activities operating through the strengthening of the existing community networks. I guess most of you will be familiar with the old concept of the rural extension programs that DPIs used to run for years. That has always been successful. It is possible to use that to develop other sorts of community responses to employment generation. Often there will be various stages that will require a fair bit of developmental input before the outputs might be seen in relation to jobs being created for young people and other people who would otherwise leave the area.

The community services workers, who, I would have to say, are grossly overworked in rural and remote Queensland, are in neighbourhood centres, labour market programs and community organisations. They are doing a wide range of activities—far broader than what their colleagues probably might do in an urban setting. Their relationships are far and wide. They are trained either on the job or formally via tertiary qualifications to do that sort of work. They can provide a renewal of rural and remote areas. That sort of activity has the capacity to create further employment and further strong community infrastructure which will result in a renewal of rural and remote Queensland.

CHAIR—Thank you very much for coming to talk to us today. We appreciate your input. We expect the inquiry to run until next May or June. You have injected a new set of issues today in talking about rural and remote Queensland and I thank you for that. It is a very broad ranging inquiry dealing with very complex issues. We want to find simple solutions. I am absolutely determined that we will not recommend that someone conduct an inquiry to find something out. We are going to make hard recommendations about hard things. Whether you like them or not or they work or not remains to be seen. We intend the outcome of this inquiry to be positive not negative or ongoing research. We will make sure you get a copy of your report.

Ms Simpson—I am going to leave some recent documents that are mostly Queensland based. I am not sure whether you are aware of the rural Australia on-line document. There are quite a number of issues about education and training raised in each of those documents. At one of our workshops a woman from the Lockyer Valley, who lived on $2,000 cash one year—and I laughed when she said that, but she went through the details of how she survived on that—had arranged for every one of the students in her local high school going into year 11 and 12 to be sponsored by somebody from a local business. They actually paid the kids some

money while they went through year 11 or 12 because they could not have afforded to do it otherwise and then guaranteed to take the kid on for at least six months after they finished school. That is another strategy that might be worth thinking about.

CHAIR—Thank you very much.

[11.35 a.m.]

CARR, Ms Penny Anne, Policy and Research Coordinator, Youth Affairs Network of Queensland, 36 Baxter Street, Fortitude Valley, Brisbane, Queensland 4006

HIENEKAMP, Ms Zarinah, Member of Employment Working Party, Youth Affairs Network of Queensland, 36 Baxter Street, Fortitude Valley, Brisbane, Queensland 4006

McDONALD, Mr Kevin John, Ordinary Member (Inala Youth Service), Youth Affairs Network of Queensland, 36 Baxter Street, Fortitude Valley, Brisbane, Queensland 4006

CHAIR—I welcome the Youth Affairs Network of Queensland to the committee's inquiry. By way of a brief introduction, without reading the whole preamble again, we say to you, as I have said to others, that this is a very broad ranging inquiry. Essentially, first we are looking at employment, not unemployment. We are really trying to address two issues, the first being how we can help young people to become more employable and, on the second side of the equation, how we can encourage employers to make more opportunities for young people in real employment. Having said that, I welcome you to the inquiry. I recognise my colleague Mal Brough, member for Longman in Queensland. I am from Victoria. Would you like to make an opening statement to the committee?

Ms Carr—Yes. First of all, I am sorry for not getting a written submission to you earlier. We have one today to table now with a couple of relevant attachments, one of which I will keep in front of me until we have finished. It is a very detailed policy that was developed two years ago by the Youth Affairs Network of Queensland on education, employment and training. It goes into a lot more detail than the submission that I am giving you today. I apologise for that, too. We have had very limited time to work on it.

The Youth Affairs Network of Queensland is the non-government, community peak body in the youth affairs sector in Queensland. As such, we have about 450 members across the state who have an interest in young people and youth affairs. Most of those organisations are ordinary members, so they represent the non-government community, and some of those are associate members. As I said, we have members all across the state—the far north, out to the west, in south-east Queensland and in the south-east corner as well.

We have a very diverse range of interests—employment and education, the whole gamut of issues that affect young people and form part of the youth affairs arena. We also have young people's groups who are members of us and individuals as well.

We come here with a fairly simple proposition. What we have stated in our written submission is that the key factor that affects the employment of young people is the declining labour market and the few jobs available for young people. We see that a two-pronged response is needed to that. One is obviously stimulation and job creation. What research has shown us is that labour markets are actually declining, so if it continues to decline at the same rate, probably early into the next century there may not even be a youth labour market at all. We have gone into some of the suggestions about that in far more detail, which was written by the previous policy and research coordinator in this document, which I will hand over to you at the end of today's session.

The other part of the equation is to support the people who are disadvantaged in accessing the labour market, supporting those from Aboriginal communities, the homeless, the culturally and linguistically diverse and those from low socioeconomic groups that traditionally have always had difficulty in accessing the labour market so that they are starting from a level playing field.

There are a couple of state initiatives that are of concern for us in the youth affairs field, and we feel that we are actually going to compound the disadvantage of some of those groups. The cuts to the labour market programs are on both levels—federal and state. Shortly after the federal budget, Queensland's budget came down, and in that there was something in the vicinity of $15 million in labour market program cuts.

Of that $15 million, approximately $7 million was in programs targeting young people. Specifically, $5.4 million was targeted at disadvantaged young people in the form of a youth employment service. Those sorts of things really will result in the concentration of disadvantages on the already disadvantaged. The fact that unemployment is already concentrated within disadvantaged groups is stated in a number of reports that we have identified in the written submission to you.

The state government is also as yet to table a bill to amend the education legislation, which will give school principals greater power to suspend and exclude students from school and to actually devolve those powers from the ministerial level down to the level of principal in some cases.

I think those issues are going to have a greater effect on the numbers of young people who are suspended in schools and eventually fall out of the system due to the suspension or the students excluded, because the devolution of powers in other states has predicted that sort of responses as well—that there are increased numbers of young people falling out. That sort of effect serves to compound the disadvantage of certain sections of the student population. We have had notable concern from the disability sector about what sorts of behaviour constitutes behaviour when students should be suspended or excluded, concern that some of the behaviours that are inherent in disability are perceived to be behaviours that warrant suspension or exclusion.

The path that the government seems to be travelling down with these proposals is contrary to some of the recent research and reports that have been done. One by the Senate standing committee into truancy and exclusion of young people was really talking about national standards for what warrants suspension and exclusion of children and also an independent and unbiased appeals process. What we have on the table in Queensland is certainly very far from that. It really denies national justice to students in that process.

Within those categories I have raised there, Zarinah Hienekamp has come to talk about the issues affecting young people from non-English speaking backgrounds, from culturally and linguistically diverse backgrounds, and how some of those students are particularly affected. One of those categories is refugees who come here with limited English. I think literacy and numeracy is a huge issue for a number of students, particularly those who experience disadvantage, poverty and miss out on certain parts of their schooling.

Some of the students who come here as refugees or from non-English speaking backgrounds have had disrupted schooling, then have to try and participate. They have very limited access to English as a second language programs, then very little support to continue their progress through schooling and often drop out of

the system. Zarinah has come here to raise some of those issues. I guess that is the basic proposition that we come here with.

CHAIR—You have just talked about change in direction in labour market support for people that are unemployed. Are you aware of international studies that indicate that active labour market programs, excepting perhaps—and it is a big perhaps—those which directly subsidise employers for taking on people, have not really come to have any substantial effect for those who go through the programs?

Mr McDonald—I certainly have not seen that. Whilst I certainly agree that those programs where employers are sponsored are particularly successful, and I would argue that there needs to be more of that with a higher level of subsidy for the employer so there is a greater incentive to take that on board, there are some other problems that simply need to be addressed or else those people will never get a job.

I have worked in a rural town in south-east Queensland. I work at Inala—it is a very low socioeconomic area. I also run a program at Acacia Ridge, which is another low socioeconomic area.There is also a generational difficulty. In other suburbs, if the people of the house are not employed, their neighbours are employed. But in suburbs like Inala there are simply no role models. They don't see the person across the street going to work, they don't see the person next door going to work. So something needs to be done. There needs to be some intervention to re-establish those concepts because they are just non-existent if you have never seen them, if you have never seen people who do those activities on a daily basis.

Mr BROUGH—How to teach a work ethic when they have never seen one is what you are saying.

Mr McDonald—That is correct.

Mr BROUGH—You knock a young person for not having a work ethic when reality is that they have never seen anyone with a work ethic, for whatever reason.

Mr McDonald—Yes, they simply have no role model.

Mr BROUGH—None at all.

CHAIR—So how do we go about doing that, how do we give them the role model?

Ms Carr—Some of the labour market programs that were cut in the state budget were programs that funded community organisations to run a range of pre-employment programs which would include things like self-esteem, motivation, that kind of stuff. One of our propositions is that we really need to retain those programs because, in some instances, there are not the role models, nor is there the enthusiasm to go off to work. Because of the declining youth labour market, young people are despondent as well. They get despondent from lack of opportunities or knock-backs from going for jobs and continually being passed over for somebody else.

Some of the other programs are also job creation programs where they are able to research the possibilities of the local community because we know the regional nature of unemployment. Look at what

possibilities might lie in the local community, look at job creation to develop a plan for that, and then, if the plan was acceptable to the government, go on and try to start those job creation programs. That is one way of stimulating the market. We have gone into some of that in detail in this document. My concern is that what we are doing is cutting the funding to those programs and I do not know what we are doing to stimulate the market now.

Mr BROUGH—Are you predominantly dealing with disadvantaged young people? Are we dealing with a wide cross-section?

Ms Carr—Our organisation represents youth affairs, but we have a particular focus on disadvantaged young people.

Mr BROUGH—So the direct contact is predominantly with that disadvantaged group, whatever it may form, whether it be disability, linguistic problems or whatever else? Is that fairly accurate?

Ms Carr—It is not only with those organisations. We also represent mainstream youth organisations.

Mr BROUGH—Sorry, I did not mean the organisations; I meant the young people you are dealing with one on one, who you come into contact with. Would they predominantly be in some disadvantaged group?

Ms Carr—The Youth Affairs Network of Queensland does not deal directly with young people. We are an advocacy and lobbying organisation. I do not know whether you are aware of APAC. We are the state arm of APAC. The organisations that our members who are here today represent do deal directly with young people.

Mr BROUGH—It might make it a little more difficult for you to answer the question, but some of the evidence that has been provided around the country is that young people do not necessary understand their responsibilities with work. That comes back to not having the right role models, I guess. Also, would you say that they do not have the skills with which to look for work, not the next step of the skills required in a job, but how you go about finding work?

Ms Hienekamp—I think it goes back to what Penny says in that they do not have the self-esteem basis to be able to go out and look for work. Going out and handing out resumes and applications is fine but, if they do not have that basis, then they are not going to get through interviews and they are not going to get employment. That is the bottom line. The majority of young people I have worked with do not have that.

Mr BROUGH—Do you see that coming back to being a school role? Let's take it out of the parental role and presume that they have come from a dysfunctional family, to take the worse case, or they may be homeless, whatever. So if we work upwards from the worst possible or lowest denominator, we will catch the majority of the people in the net. Should we be providing in our secondary education resumes, presentations, how to present in an interview, what you must undertake in order to find work?

Mr McDonald—On the south side of Brisbane in one of the lower socioeconomic areas there is a high

school which has looked at its years 11 and 12 and said, 'So few of our kids go on to do tertiary education that we are no longer going to offer the subjects that lead to tertiary education.' What they offer as an alternative is that one day a week for the whole of those two years they engage in work experience programs with a range of employers. That has, in fact, replaced the old starter jobs that used to exist. If we go back two decades there were jobs like messengers for government departments which were perceived as starter jobs. But one of the important components of those was that it actually meant that they linked with people—the telegram boy delivered to the businesses.

What this school has done by establishing this program is it has given them a work ethic, it has given them an experience as to what is required, it has given them some information to build their resume, and that component is supported in the school. Those who drop out of years 11 and 12 at that particular school normally drop out for employment. The difficulty is that, if all schools adopt the same strategy, there are simply not enough jobs, but for that school it has been a particularly worthwhile program.

Mr BROUGH—What about a combination? We have brought this up several times. Salisbury in South Australia is doing a similar thing but it has not got rid of its tertiary education component. In 1994, before they introduced a similar program to what you are referring to, 55 per cent of their students either went on to higher education, training or a job. In 1995, when they implemented a system where some of the students did this one day a week, it ended up going to 95 per cent who achieved one of those three outcomes. That is in an area like Woodridge, Inala, very low socioeconomic, very low job opportunities.

Mr McDonald—Yes, this is Acacia Ridge.

Mr BROUGH—Yes, it is in a very similar situation. What about a combination where you do not just drop your higher education, because then you are also streaming everybody in the school or they are given the option of moving somewhere else, but building on the component that they have there so that at least people have an understanding of what is required in the workplace, they have a contact with the workplace, but if they still want to go through the tertiary education system, then that is made available to them and both groups interrelate in the school?

Mr McDonald—The future of that particular school is uncertain because it looks like being merged with another school where I understand—but it is by no means clear—students may have an option to then go onto this work program or to pursue a more academically based set of studies. As I said, that is by no means certain. One of the things that this program has successfully countered is the qualification creep where, for many jobs, people simply have to have a grade 12 certificate with sound achievement. Now, in many of the industrial areas surrounding Inala where I work, a lot of the national companies have a policy where, if you do not have a grade 12 certificate, you simply do not get employed. If you look at 1993 figures, 44,000 young people entered grade 10. Only 32,000 of those exited last year with a senior certificate. So 27.5 per cent of people are immediately unqualified to sweep floors or pack boxes.

We are developing an over-educated and over-trained work force because of training programs that have gone on previously. That process of putting those people in direct touch with the employers and building those personal relationships has been able to break that need to be over-educated for jobs.

Mr BROUGH—Has it also helped the young people to understand the necessity for some of their education, whereas they may not have understood the relevance of doing a particular subject? Having worked one day a week in a workplace, do they then say, 'I can see why I'm doing this'? Is there any evidence at all to suggest that the educational outcomes in that school have improved or that the employment rate has improved as a result?

Mr McDonald—Certainly the employment rate has improved. I am not aware of any research but certainly, in talking to the young people there, the subjects are more focused. For example, the maths is more at the level that they are likely to use and less at an academic level. That also helps them see more relation between the subjects that they are studying and their work. Were they to still do the academic standard subject, I do not know that the same could be said.

CHAIR—You said, if that model continued on into infinity in Queensland, that there would not be enough jobs for all the young people. I question that, unless you have some kind of reasonable evidence to prove that that is so. One of the things that we have heard a substantial number of times is that industry, business and commerce do not involve themselves in the education system. One of the outcomes of that—whether you blame the teachers for it or whether you blame industry for it, it does not really matter—is that too many of our young people do not have any understanding of what work is all about, what jobs are available, what careers there are, what they might pay or what future opportunities there might be. Do you believe that industry, business and commerce have a role in this area? If so, what are you doing to encourage that?

Mr McDonald—To answer your first point, I remain unconvinced that there are sufficient vacancies out there that if all the schools became involved, every young person would get a job. Traditionally, since the war, youth unemployment has run between 2.5 to three times national employment levels. I believe that at the moment we are seeing an upward creep of that level. It is my belief that part of the solution is to address the national unemployment issue generally because youth unemployment is, in part, related to it. The disturbing part is this creep upwards. Ideally, it would be excellent if it would come back and the percentage was far smaller. I think some jobs do need to be created through economic means, additionally.

