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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

Reference: Current and future skills needs

Roundtable

WEDNESDAY, 16 APRIL 2003

MELBOURNE

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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION

REFERENCES COMMITTEE

Wednesday, 16 April 2003

Members: Senator George Campbell (*Chair*), Senator Tierney (*Deputy Chair*), Senators Barnett, Carr, Crossin and Stott Despoja

Substitute members: Senator Allison to replace Senator Stott Despoja for matters relating to the Training portfolio and the Schools portfolio

Participating members: Senators Abetz, Boswell, Buckland, Chapman, Cherry, Collins, Coonan, Denman, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Forshaw, Harradine, Harris, Hutchins, Johnston, Knowles, Lees, Lightfoot, Ludwig, Mason, McGauran, McLucas, Murphy, Nettle, Payne, Santoro, Sherry, Stephens, Watson and Webber

Senators in attendance: Senators Carr, Buckland, Allison and Stephens

Terms of reference for the inquiry:

To inquire into and report on:

a) areas of skills shortage and labour demand in different areas and locations, with particular emphasis on projecting future skills requirements;

b) the effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements;

c) the effectiveness of industry strategies to meet current and emerging skill needs;

d) the performance and capacity of Job Network to match skills availability with labour-market needs on a regional basis and the need for improvements;

e) strategies to anticipate the vocational education and training needs flowing from industry restructuring and redundancies, and any recommended improvements; and

f) consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular, and any recommended appropriate changes.

WITNESSES

ARCHER, Ms Robyn, Head of Department, Industrial Skills Training, Victoria University of Technology 611

BARON, Ms Linda Elizabeth, Executive Officer, Career Education Association of Victoria 611

BURROW, Ms Sharan, President, Australian Council of Trade Unions 611

CHAMBERS, Mr Neil, Chief Executive, Victorian Sea Freight Industry Council; Member, Victorian Transport, Distribution and Logistics Industry Round Table 611

DOHERTY, Mr David John, Chairman, Victorian Transport, Distribution and Logistics Industry Round Table 611

GILL, Ms Annette, Policy and Consultation, National Employment Services Association 611

GWILYM, Mr Geoff, Manager, Employment, Education and Training, Victorian Automobile Chamber of Commerce 611

JONAS, Ms Pam, Manager, Policy and Research, Group Training Australia, Victoria 611

KING, Ms Jacqueline Elizabeth, Industrial Officer, Australian Council of Trade Unions 611

LAM, Dr May, Policy Manager, Jobs Australia 611

LANGES, Mr Gerard, Chief Executive Officer, Transport and Distribution Training Australia 611

MILLS, Ms Julie, Chief Executive Officer, Recruitment and Consulting Services Association Ltd 611

RIMINGTON, Mr Andrew, Manager, Education, Employment and Training Division, Victorian Employers Chamber of Commerce and Industry 611

WOODWARD, Ms Susan Maree, General Manager, Light Manufacturing Training Australia 611

YILMAZ, Mrs Leyla, Manager, Industrial and Employee Relations, Victorian Automobile Chamber of Commerce 611

Committee met at 3.08 p.m.

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ACTING CHAIR (Senator CARR)—Thank you very much for coming. I will say a few words of welcome before we start. This inquiry is examining the current and future skills needs of Australia, in terms of our work force, so it covers all aspects of the labour market—blue collar, white collar, professional and trades. It seeks to identify areas in which we need to do more as a society and as a parliament, particularly the Commonwealth parliament, to ensure that the needs of particular industries and groups of people in our regions are more adequately met by government.

The committee is holding formal proceedings to allow people across the country to participate in the processes of this committee to allow us to make informed recommendations to government. While we obviously seek to do that through formal proceedings, the session we are having today is what we term a roundtable discussion to allow us to discuss the issues with an even broader range of people than we otherwise might and to allow witnesses to express a range of views in a less formal way. It will allow people who may not have made a formal submission to put a view to the committee or to the parliament. Obviously, this is a process that we are undertaking in a number of places across the country.

Having said that, I should also say that the committee is obliged to follow some formal procedures of the Senate, particularly in relation to parliamentary privilege. I am sure you are all aware of parliamentary privilege as many of you have appeared at committee hearings before. Parliamentary privilege is a right of privilege granted to participants in the parliamentary process to protect them from persecution, prosecution or penalty for giving an opinion to the parliament. The *Hansard* is produced to allow that protection to be exercised. You will each receive a copy of this record, which is a verbatim transcript of the evidence presented today. While it is not in any way intended to inhibit discussion or your capacity to say what you wish, the committee will consider any requests for evidence to be given in camera. However, you should be aware that in camera proceedings can be made public by order of the Senate.

I will start off with a general question, and people may respond to it as they see appropriate. Could you advise the committee on what you think governments need to be doing better—from either end as employers, workers or whatever—to improve our capacity to meet the needs of the labour market? How do you think the Commonwealth government in particular could do its job better?

Mr Doherty—I believe that one of the issues is to coordinate better the activities, programs and projects that are under way already. There is a similarity amongst many of the things that are happening but there seems to be a lack of coordination in getting the desired outcomes.

Mr Gwilym—I think there has been a tremendous amount of work carried out nationally in the development of national training packages and there is certainly a clearer pathway in terms of career progression. One of the issues we find is that the school interface with industry is a critical area where there needs to be a much stronger liaison with some sort of mechanism provided between schools and industry. For us, that would allow for more accurate information to be provided to careers advisers in schools who, quite frankly, would be struggling to be familiar with all the trades and vocations that are available. Also, it would create pathways between industry clusters and schools that would help facilitate the movement of young people into a workplace to see whether they are suited to that workplace on leaving school, to look at school based traineeships or perhaps to find out that they do not want to do a particular vocation. But young people must get the opportunity early on in their career.

ACTING CHAIR—Does anyone else have a view on how the government could improve the current situation?

Mr Langes—I would like to think that we could do our planning better. Australia spends something like $3.5 billion per annum of public funds on vocational training. It seems to me that it is based on inputs and not on what our future work force needs are going to be. In May of this year, the states and the Commonwealth will sit down to negotiate what the offerings are for

the next year; it will not be done on the basis of the skills needs in three to five years, when people are starting to come out of their training programs. Based on that capacity of it being based on inputs, we see industries such as transport and distribution, which are locked out of the traditional public provision activity, moving to things like the New Apprenticeships system to take advantage of things like Commonwealth subsidies to get access to the training system from which they have been previously locked out. If the Commonwealth were in a position to plan better what the skilled work force was going to look like in the next three to five years and to allocate funding for training on that basis, we would not have the differences between those industries that are in the system and those that are out of the system as we have at present.

