CORRECTED TRANSCRIPT

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NEW SOUTH WALES

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At Sydney on Wednesday 2 November 2005

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The Committee met at 9.30 a.m.

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PRESENT

The Hon. A. Catanzariti (Chair)

Mr I. Cohen
The Hon. Greg Donnelly
The Hon. P. Forsythe
The Hon. M. J. Pavey
The Hon. C. M. Robertson

KATHRYN RANKIN, Policy Adviser, Australian Business Limited, 140 Arthur Street, North Sydney, and

MARK GRIMSON, Chief Executive Officer, Illawarra Business Chamber, 87-89 Market Street, Wollongong, 2500, sworn and examined

CHAIR: In what official capacity do you appear before this Committee?

Ms RANKIN: As policy adviser to Australian Business Limited and its members in New South Wales.

Mr GRIMSON: As chief executive officer of Illawarra Business Chamber which is affiliated with Australian Business Limited and represents more than 500 businesses in the Illawarra region.

CHAIR: If you consider at any stage during your evidence that certain evidence or documents you may wish to present should be heard or seen in private by the committee, the committee will consider your request. However, the committee or the Legislative Council itself may subsequently publish the evidence if they decide it is in the public interest to do so. Do you want to make an opening statement?

Ms RANKIN: Yes, Australian Business Limited, on behalf of its members, made a submission to the inquiry. That submission was based on a survey of its members that was undertaken just prior to the submission. Australian Business Limited considers that there are a number of issues that impact on regional and rural skills shortages. There is a youth disconnect that is a crying issue in terms of attracting and retaining young people within regions. There is a need for increased understanding and communication about labour market and training market information between both the Department of State and Regional Development and the Department of Education and Training.

We believe that there needs to be support for engagement of regional businesses with the formal process of training and that there needs to be better consideration of not only the vocational entry level training but also the support for development of the managers within regional businesses. We believe that intermediaries are one of the keys to making sure that there is a support for growth of skills within the regions. I have asked Mark Grimson to come along to respond to the submission primarily because in the submission we made reference to the Illawarra Skills Initiative that we consider has been an effective way to engage both businesses and young people in formal training.

Mr GRIMSON: I want to touch briefly on the Illawarra and Shoalhaven apprenticeship pilot which commenced in April 2004. It really was created out of a recognition within the Illawarra and Shoalhaven regions of a number of significant challenges. This started in 2000 when we identified a growing number of skills shortages, particularly in the traditional trade areas but on top of that the Illawarra and Shoalhaven continue to have a higher rate of youth unemployment, in particular, much higher than other State and national averages. In addition, there was actually a decline in the number of traditional trade apprenticeships being offered by local employers.

We put together a local committee that had on it representatives from the union movement, employer groups, the local TAFE, the Illawarra Regional Development Board, the local Illawarra ACC and a number of other community organisations. We eventually got funding from the Commonwealth Government through the Department of Employment and Workplace Relations [DEWR] and the program has also been strongly supported by the State Government by way of the provision of additional pre-apprenticeship courses. The funding from the DEWR allowed the Illawarra Business Chamber [IBC] to put on a full-time project officer who has basically liaised between employers, careers advisers, the local job network members, TAFE and basically acted as a conduit between all those parties to facilitate additional apprenticeships being offered locally.

To date we have placed 170 young people in the past 18 months into apprenticeships with local employers, particularly targeting small- and medium-size employers [SMEs]; employers who may not have employed an apprentice for a couple of years. I have a breakdown of where those apprentices have been placed which I will provide to the committee. As you can see we have placed

young people into apprenticeships across a diverse range of industries and occupations. We did an evaluation of the project. After the first 12 months we had placed 120 young people into apprenticeships. A large proportion of the employers had not employed an apprentice for a number of years, and out of the 120, after 12 months, 100 of the young people were still in employment with their employer. We understand that is a pretty good outcome in terms of the high drop-out rate of first-year apprenticeships.

The key thing that employers have told us is that some of the barriers to employers actually taking on young people as apprentices is the cost of employing a young person. We did some lead-up study to that which showed that particularly for small businesses, in years one and two the cost was very high and had a negative impact of their business, because of the relatively low productivity and the high supervision requirements of an apprentice. We made submissions to the Federal Government and pointed out that we thought that the incentives offered to employers was not sufficient, and that was a significant issue that we identified. I must say the previous incentives that the State Government offered, particularly in terms of assistance with workers compensation, is something that would greatly assist employers. It might be that employers would get assistance with workers compensation in years one and two.

The study that we did prior to commencing this project found that particularly in years three and four apprentices were a very valuable asset to an employer. That was supported by anecdotal evidence of employers trying to poach each other's third and fourth year apprentices. But the big barrier was not enough people putting on first and second-year apprentices. The way the pilot actually works in essence is that we work with the local careers advisers and job networks to identify young people who may be at risk of dropping out of school or already unemployed and get them into a pre-apprenticeship course. Once they have completed a pre-apprenticeship course we then try to match them with local employers.

The concept for an employer in a small business sifting through 50 resumes after an advertisement in the paper is too difficult because they do not have the time or resources. The fact that we are able to go to an employer and say "We have got four or five kids who have completed a pre-apprenticeship course in your trade "—

The Hon. PATRICIA FORSYTHE: Is that at school in year 10?

Mr GRIMSON: No, all our kids are school leavers so they are no longer at school. They have done a pre-apprenticeship course at TAFE and they are still keen. The course takes a potential year off their trade because it counts towards having completed the first year of the theory of their training and combined with them being keen and motivated. We basically hold the employer's hand. We have found that generally employers do not have a good understanding of what is involved in employing apprentices so we get the New Apprenticeship Centre [NAC] or the group training company if they choose to employ the young person with the group training arrangements to go out a see the employer. A combination of all those things seems to be the difference in a lot of instances between an employer taking on a young person and not.

CHAIR: What do apprentices think about this?

Mr GRIMSON: Obviously the people have got full-time employment and think it is absolutely marvellous. We particularly target young people in our region whose prospects were not good, particularly given our high youth employment. We did an evaluation and whilst we have placed 170 people into full-time apprenticeships, overall there has been up to 300 who have either got full-time jobs, part-time jobs or are now in other training opportunities—that is of those kids that have been through the program.

CHAIR: Other submissions have stated that the money that apprentices get is very low and therefore that is a disadvantage for young people to take up that sort of position and they would rather do something else, including staying on the dole. What do you say about that?

Mr GRIMSON: In the Illawarra that has not been the case. I understand maybe in Sydney and other places that may be so, and I have heard that from other regions as well where that question

has been put to us. Certainly in terms of this group of kids, generally there are far more kids who want apprenticeships in the Illawarra than apprenticeships being offered.

The Hon. CHRISTINE ROBERTSON: Is that part of the industrial culture?

Mr GRIMSON: Possibly. People are also aware that if you are a skilled, well-qualified boilermaker in the Illawarra you can earn $80,000-$100,000 a year. There are good career opportunities in trades, opportunities to open your own business whether it is building or whatever the trade might be.

Mr IAN COHEN: The committee was at Griffith yesterday where the problem is that apprentices earn $5 or $6 an hour and their mates drive a tractor and earn $15 per hour. In Griffith apprentices feel that there is not much prestige in being an apprentice. There are all sorts of problems loaded against employers getting enough apprentices. Is there an opportunity to offer people who cannot get apprenticeships in the Illawarra an incentive to get them out to other areas where the skills are needed and the opportunities might be?

Mr GRIMSON: That could be the case; obviously we have not explored that.

Mr IAN COHEN: Do you have a lot of young people who cannot get an apprenticeship? What numbers are involved of people who are ejected who would like to take on an apprenticeship anywhere?

The Hon. MELINDA PAVEY: From a statewide perspective, do you have any thoughts on that?

Ms RANKIN: All of those people are registered as unemployed. Therefore, we have taken them from a position in which they have few prospects and supported them by a hands-on approach to move them into another direction. The wage levels for apprentices are an industrial relations issue that needs to be addressed. Australian Business Limited [ABL] is a member of the Australian Chamber of Commerce and Industry. Earlier this year, as part of that membership, we undertook a survey of members that asked questions about the levels of wages that they pay to apprentices and trainees. The majority, not all, are paying above award wages to young people.

Mr IAN COHEN: Is that across the State?

Ms RANKIN: Across the country. There would be pockets and areas where there are differences. A significant number of employers recognise that they are putting time into the training of young people. They want to move them into full-time employment and long-term engagement with them, so they are taking them on and paying them higher wages. In response to the third point, about their friends getting $15 for unskilled activities, non long-term employment as opposed to engagement as an apprentice at $6 an hour, employers really need to clearly communicate the benefits of where they will progress through employment, what are the opportunities beyond those four years. I am the mother of an 18-year-old and I know that they have a very short time frame.

We need to help them better understand the process of talking to young people and to their parents about how to engage in apprenticeships, what are the possible outcomes, and, essentially, the financial rewards once they get that qualification and where they can go. ABL has had experience of talking to members who find it very difficult to get employees not only people going into apprenticeships and traineeships but fully qualified people. I know of one organisation that advertised in the Sydney and Melbourne newspapers for three months and could not find anyone in the financial services area. Part of the issue is the attractiveness of promoting regions and opportunities in the region is about the growth potential for the region rather than talking negatively about what is in decline.

The Hon. MELINDA PAVEY: Is there any process by which your members in the Illawarra could get a list of potential apprentices and share those list with ABL members in the Riverina? Has any thought been given to any proactive incentives like that?

Ms RANKIN: We have not done anything like that as a structure, partly because of the privacy issues. Recently we introduced a program called Schools-Bislink, which gets our members to do a half-day session with students at school who have identified that they are ready to leave school at year 10, 11 or 12. We put employers with them so that employers can talk about their businesses, what are the job opportunities within their businesses, what are the issues about signing up a longer-term training program. We have run 10 of those in south-western Sydney, admittedly that is in the metropolitan area, and we had very good feedback from students, careers advisers and businesses who make connections with young people at a community level.

The concept of how to better understand labour market issues in terms of job vacancies in either training or full-time employment, together with what the business development opportunities are within the region—that is, local economic development as well—needs to be better understood. In that way organisations such as ours can support government initiatives to get young people and apprentices involved in training.

The Hon. PATRICIA FORSYTHE: You mentioned a pilot program. For how long have you been given funding? What are the benchmarks you have to meet from your point of view and for funding? Have you identified the barriers to young people going into apprenticeships more on the side of young people and their understanding, or on the side of the small- and medium-size enterprises? If it is with those enterprises, is that where you have been doing most of the work to help them understand the advantage for them? Finally, have you looked at school-based apprenticeships? What role do you see that program fitting in with what you are doing?

Mr GRIMSON: The pilot was initially funded for 12 months, and was targeted at placing 80 young people into apprenticeships. In the first 12 months it placed 120 people. The pilot is now funded until the end of November. Currently 170 apprentices are placed. We have just submitted an application to the Commonwealth Government through the Regional Partnerships Program for another two years of funding for the project officer. As part of that process we have also sought the support of the New South Wales Department of Education and Training, and that program requires matching funding. We are seeking support from the New South Wales Government by way of using the pre-apprenticeship course funding as matching funding. Minister Carmel Tebbutt and her department have been very supportive of that and indicated that they will continue to support the pilot.

The Hon. PATRICIA FORSYTHE: School-based apprenticeships. How is that fitting in?

Mr GRIMSON: I will talk first about the barriers. Certainly barriers to small- and medium-size enterprises in the Illawarra, and I imagine similarly elsewhere, is one of the biggest challenges and one of the biggest reasons why small businesses are not taking on apprentices. These days small businesses are snowed under with compliance issues, et cetera. The average small tradesperson running a business, and this is where the pilot has worked, we have actually held their hand and walked them through the process and do everything for them. Many of them will take on an apprentice, but trying to find the kid, trying to do the paperwork, finding out which government department to go to to ensure they get funding and incentives, et cetera, and we have been able to assist in that process.

We do not believe the incentives to take on apprenticeships in years one and two are anywhere near enough to offset the cost of a business to take on an apprentice. Big businesses can take the longer-term view and employ 20 apprentices a year to keep the work force. But for small business, if they take on an apprentice it will cost the business $10,000. Our first case study showed that. They will not take one on, they will try to find another tradesman or poach someone else's third-year apprentice.

CHAIR: What incentives are you talking about?

Mr GRIMSON: The Commonwealth Government incentives to take on apprentices and trainees.

CHAIR: What sort of incentives?

Mr GRIMSON: The dollar value of those incentives, particularly in years one and two, need to be higher. Currently they are $4,500 over the life of the apprenticeship.

Ms RANKIN: The way that the incentives are structured puts a bias towards completion, the funding is actually provided towards the end of the training rather than the early part of the training. There is a bit of a disconnect in that the high cost to the employers are at the beginning, but the incentives are there to support long-term finalisation of the training.

The Hon. CHRISTINE ROBERTSON: What are the breakdowns of those costs?

Ms RANKIN: We did a study in 2000. I do not have that with me, but we would be able to provide it to the Committee. There are two types of cost: One is the actual monetary cost of employing a trainee or an apprentice, that is the recruitment, the time taken to do that. Second is the ongoing but unrecognised costs, the non-dollar value costs, which is the potential reduced productivity during that early training and the time required for the supervisor, often the owner of the business, to spend time with the trainee or apprentice and help them develop skills. There has not been a lot of work done on that. The National Centre for Vocational Education and Research has been able to put some costs on those. That is one of the tensions in that when we talk about incentives coming into businesses we know them as dollar incentives. When we talk about the contribution of business to training, most of the time they are soft contributions that do not easily equate in dollar value.

The Hon. PATRICIA FORSYTHE: How do you see school-based apprenticeships or training fitting in with all of this?

Ms RANKIN: I will respond first to the question involving small businesses and then about school-based apprenticeships. One significant factor we consider for regional businesses, particularly as a negative to taking on apprentices and trainees, is that often they feel a level of discomfort about whether they have the longevity and financial resources to survive for four years of training. As Mark mentioned, a number of small businesses employ between two and five people, often work in traditional trade areas from contract to contract and subcontract activities. Therefore, they are working 12 months out.

A commitment to take on an apprentice is four years. Sometimes there are some concerns there. Another negative for small businesses is that often they are very skilled in what they do, but they are not skilled as educators. There is a need to support businesses to understand mentoring and structured mentoring programs. We recognise that there is a bit of work being done by the New South Wales Government but we believe there could be more done to help businesses to understand their roles and responsibilities as supervisors for young people.

So there are two points. If I could then move to the school-based new apprenticeships. Australian Business Limited feels very strongly that there is a need to raise the level of school-based new apprenticeships from predominantly certificate to traineeships to suit certificate 3 that would actually pick up on some of these trade-based activities. One of the concerns that we have had for a number of years is that while the delivery of vocational education and training in schools is strong and provides a good grounding to move people generally into employment, the decision as to what qualifications and what subjects are taught within the schools is determined by the schools themselves in terms of the resources in-house and also the people delivering them.

So we are getting large numbers of students who are taking on, very important, but hospitality, retail, business services. We have large numbers of those. We are not actually moving them into traditional trade areas.

Mr GRIMSON: Could I just make one point on that because it is a very critical one? We have the school system determining kids going into whether it be retail, hospitality, IT, and in some instances actually doing certificate 3 level, and precluding kids, when they have got a bit better idea of what it is they want to do, from actually getting further additional incentives if they wanted to, say, move on and go into a metal fabrication apprenticeship, because they have already done a certificate 3 at school and that is potentially precluding the employer from getting additional incentives because they have already done a certificate 3.

The Hon. PATRICIA FORSYTHE: That is a structural issue to be addressed.