CHAIR—We all accept that. But, remember, this inquiry is about trying to make young people more employable and to see that there are more opportunities for them. Again, the second part of my question asked whether industry has a role to play. What are you doing to encourage them to play a role in the education system to help teach young people—in addition to making jobs available—what careers are all about and what work opportunity might be available?

Mr McDonald—I believe they do have a role and I believe they have a role because of those issues of not having role models. It is only by being forced into those situations as part of a schooling subject that those role models can be shown to those young people. I believe that industry does have a need to more fully embrace the education system and see that the outcomes of young people are something that they need together. I guess what I am trying to say is that if they want the best workers, they need to be intervening earlier to get the best workers.

Mr BROUGH—We have had a few people mention work for the dole schemes to us. You mentioned

disadvantaged groups, which a lot of your organisations deal with. On a personal level with the long-term unemployed, studies obviously have shown that they have health problems, they have socialisation difficulties and, bit by bit, these things deteriorate to a point where they are unemployable. We will forget about the administration or whatever else, but, from the principle of it, do you see it as something that is worth pursuing or do you see it as being a negative?

Ms Carr—Some research was done in the states. I have not noted it anywhere, but I can probably find it if I was to look for it. It showed that to create work for the dole schemes takes away some of the labour market—some of the paid market. It actually lessens the amount of paid jobs available to do that, so I would be very cautious about it.

Mr BROUGH—I guess I am trying to come down to what you think about the principle of it and whether you think it would be accepted by the young people's organisations that you deal with, if it was at all possible. It is not going to detract from existing jobs. Is it something which you feel would be embraced for the long-term unemployed rather than just the unemployed to enable them to learn socialisation skills and the experience of work and that type of thing?

Ms Hienekamp—The young people I have spoken to about that, especially the non-English speaking background ones, would love to get into an Australian work force and get involved, get those skills. But there is the stigma, as well, of working in an organisation where people know that you are working for the dole and of having to work beside someone who is being paid for that work as well.

Ms Carr—Outside of the Aboriginal and Torres Strait Islander population, who already have a work for the dole scheme, I would say that most of the sector would be very opposed to a work for the dole scheme. While Zarinah is right in that some young people really want to get the experience and get into organisations, there needs to be leeway for them to volunteer as part of an activity test. To have to work to get income security is a very different issue from actually gaining experience from being able to get involved in organisations. I would say there would be fairly broad sweeping opposition to that kind of—

CHAIR—Lots of people before us have talked about the dole, the unemployment benefits, the mini wage in Queensland, and its disincentive for young people to find paid employment. Do you have any comment?

Ms Carr—I thought it was the youth wage that was a disincentive for young people to find jobs.

CHAIR—How do you mean?

Ms Carr—In that youth wages are actually quite low and young people are paid based on age and not on skills levels. That provides a disincentive to seek employment if it is so difficult to find it anyway.

CHAIR—The ACTU has proposed—they are the only people who have appeared before this committee to the best of my memory to have done so—that in the retail and hospitality trades, which is where youth jobs largely occur, the youth wage schedule be abolished and all youth be paid on adult, full-time wages based on some concept of competency. The Australian Retail Traders Association has estimated that 200,000

casual and part-time jobs that now exist for young people would disappear; that older or more experienced Australians would take those jobs. You would propose that we increase youth wages in order to find more employment for them?

Ms Carr—I have not gone into great detail to research that specifically for today, but I know that in the past YANQ has been involved in that and I am sure when you hear from our national body they will be speaking on that issue. Our position is aligned with theirs in that we also believe we should be moving towards a competency based wage rather than an age based wage, which for young people who do not have the experience would still reflect that inexperience in the level of wage that they receive.

There is research which says it affects it one way and there is research which says it affects it the opposite way, so it is very unclear what the effect a reduction in youth wages would have. It is not clear that there would be an increase in youth positions if youth wages were to be reduced. There is evidence to suggest there would not be a larger number of young people employed if we were to decrease their wage.

CHAIR—Interesting. Many responders have talked to us about literacy levels of youth. Do you find there is a real problem in Queensland for youth in terms of being employable with respect to their literacy and numeracy standards? If so, would you like to discuss the issue and tell us what sort of outcomes we should have and how we should go about it?

Ms Carr—In my experience there are difficulties with literacy and numeracy for some young people. I think the issue should be addressed at the level of schools, obviously. Some of those young people with difficulty in literacy and numeracy are having difficulties because of interrupted schooling and there is a range of different reasons why that might happen. Our position is that, in order that all young people start from a level playing field, they should all have reaped the same sorts of benefits from their schooling.

There are a number of reasons why some young people cannot participate in the way other young people participate in school, which then affects their chances of gaining employment. Our position is that there actually needs to be a range of support services in schools which offer support to young people and their families so they can retain their position in education. That is so for a number of people, particularly people from different ethnic, cultural and language backgrounds who are struggling with the language either because they have come here during their schooling or because they have not accessed schooling in their country of origin, or young people who come from families that are dysfunctional for whatever reasons.

If the supports were actually put into schools—not that the teachers should be taking those roles on—there are more resources in schools to take on the area of pastoral care that would support more young people to stay in the education system. We know there is a relationship between early school leavers and unemployment; the earlier you leave school, the more likely you are to be unemployed. Our position is that we really need to support young people to continue and to finish their education. I think the literacy and numeracy question is raised in that context: that many young people are either truanting or being suspended from or excluded from school.

CHAIR—This morning's *Courier-Mail* said that currently in Queensland the intake of apprentices for the construction industry was running at 15 per cent of what was necessary. Have you taken any action to

encourage a change in the rules surrounding construction industry apprenticeships and training opportunities? Have you any view about the issue?

Mr McDonald—As I mentioned earlier, I believe that employers need to have greater subsidies for apprentices. At the moment, the first-year apprentice wage is so low that there is almost no incentive to go into a first-year apprenticeship. The other thing is that employers need to be particularly encouraged to embrace the apprenticeship program; they are simply not doing it.

CHAIR—Why?

Mr McDonald—I think it is an economic thing. Certainly with the people I have spoken to it is an economic thing. They do not believe they are getting sufficient return for their investment in those early years.

CHAIR—But you think the wages are too low? Is there some dichotomy between—

Mr McDonald—Yes, the wages are low, but I also believe that the employers need to be far more strongly subsidised for taking on apprentices. I think that the burden on the employer needs to be reduced.

Mr BROUGH—So the government should subsidise employers that take on apprentices?

Mr McDonald—Yes, that is what I am saying.

Mr BROUGH—What about the apprenticeship scheme? Sorry, did you want to follow that up, Mr Chairman?

CHAIR—Yes.

Mr BROUGH—I thought you might.

CHAIR—I did. We were talking specifically about the construction industry. Don't you have some structural impediments in Queensland? Can you have a trainee builders labourer, for instance?

Mr McDonald—I understand not, but I am not sure. I would not like to be quoted.

CHAIR—Can you have a trainee truck driver or backhoe operator or bobcat operator? If you can't, why would anybody hire a young person in that position when they have to pay full-time adult wages for less experience and less maturity? What are you doing about these issues to help encourage employment?

Mr McDonald—I think if the wage is linked to competency, then—

CHAIR—No. If the unions will not allow a training position for builders labourers and, therefore, a training wage which represents competency or whatever, then why would an employee hire a young person in that position?

Mr McDonald—I understand where you are coming from. What I can't understand, to be quite frank,

is why they have allowed it in some industries and not others. They certainly have allowed it in some industries.

CHAIR—Of course. What are you doing about it?

Ms Carr—I am not familiar with the arguments, so I don't feel I can comment on behalf of YANQ about that.

CHAIR—The argument is simple. In the construction industry you either are paid a full adult wage or you can be an apprentice in specified designated occupations only. But, generally speaking, labouring jobs around the country—whatever class they are—are not deemed by the construction industry unions to be eligible for training wages. Therefore, employers hire adults in those jobs almost universally.

Ms Carr—But in listening to the ACTU prior to ourselves—I am not familiar with the argument and that is why I am not wiling to comment for YANQ—there is an issue about workplace health and safety. I understand that is why there is no training.

CHAIR—If you are for youth affairs, and you want more employment opportunity, I would have thought it was an issue that you would want to deal with.

Ms Carr—Yes, in the context of workplace health and safety as well. I cannot comment on it. I do not know what the arguments of either side are. YANQ does not have a position on it, sorry.

Mr BROUGH—Following on to apprenticeships, what about the proposal to have apprenticeships started at school? It is really a follow-on from what the Acacia Ridge High School is doing. Apprenticeships are at a three-decade low, people are reluctant to take them on, it is too expensive, and all the rest of it. Do you see that as being a positive step forward in integrating young people into the work force, and particularly into apprenticeships?

Mr McDonald—Definitely.

CHAIR—Have you supported the new pathways program that is currently out for tender for pilot programs, for both group training schemes and schools?

Mr McDonald—I am not familiar with that.

CHAIR—It is a new federal government program to finance schools and/or youth training schemes or groups that have the capacity in the community to manage the transition to work for students from school, either in year 12 or after they leave school, in order to help them prepare resumes, find jobs, go to the industries where jobs may be more likely to be available and to work with both industry and schools to help encourage that transition.

Ms Carr—I am not familiar with the details of the program either. We work mainly on state legislation and state programs.

CHAIR—This is a federal government program.

Ms Carr—Yes, that is why I am not familiar with the details of it. Certainly, in my experience, we have seen many schools which have been very academically focused and that has been to the disadvantage of certain students. It has been to the advantage of the students who want to go to university, but to the disadvantage of many students who do not have those aspirations and who intend to leave school and search for work straightaway.

In my experience, there have been schools around the Brisbane area which have actually tried to mix TAFE courses with school work. They send students, one day per fortnight or per week, off to a TAFE course to an area of interest. That has worked very well for certain students. If that is what the program intends to do, then I would be very supportive of it.

Mr BROUGH—Kevin, did you say earlier that you felt that we were over-educated to some degree, that we were keeping some people in the education system for too long? I do not want to take that out of context, but again it leads onto the issue of apprentices. We have such a low number of apprenticeships. Traditionally, young people started apprenticeships at the age of 15, obviously at the level of grade nine or grade 10.

Are they, do you think, a sizeable component perhaps of those who do not fit into the education system as such? They like to work with their hands and they are more manually and practically orientated. Therefore, if they are in a school whose curriculum is based on higher education, they feel like they are totally out of place; they do not fit in. Therefore, they take the other option which is truancy, or whatever else, and they fall through the cracks.

If I can follow that on with the lower wages which are paid to first-year apprentices, which we acknowledge are very low, it then becomes, in many cases, an irrelevance because they are 15, or thereabouts. Have we created a rod for our own backs, do you feel, with regard to those people who, by the time they go for an apprenticeship, have finished grade 12, their expectations may well be beyond a trade and they have missed that window of opportunity when they were 15? We had this sort of evidence from the defence department the other day. Would you like to make a comment on that at all?

Mr McDonald—Personally—and I am not speaking for YANQ—I actually agree with the sentiments that you have expressed. I think that if a young person could undertake apprenticeship training which is integrated into their year 11 and 12 and emerge as a second-year apprentice that in fact addresses that issue of the first-year apprentice wage. I believe it also addresses this issue that people have expectations when they emerge from year 12. Often it is their families' expectations which are thrust upon them.

Mr BROUGH—Defence gave evidence the other day that the yappies—that is, the apprentice school—was the most highly sought after occupation within the Defence Force. It was harder to become an apprentice than it was to become an officer. Due to international pressures, they no longer take the young people in at 15 years of age—they used to do the education as well as the apprenticeship. They now take them in at 17—and the pressure is on for 18—and cannot fill the apprenticeships. It is absolutely mind-boggling because they would have a secure career. This is because of that change in expectations.

How would this flow on in the civilian occupation as well, not in the military? Would it have the same sort of impact—that is, with people staying at school to get an education they do not perceive they are going to use, then pricing themselves out of the market and also putting themselves out of the market as far as their expectations are concerned?

Ms Hienekamp—There needs to be a lot more promotion of apprenticeships and traineeships. A lot of employers and parents do not know much about them, so they do not promote them to young people. A lot of families of people I work with will make sure their children stay on until year 12 because they do not think they will get anything out of an apprenticeship. They just do not know enough about it to be able to say that it is an option.

Ms Carr—There has been something like the credentials creep for jobs for which the expectation may have been year 10 and is now year 12. Young people are aware of the expectation of their having the best qualifications and the highest level of education. The effect has been that young people have wanted to stay in school, as you were saying, when they are probably not going to achieve much academically. They are doing it because they think they need to finish year 12. They would rather be somewhere else.

We have seen the school retention rates increase, and now they seem to be coming down again. There is an element of young people who believe they are not going to be employed unless they stay on until year 12.

Mr BROUGH—They are doing the time without actually achieving anything?

Mr McDonald—It is interesting because they are not actually achieving anything either in terms of the subjects. The board of secondary studies' statistics show that for most subjects the level of people with limited or very limited achievement is 20 per cent to 25 per cent. For some areas, like business, technology and computing, it is 25 per cent to 30 per cent. This shows there is limited value in this extra time.

Ms Carr—It is my understanding the idea was to move towards a system where school and TAFE colleges, and other forms of post-compulsory education, were actually going to be measured against each other to enable this process of convergence whereby a student could leave at year 10 and do a TAFE course, or an equivalent within the school system, so they could actually be aligned when one was looking at competency based standards.

Ms Hienekamp—One thing that has not been raised is the needs of people from non-English speaking backgrounds need to be considered separately. A lot of the time they are thrown into mainstream youth services and their needs are not being met. With the increasing number of that group of people, especially refugees, that needs to be considered.

Ms Carr—The emerging racism not only in schools but also in the workplace also needs to be considered. There are people who come here from non-English speaking backgrounds who have qualifications that in some instances are not recognised. Where they are recognised, these people are being told they do not have any local experience, whereas they may have gained a wealth of experience in other countries. There is an element of racism that affects these people outside of the other effects on young people.

CHAIR—Thank you very much. The inquiry will run until next May or June, and we will certainly make sure you receive a copy of our report.

Resolved (on motion by Mr Brough):

That the submission of the Youth Affairs Network of Queensland dated November 1996 be received as evidence and authorised for publication.

Luncheon adjournment

[1.18 p.m.]

MORAN, Mr Terence Francis, Chief Executive Officer, Australian National Training Authority, AMP Place, 10 Eagle Street, Brisbane, Queensland 4000

NOONAN, Mr Peter John, General Manager, Australian National Training Authority, AMP Place, 10 Eagle Street, Brisbane Queensland 4000

CHAIR—I welcome representatives of the Australian National Training Authority. This inquiry is about employment for young people; it is not about unemployment. We are basically dealing with two issues: how we might help young people to become more employable and how we might encourage employers to make more jobs available for our youth. Do you have a brief opening statement you would like to make?