ACTING CHAIR—Is there anyone else who would like to offer a view about how you think the government can act to improve the current situation in regard to skills shortages?

Mr Chambers—Going to the other end of the spectrum is the articulation between vocational education and training and higher education. In the transport, distribution and logistics industry, we are finding that there is a growing need for different skills sets. Some of those skills sets can be provided through higher education, but we are finding it difficult to get that articulation and there is a lack of career path planning that takes you through to those higher education levels. Whilst it is very good now within the VET sector, there is a lack of cohesion between the VET sector and the higher education sector in that respect.

ACTING CHAIR—Dr Lam, you represent a different point of view in this debate, and I need to draw this out a bit more. What do you think the government could do to assist your work?

Dr Lam—It is true that in the current Job Network there is not a lot of resource nor is there a lot of incentive for employment services providers to address skills shortages by training unemployed people into jobs. I will not repeat our submission, but if you look at the initial Job Network evaluation evidence, which was based on quite a small sample, the indications are that there is not a lot of vocationally related training going on. The training effort that is being undertaken is directed towards skilling people to undertake job search activity, which has limited benefit where the jobs do not exist, yet we can see there are skills shortage areas. I think that it would be useful for the quantum of funding available for vocational education and training for unemployed people to be increased. The government has gone some way towards that by creating a job seeker account which is quarantined for expenditure on job seekers but there are other competing demands on that account.

It remains to be seen how the new Job Network arrangements coming into place from 1 July will work, in terms of increasing the resources devoted to those areas. From preparing the submission and reviewing the situation as it stands at the moment, it is clear that there are not a lot of opportunities, nor are there a lot of resources for people to be given training in the areas where there might be the jobs for them.

ACTING CHAIR—Does anyone else want to say anything?

Ms King—I would like to expand a bit in terms of the Joint Industry Training and Education Council—the national forum of the ACTU, our key affiliates and major employer organisations—which met here yesterday. On the issue you are talking about, one matter which was strongly agreed between unions and employer organisations was the need to do future

labour market forecasting. That is something that we do not do very well in Australia. We talked about the fact that it is not done very well overseas either. No-one could come up with an identifiable example of what to work off. Clearly there is a need to integrate the Commonwealth government departments. There are at least six departments at the Commonwealth level that collect data in relation to skills shortages and employment data, and that is before you bring in the ageing work force and those sorts of issues which the health department is looking at. At the state level, they are also looking at individual issues within their state. From a national perspective of trying to address national skills shortages, there is a lack of integration between the Commonwealth, the states and the territories in terms of that information which is already being collected in the system.

So there are two issues. The first is having an integrated approach from government in the collection of statistics—an approach which can inform industry and which industry can then have input into, providing some future analysis at a national level but also, more importantly, breaking that down to a regional focus, which is obviously where a lot of employment outcomes are critical, in terms of what training is happening.

Senator ALLISON—Chair, could we perhaps get Ms Gill to explore the new computer system that is coming, to see if others understand it and think it is going to do the trick?

Ms Gill—Previously, the Job Network has relied on minimal IT infrastructure, which has meant that most providers have had to invest in their own third-party software systems so that they can capture the range of data they needed about job seekers to make meaningful matches and development. Moving into Employment Services Contract 3, we are really fortunate that there is going to be new IT infrastructure that is going to have far better functionality. Rather than all providers having little sets of data which is only used for individual matching and that sort of thing, we will now have a comprehensive, centralised bank of job seekers' skills and also of the vacancy requirements that are being lodged through the Job Network. So we will be able to extract far better data and have better data exchange between all parties, in terms of the demands that are going through, both with the types of labour and the availability of skills among the unemployed.

ACTING CHAIR—The obvious point that some would make is that it is terrific to have greater coordination and data collection but, when it boils down to it, people want to know how much money is going into labour market programs. Do you think that is an issue or not? Does the Commonwealth need to spend money in this area or is it at all possible to do it through the private sector?

Mr Rimington—Following on from the points that Jacqueline made, recent VECCI surveys in the last couple of years have highlighted that the issue of skills shortages is not only about attraction—and attraction of youth leaving school. It is also about the retention of existing staff and looking at their skills needs, particularly with an ageing workforce, and the need to be able to provide flexible responses within industry and to reskill, as industry has to respond to external factors, global impact, technology changes and so on. The reality of that process is that industry cannot necessarily bear the cost directly on its own. So in answer to your question, Acting Chair, yes, I think there is a need for the Commonwealth to look at what sort of funding infrastructure may be available, either through labour market programs or through the VET system, in recognition of skills that existing workers have and for the provision of support for

industry to enable existing staff to become better equipped and accredited so that the skills needs requirements can be met.

ACTING CHAIR—Is that a generally shared view? Is it possible to fund these programs through the private sector? Is there anyone who would argue that it is?

Ms King—I do not want to hog the debate, but I would like to add a comment from the ACTU perspective. We certainly see that there is a role for the government in terms of leveraging funding out of the private sector, primarily because there is a public policy issue about the ageing work force and the need to retrain—not just to train young people in the transition from school to work but also to retrain in emerging areas of the economy. Certainly, if government is prepared to put funding on the table, we think it should not be just the government that is providing funding; we think that it should be at least equally matched by industry. About a quarter of the training out there—and I think we have given evidence about that this afternoon—is in structured forms of training leading to national qualifications, and we think that some of that training could be improved upon. We are not saying that it should be 100 per cent. Clearly there are other areas such as workplace health and safety and regulatory training that happen in the workplace, but certainly from our perspective there needs to be a bit more accountability of the government funding available for industry and better ways of leveraging industry funding towards meeting the needs of skills development.

ACTING CHAIR—There are some areas that do not in any way relate to a specific industry's employer organisation. For instance, I think there are broader social questions that arise in nursing and teaching. Ms Archer, from your experience, do you think there has been an adequate response from the universities? I know you speak for one university, or you are involved with one university, but have you had a chance to observe the capacities of universities to respond to areas of shortage in the professions?

Ms Archer—The university sector takes a long time to turn around, and responding quickly is a very difficult thing to do. I think the TAFE sector—and there are many dual organisations such as mine, which is a TAFE and higher ed organisation—is able to respond fairly quickly to changes in need. The higher ed sector takes a lot longer to respond because getting people to a level where they are able to make change in a university takes a long time in terms of professional development and delivery. It takes a long time to develop the expertise to put that in place within a university to turn those wheels around.

To pick up on a point that Neil made about the link between higher education and the VET sector, there is still a major problem in moving and professionalising the teaching industry so that it sees itself as a service provider to industry and servicing the skill shortages in industry. It takes a long time for us at TAFE to get pathways into higher ed. That is still a very difficult thing, and a lot of it is related to the way that higher education is funded, which is on research projects and other things besides providing delivery to students on the ground. A research project takes a long time to undertake and it takes a lot of funding to get off the ground, and to have the research filter through and have an impact on the operational floor of an industry takes an even longer time. So higher education is a lot slower in its processes. That is not necessarily a negative in terms of the work that higher education is about. That is what they do; they do things that take a lot longer than a one-year response to something.

