

Senate Employment, Workplace Relations and Education References Committee

Inquiry Into Current and Future Skill Needs

Notes for Visit to Cessnock 15 July 2003



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1. Program funds must be distributed using a more sophisticated industry needs model.

In NSW the wider construction industry is well served by TAFE with its provision of apprenticeship training in carpentry and joinery, painting and decorating and bricklaying to name a few of the many trade callings that are catered for by TAFE NSW.

HPOTS Training provides training for a segment of the construction industry that does not have any prominence with TAFE NSW. The civil construction industry has not had any structure in TAFE's NSW provision until the recent advent of traineeships (1995/96). In 2003 TAFE has no structured provision for the civil construction industry. This situation illustrates a portion of major industry that has no profile due to the history of technical education provision in NSW.

This lack of profile is reflected in other aspects of the mega-department in NSW, the Department of Education and Training. The industry focused initiative of NSW DET, the Contracted Training Provision (CTP) program has demonstrated no special charter to address training needs in the segments of industry that are known to be out of the "mainstream provision" of TAFE's services. Surely the segment of the construction industry that does not enjoy a strong apprenticeship provision is deserving of greater emphasis in targeted funding.

During one of the sessions of the 1998/99 Review of Heavy Plant Operator Training in NSW², the General Manager of HPOTS Training asserted that DET's purchasing officers in the industry programs unit "would never buy heavy equipment training at \$45 per SCH even it was an absolutely critical skills shortage". A senior officer of DET NSW agreed that the purchasing officers would see the cost as excessive and outside the "norm" for purchasing. This situation suggests that the funds target the "average student in the average course at the median cost per SCH" thus neglecting a skill area that may have had special needs.

¹ Director, NSW Construction Industry Training Advisory Board (CITAB). The view expressed in this document are personal and do not represent the views of either CITAB or HPOTS Training.

² **Review of Heavy Plant Operating Training in NSW**; Report of the NSW Heavy Plant Operator Training Advisory Committee; NSW Department of Education and Training April 1999

Significantly DET has allocated very little funds to CTP in 2002 and 2003 as these funds have apparently been used to administer other programs.

Separately the ANTA funding model annually allocates funds to each state based upon their profile and, like the contestable monies detailed above, no dollars filter through to any training need that does not appear on the state TAFE authority's radar.

2. **Mechanisms to provide objective analysis on industry training needs.**

The ITAB network has, in the experience of the writer, delivered effective services in construction, transport and mining. In each of these examples the ITAB was active in its industry liaison and objective in its delivery of advice to the NSW DET. The writer has over 30 years experience in VET and the contrast of an effective ITAB with the "course advisory model" of the old TAFE NSW is striking. The ITAB model is so superior to the previous that there is no validity in comparison. The course advisory committees were supplier convened and, in most cases, regarded as a nuisance or as a mechanism to reinforce the TAFE School's (Faculty) own agenda. There was no mechanism of moderation as the committees typically met on an annual basis with no independent review of their efficacy.

An ITAB that synthesizes a broad cross-section of industry advice is a powerful conduit to provide a strong profile of industry needs to government and others who seek to provide training services to the nominated industry.

In the Hunter we feel an ANTA directed process of **regional stakeholder forums** would allow effective two-way communication as our experience with the ITABS has been very 'Sydney centric'.

3. **The take-up of production workers in civil construction and mining are often those who have literacy and numeracy problems.**

These industries face significant literacy and numeracy problems and are deserving of a structured response to help solve or at least ameliorate the problems. Currently many ad-hoc efforts are in place to address the need.

For example, in the mining industry entry-level training is ad-hoc and regulation compliant making no allowance for the literacy needs of the individual.

The Workplace English Language and Literacy (WELL) program is noteworthy; however, it is most often enterprise focused and as so often happens smaller operations miss out.

Industry wide strategies would have the potential to reach many more people and due to having universality could potentially reduce some of the stigma of adult males participating in a basic education initiative.

Career advice packages targeted at 'at-risk' students in schools would potentially let them know of the work life of production workers and, importantly, emphasise that learning is underpinning every occupation in the 21st century.

3. Training incentives and, where appropriate, the use of structured industry funds may address training needs and increase the profile of training in the workplace.

Some states have operating construction industry training funds. These funds do create an industry awareness of training issues and more importantly allow training needs that are a priority to be addressed. The concept is still being investigated by the NSW Government and has the possibility of encouraging industry into being actively involved in training. In the NSW construction industry 'poaching of trained workers' is an issue and the experience with industry funds suggests that the greater availability of training opportunities that are supported by a fund the need to 'poach' trained staff from competitors will diminish.

4. Communicating of the message about VET training.

The knowledge of training packages, traineeships and other contemporary training initiatives is poor in civil construction. The reason for the lack of awareness is probably due to the lack of training heritage for production workers in the civil construction and mining industries, the short-term project impact on labour hire practices and a lack of appropriate targeted information on training advantages and options.

At HPOTS Training many of our commercial clients who are committed to training desire an incentive that will provide commercial encouragement to help make 'life long' learning more achievable. Some recall some of the better outcomes of the old training guarantee levy. In 2003 the time is right to help industry really implement on-the-job training as the industry competency standards and many other resources are now in place.

Industry peak bodies, ITABS and individual training providers have a role to play with, say, suitable information packs.

5. The cost impact of applying for government funded programs.

The Australian Government has a number of programs that seek applications from eligible organisations. The focus of these comments is the 'open-ended initiative' that seeks an application that may or may not fit the plans of government. An example is the ANTA Skills Centre program.

Such an application has significant operational and cost impacts upon a small business and despite thorough research the application may be 'off-beam'. An expression of interest round could allow more applicants to put forward ideas that would be subject to appraisal and the proposals with merit that fitted the strategic plans of ANTA would advance to the second stage of application e.g. DEST model for the allocation of group training funds.

However, in this case, the VET funding allocation model in Australia does introduce some risks. The expression of interest submission would need to be routed via NSW DET and a risk of a good idea finding its way to TAFE NSW, would be real from the knowledge of the writer.

6. Thin markets.

The experience of supporting training services from the civil construction package throughout NSW provides evidence that a 'thin market' exists in many aspects of skill development.

The geographic spread of our clients and the actual number of people who require training and the availability of supervisors who have enough expertise to support on-the-job training are all having an impact on skills acquisition.

HPOTS Training's experience in delivering 'on the job' training in regional areas is impacted by travel and accommodation expenses. This company has developed a budget model for delivering services for existing worker trainees that must reduce the actual training content based upon the distance of the client's site from our base.

The existing funding models provide no added assistance for new and existing worker trainees in regional areas, and the nature of distance and what is a thin market has not led to access to training that is any better than was the case in past when TAFE was the only post-secondary provider in regional NSW.

7. The VET Industry

HPOTS Training identifies with Kaye Schofield's comment that VET is too bureaucratic and is working as a supply driven model. The energies which are currently focused on the narrow bureaucratic matters such as AQTF, Training Packages etc need to be broadened to recognise that increasing or changing the supply of skills is not the answer, while issues of quality and continual improvement are important and relevant to the future they cannot operate in isolation. Broad based strategies that will lead to the creation of working environments that foster high performance are needed. Such workplaces will achieve and maintain their competitive edge by developing, effectively deploying and retain their skilled workers. Companies demonstrating these attributes are successful, however, it appears that they are in the minority.

The critical role for Government is to develop and promote the economic, social and political environment that accelerates the take-up of high performance by a greater number of employers. The advantage of using such a holistic strategy will be development of the individual by training and by the role of the positive work environment.

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