Mr Moran—Yes, thank you. We are not, in a sense, making a formal submission to the committee, but we have put together some material which may assist the committee on this reference. The bulk of it is not as great as it might appear because we are providing a number of publications which may not have yet come your way. But there is also a document which pulls together quite a lot of actual empirical data about patterns in the transition of young people from school to work. I suspect it would not have been made available to the committee by anybody else because it really reflects the result of work we have been doing on this issue. There are sufficient copies of this document here for members of the committee present if that is of any use.

In a recent survey, which was undertaken as part of a commissioned report on the Australian training awards, approximately 98 per cent of employers, parents, teachers, unions, TAFE and other providers considered vocational education and training is important for young people and the existing work force so that they can learn new skills and update existing skills where they have them.

Young people, though, particularly at the age of 18, constitute a significant proportion of the participants in the vocational education and training sector. The VET system is in fact the major destination for young people despite a common belief that higher education is perhaps the major destination for young people. We would like to emphasise apprenticeships and traineeships in our preliminary remarks because we think this is an area where there are some troubling trends at the moment and some significant opportunities for improvement.

Historically structured entry level training—which is the term usually applied to apprenticeships and traineeships—has comprised about 25 per cent of the total vocational education and training effort. However there has been a marked decrease in apprenticeships as a proportion of total effort, when measured in terms of expenditure, from a peak of approximately 27.8 per cent in 1992 to 20.1 per cent in 1996. This represents a decline from approximately 143,000 apprenticeships in 1992 to 121,000 apprenticeships in 1996.

It should have been expected that this trend would be reversed and apprenticeships would increase as the economy improved. Instead, if the trend I have identified continues—that is, these current arrangements are changed—there will be a continuing decrease in the number of apprenticeships to approximately 112,000, representing 18.5 per cent of total expenditure in 1998.

By contrast, traineeships, as a more flexible form of structured training which have been effectively marketed, are actually increasing. In 1992 it was estimated that trainees would comprise 1.9 per cent of total expenditure—that is, about 11,000 enrolments. This increased to approximately 3.6 per cent of total expenditure, or 30,500 enrolments, in 1996—at least that is the forecast—and we expect a further increase to 5.5 per cent of total expenditure, or 46,500 enrolments, in 1998. Traineeships, however, are normally at a lower qualification level—that is, levels one or two of the Australian qualifications framework—and have not gained the recognition accorded to traditional apprenticeships.

There is also a need to build these opportunities so that the mismatch between where training effort is currently concentrated and the industries where young people are actually employed is reduced. There is a significant mismatch. So the training effort for the retail industry comprises only about 2.7 per cent of the total effort, but that industry is in fact a significant employer of young people. Amongst the tables in the document that we have provided is a break down for all industry areas of those employed in percentage terms. You will see that the number of people employed in the wholesale and retail sector, both young people and generally, is very high and many times greater than the proportion of funded effort in support of that sector.

I will now turn to future reforms. Government policies agreed through the ANTA ministerial council include the modern Australian apprenticeship and traineeship system, MAATS, as it is called, user choice and implementation of vocational education and training in schools program. The implementation of MAATS will see an increase in employment based training with legislative and administrative changes making structured training a more attractive proposition in traditional industries and a new option in occupations and industries where it has not existed in the past.

The states and territories have made a commitment to increasing opportunities for young people to take up structured entry level training. This will mean the expansion of apprenticeships and traineeships into new areas, structured training that includes an employment element into higher levels and training opportunities for school students. MAATS will also expand group training arrangements and simplify regulatory systems—and I know that group training is a particular interest of yours, Mr Chairman.

MAATS will be underpinned by an enhanced national training framework and national training packages which will allow a more flexible range of training products. This will be supported by a system of user choice, which will give employers and people in training a greater capacity to determine who delivers their training, its timing and means of delivery.

In addition, about $20 million in each of the next four years has been allocated to enhance vocational education and training in schools, and that will focus on program development, course advice and support materials and integrate secondary certificates with vocational education and training courses. Guidelines and funding principles are being developed in consultation with the task force set up by the Ministerial Council on Employment, Education, Training and Youth Affairs, or MCEETYA and the CEO's group for ANTA, which represents the VET sector. The results of their work will be considered by the ANTA ministerial council when it meets in Brisbane this Friday.

In summary, apprenticeships and traineeships are seen by us as a very important pathway for young people into employment and, as such, are key areas for your committee's attention. MAATS, through

expanded group training arrangements and an enhanced national training framework seeks to redress the issue of the decline of structured training opportunities for young people and will be underpinned by a system of user choice for both employers and people in training. The VET in schools program will also enhance arrangements through a greater integration of secondary certificates and VET courses and qualifications.

Having said that, I will just clarify our role in respect of MAATS. One way of explaining what needs to be done to implement the modern Australian apprenticeship and traineeship system is to say that there are three major areas of activity required: firstly, changes flowing from the Commonwealth government's industrial relations bill; secondly, changes in the training system; and, thirdly, the selling of apprenticeships and traineeships to businesses and young people themselves. Our role is in the second area.

ANTA's role is in supporting governments as they chart a new direction for the training system. The selling role has, in the last 18 months or two years, been undertaken largely through the Nettforce arrangements. As my remarks have indicated, that has been very successful in increasing the number of traineeships. Although, as I have also said, there has been a decline in apprenticeships.

The industrial relations dimensions are a matter for another Commonwealth minister. The selling issues are basically a matter for DEETYA, the Department of Employment, Education, Training and Youth Affairs. No doubt you will be hearing from them about those matters at some point.

CHAIR—Thank you. I suspect most of our questions will relate to your role and to the vocational education and training market itself. On the broader topic of employability of young people, many people have told us that young people today seem to lack an understanding of the world of work that perhaps they had inherently in earlier times. They seem to lack an understanding of what work is all about, what jobs are available, what career paths there might be and what skills are required for an entry into that market. Have you a view about how we might go about addressing that perceptual or real problem?

Mr Moran—If the problem is real, and certainly a lot of people believe it is, you can only ultimately address it by identifying the causes of the problem. I am sure that that is one of the issues this committee is grappling with. From my point of view, the causes of that problem include general changes in society in terms of what, for instance, young men and women learn in the family environment. When I was much younger—and I am sure this would apply to others—one learnt a lot of skills informally within the family environment that these days seem to be less commonly available.

A second consideration is a change in the nature of school education, particularly during the eighties, with a big increase in retention rates through to the end of year 12 in schools. Around Australia there was an emphasis on general education as the basis for up to 12 years of schooling.

Thirdly, a lot of the occupations that people perhaps had in mind in years past when they went through school are really disappearing. There is not only restructuring of the economy under way, with all that that implies for businesses within the economy, but also a massive and somewhat unheralded restructure of occupations. Many of those occupations are in industries where 10 to 20 years ago most people would not have seen the jobs of the future for young people. For example, the very large proportion of young people finding their way into services sector these days, as opposed to manufacturing or primary industries, is a big

shift over the last two decades. I don't think that people's expectations at the school level have fully accommodated the change.

The fourth point I would raise is the one of the ambitions of parents and young people as to what they will do when they leave school. Since the mid-fifties, we have developed the dream of a university education for very, very large numbers of young people—numbers now that are far in excess of the number of professional and paraprofessional occupations available in the work force to which those people are aspire. That has really meant that a large proportion of young people put off thinking about the work force until the conclusion of study and higher education, much of which is not vocationally specific. It is only in recent years that we have seen a realisation emerging amongst young people that the acquisition of specific skills in school, or subsequently through TAFE or other vocational education providers, can be the best investment they personally can make in their future and in a future career.

I am sure there are many other factors which people would identify as the causes of the problem. As to the answer, people tend to say that young people are coming out of school without the key competencies. They have inadequate skills in literacy or numeracy. There is some evidence to support that. That can be addressed through programs in schools and perhaps, if necessary, programs in TAFE and in universities.

I don't think that is necessarily the core of the problem. I think the core of the problem is expectations as to what sort of working life young people should experience, how they prepare themselves for that and how they acquire some familiarity with the practical skills that are actually employed in most jobs in our society.

CHAIR—How would you address it?

Mr Moran—Governments in the last few years have looked at a range of initiatives to do that. I think MAATS is very important because the modern Australian apprenticeship and traineeship system represents an attempt to reinvigorate that approach to preparing young people for work which combines a formal education experience and work.

I believe—I have nothing better than anecdotal evidence to support this—there is a very substantial proportion of any cohort of young people that is better satisfied by that combination of work and study than by going into a full-time course. It happens also that the approaches to combining work and study in the way that we have available in Australia have typically tended to have a practical, pragmatic orientation which also, I think, serves the interests and needs of a very high proportion of young people approaching the end of schooling or leaving school.

Beyond that, I think development of vocational education and training programs in schools is enormously important. I think Australia made a mistake in the 1980s in putting all its eggs in the general education basket, if I could put it in those terms, in the latter years of schooling. Various state school systems are now changing to address that problem, as are the Catholic systems and independent schools around Australia.

Generally speaking, though, schools have a long way to go in better satisfy the latent demand than, in some cases, the apparent demand for general vocational education and training experiences in the latter years

of schooling. Around Australia now there are some terrific models of how it might be done in the future.

CHAIR—It would seem to me that one of the structural impediments to allowing MAATS to work effectively and bring us new, up-to-date, relevant apprenticeships and traineeships that can be effectively marketed to industry and in fact meet the demands for their school requirements is the industry advisory training boards, who are in fact the approval mechanisms or the approval bodies for particular courses and are the certifiers who might teach what it is they want done. How do you see it going about removing part of that bottleneck?

Mr Moran—I would not agree with your assumption as to the problem. I think there has been a process of change within the industry training advisory boards at both the national and state levels. At a national level, again we have a set of proposals going to our ministerial council meeting here in Brisbane on Friday. In that context, we will be proposing that national ITABs should really have one overriding role; that is, the preparation of training packages, as we are calling them, which are relatively general but are there to provide a framework for training for a particular industry or a subset of an industry. Those training packages are based on competency standards, include an approach to assessment and are related to the Australian qualifications framework. They also can include learning strategies to support delivery in the providers.

We see in this approach a simplification of what has been too complex a system in the past but, frankly, one which was not invented by those industry training advisory boards. Rather, it is a system that emerged out of the bowels of Commonwealth-state relations, if I can put it in those terms. As part of the shift, we would see scope for significant deregulation of vocational education and training, which is the real cause of what you have identified.

Given that occupations have changed rapidly in Australia in the last 10 or 15 years—they have always changed but there has been a lot of change in the last 10 or 15 years—and given that apprenticeships and traineeships are a very valuable way of making that transition from school to work, why is it that we have not had a large number of new apprenticeships and traineeships appearing every year to meet these new demands? Why, for example, have we not had apprenticeships and traineeships in the areas that cater for computer-aided design and graphics, which is an area of a mini-boom in vocational education and training at the moment, in terms of the demand from young people?

The reason is not the ITABs; the reason is the regulatory impediments erected at a state level but also, to an extent, at a national level. For example, the formal requirement for vocations to be declared at the state level has been the single biggest impediment to new apprenticeships and traineeships being developed.

At the last ANTA ministerial council meeting, all states and territories, but one, agreed to abolish that requirement. Might I say that there are other impediments as well. The processes for getting a course developed and approved have been too cumbersome. We have said and ministers have agreed that that state level activity should now be devolved down to providers themselves that meet certain quality standards, so that they can have the flexibility to adjust these programs in the light of the experience of their contact with firms, industries, group training companies, individual students and so on.

CHAIR—If we accept that it is a difficult job market and that most observers, who have some

understanding of the job market, would believe that the single biggest employment market that provides us the greatest opportunity at the moment for addressing our unemployment problems is small business. Given that small business frequently has little understanding of the formal training system, of the formal requirements for off-the-job training, of the standards or even of what course names or numbers might be; is ANTA through the ministerial council aware of efforts being taken or perhaps considered that would help address the small business market?

Mr Moran—Firstly, small business is one of the major beneficiaries of the existing apprenticeship and traineeship arrangements. Two years ago, 50 per cent of apprentices were in firms of 10 or fewer employees. The biggest growth area in traineeships under Nettforce over the last two years has been the small business traineeships.

If one focused on why the small business traineeships have grown when apprenticeships are in decline and traineeships in many other industry areas do not grow, the major reason appears to be that Nettforce actually developed a training product that met the needs of small business. It provided for most of the training to be done on the job. It was very flexible. Then, through the small business training companies, the Nettforce arrangement was very successful in selling that training package, by knocking on the door of small businesses and convincing them to take on young people. Our view is that, if you can get the right training package together and if you then find the right way to introduce individual businesses to that package, you will have the sort of success that the Nettforce small business training companies have had over the last 18 months or two years.

This is our advice to ministers: the training packages concept, which I mentioned, is important to getting a user-friendly approach to training from a business point of view but, once it is there, for the training places in apprenticeships and traineeships to occur you need to have an effective means of selling it to individual businesses. We now have the model for how to do that, and it works. It is really only a question of revving up, if I can put it in those terms, those processes as the new training packages come on line.

CHAIR—This morning in the *Courier-Mail*, an article said that apprenticeships in the construction industry in Queensland were some 15 per cent of the estimated level required to service the industry through the rest of this decade. I realise that you are a national body but you are located in Brisbane. I wonder whether you have a view on why apprenticeships in the Queensland construction market are at such all-time low levels.

Mr Moran—Peter has been looking at the patterns in apprenticeships over the last few years on a national and on a state-by-state basis. He might be able to add a few comments.

Mr Noonan—Thanks, Mr Chairman. First of all, we have looked at the trend in apprenticeship commencements over the last couple of years. There has been a worrying downward trend really from 1992 through to the present day. In part, that is the pipeline effect of the drop in apprentice intakes during the recession washing through. Normally, you would see the cycle start to swing up again after the recession has completed, particularly during the recovery. That does not seem to have happened on this occasion.

Building is one of the trades which has been adversely affected, and certainly the figures in Queensland are a cause for concern. Detailed research is not yet available, but it is an issue we are looking at across a

number of industries, including building.

If I could just talk about the building industry in general, I think the requirement for a builder—and most of them are small owner operators—to make a four-year commitment to an apprenticeship is a problem because of the cyclical nature of the industry. It does appear that a number of employers are reluctant to make that commitment after the impact of the last recession where they had to put apprentices off and go through that whole very difficult process.

There are also structural changes in the industry, with the increased use of subcontractors, who themselves may not have an apprentice. Because there may have been a core team of eight, 10 or 12 people associated with a builder, and the ratio would mean that usually there would be one or two apprentices added to that. That means that a lot of people virtually work alone or with one or two other people and, in effect, out source the work.

In the case of Queensland specifically, the decline in the residential market has been a particular problem, because it is the residential market that has been often a major supplier of employment and apprentices. What that means is that, increasingly, the building industry will be relying on group training as a means of employing apprentices.

We are concerned to make sure that group training does not simply substitute for the existing effort of employers in the apprenticeship area. But, in cases such as building, where there appears to be major structural problems associated with the long-term commitment to an apprentice, it may be that group training becomes increasingly the dominant means by which apprentices are employed.

The other fact that I think will need to be looked at is the availability of traineeship type arrangements where there have been difficulties in getting agreement around a traineeship with the building industry, particularly to enable young people to move from lower skilled levels into an apprenticeship, rather than moving straight into an apprenticeship where a lot of employers seem to be reluctant to take somebody on at that level.