ACTING CHAIR—But with regard to teaching and nursing, there is a major area of shortage which is clearly emerging, and has been emerging for some time now. It affects us all, not just any one industry. The government has surely known for a while. Universities have known for a while. They have a direct relationship with the Commonwealth on the purchasing of places. Why do you think it takes so long to adjust?

Ms Archer—At the time I went through university, there was a shortage of teachers just before I entered, then there were a lot of teachers as I went through, and then there was a shortage again. Students pick up places in universities according to their perception of whether they will get a job at the end of it—and the perception that there are no teaching jobs takes a long time to change. Now people are starting to pick those jobs up. The demand for teaching and nursing has increased greatly.

ACTING CHAIR—But now the places are not available.

Ms Archer—That is exactly right, because funding does not respond at the same rate. Funding responds to the number of places that are filled in the previous year rather than in the projected year.

Senator BUCKLAND—Can I just carry on with that—if anyone wants to answer the question. Do you think that industry is selling itself in the right way to schools to make them understand what is available? For example, in Whyalla, where I live, we have a steelworks. It is basically the employer in the area. The comment has been made by the company that kids know that you make steel at a steelworks—even I know that—but they do not know about the range of jobs available. These kids, or young adults, are not coming out of school thinking about employment in that industry, because they do not know there are chemists and engineers, they do not know that you can be a train driver, they do not know the full range of trade skills. They do not know any of these things. Do you think we are not selling ourselves properly and there should be more emphasis on that?

Ms Archer—Most definitely. I do not think it is just to the schools and to schoolchildren that we need to sell industry. Parents still believe that the only successful outcome from education is university and a university degree. To anybody who says, 'I want to be somebody who works in a steel factory,' mum and dad's first response is, 'Let's go to university.' At high schools it is the same thing. The first response of careers teachers is, 'You are a target for university.' My daughter had the same thing happen to her at her high school. She does not want to go to university, although she is perfectly capable of going. The teachers were disappointed that she chose not to go, irrespective of what she wanted to do. So it is not just to the schoolkids but also to the teachers and the parents that we need to market industry. I think that is the point that Andrew was making before, too—that it needs to be much broader than just schoolkids. Careers teachers and parents are crucial in those children choosing to do or not to do something because of the adult influence around them.

Senator BUCKLAND—I wonder if Ms Baron has a view on that.

Ms Baron—I will just read out my dot points from today because they will pick up on a lot of what has already been covered. With regard to suggestions on how to improve the links between school and industry, the first thing is to keep supporting VET in the VCE. In Victoria, the take-up rate has been extraordinary, but the system needs more funds to keep expanding at a

quality rate to meet demand from students. The same applies to supporting New Apprenticeships.

Someone also recognised that, in the past—in the sixties and seventies—when you wanted to target recruitment, you offered cadetships. Cadetships are very few and far between now. That is a strategy that industry could consider rebooting. The recruitment strategies need to be inclusive of all industries, to try to speak to the breadth of students. You were talking about the steel industry, Senator—it takes all sorts of employees to run an enterprise. There also need to be long-term projections, which you were all talking about. The labour market projections need to be clearly enunciated and communicated to the full community, not just to secondary schools or elsewhere.

A lot of the materials we receive from industries to try and promote themselves to the secondary sector are very fragmented. I virtually have the situation where there are 30 braying industries in one corner all trying to attract kids in a disparate manner. It is impossible for schools to present 30 separate entities in a meaningful fashion. There really needs to be a comprehensive approach. There need to be whole industry overviews, statewide overviews et cetera. There is a gap in the sorts of materials and information that can be used fruitfully in secondary schools.

There is a lack of formal class time, because vocational preparation is still not deemed a core business by the secondary education sector. There is an inherent bias, as has been touched on, against the TAFE sector, because very few teachers in the secondary sector have ever experienced it first-hand. The careers teacher is generally the only person talking up that sector in a school, and they are a lone voice in the wilderness. Fortunately, the VET and the VCE programs are having a very pronounced impact in turning that around, and I think the impact on retention rates in this state has shown the value of incorporating the VET within the traditional programs.

There is not much synergy between the post secondary institution recruitment efforts and individual industry efforts. I always have industries ringing up trying to do something—having a kids expo day, or whatever day—and I will say, 'Don't have another day on the calendar in the year. The teachers and the kids are already flat chat. Go and value-add the TAFE open days offering your programs—your career areas—provide the free buses, and embellish the expos, speakers and seminar programs at the open days.' If we really researched how many people avail themselves on open days, we would find that it would generally be a small proportion of the community at large. There is a lot that we can do to build on existing mechanisms rather than just increase expectations of kids, parents and teachers to march on to 50 events a year instead of, say, three really excellent events a year.

There is a lack of full-time careers teachers in schools. Most people think every school has a full-time teacher; only the elite, private schools of Victoria have such a beast—and they often have an admin person too. Most teachers in the government sector and in many Catholic schools are teaching VCE studies for half the week and trying to do the entire careers role in the rest of the week. It is a pretty impossible ask, and there is a very high turnover in careers teachers because it is such a big ask.

There is a lack of formal training for careers teachers. There used to be two postgraduate opportunities in the state; there is now only one. One died because of the huge shift towards

user-pays at postgrad level. The only one remaining is at RMIT and is full fee. There is no financial benefit for careers teachers if they go and pick up that qualification, and it is only offered in external mode, which, as many of you who have been students will know, is not necessarily one's preferred option.

We have talked about the lack of awareness of industries. There are some really simple things like schools not being able to afford buses to go on industry excursions, and they often lack IT resources to be able to utilise the enormous amount of Web based information that is there now for careers in industry areas. When it comes to who gets the computer lab bookings in a school, it is not going to be a careers/work ed class; it is going to be IT, maths/science and so on. There is a huge pecking order based around the conventional classroom disciplines and, because this stuff is, in many settings, not seen as the core business, they are going to have a very hard time ever getting that much sought-after resource.