Mr GRIMSON: But the school system being totally blind to that issue. From the employer's perspective obviously the kid has already done a certificate 3 at school and it is not in a related area, and then they go and try to do a certificate 3 apprenticeship or traineeship, then that incentive does not apply because you can only do one certificate 3, but the school system is totally blind to that issue that you lock a kid into.

Ms RANKIN: If I could continue, and I suppose it follows on from what Mark was saying, in that they are still institutional and school-based qualifications, and although they are mapped against national training package qualifications they are not necessarily recognised by the employers and it often does not give articulation into further activity. We have a very small amount of school-based new apprenticeships in New South Wales, something like just under 700 out of a potential large number of students. I was going to quote an amount but I have just realised I cannot remember what that was so I will pass on that, but it is a very small amount.

The Hon. PATRICIA FORSYTHE: Each year 11 and 12 would have 60,000 students.

Ms RANKIN: Because of industrial relations issues they are only able to offer a certificate 2 school-based new apprenticeship in these traditional trade areas and we believe that there is significant work that needs to be done both in engaging the industry associations and the government organisations responsible for these to help to understand what it is that we can do to move to an increased uptake of certificate 3 in traditional trade areas. In New South Wales they do school-based traineeships not school-based new apprenticeships, which are certificate 3.

The Hon. GREG DONNELLY: Ms Rankin, just in regard to the question of the payment of additional pay above the apprenticeship rates to attract young people that you referred to earlier in your survey, could you give us some understanding of the extent of the overaward payments that are being used to attract young people into apprenticeships? Is it modest or is it reasonably high to make it attractive? Because we are talking about $5 or $6 and people can get work in the retail industry for rates above that—well above that. One would have thought they would have to be reasonably attractive overawards to make it an incentive.

Ms RANKIN: To be honest, I cannot give you that information now but I am able to provide the report from that survey and I can make sure that it is made available to the Committee. Just anecdotally, we find that often the above award rates are not paid in the early stages of the apprenticeship, they are paid in the later stages.

CHAIR: Third and fourth year?

Ms RANKIN: Like the third and fourth year.

Mr GRIMSON: It is a very productive commodity for the employer, so to speak.

Ms RANKIN: We referred to the study before that showed that there is a significant rate of return as soon as they move into the third and fourth year. Because when you take a young person on into business it is not only about teaching them the trade, the specific skill to undertake the job, it is also a bit of an education about moving into a working environment. So for that transition from school into employment we are very supportive of pre-apprenticeship training because it helps the employers to understand some of that transition as well, because it is recognised that some of the employers do not understand the differences between their attitudes and young people's attitudes, especially if they are working in small businesses. So there are social implications as well as skill implications for taking on young people.

The Hon. GREG DONNELLY: Just out of interest, through your survey work, Ms Rankin or Mr Grimson, did you discover that employers are offering non-monetary incentives of any form to try and attract and retain apprentices?

Ms RANKIN: In the survey that I referred to I am fairly sure that there was a question about that, and we can put that into it. Anecdotally we would suggest that there are some non-monetary

incentives just in terms of providing additional time of work or flexibility in work hours, that help to support the concept of employer of choice and that create that connectedness between the employee and the employer. But I will provide that to the Committee.

Mr IAN COHEN: Someone raised earlier in the hearings about churning—I had not heard the concept before—where employers tend to turn over apprentices just to get certain gains or benefits and not actually deliver the end result. Is that a problem in the industry in that area at all?

Mr GRIMSON: From our experience I would not say that was something that was particularly prevalent in the Illawarra or in the Wollongong region. The cost of getting someone who is a good young employee, particularly in the traditional trade areas where there are skill shortages, to then let them go—for instance, BHP in years gone by used to employ hundreds of apprentices in Wollongong and let a heap of fourth years go every year. That was 15, 20 years ago and now that practice has not occurred.

The Hon. CHRISTINE ROBERTSON: Could I just pick up a bit on BHP, now BlueScope? Regional areas for many years have had major recruitment drives of their prime apprentice- and cadetship-type product by BHP, now BlueScope. How does this affect the Illawarra employment and do you know how many of those people stay there?

Mr GRIMSON: Stay in Wollongong?

The Hon. CHRISTINE ROBERTSON: Yes. We lose them.

The Hon. MELINDA PAVEY: To other regional areas.

The Hon. CHRISTINE ROBERTSON: Country areas.

Mr GRIMSON: In the past, that practice certainly has occurred. In more recent years—I think BHP started in the 1990s—they got down to 10, 15 apprentices intake for one year, whereas in years gone by they would have put on hundreds.

The Hon. CHRISTINE ROBERTSON: Were you getting locals in there?

Mr GRIMSON: I could not tell you exactly where they came from.

The Hon. CHRISTINE ROBERTSON: They have just been a bleeding point for the country area I meant.

Mr GRIMSON: In years gone by I know that they used to do nationwide recruitment drives.

The Hon. MELINDA PAVEY: Just in relation to TAFE and other vocational education and training providers, how do you think linkages between TAFE, business and government can be strengthened to provide more sustainable outcomes in terms of training our young people and keeping them?

Mr GRIMSON: I can only speak for this project, but we do have a very close working relationship with TAFE in the Illawarra: the Illawarra Business Chamber—the director of the Illawarra institute sits on our board. But certainly this pilot has built those linkages a lot closer together. The project officer has basically acted as a conduit between the employers and the TAFE teachers and the students coming out of TAFE.

The Hon. MELINDA PAVEY: Ms Rankin, we have heard evidence on the North Coast and in the Riverina that around the State those linkages are not particularly strong with TAFE and are not providing the courses that business believes are required. What are your thoughts on that issue?

Ms RANKIN: I think that it will range from region to region based on quite often the relationships that have been developed. We need to recognise that TAFE as a publicly funded institution is also a commercial entity and so therefore needs to make sure that it at least runs at a break-even point rather than at a loss. There are issues about whether there are adequate courses

delivered to meet industry needs within the regions, and they can change on a yearly basis depending on the changing needs of the businesses. We consider that there does need to be a better structure to engage business on a local level in a more formal and structured way to gain input on what it is that they need in terms of the training delivery from TAFE.

I believe that one of our members, Paul Hoffman, has appeared before a hearing in Coffs Harbour; he is at Nambucca, the coach cluster, and we have also made reference to that issue in our submission. One of the things that we have found is that we do need to have a better voice for business collectively to say, "This is what we need. These are the sorts of skills training that you need to deliver". What we are finding is that across the State, TAFE can deliver all of the courses that are required for apprenticeships, but they do not necessarily deliver them on a local level, and it is that issue about having easy access to structured training so that the employee can do a regular one on one or daily training that connects with their businesses rather than block releases.

So we would like to see—and, again, it is both a commitment by TAFE, business and government—to get together on a local level, have some structured and valued interactions that are sustainable, that do not just happen because "We need to work out what our next priorities are".

The Hon. MELINDA PAVEY: How do you see the Australian technical colleges fitting into that space?

Ms RANKIN: Well, that is another issue—that interaction between TAFE, business and government—that can add either a degree of complexity or else it can add some value. Because there is such a low number of school-based new apprenticeships in New South Wales, we consider that businesses do not often know that that is an opportunity for training. We consider that the Australian technical college concept has the potential to create some of these strong local linkages between TAFE, business and government, and other training providers within the regions, so that it builds community capability rather than just providing sort of a certification at the end of it.

There is going to need to be a fair bit of work done to communicate the benefits of the Australian technical colleges into regional businesses because they do not have that strong connection with school-based new apprenticeships currently, but we believe that it will allow for an increased qualification level, especially in the traditional trade areas, that can then lead to a direct articulation into full-time employment and also build a full certification following the young people leaving school.

The Hon. CHRISTINE ROBERTSON: Will that not amplify the problem about the certificate 3 issue and the business people taking them on after they have done the school-based?

Ms RANKIN: No, it will not in that what we are talking about is if a young person starts at traditional trade certificate 3 as a school-based part-time apprenticeship, within the last two years of schooling there is no way that they can finish that full qualification. So they will still undertake a certificate 3 but they will move from being a school-based into a full-time employee, and it can translate. What Mark had referred to was whether a young person can take on a certificate 3 in retail or IT or business services and it can be completed within that period of time and then if they choose to move on to another area of training that is where the barriers occur.

The Hon. PATRICIA FORSYTHE: How does the Illawarra skills initiative differ from the work of a group training organisation? It seems that you are affectively doing the role of the group training organisation, that is, to provide the facilitation for apprentices to small and medium enterprises. Is that something quite different?

Mr GRIMSON: There are some similarities but a lot of small businesses again do not use group training and it comes down to cost. They decide: "Why would I give all my incentives to a group training company and then pay some more." That is the attitude of a lot of small businesses. Having said that, though, it is at a much broader scale that we have actually increased the pool of young people and gone to a much broader group of employers than group training largely deals with. I think it is fair to say—and I can only speak of the Illawarra—that group training largely deals with larger employers, not the really small ones.

Ms RANKIN: The group training people often put advertisements in papers. That is the way they attract young people. This pilot has gone out and actively created that awareness so that they can then move into responding to those advertisements.

The Hon. PATRICIA FORSYTHE: That is by going to careers advisers?

Ms RANKIN: Yes.

Mr GRIMSON: And job networks.

CHAIR: Thank you for your evidence and for your submission. They will make our job a little bit easier.

(The witnesses withdrew)

NEALE TOWART, Research Director and Librarian, Unions New South Wales, Level 10, 377 Sussex Street, Sydney, affirmed and examined:

CHAIR: Do you wish to make a brief opening statement?

Mr TOWART: I will be brief. Mainly what I have to say is in the submission. The submission refers to aspects of rural New South Wales where we have addressed changes in demography and changes in demands for particular skills as industries change. One thing we did not address specifically was traditional industries and the changes in the skill needs as those industries evolve with changes in technology and changes in demand for product.

I am particularly drawn to this by a recent thing I have read about a dairy industry plan in Victoria where those specific issues are addressed. The dairy industry has undergone big changes across Australia in the last 25 years and recent changes in ownership and structures of dairy farms and also changes in the way the product has developed have required big changes in the skills needed. A Victorian report done by ACIRRT at Sydney university has addressed exactly the way to retain skilled people in the industry where they see a future rather than it being a job of last resort.

The Hon. CHRISTINE ROBERTSON: Do you have an accurate reference to that paper?

Mr TOWART: I have the paper here.

Document entitled "Dairy: Employment for the Future" made available to the Committee.

CHAIR: What do you believe to be the major causes and consequences of the skills shortage in the rural and regional New South Wales? Do you perceive this to be a worsening trend and, if so, how do we arrest the problem?

Mr TOWART: I would say it is a worsening trend. I could not say universally because I am sure there are some areas where specifically government employer and working groups have acted locally with initiatives—a particular strong area would be the tourism industry, where local towns and communities have recognised that the way to rescue themselves partially is to promote what they have rather than try to attract industry on a fly-by-night basis.

That addresses the employment issue. The skills issue is not addressed by those matters because it is seen that waiter jobs or selling crafts things in a small town does not really help the skills base. The bigger rural towns like Dubbo, which I am familiar with as I come from the area, Parkes, Forbes and Bathurst have active TAFE and community colleges, which seems to me to be very tuned into what the local area needs and wants. They respond and interact well with councils to make sure that they are tuned into how the town is developing and what services they need to provide for the industries that are attracted to those towns.

I lived in Parkes for about 10 years and the town underwent quite a big change because the mining industry redeveloped. I saw that happen and the way that TAFE offered courses which attracted not just Parkes but Forbes, West Wyalong and Dubbo into that area and the mining companies contributed a lot to the town in terms of funding and sponsorships for all sorts of projects. But the TAFEs and community colleges certainly offered the sorts of courses which they realised the mining companies needed and I am sure there was a lot of feedback between all the levels to make sure that was happening.

I would say that at certain local levels that is not so much a problem but smaller towns and communities certainly suffer. A report of ACOSS was reported in the Telegraph last week on welfare to work policies, which the Federal Government has outlined but has not actually introduced them. I think the Telegraph reported on how a town like Trundle might suffer across-the-board by cutbacks to welfare if the appropriate skills formation and strategies were not put in place. I think that is probably an issue that affects every single country town and Sydney and the regional areas of Sydney.

The Hon. PATRICIA FORSYTHE: I am interested that you have mentioned community colleges twice. We have not focused on community colleges to this point. Do you see them as having a role in the delivery of training opportunities? If so, what are their advantages compared to TAFE?

Mr TOWART: I am not sure about their advantages. I speak about them having known they operate and having a relation who works as a co-ordinator around Forbes, Parkes, Condobolin, across to Mudgee. It seems to me that they are a very important provider of services. How they interact with TAFE is part of the co-ordination issue, which the Committee is looking at. Surely that is an area where there has to be co-ordination between differing bodies to make sure they are not overlapping.

The Hon. PATRICIA FORSYTHE: Would you be concerned if they had funding cutbacks?

Mr TOWART: My relation who works there is very concerned about that issue because she sees that her role was getting swollen somewhat, so I think that would be a big problem for community colleges. But if the slack were taken up by TAFE, it would not be such an issue; if the TAFEs were able to address the concerns and offer a broader range of courses. I suppose it is the level of accreditation for each set of courses, too, and the funding that makes sure that the courses are properly assessed and accredited.

CHAIR: How does the community college work?

Mr TOWART: I am not 100 per cent sure. I just know they do. They seem to offer the way the ones in Sydney do, a bit like WEA, short courses.

The Hon. CHRISTINE ROBERTSON: This is the Adult and Community Education Program.

Mr TOWART: Short courses and the most common ones you hear about are computer skills courses.

The Hon. MELINDA PAVEY: Do you have any comments to make on accreditation and skills recognition across education providers, vocational colleges, TAFEs, universities, et cetera, and the transferability of skills and qualifications across regions and institutions?

Mr TOWART: I am not sure if I have got anything new to say.

The Hon. MELINDA PAVEY: What ever you have to say is very welcome.

Mr TOWART: Again I speak from personal experience, having done courses and having been on a farm at university level and TAFE level and having previously done university courses before I went there. I would say that the transfer of accreditation points—however the system would work across those institutions—should be something. I know it has been mentioned quite a lot and lots of government reports have been done at Federal and State level since the big skills push in the late eighties under Mr Dawkins, who was the Federal Minister at the time, where they started to talk about these things. Universities were pushed to become more entrepreneurial, but I am not sure how successful any mechanisms were to actually make that work. Especially from TAFE level to university level, there was certainly an amount of resistance from universities to actually acknowledge that there are skills at the TAFE level that could contribute to universities.

Given further changes to universities since then where they have become even more entrepreneurial, offering courses across a much broader range of things rather than what would be seen as traditional for the universities, there is probably more scope for the development of concrete transfer systems because there is probably much more similarity between some university courses and TAFE courses now than there were 15 to 20 years ago. I think there should be a mechanism, perhaps some independent assessment level, to say that a course gets you so many points towards a degree or diploma. If it takes 24 points to get an undergraduate degree, the TAFE course should be worth two or four points towards that degree, depending on the rigour of what you have done in the course and how solid that training is.

The Hon. GREG DONNELLY: A number of witnesses have raised with us the rates of pay for apprentices as potentially impacting on the participation of young people taking up trade qualifications. Do you think the trade apprenticeship rates under the awards for first, second, third and fourth year apprentices influence the thinking of young people?

Mr TOWART: Yes, I think it is a big barrier to young people taking up skilled trades apprenticeships and traineeships. You can go to a video shop where you do not need any training and earn so much an hour but if you are only getting $5 or $6 an hour under an apprenticeship and you need money to pay your rent and buy food, you probably have not got the scope to do the longer term thing involved in getting an apprenticeship. The dairy industry report I handed up makes that point very clearly. Again, they want to attract younger people and a lot of people into that industry and point out to them that there are a lot of different skills that can be developed through new training courses and new advances in the industry, but it will be very hard to do that if the apprenticeship system or the traineeship system keeps them at a lower rate of pay, when they can go and work in the local video shop and earn more money.