Mr Moran—Can I add a postscript to that comment which you might find interesting. In the work that we have done on what has happened to apprenticeships in different industries over the last few years, there are some interesting anomalies. If one takes the printing trades, for example, in one significant state in that period the number of apprentices went down by about 81 or 82 per cent. In Queensland, the number went up to 12 or 13 per cent. In the third state, Victoria in fact, the number went down by roughly 34 or 35 per cent.

The industry explains the difference between the first state that I mentioned—where it went down by 81 or 82 per cent—and the other states by saying that the industry itself was very frustrated with the performance of the training providers in that state, and many firms banded together and went to see the authorities in that state to say that they were very unhappy about the training. They found that they could not get a response from that training system, and then decided to either send their apprentices interstate, in many cases up to Queensland, or withdraw from apprentice training.

Our view of that is that the single most important thing which could be done to remedy that sort of

problem is user choice, as I mentioned before. Under user choice, an employer, a group training company, a community group in some cases or a group of employers could simply say to a range of possible providers, 'We want accommodations to our needs made by you, and we would like the training delivered in these defined circumstances.' The firm, firms, group training company or community group would then consider what those various providers say they can do in response to that need, and then instruct the state training authority to pay the funds for the off-the-job training to the provider who best meets their needs.

In the instance in the printing industry, the problem would have been solved if user choice had been available to those firms in that state where the training providers were offering a training response they were unhappy with.

CHAIR—You discussed a range of issues around the construction industry—apprenticeships and the lack of traineeships. I noticed with some interest that you failed to mention price. Are we frightened of discussing price? Do you believe that price is not relevant?

I remind you that I think apprenticeship wages in the construction industry are amongst the highest of any industry group in the country. I believe that in the labouring industry generally there are no career paths for trainees—for instance, for young people to enter as a builder's labourer without being put straight on full adult wages. Would you like to address that issue as part of the conundrum as well?

Mr Noonan—Not particularly, Mr Chairman, because the authority since its inception has always taken the view that industrial relations issues, although they certainly intersect with training, are not part of its remit. As Mr Moran said in the analysis that he gave at the start of the presentation, the issues related to industrial relations and the workplace relations bill are really with the Commonwealth department.

The problem you are alluding to has certainly been cited by employers in the industry as a problem, but it is not something we have gone to specifically. The issues we have looked at have tended to be more in terms of the operation of the training system rather than the industrial relations and wages matters.

CHAIR—I understand that, but you certainly would accept that this committee cannot ignore that.

Mr Noonan—Certainly.

CHAIR—We have submissions and views from two sides of the equation. On one side we hear things such as age based youth wages disadvantage young people. On the other side we hear that we need to retain them where they are and perhaps expand them where we no longer have them in order to make opportunity available. I think we need to come to grips with that.

Mr Moran—I am sure you do. The basis of what we have put before you today in the document, which the secretary received earlier, is a collection of a substantial amount of data—most of which would be new to the committee—which deals with the operation of the training system. We simply have not collected data of the sort that would be required to answer your question at any level other than mere opinion.

CHAIR—Colleagues, I apologise for dominating at this hearing. Mr Moran and I are old debating

partners from years and years ago. We could go on forever, sorry.

Mr BROUGH—Do you have any information at all regarding changes to the ages of apprentices in particular? Are apprentices coming into the training later, earlier or at the same rate?

Mr Noonan—We can give you more precise information if that would be of interest, but certainly the average age of apprenticeships has increased. This has been for mainly two reasons: firstly, the phenomenon of young people staying on at school for longer; the general advice from parents, careers teachers and so on; and most employers preferring young people to complete a year 12 qualification before taking the apprenticeship; and, secondly, the general preference from employers to be employing slightly older people in terms of the demands of the current workplace.

Mr BROUGH—Have we created a catch-22 situation where we have now got a workplace asking for older apprentices and then the expectations of that person, having completed senior, changing in that they no longer want a traditional apprenticeship at the very least, if not some of the changes that we now see with computing apprentices, et cetera?

Mr Noonan—I think that is dead right. The problem is that, as Terry said, whilst school retention rates have risen, there has not been the breadth of vocational subjects available to young people. Not surprisingly, their interests have been channelled towards university education and, in a sense, their aspirations have been mainly directed to one area.

Traditional apprenticeship in a number of areas does have an image problem. Industry itself probably needs to do a lot more to promote not the apprenticeship so much but the career paths which are now available in a range of industries, where you can move well beyond the traditional trades classification as a result of award restructuring and enterprise bargaining; whereas, the impression that a lot of young people still have is that you are a tradesman and that is it for life.

Mr Moran—It is also the case that, in many industries, there would now be a view that existing adults working in those industries, with additional training, would be entirely suitable trades level employees and there has been an uncoupling of the requirement of industries for trades level employees from the traditional notion that you get those skills through an apprenticeship straight after you leave school. What the data that we have here does not show is whether there is, in fact, any decline in the acquisition of skills generally in the community to trade level, as opposed to the decline in the number of young people going into formal apprenticeships with contracts and training.

I went to one large company in South Australia recently that is actively involved in providing work experience opportunities for young people at school under a new pilot scheme funded by the Commonwealth government and also pondering its future needs for trade level employees. That company would now view its existing work force at the operative level as an entirely satisfactory source of adults who could, with additional training, become trade level employees, where previously it would have seen the replacement requirement as being met only through the traditional route of hiring young people out of school to train as apprentices.

Mr BROUGH—So we have students staying until year 12. We are not putting more of them into

work; we are putting more of them into higher education, We came to the conclusion earlier that there is now possibly an over-abundance of tertiary educated people for the jobs that they can then fulfil—of the type that they would expect to be able to fulfil is probably a better way of putting it. We have built people's expectations up of staying until the end of year 12 and, therefore, they do not go into traditional apprenticeships. We also have the other side of the coin where business people who are basically training their senior employees so that they have sufficient knowledge, expertise and skills to fulfil the roles that an apprentice otherwise would have done and become a tradesperson without actually having a certificate.

Mr Moran—In some industries, not all.

Mr BROUGH—Exactly, yes. I do not mean in all industries. We have really attacked young people inadvertently from both angles and left them dangling in the middle.

Mr Moran—I will add to what you have said an observation that there is now quite a high proportion of people entering apprenticeships with year 12. So the additional entry point, as the Chairman would probably remember, is post year 10. I do not think that in many trades there would now be many people with only year 10 from school getting an apprenticeship. Not only year 12; there are also lots of university graduates, having got their degrees, who are going into apprenticeships. Even in traditional areas like automotive mechanics it is surprising that graduates are turning up there and taking apprenticeship places. There are all sorts of implications which flow from that.

The second point is that in a number of industries they are not interested in training experience at the certificate level; they are looking at a training experience at the diploma level but one which uses this combination of education and being employed. One of the large financial institutions in Australia has developed such an approach, in collaboration with a Victorian TAFE institute, which appears to be working quite well. There are moves in the metals and engineering industry here in Queensland—in fact, they are under way now—to take people in at the Diploma of Engineering level and run a program over four years, which is a formal educational program which would normally be nearly two years full-time, plus employment. Many firms in the industry that have had exposure to it appear to think that is a terrific response to their contemporary needs.

This leads me to suggest that, as with most else in life today, growing diversity is what is happening and the traditional rigid modes of providing for this transition from school to work have given way to a growing number of different approaches pitched at different educational levels for different industries and different sorts of experiences. I think that that trend is irreversible and it is good. The policy issue is how do we respond to the inevitability of all of that with new programs that are both attractive to young people and meet the needs of firms.

Mrs ELSON—Have you done any research into whether somebody who takes on an apprenticeship at 15, their ability to do the job or their attitude, is any different from someone who has finished grade 12 and then taken on an apprenticeship?

Mr Moran—Peter might have something to add but the only point I could make is that employers seem to have a preference these days for people who have done year 12.

Mrs ELSON—I just asked BHP and they preferred to take them at 15. The ones they took at 15 had a better attitude towards the job. That is why I was asking—

Mr Moran—Perhaps they are like the Jesuits.

Mr Noonan—One of the decisions that ministers have taken, which I think is very important, is that it will be possible in the future once the regulatory changes are made for a student to formally commence an apprenticeship while they are still enrolled at school. What that would mean is that somebody could commence a formal contract of training with an employer, complete year 12, commence their structured work experience with the employer and also undertake some vocational subjects so that when they actually start full time with the employer they would have a number of modules towards the relevant standards.

It is a quite complex thing to get introduced into schools. We have all sorts of duty of care responsibilities for school students and so on. But the point I would make is that if you look at the quality European training systems one of the things you notice about those systems is that they do have very extensive high quality vocational programs in upper secondary schools and they are often very closely linked with employers. That is the kind of model we want to extend in Australia.

Mr Moran—Some employers place a lot of emphasis on pathways for people they employ beyond trade level skills into the highest level certificate and then into diplomas. This is particularly obvious in some areas of the manufacturing industry. I think those employers would normally reason that if they want to make available a pathway from trade to technician to higher levels beyond trade level it is going to be easier for the individual if they already have year 12 behind them.

Mrs ELSON—I was hoping for you to give me the answer about that if they continue their education.

Mr Moran—There are employers who have done it that way but there are employers who want to do it differently. I do not know that there is any one model. It is a question of what is appropriate in the circumstances.

Mrs ELSON—So we really should not be discouraging anybody who wants to start an apprenticeship at 15.

Mr Moran—It has worked for centuries, so I suppose it can go on working.

Mr Noonan—I think the key thing is that the young person concerned must get good counselling and advice on all of the relevant information. If they make the wrong decision and find that either the occupation they pick is the wrong one or the employer is not suitable, they should not be then precluded from coming back to complete year 12. Also, if they do not want to go back and complete year 12, they can then move into some other form of study, possibly with credit from what they have already done. I think the main thing is that young people have to get much better information and advice on all of the options that are available and having got that advice then make a mature decision.

Mrs ELSON—In what ways has ANTA helped to improve the pathways between school and work?

Mr Moran—I think it has not just been something that is confined to ANTA. The governments generally in Australia have sought to improve those pathways through, for example, the introduction of the Australian qualifications framework which is what happens in schools, what happens in vocational education and training and what happens in universities within one qualifications framework. Having done that, people in school are then encouraged, for example, to take recognised vocational education and training programs.

There is quite a lot of that happening in Queensland, Victoria and in some other states, not nearly enough for what parents and young people would want, but action has been taken and there are schools that are doing it now. There are some quite exciting models in both Queensland and Victoria as to how you might change the last two or even three years of schooling to accommodate that.

We have also recognised the need to invest funds in some developmental costs to help school systems accommodate this expectation from their students and their parents for more diversity in educational programs, including vocational education and training. Again, there is a proposal going to ministers at the ministerial council meeting on Friday as to how that $20 million, which I mentioned in my opening remarks, could be used through the ANTA agreement to help schools do more in this area.

What I hear anecdotally all over the place is that parents and kids at school actually want these programs. There is a real pressure on school systems to provide them and the school systems are saying, 'Yes, we recognise the pressure but it is costly and we need some help.'

CHAIR—Would you be surprised if you had $200 million worth of applications for the $20 million?

Mr Moran—They would be going to state and territory authorities not to us. If the experience of the pilots for the Australian vocational certificate are any guide, the potential demand for assistance there is really substantial.

CHAIR—In your opening remarks and in your reply to Kay you talked about differences between the states in terms of their approach to vocational education and training. Is ANTA in a position, by virtue of your location in the system and your research capability, of giving us succinct information in summary or brief form about how each of the states approach vocational education in TAFEs, schools and where it exists in the private market?

Mr Moran—There is quite a lot of that information in the documents which I have tabled today, particularly the annual national report from ANTA which was recently tabled in the Commonwealth parliament. Volume 2 of that national report shows for each state and territory how they have approached change in their systems during 1995. Volume 3, for the first time ever, provides some quite reliable information on how those different state systems are performing, not only in terms of efficiency but also in terms of employer satisfaction, student satisfaction, graduate destination and so forth. If the secretary, having had a look at that, felt that we could assist you further, we would be happy to do so.

CHAIR—After that has occurred, perhaps we might invite you to talk to the committee one Thursday morning in Canberra considering that you are there from time to time. Thank you for coming to talk to us. It has been most useful. I am sure the information that you have provided to us will be a great help. That state

information will really be terrific.

Mr Moran—You will find a lot of that in the information we have provided.

CHAIR—If we can boil it down into reasonably succinct statements without having to read volumes of reports, recognising the volume of paperwork that we have to go through as it is, would help make life a lot easier in terms of trying to come to grips with the report. This inquiry will continue until probably next May or June. It is our intention to put out a report which has hard recommendation, not one which recommends that another study be undertaken. We will come to grips with some real, hard recommendations on how to help youth in this employment market. We thank you for your contribution and for your submission. We will, as always, send you a copy of our report.

Resolved:

That the submission of the Australian National Training Authority, dated 13 November 1996, be received as evidence and authorised for publication.

[2.14 p.m.]

THOMSON, Ms Felicity Jane, Traineeship Development and Promotional Officer, Queensland Retail Traders and Shopkeepers Association, PO Box 105, Kelvin Grove Business Centre, Brisbane 4059

CHAIR—I welcome the Queensland Retail Traders and Shopkeepers Association. I remind you that our inquiry is about employment, not unemployment. The issues we intend to address simply boil down to two issues, I suppose. The first issue is how we can go about helping young people to become more employable and, secondly, how we can encourage employers to make more opportunities available for our youth in the job market. Have you an opening statement you would like to make to us?

Ms Thomson—No, I have not.

CHAIR—Did you bring your submission or anything with you?

Ms Thomson—I have brought the submission that has already been submitted.

CHAIR—One of the things you talked about in your submission was pre-bias of employers, that some employers may have had one bad experience with a young person and so, for them, that has closed the youth job market. Can you expand on that a bit?

Ms Thomson—Yes. In my current job I am a traineeship development officer. I am doing a similar role as the NETTFORCE officers at the moment, but I am in a separate project. In my dealing every day with employers I have discovered that one of their main criteria for not taking on young people is that they have had one person or they know another employer who has had one person with whom they have had one bad experience and therefore they think that all young people are going to be the same way. So I basically think that is a bias that goes against young people therefore being given the opportunity to get that position.

CHAIR—In talking to those employers and trying to source jobs, do you have many that talk to you about young people's attitudes towards work?

Ms Thomson—Definitely, and I think once again bias does exist. A lot of employers tend to think of youth maybe as being not as responsible as when the employers were young themselves. They tend to think that the youth are not going to stay in the positions that they offer, because once again the employer may have had a bad experience or they know another employer who has had a bad experience. A lot of employers that I speak to do go on their own experiences or the experiences of other retailers in particular, because it is retailers I am dealing with. So I think that is probably a big influence.

CHAIR—The National Retail Traders Association, who appeared before us at an earlier formal hearing, talked to us about age based youth wage rates. If my memory is right, they stated how important it was, particularly in the retail, hospitality and fast food markets, to maintain those youth wages, versus a competency based wage system for young people. Could you tell us about your experience in Queensland and how you would view that issue?

Ms Thomson—My main experience is with the traineeship wages. I have not heard any youth in particular complain about the actual wages that they are receiving or employers' comments on it in particular. Probably a lot of the problems in competency based pay are that employers may not be competent enough in assessing their employees. I know a lot of them are not confident enough in providing training in a formalised manner in the way that traineeships dictate at the moment, like following set modules and things like that. So they may not be as confident in assessing the competencies of their trainees, particularly young people that may not have previous work experience.