The LLENs in Victoria are starting to bear fruit in helping to improve liaison and networking between schools and industry, and we look forward to seeing where that is going to develop in the next few years. As you have already touched on, we have the notion of skills shortages, but there is no clear communication strategy talking about what that is to the Australian people or linking the notion of skills shortages with the notion of career choice and development. When kids are approached at school, they are basically told, 'Whatever you are suited to and whatever your academic and personality attributes take you towards, that is what you will do.' There is not a lot of the sense that there is a real world out there that only needs so many physiotherapists et cetera. We are involved in a lot of myths about being able to offer everything to the next generation. Yet we want to give them reality checks too, when you know that schools are often not where reality checks happen a lot. So they have that very bumpy process as they exit school at whatever point and encounter the real world. Fortunately, a couple of things have come into play, like the Jobs Pathway Program, to try and pick up the pieces, but there obviously needs to still be a hell of a lot more intelligent work happening in that transition area.

The low Austudy payments are certainly an issue in encouraging people to study. A lot of people who are not financially well-off and whose parents cannot support them possibly end up going to work too early and ignoring the fact that they should have picked up some more training. Another whole area is enterprise education to try and encourage entrepreneurship in our culture. This is very difficult stuff to teach in the secondary setting, because it is about small group work and it is about accessing the world outside the school grounds. The way in which schools are funded to have 27 kids in front of one teacher for a 50-minute period is really a major disincentive to being able to offer rich enterprise education activities. Yet we all acknowledge these are incredibly good things and inculcate a lot of sense of responsibility and maturity that other aspects of the conventional school curriculum might be missing out on. They are just a couple of points.

Senator BUCKLAND—Before we ask if anyone else wants to comment on that, could I ask you, Ms Baron, what your views are on what Ms Archer had to say about parents' expectations that their children would go to uni. I am one of those parents, let me say, and I have changed my mind in recent times, but is that a real perception out there?

Ms Baron—It is certainly a major problem in trying to offer the wealth of unbiased career options to kids that they are so frogmarched in the direction of uni. It is tricky, because then many of the uni programs they go into are fairly generic and there are no clear job outcomes. So

another side of the coin is that we are only just starting to talk more about higher education dropout rates. The whole area is very complex, and I do not like any knee-jerk responses. For instance, there is somebody going around the country at the moment saying that it is easier to go to uni after TAFE. I know for a fact that is not true. The world of post-secondary training and employment is a very complex world. Unfortunately, to try and talk to anyone about it in simple terms virtually cannot be done nowadays. We need to improve the perception of the alternative pathways. I think the ANTA Take Off web site is part of that, but how you can make that resource part of average Australians' lives, I am not sure.

Mr Gwilym—I certainly agree with that view. Our role in the schools community is in providing careers advice on the types of vocations available in the retail motor industry. There is this overwhelming community expectation about university that has been driven for at least the last 10 years in Australia. The unfortunate downside of it is that taking a trade is really an option when you have lost. A lot of kids see it this way: 'I couldn't get into university, or I got in but I didn't really want to do it anyway, so I suppose now I'll do a trade.' The real catch in that is when young people are over 21 years old, and you go back to industry with an adult apprentice. Trying to provide training for adult apprentices in industry is extremely difficult. The amount of undoing that has to be undertaken to actually try and pull that person into the industry—somewhere they may have wanted to go originally—is extremely hard.

We have constant feedback provided to us through young people in schools, who are told very clearly, 'No. Automotive isn't a good idea. You really need to go to university.' This is particularly the case with females, who are told, 'No. Trades aren't a good idea, and definitely not automotive. You need to go to university.' Every time we hear that, of course, it makes us very disappointed with the system but also with the continuing perception that, in my view, is in the community that university is 'it' and anything else is just a second choice.

Ms Baron—To add a point to that, a lot of that is about a perception of the rigours of the labour market. With the lack of job security and the lack of appropriate pay and conditions, people just automatically assume that professional-nature employment, post-degree, will be the cream of an employment position. There are a whole lot of other psychological and economic factors that have nothing to do with the nature of the task you are actually doing on a daily basis.

ACTING CHAIR—The truth is that that is why we have a HECS scheme—we fund universities to produce professionals who earn incomes that are, statistically, many times greater than people who do not have degrees. So is there not another factor here: the amount of money you are paying people to undertake these various jobs? Is there not a question about the income differential? Maybe people are right to say—

Ms Baron—Teachers are not earning as much as tradies though, in many situations.

ACTING CHAIR—We were in a factory yesterday where we saw some highly skilled workers in the pharmaceutical industry. They were not earning as much as schoolteachers. If I am not incorrect, a senior teacher earns in excess of $70,000 a year.

Ms Baron—Not in this state.

ACTING CHAIR—I do not think that is right.

Ms Baron—The top of the classroom is $55,000.

Ms Archer—If you are talking about the VET sector, we are way below that. Not even your head of department, which is me, gets that.

Senator ALLISON—We heard that salaries were up to $120,000 for a process operator, including a bit of overtime.

ACTING CHAIR—I will believe that when I see it.

Ms Gill—There are some areas of unskilled labour where the salaries are actually very high. I know that, in terms of the Job Network perspective, we often see job seekers who are trade qualified—hairdressers and chefs are two areas that I would nominate. They choose to work in some unskilled areas because, in fact, the income and the hours are better when you look at the whole package together. They are not earning as much in their trade as what they can on some factory floors—some factory floors are very well paid. Imagine someone who has just spent three years going through a trade apprenticeship having to give that up.

ACTING CHAIR—Yesterday, I was watching some women and I asked the manager directly what they were earning. I was told they were getting paid around the $30,000 mark—that is for a full shift. I just do not find that that is comparable to the starting salaries for professionals.

Ms Gill—I can point out other factories where the workers on the floor are getting between $70,000 and $80,000. They are not the commonplace but they are there.

ACTING CHAIR—That is my point. The average person at school wants to know what the starting salary is. Ms King, you have some idea of what pay rates are like in the country.

Ms King—Some of the issues that we see as particularly relevant in terms of why people are not taking up traditional apprenticeships are directly related to wage rates. Some of it is actually about the culture and some of the issues which people are talking about around the table. The traditional areas are not valued in terms of what parents see et cetera. But another key factor that has not been addressed, which is certainly on the ACTU agenda, is the very low wage rates that, for instance, a first-year apprentice would get. Under the federal award system, we are talking around $5.50 an hour for a first-year apprentice in comparison to $8 to $10 for a trainee, for instance. So we have massive disparities within our industrial system that really favour doing a short-term traineeship over doing a four-year traditional trade apprenticeship. That is certainly a concern for us and is on our agenda to be addressed. People are not being attracted into it. I agree that in some instances there are obviously fairly highly paid tradespeople out there but, by and large, our analysis shows that a lot of the trades for the traditional blue-collar workers are in the low-paid areas.