It probably becomes less of a problem as you go through the apprenticeship system by the time you get to fourth year, but you still have to survive the first three years. That definitely needs to be addressed if we are going to have a lot of skills formation and a skill and knowledge-based economy—what people tend to call the high road to industry development in Australia. Otherwise, you go the low road.

As we see, a lot of products that are produced easily here are imported. If we are to produce high-quality goods here that we can export, we need to look at who can do it; it is not just machines that do it.

The Hon. GREG DONNELLY: A witness earlier today indicated his familiarity, at least in the region he comes from, with the payment of over-award rates for apprentices. However, he then acknowledged that it seemed to be in the third and fourth year that it was most common. Do you have any knowledge about the propensity of employers, across the board in New South Wales, to pay over-award rates for apprentices?

Mr TOWART: I do not have any empirical knowledge; I have anecdotal evidence from real people in real situations. I would say it is not that widespread. I am sure it happens, but if the employer does not need to do it they would not do it. I would also say that, given that there is going to be legislation introduced, it would make it difficult for employers to pay above what we see as the award rates, and it would probably become even less likely in the future.

The Hon. CHRISTINE ROBERTSON: Your submission is very interesting in relation to the Regional Migration Program. A lot of witnesses have expressed the desire to participate in the Regional Migration Program in relation to unskilled labour. Could you speak about how you think this will affect conditions overall, even given the new legislation?

Mr TOWART: One thing that we have addressed in terms of the Sydney Metropolitan Strategy is the issue of regional clustering around knowledge areas. That might be, for example, the various campuses of the University of Western Sydney. For the Regional Migration Program to be effective in rural New South Wales, with regard to places like Coffs Harbour or Lismore, which have specific regional traits which are attractive to certain people, we have to promote them and have an international reputation for the quality of the courses they offer, the quality of the jobs that are available in the local area, and the ongoing development of them.

With regard to places like Bathurst and Orange, Orange has the Department of Agriculture and the University of Sydney campus, so obviously there is scope for interaction between those two bodies, for instance. Bathurst has Charles Sturt University, and a lot of private schools and public schools, so education as an industry itself.

If you are to have a Regional Migration Program, it is not just a matter of playing on your strengths but being prepared to keep thinking about where those strengths can lead you and what changes are happening within industry around the world, so you are always leading the trends. At the

same time, you need to make sure you have a quality housing and built environment, to make people want to live and work there and bring up their kids there.

The Hon. CHRISTINE ROBERTSON: This is about skills issues. Many of our witnesses also spoke about unskilled labour.

Mr TOWART: You can call it unskilled labour. I always doubt the notion of unskilled labour—

The Hon. CHRISTINE ROBERTSON: I beg your pardon. The witnesses spoke about somewhat skilled labour, such as orange picking.

Mr TOWART: I know what you mean. I accept the point. But if you are going to attract people to orange picking or mango picking, or cotton chipping—I have done that with a hoe in 45-degree heat—those jobs still exist and they need to be done, and I guess changes in technology have in some ways changed things. For example, there are has been great harvesting in the olive industry, which is a big industry. There are issues about how you go about harvesting and developing such industries.

As I said, you still need people to do that. I think it comes back to the quality of the local environment. If you want people to come there and work in those industries, you have to pay them a decent wage, and you also have to provide good-quality housing and good conditions. I think the wages you pay are pretty crucial to making sure you get people to do those jobs.

The Hon. MELINDA PAVEY: Do you think city workers appreciate that you can earn $60,000 for $70,000 in a town like Griffith, in a trades job?

The Hon. CHRISTINE ROBERTSON: We are talking about unskilled labour at the moment.

The Hon. MELINDA PAVEY: Even with unskilled labour, people can earn those wages in Griffith, as we heard yesterday. Do you think that people in the city are aware of that?

Mr TOWART: Probably not. But it does not mean that it is not impossible to let them know that they can get decent wages and conditions under the New South Wales industrial system. In country New South Wales, I do not think it would be hard to let people know.

From my experience, people have a perception that once you get past, say, Penrith it is a whole new world out there. I used to work in the Parliament many years ago, in the Library. The librarian at the time was a wonderful and interesting person, but I am sure he had never been west of Parramatta in his whole life. He had been to Germany and all sorts of other places.

From where I work now, that is still a common problem: people are simply unaware. There is no need for people to travel past Sydney; it is just seen as "out there somewhere else". Griffith is a wonderful, interesting town, and Broken Hill is a wonderful, interesting town—

The Hon. MELINDA PAVEY: Has Unions NSW ever thought of doing an education campaign for its members, to show them that they could possibly obtain a better quality of life, and that their dollar may go further in a thriving regional centre?

Mr TOWART: I think we are changing the topic here. I think over the last 50 years trades and labor councils through most larger country towns have somewhat dissipated as union membership has declined because of structural changes in the work force which have affected country towns. Those people have left those towns because the jobs have not been there; the skills are in Sydney, Newcastle or Wollongong.

The employers who have set up businesses in country towns have not relocated themselves; the jobs have simply gone. Railway workshops have gone, for instance. A lot of rural manufacturing, such as woollen mills, which were very common across New South Wales, have almost disappeared

from Australia now. That is an area of traditional union strength which has declined not only in rural areas but also in city areas. Unions would not promote the notion of the jobs if they were not there.

The Hon. MELINDA PAVEY: That is the point. We are looking at skills shortages across regional New South Wales, which is the point of the inquiry. Is there any formal mechanism between your structure and your on-the-ground officers, letting you know of the shortages that exist?

Mr TOWART: No, not a formal mechanism, but certainly information would come from people based in Albury, Orange, and so on. But that is again the reason for using existing statistics, which is addressed in our submission—the knowledge that has been accumulated by the Bureau of Statistics, as well as other Federal and State agencies, on the changing nature of country towns.

I think the Australian Country Towns Conference in Victoria, which we refer to quite a bit, looks at exactly why unions, employers and governments should work together. Perhaps you could do a case study on a particular town and say, "This town has these strengths and weaknesses. How can we address them?" You look at how to build capacity in local enterprises and how to empower the community so that all those groups can work together to make sure there are decent jobs and the jobs that flow from them, as in retailing, which depend very heavily on other industries in the town—if those industries disappear, the retailing suffers. That is where an awful lot of work comes from.

The Hon. TONY CATANZARITI: Have you done any research as to what we should be looking at in 2005-06 with regard to taking on apprentices?

Mr TOWART: I think we briefly addressed this in our submission. Consultation mechanisms between employers, governments and educational institutions, and encouragement of training in schools are crucial, because an awful lot of people start work when they are 14 or 15, when they are at school, in shops or whatever, but they just see it as a way to earn a few bucks. We need to make them realise that there are skills pathways that can start from that point.

It is not necessary to lock them into one particular industry and employer for the next 30 years because, as we know, the job for life notion has gradually disappeared. But training and skills developed at an early age and redeveloped over a person's lifetime are transferable to a lot of different employers, so you build up your capacity to be a useful and knowledgeable employee. It is also important that there be flexibility in that retraining when it flows from school to TAFE.

I think part-certification would be one answer, so that people are not locked into a low-paid apprenticeship for four or five years but there is still a lot of credit given to completing the apprenticeship rather than simply having a part-apprenticeship. I know that the part-apprenticeship pathway has been suggested as one avenue. It certainly has some attractions, but I would say that it will leave people short of the long-term skills required.

I think that is a situation that occurs in the United States, where people do their training in one aspect of being an electrician, for example, and then they can only work as an electrician in one company in one aspect of being an electrician. Whereas, if an Australian electrician goes to America, the Americans are blown away by the scope of their knowledge in the industry.

I think by marrying the pathway to having a short-course approach, which has been one suggestion, without the incentives in there to keep the training going until you get to the end, the wages aspect of that would come into it so there would be an incentive to keep going. In other words, you earn more as you become more skilled, but there is still scope for you to be flexible in the way you go about the training. So that you can do part of the training and complete the training later on, rather than being locked in with one employer for four years.

The Hon. TONY CATANZARITI: Can you expand a little on what linkages there are and what consultative mechanisms should be in place between, say, Unions NSW, local businesses, the Chamber of Commerce, regional development boards, area consultative committees, local, State and Federal governments, and TAFE and other training and development institutions?

Mr TOWART: It goes across everything we have been talking about so far. Local people know what their local area has to offer. State and Federal bodies, through their ability to collect data

and knowledge at a local level, can feed into the local area's educational bodies to employers. The Chamber of Commerce would probably be the most obvious body at a town level.

There is interaction between the chamber of commerce, the TAFE, unions as the employee representatives and the State Government so that they use that knowledge to be aware of what local enterprises there are, just what those enterprises do and how much of what they do is based on supplying the local area but also how much of what they do is exported from the town to other towns, to cities and to the world. It is often quite surprising to local people to find out what goes on in their town. I guess the mechanism for that would have to be a local consultative committee made up of representatives from the interested parties—that is, workers, bosses and local and State governments from slightly outside. The local member and his or her representative would be a part of that.

How that would work I am not sure because it is just a scenario that we sketched out. But it seems to me that that sort of level of consultation would not be that hard to establish if we want rural New South Wales to be a thriving place. New South Wales has led Australia for quite a long time in lots of areas of development and initiative so to keep up with the game or ahead of the game we must look at mechanisms that drive regional areas. We are seen as part of the Australian economy but I think economies around the world are becoming very much more regionalised than nationalised—rather than a big, lumpy national economy we have many regional strengths that we must play on.

The Hon. CHRISTINE ROBERTSON: I am in the middle of a question from sometime ago about itinerant workers and migration that Mr Towart was in the throes of answering. What do you think would happen in the workplace and to the work force if Australia suddenly decided to allow hundreds of non-skilled labourers into New South Wales for short periods to do itinerant work? What do you think would happen to the itinerant workers who currently work in New South Wales? What do you think would happen to working conditions in the current industrial climate?

Mr TOWART: What I think would happen is that workers would be paid lower wages. That would probably have a flow-on effect to others because if employers know that they can pay some people low wages they will just say to everybody else, "If you want to work here I can pay this person this much so why should I pay you any more?"

The Hon. CHRISTINE ROBERTSON: Do you know much about the itinerant work force—apart from the fact that you had a go yourself?

Mr TOWART: They are a very interesting bunch of people. I did it for quite a few years. I guess you would say that most of them would be classified as unskilled workers because they do not have formal qualifications but if you went out with someone who had been picking tomatoes seasonally for the past 20 years and tried to keep up with them you would find out how skilled they actually are.

The Hon. CHRISTINE ROBERTSON: Do you know much about how the backpacker population affects their work?

Mr TOWART: No, I do not know that much about it. The classic example is what happened in Young a couple of years ago when the Afghans came there. Frank Stilwell from Sydney university did a very interesting study of their impact on the town—not just on wages but on how the local people responded to having a sudden change in the population. It was quite an interesting study. It was probably enlightening for everybody in Young as well as everywhere else. As Frank put it, I think you would call it economic rationalism actually working.

The Hon. CHRISTINE ROBERTSON: Do you know anything about the work of the Australian Workers Union [AWU] with cotton chipping? They worked with an employment agency and ran some teams.

Mr TOWART: Did they? I do not know anything about that.

The Hon. CHRISTINE ROBERTSON: Would you mind getting that information for us?

Mr TOWART: Yes, sure. Has the AWU made a submission to the inquiry?

CHAIR: Yes, it has.

Mr TOWART: I guess that comes back to the earlier question about how unions could be involved. It is about the knowledge that people have: employers have knowledge about their industry, governments, particularly local governments, have knowledge about their town and unions have knowledge about the skills of their members and work force skills and the interaction between those. Unions work perhaps as employment agents to make sure that those skills get employed and that people are paid properly for the skills they have. I think that is probably what the AWU did. The example of this in Australia stemmed from the wharfies—in the 1920s and 1930s the wharves were basically the hiring hall for wharf labourers—who made sure that people were paid properly for their work on the wharves.

Unions have looked at this area. It operates effectively in the United States of America in the electrical industry in a couple of States through the International Brotherhood of Electrical Workers [IBEW]—I suppose that you could call them the labour hire agency. If someone wants an electrician in some States in the US they know that they go to the IBEW. The employer will then know that he or she is getting a skilled, qualified electrician and the electrician knows that he will be getting the proper rate of pay for the job that he does. The knowledge base of the union through its members acts to the benefit of the member and the employer.

CHAIR: To clarify, we are not sure whether the AWU has made a submission to the inquiry.

Mr TOWART: I will find out if you like.

CHAIR: Thank you.

The Hon. CHRISTINE ROBERTSON: The AWU will be able to tell you about the project. It would be good to have that information. You argue quite strongly against cutting back apprenticeship times as a resolution to the problem of no apprenticeships. Tell us what you think would be lost, apart from the example you gave us about the broadness of apprenticeships, if they cut back the time? We have heard strong arguments in evidence for cutting back apprenticeship times.

Mr TOWART: I think the broadness of training you get through a longer term of apprenticeship is absolutely crucial. I think there are arguments for more flexibility—I started to get at that before—in the way that apprenticeships are offered. I guess it comes back to the points system and transferability of those points across institutions: You get so many points for doing a first-year apprenticeship and more points for the second, third and fourth years. The reward that you get for finishing an apprenticeship should be substantial. Perhaps it is a possibility that you could teach all the skills in three rather than four years. But I would say that if you try to cram it all into one year you would not get an awful lot of knowledge and experience.

By having a four-year apprenticeship that you do while on the job or that you start at school you gain an awful lot of skills and knowledge not just from doing the training but from the people you work with. You would not have that if the apprenticeship were done in one year and then you were sent out to goodness knows where, where you would not necessarily have the journey man helping you learn along the way lots more tricks of the trade that you do not get from just being a power point inspector, for example.

CHAIR: Neale, do you want to add anything?

Mr TOWART: Yes. I think we touch on in our submission the issue of appropriate training and skills for appropriate regions. The TAFE system, most particularly, must address that matter. There will probably be changes to the TAFE system because of the Australian technical colleges that will be imposed on the system. If these come into play it will further muddy the waters. That means there must be even more emphasis on co-ordination across the bodies. That is absolutely crucial otherwise it will become a terrible hotchpotch of different courses. People will have to choose between how much credit they will get from one course compared with another. It is terribly confusing for young people who are still at school or who have just left and are trying to work out what they will do with their lives to have all these options thrown at them without any real basis to

choose between one and the other and without any knowledge of what credit they will get from one body as opposed to another regarding the real skills that they will need to get through life. The co-ordination between State and Federal governments and worker groups is absolutely crucial for the New South Wales regional economy.

CHAIR: Thank you very much for your contribution this morning and for your submission.

(The witness withdrew)

DESMOND BEDE WILLIAMS, sworn and examined, and

CLIFFORD FOLEY, PO Box 20 Buxton, affirmed and examined:

CHAIR: What is your occupation?

Mr WILLIAM: I am a troubleshooter with the Tweed Byron Local Aboriginal Land Council. I go out and look for our Aboriginal sites in the local area and record them in a database.

CHAIR: You are representing the Tweed Byron Local Aboriginal Land Council?

Mr WILLIAM: Yes.

CHAIR: What is your occupation?

Mr FOLEY: Currently I am Chair of the Tharawal Aboriginal Land Council. I am a former ATSIC Commissioner, as is Mr Williams.

CHAIR: In what official capacity are you appearing before the Committee?

Mr FOLEY: As Chair of the Tharawal Aboriginal Land Council and as a former ATSIC Commissioner in relation to some of the partnerships and some of the framework agreements that we would like to talk about in evidence.