CHAIR—Has anybody commented to you or does your association have any view of what would happen if we got rid of aged based rates across-the-board?

Ms Thomson—Not that I know of in particular. I have not really had a lot to do with the actual pay and rates of youth in particular—only my experience in talking to employers, I guess, talking about the type of rates they have to pay. I think a lot of the time when I speak to employers I am telling them what the rates are and not really getting an opinion of what they think the rates should be.

CHAIR—What sort of acceptance rate are you getting?

Ms Thomson—At the moment it is very hard. I do a lot of cold canvassing of employers and I also contact members of my association. Most employers I speak to do not know anything about traineeships, therefore it is very hard for me to educate them. Personally, I think employers are a little bit hesitant about taking people on under a traineeship—young people in particular—because they are worried about the formal training aspect of it. They get a bit confused as to exactly what is expected of them. That could be one thing that goes against school leavers in particular getting employment, et cetera. Employers may prefer to have someone who is already trained or someone who has got experience in the industry so that they do not have to worry about training. A lot of them do not have time, especially in small businesses, which is what I am dealing with. They do not have a lot of time to actually deal with training, therefore that might put them off a bit. Even though someone coming into a position always needs to be trained, I do not think employers can differentiate between the formal training that is set out in modules and the actual training that they are providing when they really should come hand in hand. In a lot of the modules that I am dealing with in traineeships, they have to demonstrate the actual training aspect on the job.

CHAIR—Sure. Could you tell us what sort of success rate you are having? Do you keep statistics?

Ms Thomson—I do.

CHAIR—Would you like to share that with us?

Ms Thomson—I have to get a target of 500 in 12 months. I have been on the job since April. I am actually seconded from the CES. I am up to about 270 at the moment, so I am about right on target, thank goodness.

CHAIR—But how many placements—

Ms Thomson—Am I getting to employers I am seeing?

CHAIR—Versus calls?

Ms Thomson—Probably one in maybe 8 to 10. It is a lot of work to get one outcome. I work in conjunction with a lot of other people to get those outcomes, the CES in particular. Other people are doing jobs similar to mine in different areas.

Mr BROUGH—Would you say that the employers find it all too difficult? You alluded here to the fact that they do not have the interview skills. From my business background I would agree with that. You also mentioned that they do not necessarily understand the traineeships, that they are perhaps confused about workplace health and safety, and that they are confused and worried about awards, unfair dismissal and all those sorts of things. Without picking on any one of those particular areas, do you get the impression from the people you are talking to—the seven out of the eight—that they say, 'This is all a bit too difficult. Therefore, although I could put someone on, I won't bother'? Is that something that you run across regularly?

Ms Thomson—I come across that every day. In my case I try to give the employers information in particular about the benefits of someone under a traineeship, because that is what I am selling. But, yes, I think that they really are daunted by the whole aspect of it. Maybe they are not getting enough information from the right people, whether it be the CES or their associations or the wage line. Wherever they are going to get information, they are not becoming confident of being able to handle that type of exercise.

Mr BROUGH—It is a time-consuming process too, isn't it?

Ms Thomson—It is—very time consuming.

Mr BROUGH—Would you say that they don't have the time and that therefore that is one of the reasons they would lean towards people like yourself?

Ms Thomson—A lot of the small businesses I am dealing with are very independent. They may be operating the business themselves and have two or three other staff at the most. Therefore they feel that they do not have the time, even though they really want to get the right staff and want the staff to be part of the business. That is often their excuse, whether it is the right excuse or not.

Mr BROUGH—This is going to be a good question for you. One out of eight are successful once you get a traineeship. Given that we are in extremely tough times and that it is not easy for the retailers out there at the moment, what about placement of jobs in general? What if your job was actually to just try to speak to business people in your association to get them to employ another young person? Out of the eight that you would approach right now, what number do you believe would be in a position to actually put someone on if, overnight, we could wave a magic wand and—verboom—you could employ this person on wages, without all the other headaches, and we could guarantee that they are the sort of person you are after?

Ms Thomson—I think most employers would say, 'Yes, thank you very much.'

Mr BROUGH—Most employers?

Ms Thomson—The ones I have spoken to. It might be five out of eight that would say yes.

Mr BROUGH—That is a pretty dramatic increase, is it not?

Ms Thomson—Yes, it is.

Mr BROUGH—So it is not the dollar cost of employing but the cost in time, the fear of not meeting regulations, the fears of workplace health and safety, et cetera? Is that a fairer statement?

Ms Thomson—I definitely find that most employers are not interested in the fact that they have to pay a salary. They are not interested in the subsidies that come with traineeships. They are more interested in getting the right person for the job in the long run and whether that person is going to perform to the standards that they require. Often I find that they turn around and say, 'No, I'll do the job instead of having the hassle of having to train somebody or getting somebody that might only last for four or five weeks and then move on to something else.'

Mr BROUGH—So the alternative is that husbands and wives are working 20 hours a day, or whatever it happens to be, instead of employing another young person?

Ms Thomson—Or else they are using casual staff, which are not necessarily young people, or the hours are fairly minimal.

Mrs ELSON—Do you believe—I have heard this comment around the place—that retailers would rather take somebody that had been untrained and train them their way than take in a trained person? In the past we spent a lot of money training our youth, but a lot of retailers have said that it has been the wrong way and that the employee's attitude when they come there is that they think they should be the boss. Do your retailers tell you that?

Ms Thomson—Yes, a lot of them do. So they find that people who do not have any training are better for them. A lot of the people I am dealing with, as I said before, have independent businesses. The training that some of them may have may not actually be related to what they have to do on the job. I guess that really does come back to the person that is being employed. They may need to be a bit more flexible.

Mrs ELSON—Do you believe that that belief has come about by the retailers now that they are not bothering, because they are not worth it or because they have got the wrong people in the past? Do you think that training has done more damage to the incentive to employ young people now?

Ms Thomson—Probably in some ways. Then again, it really does also depend on the way the employer is delivering the training. In my position at the moment, traineeship training is quite broad—it is not really specific—so the trainee can take the skills they have learnt and adapt it to another job. Often employers, as I said, are daunted by actually having to deliver training that is already written for them and they cannot correlate that for the training they are already providing.

CHAIR—In your submission you talked about young people finding it easier to queue for the dole than to work for a living. We heard this morning that in Queensland some young people call the dole the 'mini wage' and Austudy the 'school wage'. Could you expand on that for us?

Ms Thomson—I guess that was written from the experience that I have had in the CES and also the experience I have had from talking to employers and the fact that a lot of them—I have probably said this before—want to employ casuals. The young people do not want to work casually; they want to either have a full-time job or have the benefit of getting unemployment benefits.

It is a bit of a catch-22 situation, I guess. If they earn too much over a certain limit they lose their benefits, or else they go into a job with they perceive that the pay may be less than what they are actually getting on unemployment benefits. A lot of other factors come into it. Depending on the area that the youths are living in or their home circumstances or their experience at school, a lot of them do not see work as being as important as maybe their leisure activities or what their best friend is doing. A lot of them finish school and want a holiday, whereas employers want them to start work straightaway. Various things influence youth.

Some youth can deal with that in their own way and others cannot—they feel that they need to be doing leisure activities instead of working for a living. I have found with some of the youth I have spoken to that their parents may not be in work or they may swap jobs fairly regularly. A lot of people do not have jobs for 20 or 30 years like they used to. That is a influence that the youth are seeing.

CHAIR—In your job you are contacting employers. Do you also deal with youth themselves?

Ms Thomson—In some instances I do. I use the contacts that I have through CES, TAFEs and other training providers to actually get the people for the employers. I am providing a semi-recruitment service as well. I find employers are daunted by a lot of the steps they need to take in recruiting people—they do not know how to use the CES, they do not know how to advertise, they do not know how to write a job advertisement, they do not know how to interview, they do not have the skills, they do not know what questions to ask. I try to help them as much as I can.

CHAIR—How do you go about selecting the right person for their company?

Ms Thomson—I would not necessarily select the person.

CHAIR—You must be doing some training.

Ms Thomson—I do some basic screening, but my contacts basically do the bulk of the screening. I use CES case managers who have already interviewed the clients and know what they are like. They have resumes and I then send the resumes to the employers. I am trying to be a go-between for them so that they are not spending their time running around to different areas trying to get information. I do not do that for all my employers either. Sometimes if I feel that they need a bit more help I will give it to them so that I can get the traineeship and a young person into a job. Basically, it is people under 25 that are getting the traineeships that I deal with.

CHAIR—Are most of them working—that is, have they continued in the relationship?

Ms Thomson—Yes, as far as I can gather. Some fall by the wayside, businesses close and people move away. There are a certain percentage that do not work out, but so far, from what I can gather—and I get fairly regular feedback from members of the association—their trainees are staying in the jobs. In the case of a lot of trainees, they can see the certificate at the end of it—they are going to get something for being in that job. They are getting recognition for being there.

Mr BROUGH—Have the employers you deal with got any comments to make about the CES? Are they positive about the CES?

Ms Thomson—No. Once again, they have one bad experience—

Mr BROUGH—What are their problems? Do they feel that they are not getting the right person sent to them?

Ms Thomson—The referral process is probably the biggest problem.

Mr BROUGH—What would they like to CES provide?

Ms Thomson—If employers ring the CES they deal with different people every time they ring in. That is a big problem. They would like to deal with one person instead of dealing with several people. Sometimes they even have to deal with several departments. With traineeships they need to deal with the state level as well. I think employers are daunted by that because they do not understand the jargon and the acronyms that we use. They get very confused when someone rings up and says, 'You have to TEQ to get a something.' That is probably a little bit daunting for employers.

They also feel that the referral process is not effective. They get people sent to them that do not dress properly for interviews, that do not turn up on time, et cetera. That is not necessarily the fault of the CES, but because they have been referred by the CES they see that as being the problem. Really that is the problem of the applicant.

Working in CES, I know for a fact that we write out everything for people that have interviews. They know what time they have to be there, they know their dress codes, et cetera, but we are not there physically when the person goes for the interview so that is where the breakdown in communication does often occur. There are a lot of different programs in the CES that employers may not necessarily know about either. That may have put employers off in the past.

Mr BROUGH—Do you think the focus of the CES should be on the unemployed person or the employer, to get the best outcome? That is all we are interested in.

Ms Thomson—That is a very hard question to answer. The employer is so important because we want to get people into the jobs, but the client is also very important because they need to be educated to be able to get into the jobs.

Mr BROUGH—There are two different roles there, though, aren't there?

Ms Thomson—There are definitely two different roles, yes.

Mr BROUGH—One of those may not necessarily be the CES's role. Educating the person could be a separate role altogether, which they are forced to take on.

Ms Thomson—It could be but, once again, it depends on the client. If they have to go to see different people to get what they want, which is only a job, then that daunts the clients as well. Most people want to have somewhere where they can go, get the information, and then can get on with what they have to do towards getting a job. So if it were two separate things, it may be a bit hard.

CHAIR—The traineeships that you are marketing last for how long?

Ms Thomson—Twelve months.

CHAIR—With how much off-the-job training?

Ms Thomson—I am dealing with three of four different traineeships where 20 per cent of the time is spent in formal training and some aspects—the retail traineeship in particular—have to go off the job. I am also promoting a small business traineeship and an AVC pilot in grocery—that is all on the job. I have found from experience that employers prefer to go with the on-the-job training because they feel that the trainee being off the job is detrimental to their business. They cannot see the fact that they are paying a training wage as compensation for the trainee not being there because they then have to work out rosters for other staff, et cetera. So the on-the-job training traineeships have definitely been more popular.

CHAIR—That is fascinating. The off-the-job training component is always accomplished by whom, by TAFE?

Ms Thomson—TAFE are the private training providers, yes.

CHAIR—Which ones?

Ms Thomson—In Queensland it is done by the RAQ, the Retailers Association of Queensland, which is a similar organisation to my organisation. They have a training division, so they do retail traineeships. There are private training providers who do it as one of their training delivery programs. TAFE as well. There are quite a few TAFE colleges in the southern area of Queensland where I work which do the retail traineeship. With small business, employers can purchase off-the-job modules as well if they want to. So they can actually get formal training off the job. Unfortunately, even though employers are saying that they want the training all to be on the job, it then comes back to the fact that they are daunted by delivering it and it really confuses them in the respect that they may not be able to assess the trainee competently enough to sign off that they have done each separate part of the learning outcome of the traineeship modules.

CHAIR—How long have you been doing this?

Ms Thomson—Since April I have been working with the association, but I have been in the CES for seven years, dealing with traineeships about the last three years, I guess.

CHAIR—I am just trying to put it into perspective. Over the last seven months, in talking to all the employers that you have been around to, have you been to any who have been involved before with a traineeship program and who found it unsatisfactory?

Ms Thomson—No, I haven't really found anyone who has found it unsatisfactory. They may have found the trainee unsatisfactory, but they have not found the concept of traineeship satisfactory.

CHAIR—So that those who have participated in the program in the past and were in the market to hire someone would value that certificate?

Ms Thomson—Yes, but it is not very often that I see employers who have had one trainee and are willing to take on another because the trainee is still there. Most employers I have spoken to, who have had one trainee, have been fairly happy with the whole aspect of the traineeship. Plus, a lot of them may have had a trainee three or five years ago when the system was fairly different. Five years ago, they could only go up to 19, but now anybody can be employed. I think that is probably something that a lot of employers do not realise, that traineeships are now available to people of all ages.

Mrs ELSON—How significant was the unfair dismissal procedure in discouraging retailers from taking on staff? If it was removed, would that encourage them to take on more young people, or employ more people?

Ms Thomson—From my side of things, I cannot really comment on that. I can comment on it with regard to traineeships because they are what I have been dealing with. I have not really dealt with the unfair dismissal legislation personally. However, traineeships are actually exempt from that particular legislation.

CHAIR—Is that one of your selling points?

Ms Thomson—It is actually.

Mrs ELSON—I was wondering why you were so successful at placing people because our local CES has 390 people on its books and in 12 months it found 210 jobs. When you said how successful you were, I was trying to see the reason why, but it is because of that.

Ms Thomson—I think with traineeships, yes. I am dealing Queensland wide as well, so a lot of the statistics that I am getting are because of influence that I have had with other people as well. So I get a lot of help, I guess. From a personal point of view I think that the unfair dismissal legislation has had a detrimental influence on employers who are re-employing, employing or expanding because maybe they do not understand exactly what the requirements are for them.

CHAIR—We had an employer this morning who said that he thought it was demonstrably unfair that an employee could leave him with a day or two or a week's notice, but that he could not make a similar

decision about an employee. Have you heard those sorts of views around the traps?

Ms Thomson—Yes, we hear that all the time.

CHAIR—Is there anything else? Thank you for coming to talk to us. We expect to conclude the inquiry next May or June, and we value your participation. We will make sure we send you a copy of our report.

Ms Thomson—Thank you very much.

[2.51 p.m.]