Mrs Yilmaz—In terms of rates of pay, there are a couple of points that I would like to make. The entry level rate of pay is an issue we are contemplating and debating quite extensively within our industry. Given that we have just completed our submissions to the national wage case, I can confirm that the retail automotive industry has had skills shortages for at least 10 years now. It is a relatively highly skilled industry that does rely very much on the traditional trade areas. It is our evidence, and has been our evidence before those national wage cases, that

quite significantly our industry does pay well above award rate. In terms of the actual entry level rate, often the debate is whether or not that is the issue that the kids look at these days. The question is whether the kids who are leaving school are looking at entry level rates and apprentice rates. To some degree they are but to some degree they are not. What was interesting from some of our research was that some other traditional industries where they also pay well in excess of your traditional apprentice rate are still having quite severe skills shortages.

So it needs to be put in context, I think. There needs to be some caution. We should not simply point the finger and say, 'Entry rates of pay are the reason for the skills shortages.' If you look at lawyers starting off in the industry, you will find that they get an entry level rate that is very low. We do not have difficulties in getting young people to do a law degree; yet we have significant difficulties in getting young people into the traditional trade areas.

One thing that we have quite clearly identified is that there is a shrinking youth labour market, and we are contemplating alternative pathways. We have noticed over the last number of years that the age of kids who are leaving school to go into a traditional trade has increased. No longer do we get the 15-, 16- and 17-year-olds; we are finding that we have the interest among the 18-, 19-, 20- and 21-year-olds. But we have some difficulties with the rebate system itself, because in terms of the support mechanism through the coverage of school fees it is an inhibitor. If a young person has gone off to do a university degree and then comes back and wants to do an apprenticeship, we are finding that employers are now stuck with the full fee course for the apprenticeship trade, which is an inhibitor for a predominantly small business such as in our industry. So there is a whole range of issues that need to be looked at. We have done a lot of research in the area, particularly with the automotive industry, and there are probably a number of things that need to be looked at. There is not just one answer to this whole issue.

Ms Jonas—There are many things that Leyla has just said that I was going to pick up on. From the perspective of a number of group training companies, there is no shortage of opportunities for apprentices, but the number and quality of candidates is a real issue. We cannot find the young people to do the apprenticeships. That is due to a range of reasons, as Leyla has suggested. It is not just because of the pay rates, but obviously pay rates do play a significant role in attracting young people to apprenticeships.

There is irony in what has just been said about it not being hard to attract somebody to a university course to be a doctor, a lawyer or whatever knowing that there is a long-term pay-off for the investment of their time early on. But we do not seem to be able to make trades the same aspirational type of work that young people want to go to, and we cannot seem to shift that short-term versus long-term view of the world for young people moving into the trades either. They see that they can earn more as a labourer on a building site than they can as an apprentice on a building site. They do see those things, and, for young people in the trade area, the starkness of that is up-front for them. People who are at university and studying to be a doctor, a lawyer or whatever are happy to work in the retail industry to support their study. They do not look at a doctor and say, 'Why aren't I getting as much as a doctor?' There seems to be an understanding that, 'I'm not going to get paid that until I am a skilled person.' But if you are a young person on a building site or working in a local garage and you see a skilled person getting four or five times more than you and, although you are not doing the same work, you are doing similar sorts of tasks, the immediacy of the pay rate is much more relevant.

With regard to the quality of candidates, again it goes back to the way that trades are promoted at the school level. I agree with a lot of what Linda had to say, but I suppose my reaction to that, having been in the industry area for some time, is that I am convinced from an employer perspective that careers teachers in schools should not be solely responsible for career education. I think there is a responsibility from an industry perspective, as well as from an education perspective, to provide young people and their parents—and I agree totally that parents are a really important part of this equation—with information about labour market realities to the areas that are advising young people. There is a good argument for good labour market advice and direct industry advice being given to young people when they are making their choices and their decisions, with that information also going to parents. I do not see it as the role of teachers in schools to necessarily be responsible for that. There is a whole raft of reasons that militate against teachers being the best people to provide career advice.

When we look at careers teachers, as Linda has indicated, there is limited professional development for them. They do not go into teaching as careers teachers. Careers education is often an adjunct to what they do. I have been a teacher myself and I know, in the schools that I have taught, that the careers teacher was the person who perhaps did not have a full allotment or the person who was not coping well in the classroom—with all due respect, Linda, to careers teachers. I am not blaming teachers for the bad advice that young people get. We need to look at strategies to enable young people to get better advice from people who are able to give good advice. We should not be leaving the sole responsibility for that with educators. Those are some of the issues around apprenticeships.

In a broader sense, going back perhaps to the first question that Senator Carr asked, I think that the Commonwealth government and state governments need to broaden the debate about all the things that we have been saying around the table here, and seriously question the commitment that the higher education sector have to the broad skills debate for Australia. They have a very specific and vested approach to the skills debate in Australia. I think we need to engage them on a much better level. We need to do a lot more about promoting a wide range of pathways into different occupations—different pathways to the future for young people and for existing workers in the work force—and we need to take on a lot more. We need to respond to some of the issues that arise around the ageing population and the serious questions around the reskilling and retraining of people in the work force, as well as other issues we are seeing at that level.

The last thing is that we perhaps also need to promote different ways to measure success. I think success is a really important concept for people. While young people see success being measured only in terms of getting into university, then we provide, I think, unrealistic expectations for a great number of people and we drive new entrants away from areas where there are good and credible pathways for their future employment.

Mr Doherty—I have just a couple of observations. The first one is that I think we have all discovered that mainly the same problems exist, no matter which industry you look at. In Victoria we found that in the transport, distribution and logistics industry there was no connection between entry level work and ending up as the vice-president of the supply chain, which is the point that you were making, I think. It was pretty hard to convince people that they should be a career forklift driver as opposed to some day being the general manager of the supply chain. There is virtually no understanding in our industry of how those things are connected by training, education and experience. So we are building what we refer to as a career

map, which says, 'If you come in at this level and do this sort of work—you get this sort of training and this sort of experience—you should go to this level,' and so on, to the point where you have a senior executive position. We have exposed this to the people who provide training and education, and they are working on it. Robyn, in fact, is part of the creation team. The critical feature, I think, is to ensure that industry eventually endorses this.

Senator Buckland made the point about the negative image of an industry, and it has been picked up here as well. It is a bit difficult to create an image if you go along to a school to talk about working in the transport, distribution and logistics sector, where the immediate image is of blue singlets, petrol-soaked trousers and all that sort of stuff, when the people who will be talking next are doctors, lawyers and so on. So we are working on an image for the industry as well, and I think that is an issue that needs to be picked up. We are looking at demand from the provider's side and demand from the employer's side.

The last thing is that some changes in the workplace are having an impact on an employer's desire to be involved in education and training. Not all skills are offered in academic or training institutions, and casualisation of the work force, part-time work and all those sorts of things are impacting on employers making time to train those individuals who may or may not have a long-term future with the organisation. That is an issue.