The Hon. MELINDA PAVEY: Where is the Tharawal land council?

Mr FOLEY: Southwest Sydney, beyond Liverpool down to Bargo—Wollondilly, Camden and Campbelltown local government areas.

CHAIR: Would either one of you, or both of you, like to make an opening statement?

Mr WILLIAM: The first thing I would like to say in regard to the skills shortage among Aboriginal people on the North Coast, and it probably would apply right across the State, is that there is not enough industry out there to employee not only Aboriginal people but most people, young and mature age. People do not feel the need to be skilled up. A lot of people who are out there are stay-at-home people rather than those who go to other places looking for jobs. That is mainly the dilemma with Aboriginal people: people want to stay at home. There is no industry out there, so they do not feel the need to become skilled up.

CHAIR: Mr Foley, would you care to make an opening statement, or do you prefer that we go straight into questions?

Mr FOLEY: I am quite happy to answer questions. I will follow Mr Williams' lead.

Mr IAN COHEN: I come from up that way. In terms of Byron and the development over the Awabal National Park—I do not have the numbers—there are quite a few indigenous local people employed in the park and in the depot. Are you aware of that?

Mr WILLIAM: Yes.

Mr IAN COHEN: How does that fit on a regional basis? Are we seeing any repeat of that, or can we see a repeat of that? Do you think it is working for local indigenous, particularly young, people?

Mr WILLIAMS: The employment involved there is CDP, the Community Development and Employment Program. It is the work for the dole program. There are no full-time jobs, full-paying jobs, five-a-day-a week jobs there.

Mr IAN COHEN: Those uniform representatives work for the dole?

Mr WILLIAMS: CDP, yes, which is two full days a week and, if they can get a top up of their wages, then they have an option to work further than those two days. The Awabal people come within the boundaries of the Tweed Byron Local Aboriginal Land Council. Tweed Byron was the organisation that lobbied for them to get that set-up.

The Hon. CHRISTINE ROBERTSON: Do you know if this is the same situation in any of these sorts of programs that are being structured? Do you know anything about the programs that are being structured around the Brigalow? If you do not, do not worry.

Mr WILLIAMS: You will have to expand on that.

The Hon. CHRISTINE ROBERTSON: Part of the Brigalow Forest around the Terry Hi Hi area, the Aboriginal persons are to have a big say in how that operates. You do not know?

Mr WILLIAMS: No, that is in the Moree area.

The Hon. CHRISTINE ROBERTSON: I will go and have a look.

Mr WILLIAMS: I would imagine that most of the employment up there would be CDP as well.

Mr IAN COHEN: Is that a start? Is that a way to get going?

Mr WILLIAMS: Yes.

Mr IAN COHEN: Is that a way to get people skilled up? Is that a stepping stone? From our perspective, in terms of the organisations and the people you are trying to get employed, is it working? Can you see how this Committee could make recommendations to solidify that? The feedback I get generally is that a lot of people are out there, they are in uniform, they are going for it and I have seen them do a lot of goodwill on country, if I could say it that way.

Mr WILLIAMS: CDP is a stepping stone from unemployment up into full-time employment. That is why it was set up by ATSIC. In some places it works. Where there is an amount of industry it works. In a lot of places out in the country where there are sole traders or owner operators they tend to pick up odd jobs every now and then, but in the main a lot of Aboriginal people get trapped on the CDP. Mr Foley runs a program out around Tharawal.

Mr IAN COHEN: Could you expand on that, "trapped on the CDP"? Could you explain to the Committee what you are saying? What are the traps? How do they go backwards?

Mr WILLIAMS: There is not a lot of incentive there and it is like being trapped on the dole. You do not want to go anywhere. Because there are not a whole lot of jobs out there for them to pick up they tend to look on the CDP as a full-time job, so they do not expand on that. Mr Foley could add to that.

CHAIR: Earlier you said that there are no industries out there. What is being done to try to attract industry? Is anybody helping you to attract industry? What is going on at the moment?

Mr WILLIAMS: At Tweed Heads the local shire has begun to address that by attracting more players in the industry area. Largely the Tweed area was just a tourist place. That was the major industry, and still is to a degree. Manufacturing is gradually starting to come into the area and, with that, the jobs that will follow. That is where the shortage of skills finds them running a little bit short because if there are no skills amongst the local people they will import them.

The Hon. MELINDA PAVEY: What do you think industry and Government are doing wrong? We have heard evidence from major employers in your region—trucking companies, the Casino Meatworks and the chicken plant—that there is a great shortage of skilled and unskilled workers in those companies, which have been talking publicly about problems they had filling jobs. Working in an abattoir and a chicken plant is tough and not very attractive. But there is also a shortage

of apprentices and truck drivers in the trucking industry. Are you surprised that those shortages exist in the region?

Mr WILLIAMS: Truck drivers, I am a bit surprised there. You will not get a lot of Aboriginal people as truck drivers, interstate truck drivers any way.

The Hon. CHRISTINE ROBERTSON: Why is that?

Mr WILLIAMS: It is the leaving home thing.

The Hon. MELINDA PAVEY: What about workshop work out of Murwillumbah?

Mr WILLIAMS: Very few aboriginal people live up in Murwillumbah, they are all on the coast.

The Hon. MELINDA PAVEY: What about Casino?

Mr WILLIAMS: There are a lot of Aboriginal people there. A lot of aboriginal people are employed in the meatworks there, as it goes up and down. When you have a high demand for the work the people are picked up, but as the demand drops away so does the employment.

The Hon. MELINDA PAVEY: Evidence given by the chief executive of that co-operative was that they have been in a strong period of economic growth with exports growing in the beef industry, but they have been looking for workers for a long time. Do you think there is a lack of communication between the Aboriginal community and the co-operative in terms of finding some solutions for each party?

Mr WILLIAMS: Certainly there is a lack of communication and, to a degree, lack of trust in wanting to employ Aboriginal people.

The Hon. MELINDA PAVEY: How do you think we could solve that or work towards fixing it?

Mr WILLIAMS: I do not know.

Mr FOLEY: Solution brokers. Put in place with ATSIC in terms of the partnerships and the framework agreements was government starting to work together to start addressing the needs of the community. Part of the partnerships was also in terms of industry, and industry has had to be locked in, in terms of education. With our land council areas we start to make our participants on the CDP competitive. We are still picking up kids out of school who are functionally illiterate, which shocks me. Our grandparents could read and write. There is no reason why they should not. Part of what we have to do with some of these people is to start at that level. The first thing we do with them, to start making them competitive in terms of achieving jobs and to save costs for employers, is give them green tickets, and get them doing occupational health and safety, and first aid. At least it gets them in the door and it probably saves an employer $X amount in training and at least starts opening doors and it is something to put on their resumes. We use TAFE a lot.

What we do with our program is we ask for an additional commitment from our participants to undertake a formal accredited training course with TAFE, and we run various types of courses to give them basic skills to give them an idea of whether they want to go into some sort of trade area. Not all of them can go to university. Mr Williams and I talk about this all the time. One of the things we never did well with ATSIC was establish the enterprise. It is still one of the big areas that needs to be dealt with regionally and in some of the other larger centres. But there has to be partnerships with business and looking at ways of resourcing and supporting businesses to take on apprentices. Apprenticeships are still the go, not the short courses that are offered by little schemes, agencies departments and businesses. What happens after a six-month course? We have a lot of tradespeople who have done numerous courses over the years, but there are no formal apprenticeships where they have long-term training to give them proper skills with an outcome at the end of it.

Mr IAN COHEN: You talk about setting up enterprises, I am thinking about the indigenous incentive that retail, and I would imagine there is some spin-off through the community in providing that. There are plans for the Awabal Cultural Centre. You have the plans and it is on the way. Slowly, step by step, it is taking shape. Are you talking about those sorts of enterprises or about businesses or farming activities?

Mr WILLIAMS: You can only have so many cultural centres.

Mr FOLEY: A lot of TAFE courses are run around cultural practices. Where is the proper training in terms of proper trade development skills, new initiatives and vision? A lot of the vision in terms of what happens in the south-west of Sydney, but part of our responsibility, in terms of the lot of the people we have through our CDP or with our membership in the community that we deal with, is that we look at resources in skilling people because that is the way we can support other communities because most of the people go back home. If they go back home we can make them of value to their community by taking back skills, ideas, networks and vision. One of the hardest things to do is to create an opportunity, simply because resources are not there in terms of economic development within our community.

We get told by the Feds to go to State and Regional and Development. State and Regional Development tell us we have to go to the Feds in terms of the new Indigenous Employment Centre [IEC]. They will give you consultants to meet it. We have been there. We can write our business plan. We know about economic development. We can develop marketing strategies and all of that. Resourceful community people can do that: we have been there, we have done that, but we just do not have the resources to give proper contact or proper businesses. We are quite capable. We have great resourceful people to develop enterprises to compete in the economy in the world in remote areas.

Mr IAN COHEN: Yesterday the committee was in Griffith where there is a constant call for skilled workers/tradespeople and the various industries have a huge problem. In fact, they have to import workers from overseas. Is there a way that young people, for example, if they have a certificate as an electrician, in the city could go back to Griffith? Is there a formula you can work on and create training in the south-west of Sydney but get those young people out to the country areas again, even where their families come from?

Mr FOLEY: Anything is possible because our network is there. The main body that should help develop that network and that resource base is the New South Wales Aboriginal Land Council. At the moment it is of no use to us. It is sitting there with administrators but that State body represents a network. There is nothing like the Land Rights Act in New South Wales. We have a network into every community within New South Wales.

The Hon. MELINDA PAVEY: What about the Wiradjuri people in the Riverina? Mr Cohen mentioned skilled workers but there is a great need also for unskilled workers in the Riverina within the wine industry and the citrus industry. Whilst the work is probably picking there are good opportunities in some of the big wine companies down there. The Riverina has a large Aboriginal population. Why are relationships not being developed between the local people and the local business people to employ your people?

Mr WILLIAMS: We keep going back to ATSIC, which had a facility like an introductory service between the local people and the business area, but that does not exist any more. It did not work as well as we wanted it to work at the time but at least it took people half way. We do not have that facility any more. Aboriginal people need to be, I almost said co-erced, but they need to be coached across. Between the majority of Aboriginal people and the wider community there is a barrier. It might not be there on purpose but it is a perceived barrier, and a lot of Aboriginal people will not try to cross it or open it.

CHAIR: In the Riverina, particularly Griffith, the two major wineries told us that they advertised to get skilled and unskilled people to the tune of a quarter of a million dollars each a year, just advertising for these people. These are no longer jobs that were the lower end of the scale that were worth nothing or meant nothing to people but these are jobs that are prestige jobs in good wineries with opportunities to climb the ladder. That is an opening for a lot of people to be trained.

The committee was told that the industries would pay for relocation to get people to go there. I do not know the details of the ones they would locate.

Mr FOLEY: It needs to be looked at. I know in the cotton industry in Moree the Cotton Growers Association has gone out of its way to encourage Aboriginal people to get into the work force.

The Hon. CHRISTINE ROBERTSON: Not just chipping?

Mr FOLEY: No, not just chipping. Through ATSIC a couple of people went to America and did a cotton classing course and they were encouraged to do that by the cotton industry in Moree. I am quite sure that with the right encouragement Aboriginal people would be enticed to work in the wine industry in the Riverina. I do not know what the situation is like down there.

CHAIR: Certainly contacts in the Riverina would be worthwhile for both sides.

Mr FOLEY: We have an IEC whose outcome is to place people with some resources to do some additional training. In relationship to our IEC I have never seen those positions come through in that method of advertising. I am interested in what you are saying and I wonder where is the breakdown because certainly that is what they are geared and structured to do in looking at placement. If those sorts of positions are there now, I would have thought there is scope for the organisations with the local CDPs in it, to negotiate contracts with local businesses and the placement of people. They could contact and talk to the CDPs. I mention TAFE because I was talking to an ex- institute director from TAFE in south-west Sydney before I came here today. The strength of those sorts of networks is trades people that work within the TAFE system.

We do basic plumbing and drainage and those sorts of courses but we will get some of our kids placed simply because of the TAFE teachers who are ex-trades people within the industry and know the local businesses. If there is a good kid with some potential they will go out and negotiate directly with local businesses and give this bloke a start. It is really a matter of a lot of partnerships using people who are there with the local industry and the opportunity. I have not seen those opportunities and that training come on the network bulletin boards of the IEC.

Mr IAN COHEN: In relation to costs they said yesterday that they were talking about $900 to advertise in the local weekly papers and ads in the *Age* and the *Sydney Morning Herald* which maybe in the professional level. Nevertheless there sounds like a lack circuitry to your organisation and advertising. Is there a way to resolve that?

Mr FOLEY: Not with the Internet networks that the job placement organisations and the indigenous employment centres [IECs] are using. I would be advertising in there. A lot of departments have stopped advertising in the *Telegraph* and in there. The IECs is a Federal Government initiative. Part of the contract is about placement of kids and having outcomes and opportunities.

The Hon. CHRISTINE ROBERTSON: There is one in Moree and one in Tamworth.

Mr WILLIAMS: Yes.

The Hon. CHRISTINE ROBERTSON: That bloke out west made a decision, which was very healthy, that he was sick of his apprentices leaving as soon as they had finished. They left town. So, he decided to employ Aboriginal persons as apprentices, because he knew that they would stay in their country afterwards. He advertised in the paper and got absolutely no response whatsoever, and he went to the schools and got no response whatsoever. He was very determined—and this is a good story—so he went to the women of the Aboriginal community and got them to razz up a couple of decent kids who wanted a job. That is how he got his apprentices. That was a good outcome, but it was an awful lot of work that a lot of employers would not take on. Do you have any other suggestions for young Aboriginal persons and apprenticeships?

Mr FOLEY: In relation to ATSIC, one of the last things we did in the board regarding negotiating a claim of agreement—the advice we were giving to the Commonwealth and the States was taken up in New South Wales under the partnership arrangement on the two ways of working

together—was to balance not just working together in terms of the outcomes, but to start dealing with families. You cannot deal with the family, whether about employment or social services, and continually take boxes of kids out of the family and deal with them separately from the family or the community. You are proving the point yourself.

Shifting the focus and working from the family perspective to solve a problem, you would get a better response because everyone would be involved in the outcome rather than targeting a 16-year-old kid and expecting that kid to go out. As Des was saying earlier, they will not leave their communities. They will not go away. But if there was a bit of a support network from their family unit or the community, there would be greater expectation on them and a better opportunity for some outcome. People think of the future. Young ones say to us that when they leave school they are going to work for the community development program [CDP]. That is working for the dole, that is no future. We work with our CDP to create some visions and look to the future and give them skills so that they can go and compete in the world.

The Hon. CHRISTINE ROBERTSON: Do you have concrete suggestions that the Committee could include in its recommendations that relate to businesses and State Government organisations of addressing a family situation in order to get encouragement for apprenticeships? Aboriginal people can get traineeships, because they are subsidised, but that is useless in the long term.

Mr FOLEY: Yes, that is right. But we have to tackle this at all levels. The Federal Government has taken away the Australian Secondary Principals Association [ASPA] committees within the schools.

Mr WILLIAMS: ASPA involves the parents and children in high schools, the committee is made up of their parents.

The Hon. CHRISTINE ROBERTSON: Aboriginal children.

Mr WILLIAMS: Yes, Aboriginal children.

The Hon. CHRISTINE ROBERTSON: ASPA is disbanded.

Mr FOLEY: We had Aboriginal educational systems working in schools. Part of their role is to work with kids, but their role is outside that. They go out doing community work or the schools use them for doing other work. There should be a focus on kids while they are in school, in encouraging them to stay at school. The parents' involvement with ASPA in the school was an ideal way of giving that support and making decisions on resources. It is a multi-level thing. Education is central to this. If you don't educate them in school we pick them up in our organisations and teach them basic literacy and numeracy. We are wasting our resources rather than negotiating partnerships and programs with the State and Commonwealth governments to look at proper economic development and outcome.