FITZGERALD, Mr David John, Manager, Human Resources, Employment and Training, Queensland Chamber of Commerce and Industry, Industry House, 375 Wickham Terrace, Brisbane, Queensland 4000

CHAIR—I welcome the Queensland Chamber of Commerce and Industry's appearance before the committee's inquiry. Our inquiry is about employment, not unemployment. We are really concentrating on two factors: firstly, how we might help young people to become more employable and, secondly, how we might influence business, commerce and industry to make more jobs available for our youth. Would you like to make a statement before we ask you questions?

Mr Fitzgerald—Yes, I would. Firstly, I would like to express my appreciation to this committee for having the QCCI appear before you. We are grateful for that opportunity. As Queensland's peak employer group, we receive many comments, via surveys and anecdotal information, about frustration with young people in their attempts to get jobs. The issue is one where it is very easy to blame the education system for what it is not doing or what it is perceived to be not doing. We do not always agree with that, but invariably the buck quite often does stop at that point. In our organisation, we would object if the teaching fraternity came in and told us how to run our business or our members' businesses. Equally, I would share their frustration at us telling them how to run their schools and their curriculum. Having said that, I think it is important to realise that our members deal with the products of some 12 years of education.

Needless to say, in terms of the situation, it is the 30 per cent that do not go beyond year 10 that are the major risk areas—the 30 per cent that go from year 12 that do not go to either technical training or to university. We would like to see, to encourage more employment, a perception change, or a culture change, in schools. That is probably a bit like turning around the *Queen Mary*. It is not the sort of thing you can do very quickly or very easily. But this question of entrepreneurialship is, generally speaking, a dirty word because of the Christopher Skases and Alan Bonds, et cetera.

However, I know I am stating the obvious when I say that it is something that is the very basis on which small business operates. Whilst it is fine to read about year 12 students doing business plans, et cetera, and getting involved in various competitions, but we are inclined to think that is too little too late in as much as there needs to be, at a younger age, almost at primary level, some element of education of the business arena and what role it plays in society. Indeed, the mums and dads of the majority of the kids would be involved in it, so the teachers presume, maybe correctly, that they get enough of that sort of thing at home.

We feel that education, in the broadest possible sense, needs to be inculcated into kids at a pretty young age, not towards the end of their education when the perception—and it is changing—is that if you do not go to university to do law, engineering or medicine that you are something of a drop kick.

Another issue—and it sounds like we are harping on the school system—is the school exit certificates. I am quite sure you have heard all this before. I apologise for giving you material that I am sure you have heard or read before. Basically, if a student presents to a prospective employer a certificate of some description stating that he or she received some sort of pass in English does not mean that he or she can repeat the

soliloquy from *Henry IV* or write a memo that is succinct, to the point and without any grammatical errors. I know that is beating the old drum, but it is vitally important.

We at the QCCI are working on a plan that we have just started talking about. It has been on the back burner because of other pressures. The response we have received is the indication of the importance of it. We plan to run a series of tests—and test is not a particularly good word—whereby students will sit for an hour-long test where they will do fairly basic sorts of calculations. I am talking about adding up a row of figures in a line, not underneath each other and not using a calculator. They will also have to write a short memo asking for three days leave in a month's time because of a holiday they want to take. They will have to do a series of exercises like that.

It is almost not an exaggeration to say that we have been inundated with support for that. Indeed, some schools are very keen to pilot it for us and certainly employers are very keen. If we start talking about the Mayer competencies, there is very little evidence from the school exit certificates that young people have achieved those competencies. I accept the fact that schools say it is in-built in most of the curriculum. I am certainly not qualified to dispute that. What is coming out is that, at the end of the road, the employer or prospective employer does not see any evidence of it.

A classic example occurred about six years ago when I was the training manager at the Queensland Master Builders Association, when a young person applied for a job with the group scheme there. I apologise for being anecdotal but I think it speaks volumes. The applicant had a glowing reference from a particular teacher who taught English. The apprentice master showed me the application letter, which was poorly set out, poorly worded and the grammar used was quite poor—the worst sort of application letter.

I said, 'Ring this teacher who gave the reference and discuss it with him.' The apprentice master, Don, rang this teacher and said, 'Young Johnny Bloggs, you gave him a reference. You said he achieved this and that at school in this particular subject, which is English.' The teacher said, 'Yes.' Don said, 'There are a couple of inconsistencies with what you have said and what evidence we have in front of us', and he pointed out some of the sentences. The teacher said, 'Let me put it to you this way: why is he writing to you?' Don said, 'To get a position as an apprentice in the group scheme.' The teacher said, 'So you understood why he wrote to you.' He said, 'Yes.' The teacher's exact words were, 'Well, what is your beef?' All right, so the person has learned to communicate but not in a business sense. I guess we can get anecdotal and quote those sorts of things all day. But I do think that is representative of many of the problems.

It leads on to my next point, that many of the students are not exposed to the real work ethic. I know they do work placements from time to time. From an employer's point of view—maybe it is the fault of the employer—that is usually a bit of a nuisance. The kids are there. Ultimately, you finish up giving them photocopying or something like that. Somehow I think we need to get industry more involved, and not just as the occasional guest speaker. I do not think it is good saying, 'Kids get exposed to it because they invariably get jobs at fast food restaurants.' That is not the real world of work; that is fun; and that is working with kids of your own age.

I refer to this as the *LA Law* syndrome. I guess I am a little old-fashioned but I do not watch much TV. But from what I can remember of *LA Law*, they are all young, beautiful people, wearing $500 suits. Most of

them were not over 25, as I can recall. They all drove snappy cars and had very glamorous jobs, et cetera. That was thereby creating some sort of role model that people do not sweep floors and do not do basic work on lathes, et cetera.

This is associated with the point I made before that kids who do not go to university are perhaps seen in certain areas as drop kicks. I believe we need to bring in a greater business involvement. I know I sound a little pro-business but, let us face it, even a solicitor or a medical practitioner is a small business person in many cases and are required to know the basics. Sure, they have the advantage of maturity, several years of education and are members of associations that enforce upon them professional learning units, but I still think it is valid. It certainly would be an advantage in helping the employment situation just to condition people to work.

For example, I know that, in the particular industry that the previous speaker is in, the retail industry, one of the issues is that kids are not used to standing up all day in a shop and they get very tired. Maybe all of us would be in the same situation. I am not suggesting that everyone at school be taught how to stand up for eight hours a day, but it is an issue that employers have to face. We find that many of them say, 'No, we prefer to employ older people who are more used to the rigours of that sort of occupation.'

Turning to the issue of vocational education in schools, the chamber is very supportive of the federal government's moves in those directions. I do know that the local vocational education system is not a great lover of that concept. It is working well in a number of schools. I am sure everyone would be aware of those schools and the sorts of steps that they are taking. Even my old school, which years ago would not have considered anyone who thought of doing anything but going to university, runs very successful voc ed systems.

The concern that I have heard—and I am sure you have heard it as well—is that we are developing the technical high school concept of the 1950s and the 1960s, where at year 7 or the equivalent you have to make a decision whether you are going to follow a academic path or a trade path. No-one knows at year 7. In fact, many do not know at year 10 and some of us did not even know at year 12. It certainly is a positive move if it is more formally recognised.

We share concerns that this may well put added pressures on employers who will now be approached by many different intermediaries looking for work placements. That may be a disadvantage but, in the long term, I think the exposure that the young people get in the school environment, provided some of those other factors fall into place, will make them aware of the profession or the trade they are going into and also more aware of what lies ahead for them.

Information technology is another point that I will not harp on. For instance, I know of one school on the south side of Brisbane where the students all have laptop computers. It is not a subject; it is part of that school. The students do not have pads and pencils; they have laptop computers. I accept that is probably not a cheap alternative to the traditional way. You may well argue: can the Charleville high school, for example, afford that sort of material, and that would be a very hard argument to win.

However, rather than having the use of computerrs as an option in years 11 and 12, it should be

something that is an integral part of the school system. I am not suggesting that everyone should be issued with a laptop computer, but it is something that is no longer just for someone who wants to follow the accounting profession. We come across a surprising number of people of 18 and 19 who barely know how to turn on a computer, which is a choice they made at school, or they may have done a minimal amount of computer work. The computer is a vital part of almost any profession, trade or other line of employment that they follow. It just seems to be so important these days. You just cannot get a job now in any office and be insulated from computers. Again, I apologise for telling you things that I am sure you already know.

We see the key competencies that I mentioned before as being paramount. I started talking before about the QCCI tests that we are going to introduce. There is a network of 119 chambers throughout Queensland. We propose offering these tests through these various chambers so that employers can look at the results of a student and assess whether they have gained those key competencies. This is interesting: I was reading some material off the Internet from a high school in Texas, America. I am not suggesting that we follow this path but that school gives a guarantee that, if a young person works for an organisation and cannot display evidence of the key competencies, it will take them back and train them for no cost.

I do not think you could understate the importance of the key competencies. Unfortunately, they have been marketed very poorly. After the Finn, Mayer, Carmichael reports, all we got early this year was one little booklet which had our name plastered all over it, and we were besieged with inquiries about what it was all about. When we explained it to the employers, they all agreed that it was important but could not quite understand what the fuss was all about because they thought kids learnt that anyway.

Finally, I want to touch on the modern apprenticeship and traineeship system. The overhaul of the apprenticeship system is long overdue. We have some concerns about the implementation, but I think everyone does. I think our concerns may well be premature because the details are still coming out. I suppose we are enthusiastic about it and therefore want results very quickly.

Provided the principles of user choice—which I predict we will have a few problems with—and competency based training are followed through, employers will respond to it. Certainly, the abolition of the declaration of vocations is a great step forward in terms of giving the employer and the apprentice greater flexibility to choose subjects and various paths, because I think it is generally conceded that there has been a very narrow focus on trades. The sort of education that young people undertake has been, and unfortunately still continues to be, fairly narrow if one compares our subject matter with those in countries overseas. It is very much based on skills to do that particular job at that particular time. Mr Chairman, that is in essence our situation, and I will happily respond to any questions you may have.

CHAIR—Thank you, David. I noted you made specific reference early when you were talking to us about the failure of schools to produce young people at exit point who have a broad understanding of business, industry and commerce, what is required and what the world of work is all about. Can you tell us what responsibility you think industry throughout Queensland bears for that failure?

Mr Fitzgerald—I think it is a very valid point because I think they do bear some of the responsibility. Invariably, they—organisations like ourselves and employers generally—are head down, tail up and getting on with making widgets. Now the situation has arrived whereby we do not have, for example, ladies who make

the tea, do copying and type out invoices. All those things are done by coffee machines, photo copiers, computers or something else. Therefore a higher standard of entrance is required and people are asking, 'Hell, where are these people?' And employers are inclined to whinge about it, as they do to us.

I agree that employers must share part of the blame. It is easy to say, as I said before, that industry should be invited along or involved with schools. I often ask employers, 'When did you last call into the school and ask what they are teaching in the area of commerce and how relevant it is to your business—whether your business is an accounting business or a widget making business?' So in answer to your question, I think, yes, industry must bear part of the blame.

CHAIR—Are you doing anything about it?

Mr Fitzgerald—We are. I guess we urge people by saying that the situation is not going to get better by just shifting the blame to the schools.

CHAIR—We keep blaming the teachers who we know have gone to high school, gone to university and gone into teaching and who are probably there, on average, 20 or 25 years later. We blame them for not understanding what is happening in industry today or what the jobs are all about. Is it more realistic to say it is really not their responsibility to know what industry is doing, but that it is industry's responsibility to let the schools know what industry is doing and what they are looking for? In fact, perhaps even outside the school system industry could provide young people with careers advice and knowledge about pathways. Even back in the early years—you talked about primary years—perhaps they could somehow address that problem so that young people have a better understanding of what the world of work is all about.

Mr Fitzgerald—The short answer is yes. The classic story is the teacher from Toowoomba who took his students to the Toowoomba foundry to show them around, which he dutifully did. He said to the kids, 'Unless you study hard, unless you do your homework, that's where you're going to finish up.' Yes, I think there is a need for industry to be pro-active, but at what stage do you stick your bib in, as they say, and say, 'Look, you should come to my factory and see what I do or come to my business and try to push your way in.' As I said before, we can do that up to a point. Everyone claims that they are flat strap and that they haven't got time for this and haven't got time for that. I am sure you have been in the same situation yourselves. I have gone along and my staff have gone along to talk to schools about some element of the world of work. I have said to them, 'Nothing I'm going to say is, I suspect, any different from anything that you've told them or that any of the other teachers have told them.' Invariably the answer is, 'Yes, that's true, but it carries 200 per cent more weight because you're from out there. They're used to us teaching them how to add up and subtract and do those other sorts of things.'

I guess the answer is yes, so then we are talking about an education system for employers. Again, we come back to the old argument of small business saying, 'We haven't got the time.' Sure the QCCIs, the David Jones's, the QUFs, the XXXX breweries and all of those have excellent staff members. The bane of my existence is trying to get people to come along to committees to speak about employers. I am quite sure you would rather be talking to a real employer than a plastic one like myself—someone who is out there. Their answer to us is, 'We pay you money to belong to your organisation. You go along.' I accept your point. I would love to see it turned around.

Mr BROUGH—As a lot of schools do, they have the children go to businesses—as you have alluded to with the business in Toowoomba. But, as a separate issue, what about the teachers going along and working in that business? I know it has happened. It was Salisbury that did that as well, I think, was it not? We all acknowledge that everyone who is in business—everyone who is in a job—is busy these days. Do you think the Chamber of Commerce and Industry could take on board inviting teachers to actually come and experience it first hand for a period of time? They would have a better understanding and therefore would be able to impart that knowledge to the students on an ongoing basis, rather than, as you said, having the one-off lecture where a business comes in, does its bit, and off they go again.

Mr Fitzgerald—Yes. Of course, there is a program in place—the national teacher release into business program. I have forgotten the acronym. One of the downfalls of that is that a number of the teachers are released and do not come back.

Mr BROUGH—That was our experience.

Mr Fitzgerald—It is a bit like the canary who flew out of the cage. I am sure there is a moral there somewhere.

Mr BROUGH—I am think there is a big moral there really, isn't there?

Mr Fitzgerald—I think so.

Mr BROUGH—It is a very strong story. I am sure that Mr Chairman would tell you that at a previous inquiry, Coca Cola—I believe it was Coca Cola—went along and very much liked the story from Toowoomba about, 'This is what you'll end up doing.' They found out that these people on the so-called assembly line were on $60,000 a year, and about one-third of the teachers disappeared stage left. It does say something about the problems that we have got. Are you currently doing any of that or to what degree are you doing it with the teachers at the moment?

Mr Fitzgerald—No, we are not. We would be very willing to enter into a program. It is the old story, needless to say, that we would need some sort of funding. Funding may not be needed provided the education department could release the staff and have them paid.

On examining this other program, they tended to go towards training and development type roles, which is fine. As a broken down trainer myself, I think there is a lot to be gained from training people—as distinct from children—in a room. The way kids learn and the way adults learn are, obviously, two separate things. Certainly, the manufacturing areas and other areas are where the real gains will be made. But, yes, the chamber would be very interested in that sort of effort.

Mrs ELSON—Do you think that the members of your chamber of commerce are expecting the government to do all the training instead of initiating training themselves within their own business? A local businessman rang me the other day and said, 'If we trained this person'—it would have cost the government about $3,500 for the training—'he would employ him.' Why is the attitude out there that the government has to do all the training now rather than the businesses taking that risk and training them?