I think the career map is an important issue. I do not know whether Robyn or Neil wants to talk about it. I was involved in it too. We are hopeful of using that as an image builder for the industry. Another thing we have discovered is that lots of people in this industry are going to talk to schools and prospective participants, but all with their own message, all with their own slant, resulting in a confusion of messages going out. We are hoping to bring that together in an industry based presentation where we are all saying the same thing at the same time and removing the competitiveness and the combativeness from those people who were previously talking about that. Our education and training group in Victoria, which includes the universities, the TAFEs, the RTOs and the industry people, have also agreed that that is a good thing to do. I think all those things have been said one way or another here and we would all be thinking alike.

Mr Gwilym—There are two issues I would like to raise on that. One is that it is true that there is going to be a competitive approach in the secondary school sector and possibly even at the higher end of the primary school sector. If you have a shrinking youth base and you look at the particular profile of people entering trades—and I will use that as the example—that profile is getting thinner and we have to be very careful that we do not end up in the scenario where industries are basically camped outside the schools waiting for the kids to come out. That is a bit outrageous, but there is going to be a lot of pressure to find those resources for industries earlier and earlier.

The second thing is about careers information in schools. I think the point about the fact that lots of schools do not have careers teachers is very important. Through the National Skills Task Force initiatives that have been running for the last three years, I would estimate that millions of dollars of resources have been sent to schools. When you do a national packaging campaign for careers information—your maps; we have got them and we have sent them out—the question that one has to ask is: where does that information go when there is no careers coordinator? Even if there were a careers coordinator, I would not know where they would stack all that stuff when such a huge amount would be coming through the door. But where does the information

go when there isn't a careers coordinator in the school, what is the effect of that and what about the wastage in developing those materials and resources if the information does not have an impact in the schools?

Mr Doherty—We are going to put a Melways number on our map so that it is highly identifiable! Both of those things are true, and they are inherent in the way we are thinking about it as well. There is no point in having a map unless it has some practical use, and it ought to be in the hands of those people who can use it. Pretty soon we will be going into grade 4 to talk to them about those sorts of things; I understand that. I think it is a good piece of advice for us to understand where we pitch the message, to whom we pitch the message and what the desired outcome is. The Australian Logistics Council's Professor Rod Troutbeck is dealing with this as well. He is trying to organise an outcome based attitude to those sorts of things.

One of the major academic institutions in Victoria had 300 applications this year to do an undergraduate course in our field, supply chain. The numbers, as I last heard them, were that 16 of those 300 were passionate about doing the logistics supply chain course. The 17 places that were finally made available included none of those 16 people. It is okay to create a demand and to have people who are passionate about being in your industry, but it is not okay to find that they have no access to the education they need in order to progress their career along that path.

Senator ALLISON—Why didn't they qualify?

Mr Doherty—They were outweighed in terms of entry level scores by the other people.

Mr Langes—I would like to add to a couple of issues that Leyla raised. A lot of the focus is on school leavers, but we are going to a *Bananas in Pyjamas* scenario, because every little kid loves a truck. We figure that we will be like the ABC: we will get them before the age of four and after the age of 30. There is a real need to look at existing workers. The future work force cannot just be gained from school leavers leaving school now. Transport and distribution is an industry that imports skilled labour. I think that 30 per cent of our people come from the automotive industry—30 per cent of our truck drivers have trades, but they do not have skills that are necessarily relevant to the transport and distribution industry. When we go marching up to state governments and the Commonwealth government and say, 'We've got a skill need in our industry,' they say, 'Yes, but 30 per cent of your people have got trades.' And we say to them, 'But not in our industry.'

That leads me to another point. I heard a couple of people use the term 'unskilled' and 'blue-collar'. We have started moving away from the concept of blue-collar. I am sure there are still blue-collar jobs out there, but in our industry they are much more 'grey-collar' jobs. People who used to be blue-collar now have to have customer service skills, high IT skills, high teamwork skills and high interrelationship skills between the work that they do and what somebody else does in the environment. That is not the old truckie of 30 years ago. It is a very different skill set.

The idea still being presented is that there are trades and then there are all the other, unskilled areas—transport and distribution historically used to be part of that group—and we are saying that that idea is not right anymore. A lot of people recognise that. Certainly those 30 per cent of tradespeople are probably doing it for some of the reasons that you mentioned, such as: 'I can earn $50,000 or $60,000 a year driving a very modern truck; it has a high level of responsibility,

it requires a high level of skill and it will probably give me a bit more than I would get if I were a diesel fitter fixing the truck.' Those issues are there; they are complex issues. We need to make sure that we are focusing on existing workers and the redefinition of how industry gets supported. There is a role for government in supporting the re-education or the re-skilling of existing workers. The idea that there is an unskilled work force out there is a concept of 10 years ago.

Ms Woodward—Light manufacturing encompasses both TCF—textiles, clothing and footwear—and furnishing, as very broad categories. It is important to note before I make some comments that we represent 32 quite distinct industries, ranging from early-stage materials production—for example, cotton and leather—through to service production. We cover a range of companies, from those that export in quite a traditional sense, through to new companies that are developing niche markets, and service industries that only deal with local markets. So, for us, both categories of new entrants and existing workers are important when you look at the total range of industries that we cover under light manufacturing.

As one of the manufacturing industries, attracting new entrants has been a significant issue. In the last couple of years we have been undertaking a range of initiatives to address that. Firstly, under the training package development, we have looked at developing quite significant VET in Schools programs, which we are hoping to implement across a range of schools over the next couple of years. There is certainly interest in the areas of both furnishing and clothing production. We have also developed a furnishing resource which shows the range of careers in furnishing.

I think the point about changing skills sets and a range of different roles being applicable in manufacturing is a significant one, because under the restructuring that has been undertaken over the last 10 years, a lot of our companies have changed the skills sets required. Therefore, it is important to let schoolchildren know what different opportunities there are in manufacturing now compared to those available in the old days.

A joint manufacturing ITAB project to promote careers in manufacturing generally is being undertaken at the moment. It has looked at a joint manufacturing marketing campaign that will link into some key events like Manufacturing Week and RoboCup et cetera. It will also produce some resources which individual industries can use. At the same time, that campaign has recognised that, from the industry point of view, there is some work to do to encourage new entrants. The issue of pay might be one issue but I think it is far more complex than that. Our research, too, has indicated that there is a range of factors that will encourage school students to take on careers in occupations apart from medicine and law et cetera. One thing that our research has uncovered is that things like social relationships and the company set-up, as opposed to the work itself and the rates of pay, are becoming more important features for young people. Our project is also producing a kit which the industries can use to start to transform their workplaces into more attractive places for students to move into, and to encourage a different range of students than might otherwise be attracted into manufacturing.