Keep the kids at school. Use the institutes, do not worry about the higher education ones, but certainly TAFE. TAFE is a tool, because it has resource people, teachers, tradesmen, all the great things for giving kids skills, opportunities and visions.

The Hon. CHRISTINE ROBERTSON: If a local business person wanted a local Aboriginal person, would it be useful for him to contact all the formal Aboriginal organisations such as the CDP, the land council and the Aboriginal medical service?

Mr FOLEY: Yes.

Mr WILLIAMS: Yes, especially the local Aboriginal land council. Most communities have an elders group, that would be another good place.

The Hon. CHRISTINE ROBERTSON: Or several elders groups, and that is often a problem.

Mr WILLIAMS: Yes. They would be good groups to approach as well.

CHAIR: Please take note of what the Hon. Christine Robertson said about a recommendation that this Committee could add to its report. Would you take that on board?

Mr WILLIAMS: Yes.

The Hon. MELINDA PAVEY: Are you aware of education hostels operating across New South Wales? I understand that there are two in Sydney, one in Newcastle and one in the Hunter. They help young Aboriginal kids at the high school age. The kids live in the hostel and are educated. Do you have any indication of the outcomes or success of Aboriginal kids gaining a high school education so that they are eligible for a good trade, for example?

Mr WILLIAMS: Probably the Aboriginal hostels would be the ones to approach, because they are associated with the hostels that you are talking about.

The Hon. CHRISTINE ROBERTSON: That is a separate organisation.

The Hon. MELINDA PAVEY: Yes, I wondered if you had any knowledge of them.

Mr WILLIAMS: A lot of kids come through there and go on to higher education.

The Hon. CHRISTINE ROBERTSON: University?

Mr WILLIAMS: Yes, rather than into trades. Encouraging all Aboriginal people to go on to year 12 is a mistake sometimes, because a lot of them will not become professionals or go on to university degrees and that type of thing. They are more inclined to look for a trade.

The Hon. MELINDA PAVEY: And stay in their country?

Mr WILLIAMS: Yes. They feel more comfortable doing a trade.

Mr FOLEY: That would keep them in the community.

The Hon. MELINDA PAVEY: Part of the evidence before the Committee yesterday was from the Isolated Children and Parents Association about the quickening of the maturity of kids today, they get to 12 or 13 and probably are harder to control than they were in the past. They have done primary school and in all sections of isolated communities there is more of a chance of them going off the rails once they get to high school.

Mr WILLIAMS: Yes. As far as picking up skills in the local areas, the State Government needs to work closely with the local shire councils. Forward planning is needed, letting the communities know what is going to happen in the outer communities. In Kempsey a gaol was set up a couple of years ago. A lot of Aboriginal people were promised work there and because they were promised work they went to TAFE and did the courses that got them accredited and enough to step into those positions. But when they finished the courses and the gaol was set up, they were passed by and told that the jobs will go to other people.

The Hon. MELINDA PAVEY: Out of towners?

Mr WILLIAMS: Yes, after they had done all the work.

Mr IAN COHEN: Were the jobs given to local people, or were people imported from other areas?

Mr WILLIAMS: A bit of both. Promises like that tend to knock Aboriginal people back and they wonder what is the use of getting the skills, if they are no get jobs at the end of it.

The Hon. PATRICIA FORSYTHE: On the mid North Coast, somewhere in the Port Macquarie region, a very successful TAFE course operates which targets young Aboriginal people.

Do you know about that? It is held up as a model, I wondered if you know something about it, because we need to find out what angle it focuses on.

Mr WILLIAMS: It could be Kempsey.

The Hon. PATRICIA FORSYTHE: I do not think it was Kempsey, but I can go through some documents I had a couple of years ago in that portfolio.

Mr WILLIAMS: Joanne Kelly Kilpatrick would know. She is the head of the Aboriginal section on the mid North Coast campus. She would be the ideal person to speak to about that.

The Hon. CHRISTINE ROBERTSON: In relation to ensuring that skills shortages can be addressed with better employment for Aboriginal persons instead of no employment, is it mainly Aboriginal communities, particularly in the New England, north-west and river towns areas, that are non-growth areas with very high unemployment levels already? Not only is there competition for any job, but the issue about the futility—why bother—is bigger. I know people do not want to leave their area, but do you have any suggestions? That is where all the cultural centre's desperate solution stuff comes from.

Mr FOLEY: I come from the North Coast.

The Hon. CHRISTINE ROBERTSON: No, not the North Coast, I am talking about Toomelah and Boggabilla.

Mr FOLEY: Part of what I see in the communities, with the Department of Housing, people have great expectations that communities and elders can solve some of the problems, but some of that has been broken down by the Department of Housing. Moving people into new areas and housing them, rather than maintaining communities and structures in their own local areas and building houses in their area, makes people feel that they are not part of the community structure, simply because they do not come from there. There is no control; governments are better served by strengthening communities where people come from than building resources in other areas. That is just one aspect.

The Hon. CHRISTINE ROBERTSON: I understand that, because I have worked at Toomelah and Boggabilla where that has been totally destroyed. About 50 and 60 years ago there were different families there.

Mr WILLIAMS: Most Aboriginal people do not want to move.

The Hon. CHRISTINE ROBERTSON: That is correct. What ideas do you have about this problem?

Mr WILLIAMS: If the State Government did a planning exercise and let it be known that centres of industry in particular areas will be looked at in the future, people can plan towards skilling up and going into those areas rather than coming to the city to get skilled up and live in the city.

The Hon. MELINDA PAVEY: Or better communicating of what was on offer?

Mr WILLIAMS: Yes.

Mr FOLEY: Or having schoolteachers telling them of the value of trade, instead of the Higher School Certificate or university. Then they could stay in their local area. Schoolteachers have a greater impact on them. Higher education and the Higher School Certificate is not what everyone aspires to. There is life in the town but they need training. The Committee would have had evidence about that. There are more qualified teachers in our community, and most of them are working in the public sector.

CHAIR: What would be the attitude of, say, the younger community if an employer or were to come to the elders and say that they have jobs for 20 or 30 people? What would be the attitude if they had to move to another place? Would that be easy enough to do, or would they resist?

Mr WILLIAMS: I do not know whether it is a trend but Aboriginal people seem to be finding their partners very early in life, and once you connect with a partner then you pretty well stay at home. One party cannot go away and do the work and come back home.

CHAIR: What would happen if a husband and wife were to get a job?

Mr WILLIAMS: That would be an ideal situation, if they were employed in the same area.

CHAIR: Because those jobs are available as well.

Mr WILLIAMS: Apprenticeships—and I am quite sure that you would have heard about apprenticeships in your talks right around the countryside—are getting shorter, and it worries me. It took me four years to do my apprenticeship and my son was offered an apprenticeship in the same field and his apprenticeship was going to last 12 months.

Mr IAN COHEN: In what area was that?

Mr WILLIAMS: Aircraft maintenance engineering.

The Hon. CHRISTINE ROBERTSON: A traineeship?

Mr WILLIAMS: It took me four years to do the theory plus the practical. I could not see how he could have—

The Hon. PATRICIA FORSYTHE: Did he take it up?

Mr WILLIAMS: No, because it was offered in Brisbane and he is married and he could not afford to keep travelling to Brisbane and back to Tweed. TAFE can offer more appropriate training out in the country areas, but those courses cost a lot of money to set in place.

The Hon. CHRISTINE ROBERTSON: But we have got to get the businesses to employ the people too for the apprenticeship to make sense.

Mr WILLIAMS: Yes. Not all Aboriginal people are unskilled; a lot of them are skilled but they come to the cities for work once they become skilled. Those people that stay at home, as I said before, because there is no industry there, they do not feel the need to become skilled up in any area.

The Hon. MELINDA PAVEY: Maybe we need to let those skilled people that are stuck here in the city know about the jobs out in the bush.

The Hon. CHRISTINE ROBERTSON: Aboriginal nurses do it too: they move away from the local area, do they not?

Mr WILLIAMS: Yes, and that has got a lot to do with the advancement—

The Hon. CHRISTINE ROBERTSON: In inverted commas.

Mr WILLIAMS: —and their take-home pay at the end of the week. If they want to advance then they cannot stay at home, they have got to leave. There could be more jobs out there in the health area, especially in the hospital areas, but the hospitals do not get enough funding to employ people. I used to be on the area health board up in the Tweed area and the area health boards and hospital boards are always scratching for dollars.

Mr FOLEY: I could probably respond to one of your points. If you have got 30 positions somewhere else and you are wanting people to move there, part of the reaction would be, "Why isn't it being offered to the local people?" And if you cannot fill positions, maybe it is in terms of working with the local groups and asking them to use their networks to look at using their networks to bring other people, because a lot of people will not travel if it is into another community's area.

CHAIR: It is quite obvious there is a bit of a communication breakdown somewhere along the line because the advertisements are in the papers, locally, State and nationally. And some of these jobs are not all apprentice jobs. One of the companies that was speaking to us yesterday was a chicken place where they do the processing and packaging of chickens and on any given day they have got about 40 vacancies. So what I was saying to you earlier about the husband and wife situations could be quite a very attractive thing and would work on a win-win situation.

The Hon. CHRISTINE ROBERTSON: As long as they could get a house to live in.

Mr WILLIAMS: That is true.

The Hon. PATRICIA FORSYTHE: But is that not the issue? Where people live there will be housing and in the whole building industry we have got such enormous shortages of skilled tradesmen. You have commented a couple of times on this lack of industry. In actual fact, whether it is plumbers or electricians or carpenters, the mere presence of housing of itself gives rise to jobs and it is really a question then of where the apprenticeships will be that are available to underpin those sorts of opportunities, I would have thought.

Mr WILLIAMS: That is something that Cliff touched on earlier. With ATSIC one thing we did not do was get Aboriginal people into businesses, running their own businesses. In the building trade out in the communities if you want to come from another area—say if you want to come from Coffs Harbour out to Tweed Heads, you would be pretty hard pressed to get a job at there, or get a contract, because the locals have got it sewn up. Out in country areas the locals will employ their family, and that is not a racist thing, that is looking after family.

Mr IAN COHEN: But also they are the ones that will stay around and are not going to leave. That is the biggest problem they are finding.

Mr WILLIAMS: Yes, and we could not get Aboriginal operators in there starting up their own business to employ Aboriginal people. It is something that Cliff and I feel that we have failed at.

The Hon. PATRICIA FORSYTHE: Years ago was there not some success at Taree with training some young Aboriginal people in the building area?

Mr WILLIAMS: That has gone on in a number of places.

The Hon. PATRICIA FORSYTHE: And it solved some of the issues about the housing industry.

Mr WILLIAMS: To a certain degree, or over a short period of time, but Aboriginal organisations were the ones that were getting the houses built, and they were getting funded from the Commonwealth, and when those funds run out then the Aboriginal organisations do not have any more work to do.

The Hon. MELINDA PAVEY: Were there trained-up people through that process?

Mr WILLIAMS: Yes.

The Hon. MELINDA PAVEY: And are they working locally in the building industry now?

Mr WILLIAMS: Some of them are.

The Hon. MELINDA PAVEY: I think that is a way forward.

Mr WILLIAMS: At Maclean the local Aboriginal building organisation has broken into the local market there, but that is a rarity.

The Hon. CHRISTINE ROBERTSON: This issue about unskilled persons being available and unskilled labour not being available—in inverted commas—a demand for unskilled labour, do

you think it would be possible for Aboriginal people to set up gangs themselves even through the CDP and contract labour?

Mr WILLIAMS: Yes, it would be possible, although there is competition there as well. Years ago the local CDP at Coffs Harbour, or Yarrawarrah, tried to set up a factory for cabinetmaking, that type of thing, and the local businesspeople jumped up and down and said, "We will get the unions on it. You are paying below the award wages and you are selling a product that is going to rival our market".

The Hon. MELINDA PAVEY: But there was a chap in Coffs Harbour wanting to start up a gang to do railway maintenance out west.

The Hon. CHRISTINE ROBERTSON: Yes, and it is about a gang maybe to assist with the itinerant work but the Aboriginal people running it for themselves like the old days, because these days it would appear that the commercial contractors have taken over a lot of the itinerant labour hire and therefore in some cases the Aboriginal people are excluded for the unskilled manual labour. Do you think that would be worth looking into: having the Aboriginal organisations creating their own teams? The black cotton chipping teams used to be the best.

Mr WILLIAMS: They do have Aboriginal operators that run their chipping teams. But an Aboriginal operator from Billinudgel used to have contracts all over the place. He had contracts for picking grapes down at Roganvale and rock melons over at Bourke.

Mr IAN COHEN: So he was transferring people from the coast around Billinudgel out to those sorts of areas for seasonal work?

Mr WILLIAMS: Yes.

The Hon. CHRISTINE ROBERTSON: But he was managing them and looking after them, so they were not just dumped out there, being arrested for nothing and so on.

Mr WILLIAMS: That works very well actually. There are these groups where one person is in charge—

The Hon. CHRISTINE ROBERTSON: The gangs.

Mr WILLIAMS: The gangs, and he puts, say, five or six pickers out here and five or six pickers out there, but they only speak to the one person, and he seems to arrange it and do it very, very well. So that could be something.

The Hon. CHRISTINE ROBERTSON: There is gang experience out west; there is no reason why they could not—

The Hon. MELINDA PAVEY: How can we make a recommendation on that?

The Hon. CHRISTINE ROBERTSON: We can make it that the Government has to work with Aboriginal groups to encourage—or something like that.

CHAIR: We might be able to work on that later.

The Hon. CHRISTINE ROBERTSON: I know, but these people need to hear what we want to think about.

Mr WILLIAMS: The bloke I spoke of lives up in Billinudgel and he would be able to fill your heads with a number of items.

The Hon. MELINDA PAVEY: Can you give us his name, Mr Williams?

Mr WILLIAMS: Jimmy Budd.

Mr IAN COHEN: He used to be at Byron shire council at one stage.

Mr WILLIAMS: Yes, he was.

CHAIR: Is there anything that you would like to add?

Mr FOLEY: Very quickly. We talk about Aboriginal issues and programs, and that is what a lot of our thinking in our communities have organised. Just in terms of those contracts: opportunities like the contracts on the side of the road—we always thought our city firms could do them, but they are never really in the run for them, because the funding guidelines with a lot of our programs are a lot different to the mainstream ones, and it is not just me saying this. But in terms of the mainstream work-for-the-dole program, the resources available to them and the outcomes are a lot different than the expectations in terms of accountability, of what impinges on Aboriginal programs, and the evidence is there on itself.

But I would like to say thanks for the opportunity to come and talk. Our organisations and resource people in our communities work really hard battling with these things all the time, and they are great resource people. You can talk to any communities and the answers are all the same and it is really a battle to find out how to give the kids a future and to keep them around to strengthen those communities. If I could say to you, Ian, at the State Land Council one of the key things that is really important to us in terms of our communities in New South Wales is that we need to be allowed to have our own elected representatives in there to allow us to bloody do it, rather than having bloody values impinged upon us by the bloody Government.

Mr IAN COHEN: A few of us are trying.

The Hon. CHRISTINE ROBERTSON: Can I just add: this recommendation will be about commercially competitive ganging, not necessarily CDP work-for-the-dole ganging.

Mr FOLEY: The reason I say that is because certainly what we have got left is a great way to resource our program to give them skills. Occupational health and safety and green cards and first aid certificates get kids in the door; it saves an employer $1,000 in training. If they do not have to spend that thousand dollars they are more likely to have a look at that.