Mr Fitzgerald—That hurts because I spend every waking hour trying to work out how to get people along to training courses. I run a business unit within QCCI, which has a public training program. We are always trying to get people along to training courses.

I do not believe—and I am not disagreeing with what you are saying—that is an overall attitude. One reason is that they are invariably very critical. For example, if we are talking about TAFE training, it is good to kick TAFE. It is such a big target you cannot miss it. A lot of what TAFE does is very good. It is a bit like our organisation. I guess some of the things we do are not that crash hot either. I have not evidenced that.

If you are talking about young people coming out of school, yes, I think there is a perception there. This gets back to our previous point that the school system should teach them all about the world of work. I think there is a very strong argument there to say, 'What have you done about that at your local school, for example?' I have not had evidence of them wanting the government to do it.

I know you were speaking with the previous witness about traineeships. Part of our activity is the small business traineeship company. Small business traineeship companies in Melbourne and Sydney are the most successful of all other traineeship companies combined because the training is all on the job and the culture of the business is part of the training.

This is probably getting off the point a bit. If you talk to people from the group training companies, you find that, when the kids are gone and they are block released to TAFE, they have to get them back and get them thinking about the world of work, et cetera and go from there. I know from my experience with a group training company, they would much rather have the training done themselves, than in a government institution.

CHAIR—The *Courier-Mail* this morning had an article which stated that apprenticeships in the building construction industry in Queensland were in diabolical trouble and that, in fact, only about 15 per cent of the apprentices were going to be needed for the rest of this decade in construction. Do you have a view on why that is so?

Mr Fitzgerald—Yes, I think it is largely a sign of the times. With the building industry—and I am sure I am telling you things you already know—the trends have changed. It is no longer the house builder who employs two foremen and three carpenters and, therefore, can take on two apprentices. It is all subcontracted out. You get someone to do the concreting, the slab, someone else to do the frame, someone else to do the roofing, someone else to do the tiling, et cetera.

Now the industry is screaming that they do not have apprentices. I think, too, the apprenticeship system is to blame—four years for a bricklayer. Four years is a long time to teach a someone how to lay bricks. The industry squealed like crazy when they brought in the quickie brickie system a few years ago where there was an abbreviated system. I think something like 75 or 80 per cent of tradespeople in the building industry do not have any qualifications at all. That figure might be wrong, but it is one that I heard recently.

In answer to your question on why it is so, it is across industry. How do I put that building up there?

How can I do it at the fastest possible and most economical way? I will call in somebody. So the average builder sits at home or in his office with a telephone and a fax and subbies the whole system out. You cannot do that and educate young apprentices, or any apprentice.

Equally, the answer is group schemes. They depend on group schemes. Then they get upset at the third- and fourth-year rates and say, 'Look, I can get a tradesman for very little more than what you expect me to pay for a third- or fourth-year tradesperson.' The argument is—I have heard it well—that maybe apprentices should be paid at 10 per cent of the wage or something. Evidence I have read where they have tried that in America shows that it has made no difference at all to the number of apprentices taken on. Indeed, my organisation comments very freely on wage levels but, in terms of apprentices, I do not believe that the answer is to slash wages. I think it is the way industry has gone. I was there when Walter Sommer made those comments, but I do not think there is any short answer to it. It is the way industry has developed—one might even say 'degenerated'.

Mr BROUGH—My first question deals with what the previous organisation, the Queensland Retail Traders and Shopkeepers Association, were saying. They felt there were a lot of people out there who could put someone else on and who would like to put someone else on but, because of a multitude of problems—workplace health and safety regulations, award wages, unfair dismissal, et cetera—and their lack of knowledge of how to actually go about employing someone successfully, they elect to work additional hours themselves or they elect to put someone on a part-time basis as they feel they have less obligation to that person. Is that the experience you have also found through the chamber?

Mr Fitzgerald—Yes, I think it is largely the smaller end of business that has that view. It is not original, but I describe a small business as anyone who does not have a person dedicated to a personnel/training function. But even the medium-size businesses that belong to an association usually do not have a lot trouble with those sorts of issues. In other words, they are educated—I am not suggesting the rest are uneducated in that sense—and are familiar with the requirements of equal opportunity, sexual harassment and so the list goes on. v

It is a worry for the smaller employer. We have surveyed members, and one of the biggest worries to them is leave loading. That is not really a very huge issue; that is something that is predictable, that is not going to cost a $1 million, but for some reason it is a big worry. If it is a worry to someone, we will accept that. You cannot say, 'Don't worry about it.' But it is one that, if looked at in the right light, is not such a huge issue. So in answer to your question, I think the unfair dismissal—we heard that time and time again—was certainly a deterrent.

Mr BROUGH—Queensland having predominantly small businesses, and they being the biggest employer, then the lack of knowledge, skills, time and resources that perhaps some of these smaller businesses have means that these are inbuilt barriers to them employing not just young people but any additional person. It is more: stick with the devil you know; do not expand, because it is all too hard. How do we overcome that, and is there a role for the CES in which to play in trying to overcome that or some other government body?

Mr Fitzgerald—One of the most successful interventions was an effort of DEET, as it was then, and the Australian Chamber of Commerce and Industry called the ETFO program—I am not sure if you are

familiar with it—

Mr BROUGH—No.

Mr Fitzgerald—Across Australia some 50 or 60 people were employed by the various chambers. In Queensland they were employed by the Queensland Chamber of Commerce and Industry. I think we have 12; three in the south-east corner and the rest in regional centres throughout Queensland. Their role is very much that of an intermediary, where they liaise between the employer and the CES. They don't restrict themselves to QCCI members. They knock on the door of the business and say, 'I am from QCCI. I am not from the government. I am here to help you. Are you aware of these employment programs that are available to you?'

Invariably, when the CES get inquiries they say, 'Look, we will send the employment and training field officer round to have a chat with you.' Quite often many of the better people have been ex-DEETYA employees who have a vast product knowledge of the various options available to employers. That has been a very successful program. Rather than saying the CES should do it, it is the role of an intermediary to do that sort of thing. That funding is running out in July 1997. I suspect that that function will be rolled up in the CELTAs when they come on-stream.

Certainly, there is that need to get out and knock on doors. Indeed, that is one of the reasons that the small business traineeship company has been successful. They have got out and knocked on doors and said, 'Do you realise you can have a trainee? He or she doesn't have to leave your premises, can do all the training. This is the wage,' et cetera.

CHAIR—If we got rid of some of the structural impediments to employment of young people would we effectively increase the market? Or are other factors like literacy, attitude problems, not wanting to work and lack of skills problems more influential?

Mr Fitzgerald—Yes. I think the second lot are the greater problem—the skills, the attitude, the approach, the view, the expectations, et cetera. If you are going to fix either one that is probably the more fixable. Neither one is particularly easy. For someone who wants to recruit somebody, particularly from among youth, I don't think the structure is so incredibly complex as to be a real deterrent. Far more complex than that are the other factors you refer to—where someone turns up with a nose ring and an earring and 15 minutes late for an interview.

CHAIR—Going back to the construction industry again just briefly, we have heard your answer that the bulk of the industry now is small subcontractors. Is it those issues that tend to dissuade a small subcontractor from having an apprentice or is it more structural impediments?

Mr Fitzgerald—I am not sure. I think it comes down to dollars in that situation and dollars in terms of time. I must have this young bloke or this young lady supervised all the time. That, of course, depends on the level that they are at. Supervision costs money and the margins in that industry—I am not sure whether that industry is unique—are somewhat prohibitive and therefore they cannot afford supervision.

CHAIR—That is strange. When I became a building contractor the first person I hired was an

apprentice. Do you have anything else?

Mr BROUGH—A friend of mine is a brickie. He is not a tradesman, but he does the job of a tradesman, as you alluded to earlier. Most do. He was offered to subcontract rather than work for a wage. He does not want to do that because he cannot be bothered taking on the extra responsibility that comes with it. The employer wants to off-load that responsibility. It seems that no-one wants to take that responsibility; therefore, they stay at a certain level which they feel comfortable with. I think this probably goes back to what the chairman was saying. How do we overcome that so that somebody, somewhere along the line, starts to take some responsibility and says, 'Right, I am going to go places and I am going to take some young people with me.'?

Mr Fitzgerald—If I knew the answer, I would retire and publish. It is probably wrong to name names, but that has been the philosophy of John Pidgeon. He takes people with him. In the earlier days, he would not put people off. He would use them to mow his lawns and all those sorts of things.

I do not know what the answer is because I agree with you that you need someone with that vision who can see the future and can see the satisfaction of bringing people up through the ranks. The other old argument is one of 'why should I because I will get him to this point and he will get head-hunted by that organisation over there?'. I cannot recall the statistics—they are somewhat disarming—of the number of people who have achieved their qualifications in the trade but today are out as sales reps for building products, et cetera. It is not a particularly pleasing industry to be in at times. It is 34 degrees outside now and lugging around pieces of four-by-two and being up ladders is not always attractive.

CHAIR—Thank you very much for appearing before the committee. We appreciate your thoughtful input. We intend to continue our inquiries until probably next May or June. Then we will bring down a report. It is our intention to, rather than waffle on and recommend that someone inquire further into some aspects of what it is we are looking at, make a few very hard, firm recommendations—like them or lump them—and see if we can get some better outcomes. Thank you for participating in that. We will make sure you get a copy of our report.

Mr Fitzgerald—On behalf of the chamber, I would like to wish you our best wishes for a successful completion of the project.

[3.41 p.m.]

DORWARD, Ms Gabrielle, Chief Executive Officer, National Food Industry Training Council Ltd, 183 North Quay, Brisbane, Queensland 4001

CHAIR—I welcome the representative of the National Food Industry Training Council. Thank you for appearing before us today. I will remind you, as I have other respondents, that the inquiry is about employment, not unemployment. We are really trying to come to grips with two sides of the equation, the first being how we can assist young people to become more employable and the other being how we can encourage industry to make more job opportunities available for our youth. Would you like to make an opening statement?

Ms Dorward—Given that the inquiry is so broad in its charter, it was a little hard to target a response from an industry like the food processing industry. I thought I would explain some of the parameters the food industry works within and then, leading on from that parameters, look at what that might mean to the employment of young people in the food industry. As the name of my organisation suggests, we are a training organisation, so the focus of what I am saying relates to training and how we might improve access by young people to the industry.

Having said all of that, I do not know that we need to go through this word for word. It is supplemented by statistics. I have pulled out the main points in this draft submission. The detailed analysis, which comes mostly from ABS statistics, is included in the supplementary vocational education and training plan that we tabled last year or early this year.

We are a tripartite organisation. Our charter, on behalf of the processed food industry, is to develop training systems for workers, to make sure that they are accessible to all workers. At the request of the industry over the last six years, we have developed a training system for existing between what we call ASF levels 1 to 3. I am assuming you might be familiar with these terms. If you are not, we might stop and elaborate. That basically means workers up to trade level.

We have just about finished that developmental phase and the next step we are moving on to, which is also in line with this inquiry, is to look at the issues of transition from school to work and articulation with that training system that we have created for existing workers with the higher education sector. In essence, what we are trying to do is create a fully articulated, integrated system of training from school all the way through to degree level so that process workers have a formal, defined career path with multiple entry and exit points. That is quite important when you are trying to attack young people to an industry. As recently as three years ago we could say that we simply did not have those formal career paths. Young people are not interested in packing pineapple for the rest of their lives. They want a career path. They want to know that they can earn reasonable money and have some job satisfaction in the process.

After reading the *Hansard* reports of some of these inquiry hearings, there are some things that we would be able to comment on, that is, the adequacy and relevance of the education and training systems, the importance of developing those linkages between schools and business, and perhaps the level of youth employment in the short term.

I have broken this paper down into sectors, for want of trying to handle the issues. I thought we should very briefly run through some of the key characteristics of the industry, if you are not familiar with it, which will impact on the employment level of young people. The first issue I thought about was youth employment. The factors that affect it cannot be looked at in isolation to macro-issues such as the stage of growth of an industry, the cycle that industry is going through. You mentioned the building industry before. The food processing industry is in the process of going through a cycle of rationalisation, of downsizing, of building organisations that are of great enough critical mass to be able to survive in the global market.

Those factors—the global positioning of the industry—together with interrelated issues like the qualifications profile of the industry and the employment trends of the industry, are critical if you are going to try to make some analysis about where young people fit into all of that.

We have done some work on those sorts of issues, particularly the qualifications profiling and the employment trends, and we certainly know what stage of growth this industry is in. I have tabled those points for you and I have also referred to two publications that you might like to follow up. In essence, this industry is downscaling and becoming more competitive. It is going through a rationalisation phase but, at the same time, it is increasing its share of GDP. It contributes a large proportion to the total valued added in the manufacturing sector. It registers $35 billion worth of turnover. It has below average labour costs when compared to OECD countries and is the largest employer in the manufacturing sector. It is also one of the most lightly protected industries in the manufacturing sector. I have given you some figures there.

Whilst it is going through this phase of rationalisation and downsizing, it is also increasing its level of high value added and technology. It also has high levels of investment and it is improving the skill levels of employees. I have given you more detail there, but I am saying that even though we have a viable industry which is important to the Australian economy, it is showing an employment drop. That employment drop is predicted to continue until the year 2001 at the rate of, I think, 1.6 per cent per annum.

The other interesting thing to look at when looking at the industry is the age profile. You need to see whether the industry is ageing and what ramifications that has to its abilities to meet skill demands in the future. About 20 per cent of the workers in the industry fit into the category that we would call youth employment; that is, in the 15- to 24-year-old bracket. That profile looks like it will also continue on to the year 2001.

There are significant variations. We are talking about an industry, but the industry is broken up into at least 15 different sectors—the dairy industry, the fruit and vegetable processing industry, et cetera. Within those industry sectors within the food and beverage processing industry and within states, there are huge variations. There are some sectors in some states that are expanding and growing. The wine industry springs to mind as the industry that is registering significant growth, as is the dairy industry.

In some particular regions, for example in Tasmania, as I have highlighted, there is a definite ageing of the population which has predicted a skill shortage in the next three to five years which needs to be addressed quite soon. Ideally, that is a perfect opportunity for employment of young people to come in and be trained quickly to fill those gaps that are being predicted.

We are talking about an industry that employs something like 160,000 to 180,000 people, depending on what statistics you look at. Our job had been to develop a training system for the major part of that industry; that is, workers that fitted into that category of ASF or AQF levels 1 to 3. That was about 88 per cent of food processing employees. Sixty-six per cent of those workers had no post-secondary qualifications. When we looked at where those qualifications should be for the industry by the year 2000, it was found that we needed to increase dramatically the skill profile of the industry to stay competitive. We have done that profiling exercise. We are one of the few industries that have done that. I referred you to Dr Cullen's publication before. He has actually outlined some of that information.

We have looked at and developed a system for those levels 1 to 3, but we also need now to move to the next phase of, if we have done the middle block, creating the career paths at either end, looking at those school-to-work transitions and at the upper end of the levels 4 and 5. Stopping at level 3, at trade level, would mean a gap, and over here is the food technology streams.

There was no bridge between the two streams of process workers and food technology. We have to build that bridge, which we are starting to do this year. That is the ASF 4 and 5 qualifications that I am talking about there. With that and the school-to-work transitions, we will have that fully integrated system. We will have a career path that young people can work through and will desire to actually work within. That was our major problem.