Like transport, we are also interested in the existing work force. Obviously, we have an ageing work force and the need to introduce new technologies because of the restructuring issues we have, so there is a lot of reskilling that the industry needs to do as it moves into niche markets and different sorts of operations overseas. When you are looking at reskilling existing workers and when you look across the range of different industries, you realise that we have a

lot of training to do. Obviously, in furnishing there have been the traditional trades but we also have quite a range of unrecognised training that has been occurring in our industries over a period of time. This means that some of our workers have skills that are not recognised—and they should be. There are also a number of workers who are semiskilled and need to have additional formal training to top up their skills. Lastly, there are workers who need to be reskilled entirely to move into new areas the industry is going into. So there are a number of different aspects to that existing worker issue from our point of view.

The industry has moved to a position where the initiatives that have occurred over the last few years with respect to the formal training system and the development of the National Training Framework and the national training packages have generally been accepted by the light manufacturing industries as useful developments. By and large, the companies we have been involved with have supported those initiatives.

For us, in terms of where the government can assist now, it is really in the implementation phase. A lot of money has been put in at the front end, the development end—and that is right because it had to happen. But now the industry really needs some support at the implementation end. Most of our businesses are very small—actually micro-businesses in lots of cases—and they have not got spare cash like some of the large industries. The No. 1 issues are improving access to the training system, from the small business point of view, and also flexibility and workplace based delivery. That means two things: firstly, a more responsive training system in terms of flexible delivery and workplace delivery; and, secondly, different funding models to those that are in place now, to allow for thin markets. That is an issue for us. We have got a diverse industry that is spread right across the country. Most of our markets are thin, but they are still important little subsectors in their own right. In order to deliver company needs, training needs to be responsive in terms of timing, place and the ability for small businesses to access training in a meaningful way that suits the business. So for us it is moving on to the implementation phase.

Senator STEPHENS—I was thinking about what you were saying, Ms Woodward, and about the contributions of several others this afternoon on the issue of employer incentives. First of all, do incentives make a difference to whether employers involve their staff in training and skills development? Secondly, do the incentives that currently exist meet a genuine need—are the available incentives actually meeting the needs of industry? That is a broader question.

Ms Woodward—Certainly they help; there is no doubt about that. When you have small businesses with very limited funds and huge business pressures, such as global markets and competition generally, from our industry's point of view they certainly help. But, again, I think it is like the question of wages. Perhaps incentives by themselves oversimplify the issue, because it is about the total package.

ACTING CHAIR—Let us put it another way. If the $500 million the Commonwealth currently contributes were withdrawn, what impact would that have?

Ms Woodward—Certainly that would affect training in my industry.

Mr Langes—Transport and distribution would drop training from the whole industry. We rely heavily on the $4,000 Commonwealth incentive. We appreciate that it is cost-shifting from what states should be providing through their public funding. In the absence of that, we get less

than one per cent of the public purse—of that $3.5 billion of Commonwealth-state money for the delivery of training. Our companies rely on that $4,000 to deliver the training. Occasionally transport and distribution comes up on the radar because of companies that are using that money in a less than desirable way—

ACTING CHAIR—Inappropriately.

Mr Langes—'Inappropriately' might be a better way of describing it—but I would suggest that it is a bit like insurance fraud. Do you not take out insurance because occasionally some people are fraudulent? I would think that probably greater safeguards are needed around that money.

ACTING CHAIR—Tell me this: why do some countries not need these sorts of incentive payments, but in this country we tend to use this mechanism to get the leverage?

Mr Langes—I make the point that we have taken advantage of it. If there were another system—a more open, transparent system—I think our industry would be more than happy to participate. But at the moment you can march down the road, knock on the door and say, 'I want to do a certificate II in bookkeeping,' and if you meet the entry requirements you will get in. If you march down the road in any state other than Victoria, go to the local TAFE college and say, 'I want to do a certificate III in road transport,' they will say, 'What? We don't deliver that.' And the reason they do not deliver it is that they are delivering a certificate III in bookkeeping or a range of other traditional areas.

I will use an example from our industry. We had fewer than 100 people per annum going through national qualifications in 1997. Now we have 20,000 per annum going through. You could say that is 20,000 people who are rorting the system. I do not believe that is so. I think that is an indication of the demand that the industry had—with full bipartisan support—and that the skill set in the industry had shifted over the last 20 years and the training system had not kept up. Whether there are 4,000, 10,000 or 20,000 people going through, the industry wants to have its skills recognised and be part of an efficient training system. If there is a better way of doing it, so be it. But in the meantime this is the only thing that is on offer, so the industry is taking advantage of it.

ACTING CHAIR—Of course they are. Why wouldn't you? If the Commonwealth is handing out large sums of money, why wouldn't you put your hand out for it? The issue is still what you do in return for that money.

Ms Archer—We have quite a lot of people—in the vicinity of 1,500 students—under the category of existing worker. One of the almost immeasurable benefits of that has been a flow-on benefit to companies. After workers have finished doing, say, the certificate III in transport and distribution, and where companies have had to bring in training around new technology because they have brought in a new system, they have said to us, 'It is much easier to train our people in this new technology now than it would be if they had not done any other training under an accredited system.' Although we did not do IT training in that training package, the training meant that those people had taken on the culture of learning in their workplace—in an environment that was work based.

ACTING CHAIR—Now that this has started, is there ever going to be a point where the Commonwealth can say, 'We don't think this is a public sector responsibility'?

Ms Archer—From my point of view, that would be when you get to the point where you feel that Australia's work force is skilled up enough to take on change quickly and to be able to learn quickly. The companies that I am talking about fund the training themselves after that certificate III has finished. They funded the IT training themselves, because they had reached the point where they were able to quickly and adequately train their employees for change.

ACTING CHAIR—So you are saying it is possible for the Commonwealth to withdraw?

Ms Archer—When the industry as a whole has reached the point where it can be re-educated at a cost that companies can bear themselves. It is more than just a company that we are talking about.

ACTING CHAIR—Do any of the employer organisations represented here today agree with that?

Ms Jonas—I will speak from a broader perspective. As long as the Commonwealth government promotes public policy around lifelong learning, education for all and improving the qualifications and skill base of the country, then it has a responsibility to contribute to that in the same way that industry and individuals have a responsibility to contribute. I would say that, no, the Commonwealth government should not resile from some form of injecting funds into the system to encourage training, because that supports its own public policy and a broader public benefit.

We need to be able to, in some way, measure the public benefit of the Commonwealth and state governments promoting training. If there is a public benefit that is obviously demonstrated then I truly believe the Commonwealth cannot resile from at least a joint responsibility for putting that money in. Whether that is in the form of what we now call 'employer incentives' or whether we call it something else, or redesign it in some way, I honestly believe that there needs to be continuing Commonwealth funding to promote lifelong learning. It is public policy; therefore, I think the Commonwealth government has a responsibility to do so.