The Hon. MELINDA PAVEY: I think just generally the economic circumstances have changed across regional New South Wales.

Mr FOLEY: Yes, and it is a battle for us.

The Hon. MELINDA PAVEY: Ten years ago it was probably agreed that there was no future and no hope, but I think there is a revival out there.

Mr FOLEY: And it is a challenge for us and our community to figure out how to make that work for our kids. We are into the partnership. When Des was on the board of ATSIC and I was on the board that is what we put in place to get government working together to look at how to address the needs of communities identified by communities and the government. Pool resources now to get outcomes rather than working individually at arm's length to each other. The plea we made—or I made—is to deal with the families rather than taking people out of family structures and deal with them in isolation because it will not work.

CHAIR: I thank both of you for coming in this morning and for your contributions and submissions. Thank you very much.

Mr WILLIAMS: Thank you very much for the opportunity.

(The witnesses withdrew)

DAVID ARCHIBALD COLLINS, General Manager, State Training Services, Department of Education and Training, and

GARY ALEXANDER POLLOCK, Director of TAFE NSW, New England Institute, Jamison Street, Tamworth, sworn and examined:

CHAIR: Would either of you like to make an opening statement?

Mr COLLINS: I might just briefly explain where State Training Services fits within the Department of Education and Training and the scope of our responsibilities. I am confident that you are all familiar with TAFE NSW and the role of TAFE. State Training Services is the area of the department that regulates training providers and group training organisations, so we register, monitor and audit them. We register apprenticeships and traineeships, register training contracts and work with employers, apprentices and trainees to support those arrangements. We also have a role in funding the skills development programs across a range of areas and working with industry and communities to see that what the department is doing in terms of its program funding is meeting needs.

CHAIR: Mr Pollock, would you like to make an opening statement?

Mr POLLOCK: I am Director of one of the 10 TAFE NSW institutes. The New England Institute is the smallest of them in the New England and north west. We have about 22,000 enrolments a year and we operate across a vast region—106,000 square kilometres. We provide a range of programs, including trade training for local residents. We are very heavily involved in technology-enhanced learning and we also assist the local region to adjust through what has been some pretty trying circumstances.

The Hon. MELINDA PAVEY: Trying circumstances being?

Mr POLLOCK: Drought in particular and the difficulty with commodity prices and those sorts of things. The local region has gone through a fair amount. There has been a movement of population from some of the smaller centres. Both Tamworth and Armidale in my area are certainly holding their own and growing slightly, but other parts of the region are going through some significant changes.

The Hon. PATRICIA FORSYTHE: It might not surprise you that TAFE has copped a bit of stick from some of the other submissions we have received. In particular, Australian Business Ltd was concerned that there was limited structural engagement between the Department of State and Regional Development and the Department of Education and Training—at that level but it translates to mean TAFE on the ground—in relation to proper mechanisms. They said, "There seems to be no sustainable mechanism to ensure that business attraction and training provision are aligned and supportive." How do you respond to that sort of criticism?

Mr COLLINS: There are different levels of the relationship between the Department of State and Regional Development, certainly at a peak level. This is an issue we are conscious of and we are conscious that we need to improve. State and Regional Development has a particular focus in getting out and trying to attract business to particular areas and, as part of that, trying to demonstrate that the skills are there or the capacity is there. Often we find that we are following on from that, in that our relationships with State and Regional Development are about, once initiatives are emerging, then trying to fill the gaps and piece together what might be an appropriate skills response to it.

What we are endeavouring to do through our relationship with State and Regional Development is get in at an early stage and get much more engaged in that planning and development and attraction work that the department is involved in. We have got a way to go.

The Hon. PATRICIA FORSYTHE: If a large employer in a region says to TAFE, "We want to move down a particular pathway and with some training opportunities we could take on additional apprentices, how quickly are you able to respond to meeting the needs of an individual employer who may be able to demonstrate to you that they would be able to provide meaningful employment if there was a training program in place?

Mr POLLOCK: Certainly quite quickly. We have had, in my own instance, a number of experiences in that area and areas which have now changed, but in coach building, for example, when we had major involvement in that area in Tamworth in particular, we were very involved with specific training for apprentices and for other employees.

In terms of the general thing about State and Regional Development, we are in the throes of signing a memorandum of understanding with State and Regional Development. I know that the North Coast Institute has completed the arrangement and that is about working together on identifying where the training needs would be required, what business is being developed and how we might play a role in supporting those sorts of initiatives. I know that is happening also in the Hunter and, in particular, in the aerospace area. Because we have been involved with aviation engineering training we are able to respond. We are looking at providing and supporting training on the ground in Newcastle, so quite quickly. There is nothing to stop us from responding very quickly to those sorts of requests.

The Hon. CHRISTINE ROBERTSON: What actually happens when there is an obvious and proven need for a cluster industry, for example, the course is held in the central metropolitan area and setting up the course in a regional area is out of the financial scope of the TAFE system?

Mr POLLOCK: There can be some issues about costs. It depends on the demand. It depends on whether it comes through recurrent funding or whether there are other sources of funding to support that training. A range of options are available. My own organisation provides significant amounts of training for Baiada and we provide that training across the State and into Victoria.

The Hon. CHRISTINE ROBERTSON: To what level?

Mr POLLOCK: It is all existing worker traineeships and some front-line management training, so there is quite a variety of training up to certificate 4 level. But the bulk of it is in the food processing area. It depends on where you can source funding from to support that training as to whether it can be provided and it depends on the demand. Certainly, if it is highly specialised and quite expensive to run and the demand is quite small, then that becomes quite a challenge to do it locally.

The Hon. CHRISTINE ROBERTSON: I know this expression is troublesome at the moment, but could you do a public-private partnership deal with a major industry so that the industry supplied, perhaps the equipment?

Mr POLLOCK: Absolutely. We provide the training for Baiada in their premises.

The Hon. MELINDA PAVEY: Baiada is?

The Hon. CHRISTINE ROBERTSON: New England chooks.

Mr POLLOCK: The poultry industry. We provide that training in the plant. We often use their staff to do some of the teaching. It is done on site. Frequently that training is actually done in the morning or at hours that one might not expect in terms of when it is delivered, mainly to suit the employer. That is really what we need to do.

The Hon. CHRISTINE ROBERTSON: The other issue that has come up in evidence relates to "regionalisation" of specific apprenticeship-type courses, which means Newcastle and Sydney become the centres of the universe and the apprentice wages, even with travel subsidies, makes it extraordinarily difficult both for students and employers.

Mr POLLOCK: That is an issue. It would have to be a highly specialised training area. We provide locally and we can provide levels of apprenticeship training in smaller centres as well. We are running apprenticeship training this year in Inverell and we run quite a bit in Armidale and also in Moree. But if you are talking about pastry cooks, watchmakers and saw doctors, we certainly cannot provide that training for one or two in our area where you have to have access to specialist facilities.

That does raise an issue. It is the big issue in New South Wales where you have one or two apprentices and they have to travel. It is the big issue in my region. You have two or three apprentices here and two or three there. Often they are young people and they are required to travel long distances and stay overnight. That is quite a major challenge.

The Hon. PATRICIA FORSYTHE: How do we deal with that? It is not just the one or two apprentices and them having to travel, but, rather, the 10 or 15 or 20 who start the first-year course and get to the second or third year and they are told that to complete the course they will have to travel 80 kilometres or 200 kilometres, because there are fewer as they move up the scheme. Over the years I have made representations to Ministers on a number of occasions about courses that have petered out. They started in first year but were not there in third year.

Mr POLLOCK: We would always look to ways to try to run it locally, and I can give an example of the Aboriginal housing programs that we are involved in at the moment. We are training 60 Aboriginal apprentices in construction as part of the roll out of the Aboriginal housing program. In places like that Tabulam and Goodooga we run that apprenticeship training on the site in the building. We are running the training and we put a staff member in a car and we send them out with the teaching resources to teach the apprenticeship training in the house that is actually being constructed.

The Hon. MELINDA PAVEY: Is that available to non-Aboriginal people or is it a specific Aboriginal program?

Mr POLLOCK: It is a specific Aboriginal program that is related to the building of Aboriginal housing and the upgrading of existing Aboriginal housing. We see our involvement in that as a community development initiative that enables local people to develop their skills to stay locally and for them to take some pride in looking after their own community and their own housing. It is a really positive development, but there is no reason why we could not replicate that in other ways. It might mean that we have teachers travelling—now there are issues around that; that is not always straightforward either—but those things are possibilities. Those are the things that we have to look to in the future to better meet the needs of those one or two people. One or two is more difficult. If it were seven or eight or 10, that is much more—

The Hon. PATRICIA FORSYTHE: It might even be bigger than that. One of the areas I have heard repeated criticism over the years is the enrolled nursing course and in southern New South Wales Cootamundra seems to have the monopoly. There are communities stretched out hundreds of kilometres from there. You cannot offer them in all those areas, but a lot of areas west of Cootamundra feel that some other course at another centre might give greater opportunities for them to train people and then keep them, because supporting people in that nurse health area is pretty important to regional stability.

Mr POLLOCK: Absolutely. I think there are ways that we can work with local employers, and there are ways that we can use technology. In my own institute, we now have a videoconferencing network that extends right across the region. We are also part of the statewide program to use satellite delivery to 15 remote communities across New South Wales—from a studio in Tamworth, may I say. I do not think we have tapped the full potential of technology to link learners and people in training together in the way that I think we can do.

Mr IAN COHEN: You mentioned 60 apprentices in construction. What area were you talking about?

Mr POLLOCK: Across the New England and the northwest.

The Hon. CHRISTINE ROBERTSON: What sort of construction?

Mr POLLOCK: Building construction. They are building apprentices.

The Hon. PATRICIA FORSYTHE: For some years we looked at the fact, given that we have capital infrastructure in, say, high schools and, separately, we have capital infrastructure in TAFE colleges, whether we would do better to incorporate, for example, commercial kitchens in high

schools so that we do not have to keep doubling up on the capital. Are we doing better at that in smaller communities?

Mr POLLOCK: I can give you an example. The school in Moree has a hospitality suite for hospitality training. We do not have that at TAFE, so we use it. And vice versa: we are more than happy for schools to use our facilities. Often school students come through as part of the TVET program, but there are other occasions when high school teachers will undertake training in TAFE facilities when they are not in use.

Mr COLLINS: May I comment on that. Bert Evans, who is the chair of the Board of Vocational Education and Training, has just completed an evaluation of vocational education and training in schools for the Minister. He found some evidence remaining of that issue, of schools wanting to develop their own capital facilities. He has made recommendations about strengthening the sort of co-operation that Gary is talking about between schools and TAFE, so that there is more effective planning.

The Hon. GREG DONNELLY: One thing that struck me as we toured regional New South Wales was the apparent lack of rigour in the collection of information about where the skills and/or labour shortages are. As the inquiry has heard, it is not just specific skills where there are shortages; there are other significant labour shortages in parts of regional New South Wales. It is all anecdotal. Over the past couple of days we visited the Riverina area, specifically Wagga Wagga and Griffith. Everyone asserted shortages and pointed to examples. But it seems that no-one has collected, with any rigour, information about the shortages. That surprised me, because I thought there might have been a more systematic collection of that information. In terms of training and other things that flow from it, surely that basic information is essential. Is it also your observation that there is not a good collection of information, at a regional level, about where the skills and/or labour shortages are?

Mr COLLINS: The information we rely on comes from various sources, one of which is nationally collated through the Department of Employment and Workplace Relations. In their collection they look at State level information and, to an extent, regional level information. We also look at our capacity to gather information through our State training centres and the staff we have in our State training centres, who are really relying on the information they have gathered from their industry contacts, from the training organisations they work with, and from some of the other agencies, like area consultative committees, and also our TAFE institutes, through our planning capacity there. There is co-ordination between the training centres and the TAFE institutes in the gathering of the information.

At a national level, a COAG process is looking at skills shortages at present. Through that, one of the issues that is being worked on is how that connection can be strengthened, to give us better and richer data on what the needs are at a regional level and how that can be available to all.

The Hon. MELINDA PAVEY: So you think it is an area that needs to be improved?

Mr COLLINS: We can always improve our intelligence and improve the quality of that. Though, we do get a great deal from the advice that is coming through from industry and the community.

The Hon. MELINDA PAVEY: Your submission refers to quite a bit of anecdotal evidence. We wonder whether there is any capacity to give us more qualitative and quantitative figures and data, to add to your submission. Obviously, you would have done that if you were in a position to do so?

Mr COLLINS: If there are specific things that you want us to follow through, please ask us and we will endeavour to do that.

The Hon. PATRICIA FORSYTHE: Yesterday a witness suggested that one of the impediments to apprenticeships being attractive is, firstly, the four-year nature of them, and secondly, the TAFE semester timetable is spread over such a long period. It was suggested that whereas in some universities you can do a three-year course in 18 months or two years by taking out the traditional holiday time frame and condensing courses, TAFE is quite rigid and still adopts a program that perhaps does not meet modern business and the expectations of young people who want to get through

their apprenticeship and earn full wages. What comments do you have about that sort of view that is put to us?

Mr COLLINS: Gary might like to comment on the TAFE scheduling. In terms of the four-year duration, in New South Wales apprenticeships are nominally of four years duration. There is a capacity for people to complete their apprenticeships based on their acquisition of competence. If someone is competent, their training provider, and their employer is satisfied with that, we are quite happy to recognise that and issue a qualification.

The Hon. PATRICIA FORSYTHE: Unless they are trained in Queensland?

Mr COLLINS: I am talking about people who are registered in New South Wales as apprentices. If people are trained in Queensland, we are quite happy to recognise their qualifications as well. Our apprenticeship system operates under national mutual recognition. In terms of the trade qualifications that are issued by us, and our recognition of the work of other States—

The Hon. PATRICIA FORSYTHE: But not the private providers interstate?

Mr COLLINS: I do not know what examples you are referring to. The only issue I am aware of relates to hairdressers. The apprenticeship and traineeship Act currently says that if you are under 18 and in a trade area, you need to have a trade qualification. We have had examples of 17-year-olds. We have not met the individual who has been subject to a media release and whatever else. However, we are assured that there are people under the age of 18 who have done a full-time qualification in Victoria—which is not actually recognised as a trade qualification in Victoria; it is not a Victorian apprenticeship—and who cannot be recognised in New South Wales.

Because of the concern that is apparent around that, we are amending a regulation to the legislation to deal with that. However, in other circumstances people who have trade qualifications which might have been delivered by a private provider or a TAFE in another State, those qualifications are recognised within New South Wales.

The Hon. CHRISTINE ROBERTSON: So long as they have the same—?

Mr COLLINS: If it is a trade qualification that is delivered under the Australian training framework, it is recognised in New South Wales. Regarding the training arrangements, we have clear mutual recognition procedures. There are issues concerning occupational licensing, and that is work that COAG is dealing with at the moment. It is not work that has been the capacity of the training system to deal with, so it is quite useful that it now has COAG focus. We are endeavouring to achieve similar mutual recognition in terms of occupational licensing to that which exists within the training qualifications.

The Hon. PATRICIA FORSYTHE: Another suggestion put to us yesterday was that it would be an idea if some meaningful short courses were given to year 10 students at the end of year 10, rather than the students focusing on year 11 work. I presume it would have to be delivered through a TAFE mechanism.

Mr POLLOCK: In our region, year 10 students are able to participate in TVET programs, and we provide opportunities for year 10 students.

The Hon. PATRICIA FORSYTHE: How many of them are accessing that?

Mr POLLOCK: I would not know the number offhand.

The Hon. PATRICIA FORSYTHE: Who is picking up the cost?

Mr POLLOCK: A school is funded for school programs. If TAFE comes in to run a program, they pay TAFE for that program, so it comes within the total school budget. That is the way the TVET program works.