I heard you talking before about how you actually get people interested in coming into an industry. For years we have been running career marketing days in conjunction with the Australian Institute of Food Science and Technology. All we hear is, 'We would rather be in hospitality,' or, 'We would rather be an airline hostess or in some glamour-type industry.' They did not want to come into food processing because they saw food processing like, I suppose, some other manufacturing industry—as a dead-end job, that you went there when you had nothing else to do. You ended up packing pineapple or chocolates for the next 20 years of your life.

It is not like that any more. We have created a system where they can progress. Having said all of that, we then looked at what funding levels were available and, therefore, what placement was available for workers and new entrants to the industry. Our industry, even given its size as the largest of Australia's manufacturing sectors, receives only one per cent of total government funded activity for that VET area. That is significant.

I do not know of people who have raised these issues with you before, but that has come about by a historical perspective in a supply driven market. It was the number of people seeking entrants to a program that determined how much funding was given to that program. What we as an industry are saying is that more effective linkages between the education and training systems need to be provided to meet the needs of industry. That is, industries should be determining what qualifications should exist, what goes into those qualifications and, therefore, what level of activity the government should allocate. That does not happen at the moment.

From our point of view, that needs to be turned around. We are saying that, to reach this profile in the food processing industry, we need to maintain our global positioning. We need not one per cent of total government funded activity but in the range of three to four per cent. Now, we are not going to get that. It is

as clear as the nose on my face that we will not get that.

So we need to look at other strategies. One of the other strategies clearly was to move some of the training back down into the pre-voc area or into secondary education. That is our strategy now which coincides with what you are talking about. We have some examples of where that is working successfully, where we have shifted that focus back from existing employees to new entrants to the industry. I have listed those examples for you. They are trials at the moment but they seem to be going quite well.

I have mentioned before that, in the past, this industry was simply not attractive to young school leavers. If you looked simply at the level of difficulty with English language, numeracy and literacy, we estimated that there was a functional illiteracy level of some 75 per cent across the industry, which gives you some indication of the level of employee that we were attracting to the industry. We would like to change that. We would like to get more of the high achievers coming into the industry and working their way through it.

We have created that career path so that there is an incentive now for young people to work within the industry. We have recognised the need to provide mechanisms for lifelong learning. Going back to one of your questions, probably the hardest part of our job is to prepare young people and existing workers for that concept: the concept of continuous learning and up-skilling. I have put some very basic strategies down there that I thought might be of use to you.

Part of the problem is getting an industry to agree to a school-to-work transitional approach to training. We have not had that in the food industry before. It would require some sort of national strategy which might encompass issues such as: what regional areas are of strategic importance to the industry; where would we like to put these school-to-work transitional programs in place—there are several key regional areas in Australia for food processing that would ideally suit this—and which schools within those areas would be best suited to do that.

Another issue is who should be delivering the out-of-school components: should that be company trainers or should that be qualified trainers from the schools that have picked up the relevant industry expertise; and what should be the content of those components. More than that, we need to develop a marketing strategy within a regional area to sell that sort of concept. The strategy needs to be targeted at the schools, the providers, the companies, the parents and the people that are actually going to participate in it.

After saying those key points about the industry, in summary, we know where we want to be; we know what the skill profile is going to be; we know that we are in a declining employment area; but that does not mean that we still cannot take look at the issue of youth employment as an industry. I think there is potential for us to address youth employment levels as an industry and come up with some strategies about how to increase that employment.

I started off by saying that you cannot look at that in isolation. You must look at those micro- and macro-economic issues that impact on this industry. A recent scenario occurred in the poultry processing industry where it was suggested that fresh chicken meat could be imported from Asia. That would just completely destroy the processed poultry manufacturing industry in Australia—wipe it out. You would not have one. If things like that impact on the viability of the industry, then you may as well forget about talking

about youth employment levels. It is not something that I can look at in isolation to those micro- and macro-economic issues.

We had some strategies in place under the old DIST department, called agrifood strategies, which provided a forum for issues affecting the health and long-term viability of the industry. They proved quite successful. It would be useful for an organisation like that to also look at the issue of youth employment and how that might be affected.

I guess that is a summary. I am happy to take questions. I had a few other key points that perhaps your questions will bring out. If they do not, I can work through those as well.

CHAIR—Thank you, Gabrielle, for a very comprehensive report.

Ms Dorward—Not knowing where to start and finish, it is a bit difficult.

CHAIR—It is a broad ranging inquiry but it is impossible to really narrow the range and try to come to grips with some positive solutions. You represent the National Food Industry Training Council, is there also a food industry ITAB?

Ms Dorward—We are the food industry ITAB.

CHAIR—You are that. That is what I wondered about.

Ms Dorward—That is an old name from many years ago that we have kept, but we are the ITAB.

CHAIR—Do you have any structural impediments towards setting up traineeships, apprenticeships, qualification standards, courses or any of that?

Ms Dorward—No. The only impediments to that is the amount of government funding that you can actually acquire as a discrete industry in any one year. We compete against every other industry for developmental funds, and it gets back to that.

CHAIR—Are you a profitable industry?

Ms Dorward—Yes.

CHAIR—Then why do you need government funds to set up training programs?

Ms Dorward—Only because that is, I guess, the system that we have worked under.

CHAIR—So it is an historic perspective rather than a practical perspective.

Ms Dorward—Partly, but perhaps you are taking a too narrow view of that. For example, over the past six years that I have been working for the industry, I think the government has contributed something like in

excess of $15 million cash to develop the training system, which leads to declaration of vocations, traineeships, apprenticeships, et cetera. In addition, the industry itself has put in far more—probably at least another 150 per cent on top of those government funds. So hand in hand they have done it together to set up the system.

CHAIR—Perhaps it is not relevant. I guess it seems to me that for a very long time—except for private primary and secondary schools—most of our education effort in Australia at all three levels has been totally dominated by government supply as well as financing. I sometimes wonder if that is part of the reason why our outcomes from the school system are so unrelated to the industry and part of the reason why our youth do not have much idea of modern career paths or opportunities. There has been a lack of industry involvement in the education and training process itself. We have tended to rely on 'the government doing it for me'.

Ms Dorward—No. In fact, the food processing industry has been quite different from that. Six years ago we sat down as an industry and said where we wanted to be in five years time. We had a clear goal to attain—regardless of what government was in power and what government strategies or funding levels were around. We have worked towards that goal with every key employer in the industry being involved in that developmental process. Their involvement has been maximised and hence their ownership of the whole structure that we have put in place. Their commitment to it is extremely high, which is why it is so successful.

CHAIR—You gave us some figures of current employment levels by age in the industry and you have told us that the total employment levels will continue to decrease over the foreseeable future, but does the industry have any view of increasing the percentage of young people in the industry?

Ms Dorward—They have to. There is anecdotal evidence, which I do not think has been shown in the stats yet, that the population is ageing. We have evidence now coming out of Tasmania that says we have an ageing population and in three to five years the industry is going to have a skill shortage in the dairy and the fruit and vegetable sectors. When you look at the fruit and vegetable industry in Tasmania, which provides some 20 per cent of the total output of the fruit and vegetable industry for Australia, that is significant.

Those figures sometimes belie what is actually happening at the coalface. It might be regional variations that we are looking at but, overall, we need to look at how young people enter the industry. We need to do some form of up-front training of those people before they get into the industry, because we have got such a short period of time—we are only talking four to five years here—to double the skill profile of the industry.

CHAIR—That being the case, then what are you doing to educate parents and students on the positive aspects of entering your industry?

Ms Dorward—We have not developed those strategies. We have always participated in career nights. We do all of that like they were saying here before. I do not think that is the way to do it. I have outlined a few strategies here about targeting areas of concentrated food processing like the Goulburn Valley or around the north-west Tasmania area and putting some trial schemes in place with the support of the local schools, the providers and the companies to create a culture that the food industry is a good place to work in—that there is

a career path. You can earn $60,000 as a filler operator at Cocoa-Cola or somewhere. Those things have not got out.

I can stand up till I am blue in the face in front of school kids and they will not believe that. If you create that culture at the local level and convince families—because often it is the parents that will not let the children get into these sorts of professions—that it is a worthwhile profession, that you will not be made redundant, that there is a career path for you and that it is a viable industry. It has the makings for it.

CHAIR—Are you winning the argument within your organisation?

Ms Dorward—We have only just started to look at it. It is just the phase we are at. Our charter had been existing workers one to three. We are only now starting to focus back on what those strategies for those school to work arrangements should be. So, no, we have not discussed it yet at length as to what we might do.

CHAIR—I can tell you that one thing the committee has heard over and over again from some employers and some employer bodies is that too many of our young people who reach secondary school—or they come close to leaving year 12—have a poor understanding of the world of work and what career opportunities might, in the modern world, exist.

Ms Dorward—Sure, but if you started to drop the requirements for working in the real world back into a vocational stream in high school, then you are going to have more young people coming out with a knowledge of what it is about in reality. You are going to start to move the yardstick back a bit, I guess.

Mrs ELSON—I have talked to a number of teachers since I have been on this inquiry about taking children into factories and so forth to show them first-hand or maybe give the children work experience. They say that they have a stumbling block there where children are not allowed to go into factories and stay because of workplace safety, insurance and so forth. Is that how you see your industry—not encouraging them to come into the workplace?

Ms Dorward—No. As I said, we have three instances where it occurs now where they have got over those issues. So it is possible.

Mrs ELSON—What states is that in?

Ms Dorward—In the Goulburn Valley, Hobart with Cadbury's and Murgon with the meatworks. So, you can get around those things.

Mrs ELSON—You can get around it. I will have to have a talk to you later about that.

Ms Dorward—Do not ask me how.

Mrs ELSON—Okay then.

Ms Dorward—That is only three, but it is possible.

Mrs ELSON—I notice here with your figures that you seem to attract the 25- to 44-year-old bracket and six per cent is in youth. That is because there is a lack of youth taking an interest. Do you have many young people that come there and they do not get a job because of their attitude?

Ms Dorward—I could not comment on that. I do not think so.

Mrs ELSON—I just wondering the number of applications compared to the ones that you do not give a job to—that are not successful—and the reasons why they are not.

Ms Dorward—No, I could not comment on that. I think you would have to speak to individual companies about that as to what that might be.

Mrs ELSON—It is the same with production. Is production of someone in that 25- to 44-year-old bracket higher than a young person's production? I would like to see that.

Ms Dorward—We can give an example with Golden Circle, which is the largest cannery in the southern Pacific. It takes on an extra 1,000 casuals in the peak season. It has to advertise to fill those positions. It is looking for workers to come in.

Mrs ELSON—What age group do they employ there?

Ms Dorward—It does not matter. It is not relevant.

Mrs ELSON—I was wondering whether the young ones were attracted to do it part time for pocket money or—

Ms Dorward—It ranges, as probably most companies do, from kids who are at university wanting some extra money to put themselves through to certainly a large range of ethnic people from non-English speaking backgrounds who work there as casuals. But when we asked them last week they did not have any break-up of the age demographics. No, I would not think they were turned away. In the meat industry it is slightly different. They actually look for slightly older people because of the demanding nature of the work. There might be trends across the industry like that.

Mrs ELSON—A lot of people in factories have told me that they prefer to take the older age group because they are more reliable and more responsible.

Ms Dorward—There has not been much analysis of the recent traineeship intakes under the Nettforce companies. Talking to a couple of those companies last week, they were saying that it is directed more towards that 20- to 24-year-old age bracket rather than the younger bracket. I just do not think the statistics are there.

Mrs ELSON—No, I would like to see some figures with the young people and their attitudes.

CHAIR—Some of your industry has had some pretty severe industrial relations problems. Some of it still does. Have the unfair dismissal rules had an impact on employment in food processing?

Ms Dorward—I would not comment on that. I do not think that is my charter as the executive officer of a training organisation to comment on industrial relations issues. I think you might refer those questions to some of the other witnesses, perhaps the ACTU or the chambers that have already been before you.

CHAIR—But doesn't IR impact on training?

Ms Dorward—There is a direct relationship with it. I would not comment on the unfair dismissal, no.

CHAIR—But isn't it interrelated if certain career paths are prevented because one party or the other will not agree to a new career or a new job designation?

Ms Dorward—In the food processing industry, probably unlike a lot of other industries, we have had very good cooperation by both parties, the employers and the unions—unusually so in that we have been able to create a training system that provides for skill progression which has been reflected in most of the awards within the industry. Whilst we were going through hand in hand setting up the training system, at the same time the awards were being restructured with all parties to reflect those skills that we were identifying.

So it has been a marriage, if you like, and there is a direct relationship between training, skill acquisition and wages paid. That has been done on a collective basis by the parties. Whilst there are sometimes hiccups in that, as you would expect, in the main it has gone along quite smoothly. The one obvious fact is that to develop the system of training that we have put in place would normally take 15 years; we have done it in six. So there has to be agreement by the parties to that.

CHAIR—Is there anything else you want to say?

Ms Dorward—There are a couple of things that I think are going to impact. One of the key things—and I do not know whether other witnesses have put this forward—is that one of the MAATS proposals, which have been touted as coming into effect I think from 1 January, was that those employers with more than 100 workers would not be eligible any longer for apprenticeship or traineeship subsidies. The companies that I have spoken to, particularly given the highly decentralised nature of this industry—it is spread across all regional areas—have said that it is going to directly affect the number of young people that they would take on. They have made that quite clear. I know that some research and some review of that policy has been done. I would like to put the view of companies that I have spoken to that that is a significant factor that might not need to be looked at.

CHAIR—Lobbying the minister?

Ms Dorward—We will, definitely. When you look at the sugar milling industry, they have an obligation, and still do, to the community to take on apprentices whether they are engineering, food processing or whatever. They have made it clear that this might impact on how many they can take on. That flies in the face of the inquiry to some extent.

The only other thing we have always said is that labour market programs should be more closely tied to the whole VET sector reforms so that they dovetail together rather than labour market programs offering one form of subsidy for a different form of training to what the industry was actually after. If you could dovetail those things, that would be a step forward as well.

CHAIR—Thank you very much for your excellent submission. I am really impressed. It was very good. We hope to finish in May or June and make some positive recommendations. We will certainly send you a copy of our report.

Ms Dorward—The only thing we wanted to add as an industry was that there was a lot of research I think that could have been done to assist with projections of what youth employment could look like on a five or 10-year span. Perhaps if that was of any use to you we could talk again about those sorts of things.

CHAIR—Absolutely, it would. I think part of our problem would be trying to get other industry groups far less sophisticated than your own to have any idea of what employment might look like.

Ms Dorward—That is right. It seems to me, with a scientific background, very difficult to get any reasonable prediction about what it could look like unless you go down those paths of research. I think for an inquiry like this that would be essential. Our industry would be willing to do some sort of work like that.

CHAIR—That would be terrific and that might even encourage your industry to try to make more positions available, having set the targets.

Ms Dorward—That is right, something like that.

CHAIR—Excellent. Thank you everyone.

Resolved (on motion by Mrs Elson):

That the submission of the National Food Industry Training Council, dated 13 November 1996, be received as evidence and authorised for publication.

Resolved (on motion by Mrs Elson):

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

Committee adjourned at 4.15 p.m.