Dr Lam—Taking up this debate and echoing some points that Linda made earlier, I think it is probably wrong to call it 'opportunity cost', because employer incentives are not necessarily traded off against the career education made available to young people. But, if you look at the relatively thin resources made available to young people to enable them to make an informed choice about where they will go and about what sort of lifelong learners and career grasshoppers they may need to turn into, it is worth thinking about putting some resources in at the end. The Jobs Pathway Program currently averages $300-odd per head for people who have access to it. That is the resource available to young people contemplating leaving school. It is not enough. We are constantly told that the program is not available to everybody who could use it.

The problem is that there are a lot of young people who would like to go to a Job Network provider—and we have a lot of anecdotal evidence that people turn up to ask about vacancy matching services or to get advice or information, but the Job Network organisations cannot provide it—but are ineligible to access that support or advice until they are not in full-time

education and training. They have to become unemployed before they can access that sort of 'real-life' information about what they would get on Newstart allowance, what they would get if they did this or that, and where the vacancies are in their area.

A young person fronting up to a Job Network agency at the moment—or, under the new system, a job placement organisation—will not be able to be given information about available vacancies, or the profile of what is around in their area, so that they can make that informed choice and make that comparison. Therefore, I would like to echo Linda's point earlier about the need for some investment to be made in these areas and for those decisions to be better informed. A point I wanted to make much earlier, and it is a small one, is that the performance indicators for schools are around school retention. I think this drives the interest of schools when providing information to young people that might see them leave school before they finish year 12. I think it is the incentives and the performance measures that are informing some of the schools' decisions in these areas. We have stories from our JPP providers that some schools are reluctant to let them in because they think the providers will poach their kids.

Mr Gwilym—I think one needs to look very closely at what employers do with those incentives. A lot of employers use those incentives to upskill apprentices quickly and to provide proprietary training in our industry. As an example, we have employers that will send apprentices interstate to receive proprietary training where a local TAFE provider is unable to provide cutting-edge training. I will use our own example: the VACC. We have 250 of our own apprentices. We take $30,000 of that money and use it to promote the industry and to promote careers in the automotive industry through innovative ways. If you go to individual employers and ask them how this incentive helps you, firstly, to keep your apprentice and, secondly, to upskill them and to further their skills, you might be surprised at the level to which those incentives are used very positively.

Mrs Yilmaz—Let me just add to Geoff's comments. I am from the industrial relations department, so I am aware of not only our group apprenticeship scheme but also the advice and the information we get directly from our members. We need to be very careful that we do not make the assumption that an industry and the jobs within it are static. Most of the industries represented around this table do change and the technology changes. In our industry it is quite apparent that the situation for someone who went into a trade as a motor mechanic 20 years ago is entirely different from that of someone who goes into a trade as a motor mechanic these days.

One of our views on the issue of incentives is that the commitment to training needs to be a joint commitment to training. For young kids who leave school and enter a trade or an industry as a whole—and this relates to the comments by May—it is often their first job and they have not accessed any of these Job Network type resources. So they are learning job-centric skills. There has been some research previously on the automotive industry and the costs incurred by employers. You will find that the investment by employers in our industry far exceeds any of those incentive schemes that are available to employers. They are training these kids in the skills they need to do the job concerned, but they are also giving these kids employment skills and, in some cases, life skills. In many cases, these kids have not had many experiences in life. Often we find that young kids who have left school—and particularly if they are 17 or 18—are going through all sorts of emotional changes. It is their first job out of school, they are learning employability skills and it is the employer who commits to that investment.

What I am saying is that it is important, from our point of view, that there be a joint investment in and a joint commitment to training, and those incentives do assist. There are instances where those incentives can be a bit of a problem insofar as I understand that the incentive schemes now allow for two payments. In the event that an employer loses an apprentice—because they have been poached by another employer—and has committed three years of investment, the original employer does not get that final incentive. I have heard comments from our members that that is a real problem. They are finding it very difficult to keep the kids for those four years and then gain access to that incentive, whereas an employer who may have trained those kids for only six months gets a full incentive. That can be a problem.

If I can just add one final point, because 50 per cent of our members are in rural Victoria and I think it is important. A lot of the comments this afternoon have been about attracting young kids into industry, and it is obviously an important issue across industries. We also need to bear in mind that we need to look at ways we can retain people within an industry. My comments are specifically in relation to the rural sector of Victoria, given that they are subject to a drought and severe conditions at the moment. Our farm machinery dealers invest a huge amount of money into training and continually upskilling their qualified tradespeople. It is extremely difficult to hold onto these people, regardless of age, because there is not a lot of work out there at the moment. There is not a lot of support at the moment. The danger they face at this point is that, if those people leave those rural areas, there is going to be a major problem for them when there is an upturn, because they are not going to be able to get these people back into those rural communities.

ACTING CHAIR—There are additional incentive payments for drought-declared areas and for rural and regional areas, are there not?

Mrs Yilmaz—There is some level of support. However, we have found that access to that support has been very difficult to obtain.

ACTING CHAIR—Why is that?

Mrs Yilmaz—Our farm machinery dealers have actually gone up and spoken to ministers about this, and the Farmers Federation has the same view: that access has been extremely difficult. I think it is something to do with the criteria, but I do not know the specifics of that. I am more than happy to obtain that information and get back to you.

ACTING CHAIR—If you could give us something further on that, we would really appreciate it. I am more than happy to raise the matter in another environment. And, likewise, what about the drought-declared areas, because we are told that there is an additional $1,650? No, in fact, it adds up to about $3,000: there is $1,650 at commencement and a completion payment at a similar rate. I think we have reached the end of our discussion. Are there any other comments that anyone would like to make?

Ms Gill—I have a brief comment. We have talked a lot about young people. We have also mentioned along the way that we have an ageing workforce. Putting aside the ABC *Bananas in Pyjamas* strategy to capture as many young people as we can, we desperately need to look at working with mature workers on transferability, portability of skills and retraining and I would say, generally, industry awareness about taking on mature workers for jobs traditionally seen as

being for younger people and opening up some strategies in that area. It is depressing to work with jobseekers who are in their early 40s who consider themselves written off and to hear them talking about rejection and their feeling of it being because of their age. There are people out there with enormous skills and huge things to offer industry, with obviously many years of work ahead of them, trying to get back in the door. We need to look at some strategies around that as well.

ACTING CHAIR—Thank you very much for coming. We really appreciate it. I think it has all been very useful for our work and I trust that you have been able to benefit as well in terms of exchanging views on these matters.

Committee adjourned at 4.33 p.m.