The Hon. PATRICIA FORSYTHE: Is it widespread?

Mr POLLOCK: It is quite widespread in our area. I can only talk to you in more detail about places like Bingara and Warialda, where year 10 students are participating in quite a major way.

The Hon. CHRISTINE ROBERTSON: The suggestion was that the period at the end of year 10, when quite often students move to year 11 work, could be utilised specifically for that purpose, to encourage students who perhaps do not have the capacity to go to university.

Mr POLLOCK: Certainly those sorts of block programs have enormous potential. I can only give you an example of aviation engineering, where we provide aviation engineering training for high school students in years 10, 11 and 12. We run that program in 40-hour blocks over three separate weeks in the holiday period. We have 52 students enrolled in that program this year.

The Hon. PATRICIA FORSYTHE: Coming from which area?

Mr POLLOCK: They come from Lightning Ridge, Goodooga, Mungindi, and all over. They come for a week of solid training in a simulated work environment. We are looking at that sort of training for other rural and remote students in automotive for next year; we are looking at a whole range of programs to enable those high school students to participate. It does not interfere with their school program because they come in their vacation period.

The Hon. PATRICIA FORSYTHE: How is that being funded?

Mr POLLOCK: It is being funded through the TVET program. It is part of the recognised—

The Hon. PATRICIA FORSYTHE: If it is a non-government school, they pay a fee?

Mr POLLOCK: Non-government schools pay a fee, yes.

The Hon. PATRICIA FORSYTHE: You cannot say that those students are unskilled; they will leave school with a certificate of some sort?

Mr POLLOCK: I can give you an example. With aviation engineering, I think we have had somewhere in the vicinity of 10-plus students who have gone on to work in Qantas. They have been taken up very quickly.

The Hon. PATRICIA FORSYTHE: We would like to keep them in their regions, too.

Mr POLLOCK: There are 120 people working in maintenance in Tamworth.

The Hon. TONY CATANZARITI: Do they get a certificate?

Mr POLLOCK: They get a certificate in aero skills, which they add to their apprenticeship. Some of those students will be training perhaps in Sydney, but they can come back to regional and rural Australia. I think that frequently happens.

The Hon. PATRICIA FORSYTHE: Mr Collins, is that a model that has wider application, and is it being used by other TAFE colleges operating other courses?

Mr COLLINS: The year 10 accredited VET is happening in an ad hoc way; it is happening in pockets across the State—often delivered by TAFE, sometimes also delivered by schools, where schools are registered training organisations. Schools are more widely using work education as a means of exposing young people to employment, to vocational areas, and encouraging them to move on.

We now have 35 per cent of year 11 and 12 students doing a vocational course. As part of Bert Evans' review, in a survey of 6,000 students, half of whom were VET students, 75 per cent of them said they would like to have started their vocational studies before year 11. So there is a lot of student interest in doing it. The reason there is not a systematic implementation of vocational education before year 11 is that the Board of Studies has an exclusion to that.

But the Board of Studies and the Board of Vocational Education and Training are currently developing a pilot project that will start next year to extend recognised vocational education before year 11 in areas that are not disadvantaged schools or those with a dispensation at the moment. One of the recommendations of Bert Evans' review is to move in that direction and look at extending VET more broadly within the curriculum before year 11.

The Hon. PATRICIA FORSYTHE: This morning the ABL expressed concern that many schools are offering courses in hospitality, business and IT and getting students finishing with a certificate III in some of those areas but they are not necessarily the areas where they may see their long-term careers—they are attractive and interesting to students while they are at school. But, having got that certificate III, the opportunity to be funded as an apprentice in the building trade, for example, is limited because they already have a certificate III and therefore cannot be appropriately funded as an apprentice in another area. The schools are identifying those areas that are attractive and where young people will stay or that the schools have the skills and the infrastructure to teach.

Mr COLLINS: Five years ago if you had asked us what were the critical areas to be introducing courses in we would have said IT. IT was introduced into the school curriculum because it was a skills shortage area—the industry was crying out for skills in that area. It is an area that is attractive to students. It is the one area where students are getting certificate III competencies; they are not getting them in hospitality, retail or other areas. It is an area that you might argue is a foundation skill. Many students who are doing that course are not necessarily looking at going into careers in IT.

The Hon. PATRICIA FORSYTHE: That is the point the ABL is making. It is not disagreeing with you about it being an important skill.

Mr COLLINS: However, they are bringing skills out of that that are as applicable in manufacturing as they are somewhere else. The problem that the ABL is describing is the capacity to get Commonwealth employer incentives. It is a Commonwealth policy that if you have a certificate at a certain level the Commonwealth will not pay employer incentives for the same qualification level. We have a number of issues around the Commonwealth incentives policy and its capacity to encourage training in areas of skills need, particularly in some of the more pressing skills shortage areas, such as the trade areas, at the moment. Our Minister advocated at a ministerial council meeting in June that we need to rethink the way in which the incentive policy works to ensure that we are not limiting the capacity for people to get qualifications in some of those priority skills areas.

The Hon. PATRICIA FORSYTHE: So it is on the agenda.

Mr COLLINS: The Commonwealth is not responding to it. The Commonwealth has been a little defensive on it. The argument that New South Wales made—which was supported by all the other States—was that for almost the last decade the incentive program has not discriminated between skills areas and has equally rewarded employment in key trade areas as it has in some of the less pressing areas of skills need and that maybe there should be a rethink about that. The Commonwealth rejected the recommendation.

The Hon. MELINDA PAVEY: What is the Commonwealth's argument? Why does it not accept it?

Mr COLLINS: The Commonwealth argument is that the incentives are generating training opportunities across a range of employment areas broadly. You would say—without wanting to denigrate the need for people in the cleaning occupations—the Commonwealth is arguing that it is as valid to provide incentives for employment in that area is it is in manufacturing. The issue that New South Wales took up was the fact that the same amount of money is going in in terms of employment incentives for a qualification that might take three to four years to achieve as for qualification in an area like cleaning, which might take six to 12 months. We really need to rethink that. Part of that rethinking is the issue about barriers. We think it is an issue that, if someone has a certificate qualification in a particular area that may not be the area in which they want to undertake an apprenticeship or traineeship, it might be a barrier. We think that is an issue and something that should be looked at.

CHAIR: Can I get your views on the Skilled Migration Program being fully utilised as a means of finding resources to counter skills shortages in rural and regional New South Wales? What measures should be considered to maximise the success of this program? What do you think?

Mr COLLINS: The biggest challenge in the Skilled Migration Program is the quality of the skills assessment offshore. At the moment, particularly in some of the more acute areas, the assessment that is being conducted is a paper-based assessment that does not necessarily equate with the skills needs that we have in New South Wales or in Australia. All States are in the same boat. They are experiencing a situation where people arriving do not necessarily have the skills that were assessed and so need to go through a process of either gaining some local experience or doing further training to get the qualification that might be needed. That is an issue that COAG is working on at the moment and that we are supporting. We are very supportive of the approach to strengthen that offshore process so that people who are getting the opportunity to migrate here based on their skills will not then have to face various other problems in order to get their skills recognised and be able to apply them. In terms of how this then equates to regions, I do not have a clear answer for you. There is a fundamental issue that we are trying to tackle at the moment about the effective recognition of skills so that people can move into employment pretty quickly.

Mr POLLOCK: In terms of regions, there is a need to ensure that there are support services available because people will be coming into regions that may not have had migrants before and there is a whole range of things in relation to language, custom and so on. So I do not think it is as simple as saying bring them in if they have the qualifications, as David indicated. I think a lot more needs to be put in place to make sure that that is a very successful arrangement all round. I do not necessarily see the co-ordination of that at the moment. I do not think we are well set up in regions to do that.

The Hon. MELINDA PAVEY: Mr Collins, on your last point about the timely recognition of skills and qualifications, there appears to be some time delays with the Department of Fair Trading when people are trying to get recognition of their skills. Are you, as the State Training Services General Manager, working with the Department of Fair Trading to speed up that process? Is that what you were talking about?

Mr COLLINS: Is that in terms of occupational licences and the role of the Department of Fair Trading?

The Hon. MELINDA PAVEY: Yes.

Mr COLLINS: Yes. We are certainly working with the Department of Fair Trading, as we are working with the other States, to try to improve the licensing process overall. There are some areas—electro technology, for example—where we have made some real improvements in the relationship between the training qualification and the licensing. In other areas of building there is probably a bit of a way to go.

The Hon. MELINDA PAVEY: So that is one of the issues on the agenda. I do not have a very good knowledge of this area so I am seeking your help as we go through. You may be aware of the case of Express Coaches in Macksville and the training and accreditation issue. They want to change their training system to the national training system rather than the New South Wales based system. Can you give us an update of where that is at and some vision for the future to avoid these problems occurring again?

Mr COLLINS: The issue there is not a New South Wales versus national issue. There is a national training package and in that training package there are two qualifications that relate to coach building. One is the automotive body building qualification and the other is the automotive bus, coach and something qualification—I can never get the names right. When we take a national qualification and recognise it as an apprenticeship we go to industry and we say to the employers and unions, "What qualifications do you want as an apprenticeship?" The industry told us originally that they wanted the automotive body building qualification, which was recognised as an apprenticeship.

The Hon. MELINDA PAVEY: Rather than the bus and coach qualification.

Mr COLLINS: Yes, the industry told us that that was the qualification they wanted. That was the one that was recognised and that is the one that has been applied within New South Wales. Express Coaches over time decided that it has a greater need for the other qualification. There is a process that we have been through—it has probably been fairly protracted—in testing the waters on that. The position we are in at the moment is that we are now going to recognise that as an apprenticeship as well so that Express Coaches will be able to employ their apprentices under that qualification rather than the other. We went to industry and we got industry's advice. The AMWU resisted it, and that has put a bit of time in the process. But, given the demand that Express Coaches has for that qualification and the capacity for TAFE to deliver it, we are now in the process of recognising that as an apprenticeship so they will be able to deliver that in that area.

The Hon. MELINDA PAVEY: It is a very complicated issue. Do you see this problem occurring frequently or not very often across the training accreditation?

Mr COLLINS: No, the situation we have here is that one employer has come forward and said that they want one qualification and not the other. We are responding to that but it is not something that comes up frequently. We endeavour to do that through consulting at a peak level—through the peak employer associations representing employers, which is what peak bodies do, and the unions—to get agreement on what are the appropriate qualifications to be delivered as apprenticeships within the State.

The Hon. CHRISTINE ROBERTSON: Following on from the original question, I understand from the AMWU that we also had some motor body building organisation sending people to TAFE and somewhat mish-mash qualifications were resulting, such as a boilermaker course, that were not necessarily related. I understand that that is part of the issue. Do you know anything about that?

Mr COLLINS: I do not know about that issue. We welcome advice on it. If there is evidence we would be very happy to look at it.

The Hon. CHRISTINE ROBERTSON: My other question relates to the evidence that we continually hear. Recognising that individual regional TAFE organisations are working hard to be responsive to their communities, there is a strong perception in the community that TAFE is a removed body that does not connect with industry in any way and does not necessarily deliver what industry is asking for. From what we have heard today, you are working hard and deliberately trying to be responsive. Can you give any recommendations in relation to trying to deal with this perception?

Mr POLLOCK: I was going to comment before on the question about scheduling. We are open for 50 weeks of the year and available to provide training in any of those weeks. I will come to the broader point in a moment.

The Hon. PATRICIA FORSYTHE: You are available to or you do provide training?

Mr POLLOCK: Increasingly we do provide it. What is happening within my organisation—and I believe across the wider TAFE sector—is that we have traditionally been supply driven: We have the resources and we are here so you come to us. We have developed a lot of work practices and culture around that. What is going on now is that we are fast becoming demand driven, so we need to listen to the two employers in Inverell, the two employers here, the employers there and so on and to the communities as well. I include that in there also.

We have some challenges in making that shift from a supply-driven organisation to a demand-driven organisation. There is no reason why we cannot provide apprenticeship training when employers want it. In one instance only, and it is insufficient, I know that we provided some apprenticeship training over the Christmas-New Year period to enable employers to get off to a start in the New Year, which means they did not have their apprentices in for six months. All that flexibility is there, but we have a real challenge in terms of custom and practice and culture. We are busy working on that.

The Hon. PATRICIA FORSYTHE: Can you tell me who the "we" is? You are talking just of the New England Institute, or are you talking TAFE-wide?

Mr POLLOCK: No, I would be speaking for the vast majority of people in TAFE institutes who are in a leadership or management position.

The Hon. MELINDA PAVEY: Is it up to business to better communicate with you through the regional development boards and the area consultative committees where there is a problem? What are the formal processes?

Mr POLLOCK: It is a two-way process and we are forever encouraging, cajoling and doing whatever we can to get our people out there. It is not so long ago in my organisation that employers would not be given a schedule of when their apprentices were going to be away on training until the first week in February of that year. You probably have heard of those examples. There is no excuse for that. We are there to provide a service for apprentices and for employers. Employers are paramount in that. Traditionally there has been quite a division between TAFE, the employment sector and the community. Those things have to be broken down and they are being broken down. It is not happening quick enough I have to say, but we are working very hard to achieve that.

The Hon. CHRISTINE ROBERTSON: We had people from land councils speak with us in relation to Aboriginal persons access to skilled positions. We were talking mostly about apprenticeships. Could you outline for us what programs are available for Aboriginal persons in New South Wales and what sort of recommendation we possibly could forward in relation to TAFE, Aboriginal persons and apprenticeships?

Mr COLLINS: One of the most successful programs we have in that area is run through the body we manage called the Department of Education and Training New Apprenticeship Centre [DETNAC]. It is a Commonwealth-funded body that has a role to assist employers in doing paperwork with apprenticeships and traineeships. As part of our commitment in that area we have set up a program called the Way Ahead for Aboriginal People because we recognise that through DETNAC we were not getting much business from employers for Aboriginal apprentices. Employers were not taking on many Aboriginal apprentices or trainees. Under that program we set up a pre-employment program, a mentoring program. We have trained up a network of mentors across the State, and we have then actively recruited Aboriginal people into apprenticeships and traineeships. Within 12 months they have more than doubled the number of apprentices and trainees that DETNAC is looking after.

The Hon. MELINDA PAVEY: What figure is that?

Mr COLLINS: Off the top of my head it is 2,700—I can give you the number.

The Hon. CHRISTINE ROBERTSON: Can we get on notice a full copy of your program?

Mr COLLINS: Yes, certainly.

The Hon. PATRICIA FORSYTHE: Where is it being delivered, in which areas?

Mr COLLINS: It is being delivered in regions across the State.

The Hon. PATRICIA FORSYTHE: It might be helpful if we also could be given a copy of that.

Mr COLLINS: The locations, certainly. We can give you a range of information on it, where it is operating, who the mentors are and how they are involved in it. It has been running for just over 12 months and in that time there has been very significant growth. The role of the mentor is critical because there are real challenges in apprenticeships for Aboriginal people. One is overcoming employer reluctance to them take on and train them. Mr Pollock probably knows better than anyone employer commitment, or lack of commitment, to employment in this area. There are also a whole lot of cultural issues. With all apprentices we have challenges in employing and maintaining them. With Aboriginal apprentices it is even more so. It is not just the wages, it is not just the time but it is also those other cultural factors. The role of mentors is a critical addition and it is paying off. We find they

assist participants to overcome some of those things and stick with it. It is early days in that it is just over one year so far, but we are optimistic that it is making a real difference.

The Hon. MELINDA PAVEY: The 2,700 is a healthy number.

Mr COLLINS: It is a very healthy number. I should have the number on my paper, but I do not. Talking about statistics, the commencement of Aboriginal apprentices and trainees statewide has gone up 45 per cent. Through the DETNAC program they have gone up 130 per cent. There has been a bit of a rise.

CHAIR: Do you canvass that yourself?

Mr COLLINS: Through our formal data collection, apprenticeship statistic collection, we have measured that. Mr Pollock may want to comment on this. In the New England area the DETNAC has worked with the Aboriginal Employment Strategy, which is operating in Moree, Tamworth and Dubbo. I think it is also coming across to the coast. It is just set up in Sydney. The DETNAC has been working with the Aboriginal Employment Strategy to place Aboriginal people in apprenticeships and traineeships. That also has been a very effective partnership.

The Hon. MELINDA PAVEY: Where are you coming to on the coast?

Mr COLLINS: Up to Lismore is interested. Lismore has been talking about it for some time. I do not know whether that has spread there.

The Hon. CHRISTINE ROBERTSON: It is not TAFE.

Mr COLLINS: It is not TAFE. The Aboriginal Employment Strategy—

The Hon. MELINDA PAVEY: I understand what that is.

Mr POLLOCK: We have developed an agreement with them and we provide targeted training outside apprenticeship areas. Mr Collins is correct in what is happening at the local level. For example, we are providing training for Aboriginal people and they have been taken on already by the Moree Plains Shire Council to do the roadworks for the bypass. The Aboriginal Employment Strategy came to us and said, "We want Aboriginal people trained and we will provide them with the support. We will find them the employment and we will mentor them and support them. Can you provide the training?" The answer is, "Yes, we can." We are doing that right now.

The Hon. PATRICIA FORSYTHE: How long is that period of training?

Mr POLLOCK: I am not sure of the extent of it, but it is to do the roadworks, basically. The council is prepared to take them on, and they have taken them on, as I understand it, and they are supporting them through the training as well. We are providing the training for that. The relationship with employment agencies is very important. The new apprenticeship centres are critical. That is an area that needs strengthening.

CHAIR: Is there anything else you would like to add, other than what we have gone through this morning?

Mr COLLINS: I think that has covered it.

Mr POLLOCK: There are some real challenges in terms of meeting the skills shortages out there. The best efforts are collaborative efforts. TAFE alone cannot do it. No one agency can do it on its own. It is more costly, there is no doubt about that, and funding is always an issue. Of course, we are all challenged by that all the time. It is less costly to provide for bigger numbers of people in metropolitan centres than it is in country areas. That needs to be reflected through the support that is provided to do that.

Mr COLLINS: The cost issue is an issue in terms of our funding agreement with the Commonwealth Government. Apprenticeship training is a high cost area. As we are driving more into

those areas our capacity to meet needs across a range of other areas is diminished. Also we are operating on an agreement where we are really pushed to deliver at a minimum cost where our funding arrangements are pushed down to a minimum cost and cost efficiencies. There is a tension there between the agreement we have to resource activity, the demands that are on us across the TAFE institutes and across the regions.

The Hon. CHRISTINE ROBERTSON: And across country New South Wales.

(The witnesses withdrew)

(Luncheon adjournment)

MICHAEL OLSEN, General Manager, New South Wales Skilled, unit A, 639 Gardeners Road, Mascot and

JULIE McBETH, corporate Affairs manager, Skilled Group, 850 Whitehorse Road, Box Hill, Victoria, sworn and examined:

CHAIR: In what capacity do you appear before the committee?

Mr OLSEN: As general manager of New South Wales Skilled.

Ms McBETH: As corporate affairs manager of the Skilled Group.

CHAIR: Do you want to make an opening statement?

Mr OLSEN: Yes, I want to make a statement for the purpose to try to give a context of how Skilled might be relevant to this inquiry. The Skilled Group corporation was established in 1964 by Frank Hargrave, AO. The company was publicly listed in 1994 on the Australian Stock Exchange. Last year we had an annual turnover of $A850 million. We employ approximately 12,000 employees Australiawide, approximately 3,000 of whom are tradespeople. In New South Wales we employ approximately 2,000 people of whom about 700 are tradespeople. Around the country we employ more than 600 new apprentices and trainees of which about 150 are what we call traditional blue-collar trades employees, and the balance are traineeships and that sort of thing.

In terms of experiences with skills shortages, we have been watching this emerge over the past four and five years and we have been very involved in a number of strategies to help deal with that situation. Those strategies range from the actual employment of apprentices and trainees. Given that we are one of the biggest beneficiaries of having a large blue collar work force, we felt we needed to invest in it. Also we have done a lot to support the actual growth, and if you like, prominence of trades by trying to celebrate them and change the image that they have probably had in time of being dirty, unattractive and low-tech. So we are doing a lot to try to impact on that publicly.

We are putting our money into it. We have established the Skilled Trades Foundation to which we have committed $1 million to promote trades. We have also put together the Skilled NSW TAFE Apprentice of the Year Award which we held recently which was awarded by our managing director, Greg Hargrave, and the Director General of TAFE, Andrew Cappie-Wood. So we are getting very involved with TAFE. We have found TAFE very good to work with, very flexible, very much a changed organisation and certainly getting with the times, which has been good. In addition, we have done some promotions with Foxtel through its channel V, and we have put a program together with them that cost us approximately $150,000 entitled "Who is skilled?" That was to try to reach what we call the lost generation who do not watch television and do not necessarily read the paper, that is, our demographic 15 to 35 year-old-group to promote skilled trades. That is a little bit of background that may be relevant to the committee in terms of what we are doing in that area.

The Hon. PATRICIA FORSYTHE: Is the Skilled Group a work force hire organisation?

Mr OLSEN: Correct, Skilled is what you would term a work force services organisation or labour hire company. However, we are not an agency, we are an employer.

The Hon. PATRICIA FORSYTHE: Mainly in which trades areas? Building?

Mr OLSEN: Very little in building. Most of our trades are metal and electrical and typically manufacturing predominantly, not to do with construction.

CHAIR: Are you city- or country-based?

Mr OLSEN: Probably about half and half. We have approximately 90 office locations. In New South Wales we have branches in Dubbo, Bathurst, Orange, Coffs Harbour, Singleton and we are opening in Wagga Wagga.

Ms McBETH: As well as the branches in Sydney.

Mr OLSEN: And then in Sydney we probably have half a dozen branches in the Sydney metropolitan area, so it is about half and half.

The Hon. PATRICIA FORSYTHE: You said you have been watching the emergence of this skilled shortage. Would you identify what you believe are the fundamental causes of that skilled shortage? What strategies do you have in place to deal with it?

Mr OLSEN: That is a very good question. What we have seen create the skilled shortage—because it is a skilled shortage—has been two things. Number one, those who are interested in entering a trade or an apprenticeship, and number two, the availability of those roles within industry. If we go back to the 1970s and 1980s and look at where those roles were actually typically gestated or, if you like, the estuaries for these places, it was typically large government and quasi-government entities such as the water authorities, utilities like Sydney Water and companies like Qantas which in the 1970s and 1980s was more of the Federal Government type airline. Qantas had a very large apprentice training centre.

Today those same organisations are very corporatised and still a lot of them are government owned but today they have very similar, if you like, key measures and performance measures as public companies, such as return on assets and investments. That has probably transformed them a little bit away from being focussed on some of those other society-type issues which just do not happen today. No-one has really taken their place. We are trying to do but we are one employer.

Ms McBETH: We have also done quite a large survey of our tradespeople. Last year we surveyed about 1,000 people across Australia and what came out in that was that quite often also young people of today are not given careers advice on the areas of trades, and also family pressures where families want them to go and do a degree from university as opposed to leaving school early to do a trade. The other thing that came up was that in the past people used to leave school at year 10 so they were young and the apprentice's wages at that time for a 15-year-old in year 10 was not bad to live off. But these days if you are coming at it from after-school, the wages are perhaps not as comparable as a retail position. So there are a number of factors that are impacting on this whole shortage.

The Hon. PATRICIA FORSYTHE: What strategies have you put in place?

Mr OLSEN: The types of strategies that we have in place reach down to us communicating with our clients that a fundamental value for us is that we expect them, while they use us for peaks and troughs, to support our programs. We are selecting our clients based on that as well. We are asking our clients, if they have five or six of our trades people, we want them to have an apprentice as well. We pass on a lot of Federal Government benefits back to those clients so that it is not cost prohibitive. Other things that we are doing—we are getting into the schools' careers forums. At the recent Nepean Forum at Penrith we used our sponsorship with Penrith Panthers to sponsor the Panthers on the Prowl Program which is a school system that has been set up in its own clubhouse. We give them money and in turn they come to our careers forums, which is a good attraction for young kids who want to come and talk to us about trades.

So we are really trying to make trades look a little bit sexier. Again with Channel V we are getting to that level of people, going into the schools, trying to change opinions that people might have of what a trade is today. People are surprised to hear what tradespeople are earning today. It is not uncommon for your average electrical tradesperson to be earning between $70,000 and $100,000 which a lot of kids are not aware of. But it is also the parents as well. We have got to change their attitudes as well.

Mr IAN COHEN: You mentioned giving back Federal Government benefits to clients. In terms of apprenticeship is that a direct payment of some sort to businesses that take on apprentices? What does that translate to in money terms? The committee heard a couple of days ago about apprentices on $5 to $7 per hour who sadly look at their mates driving tractors on $15 per hour.

Mr OLSEN: We will actually give the rebate we receive from the Federal Government to the client as an incentive to do it. The point you make about pay rates is reasonable, but that is a short-term view. Our counterpoint to that is you could ask some of the kids at university how much they get an hour to go to university and it is a lot less than $5 per hour. It really comes down to in four years' time they will be earning very significant packages in an area where there is a high demand for them.

Mr IAN COHEN: What sort of money goes to your clients in a typical apprenticeship situation? What funding can you get to the client who takes on apprentices?

Mr OLSEN: The funding that we receive from the Federal Government is New Start, for example, where the standard commencement is about $650 for a certificate III or IV, which is where your trades certificates typically fall. You then go down a whole range of opportunities based on regional and rural. If it is a regional or rural start there is more money there for that, another $1,100. If it is a declared drought area—a lot of this is publicly available. But the incentives are quite significant. Then at completion there is another $2,700.

On average, over the life of the apprenticeship, maybe $4,500. We do not ask our clients to weigh in for the full four years, that is our problem. We ask them for a minimum commitment of maybe six months. We provide the pastoral care and we make sure that they are being educated properly and that disciplines are there. We ask the client to help with on-the-job learning. It is not a massive commitment. They are not tied up for four years, which they would be if they had taken on an apprentice themselves. We ask for a six months commitment, and that is not unreasonable.

Mr IAN COHEN: Do you give apprentices a commitment under those circumstances? A guarantee of getting through their apprenticeship, although you are not tying in the employer?

Mr OLSEN: Absolutely.

Mr IAN COHEN: How do you do that?

Mr OLSEN: We are the employer. Like any employer we have those commitments and we take them seriously.

Mr IAN COHEN: You sign off when they start?

Mr OLSEN: Indentured, correct. The tradespeople we put out typically are very highly sought after because they gain a lot of experience in a lot of different industries and so they become very well rounded.

The Hon. PATRICIA FORSYTHE: Are you a group training company?

Mr OLSEN: We are. We are a group training company in every State except Queensland. You need to be not-for-profit to be a group trainer there. In New South Wales we have three dedicated new apprenticeship co-ordinators. We have added another two through one of our groups called Excelior. We do a lot of traineeships for Telstra. We have about 100 trainees at the moment training to be a linesman or a cable joiner and that type of thing.

Mr IAN COHEN: All up, how many apprentices are you carrying?

Mr OLSEN: In Australia more than 600, in New South Wales probably about 150 new apprentices and trainees, maybe more. That is quite significant.

The Hon. CHRISTINE ROBERTSON: A lot of older apprenticeship schemes are reliant on affiliation with the company in which they were indentured. How do you maintain that feeling of loyalty to keep them there?

Mr OLSEN: That is the same challenge that we have with tradespeople. The client owns the site, we own the people. The way we do that is by a scheduled frequency of visits and planned visits. We organise almost fortnightly visits to the site to look at pastoral care issues to make sure that everything is okay, that they were comfortable and were asked to do things that were within their

capabilities and not asked to do things that were not. Things like EEO, and making sure that they understood the rights they have, the typical things that employers have to do. It is challenging for us in any event. With the apprentices and trainees we probably have a higher number of skilled staff to each apprentice or trainee because they require more attention.

The Hon. CHRISTINE ROBERTSON: What sort of processes are the trainees doing?

Mr OLSEN: With Telstra and trainees, they are learning to be a linesman, a cable joiner, repairer of fibre optic cabling industry, that type of thing. The classic boilermaker or fitter and turner or special-class electrician, are the main categories. They are what we call traditional manufacturing trades.

The Hon. CHRISTINE ROBERTSON: Do they get employment after they finish a year's traineeship?

Mr OLSEN: With us preferably, absolutely. The way we look at it, there are some short-term solutions and long-term solutions. Apprenticeship is an investment. To get a return you will not get a return until about year three. Given that we have been around for 41 years—and expect to be around for another 41—we are growing at about 15 per cent per annum and we have plans to make sure that we restock the pool.

Mr IAN COHEN: Are you getting returns?

Mr OLSEN: We believe we are.

Mr IAN COHEN: Right from the beginning?

Mr OLSEN: With the apprentices?

Mr IAN COHEN: Yes?

Mr OLSEN: No.

Mr IAN COHEN: You are not going to the client?

Mr OLSEN: For the first 18 months it would be a break-even proposition. By year two we would start to make some money. It is modest, not a get-rich-quick scheme. It is one of our corporate values to provide leadership and as a public company, the second-biggest employer in metal trades in Australia, we need to make a statement. We are trying to lead by example, trying to show our clients that this is the way to do it.

The Hon. CHRISTINE ROBERTSON: Making money out of their labour in the second year, is that what you are saying question mark

Mr OLSEN: We would start to get a return.

The Hon. CHRISTINE ROBERTSON: From your investment and their labour crossing over with the government subsidy?

Mr OLSEN: Correct.

The Hon. PATRICIA FORSYTHE: You identified that you have offices in a number of parts of New South Wales. In relation to skill shortages or ability to attract young people as apprentices, do you see differences from one office to another that you could identify? Could you identify what factors might cause those differences?

Mr OLSEN: In the city there are certainly a lot of larger employers with opportunities for us to create those positions. We have dedicated people in the country that do nothing but look after apprentices. We have been very pleased with the progress. The biggest challenge in the country is finding larger employers that are prepared to get on board with the program. Another challenge is that

typically the pay rates in the larger locations, outside what we call manufacturing, the areas that are driving growth in New South Wales are mining, particularly coalmining; some non-metal ferrous which we call gold and copper; and the are big jobs that go with those, and those clients pay big rates. They will tend to attract the people and also be candidates to look at getting them involved in our program.

In other areas there is a lot of small to medium enterprises in the country. They help make farm implements. For instance, Challenge at Orange, which by country standards is a large organisation but by national standards it is very small. So their investment will be commensurate with their size. The take-up has been quite good in the country.

Mr IAN COHEN: Have you checked out Griffith? The Committee visited Griffith yesterday and there was a real sense of not getting another apprentice to work in the existing industries. There was a lot of general talk about getting skilled tradespeople and having to go through massive advertising budgets to get skilled people. What you are saying is directly the opposite, unless you have not a particular market yet.

Mr OLSEN: I have been to Griffith and Leeton. We looked at establishing an office there. There are two or three large employers in that area, typically the stone fruit pickers and packers and canners, rice growers, large poultry concerns and wineries. Outside of that, those industries are supported by small contracting firms. In the main there is not a lot of larger typical manufacturing bases. It is very much private industry.

Mr IAN COHEN: If you are looking to train up electricians for example there is a real shortage and people have to get in electricians from outside. Is there anything your organisation can do with that? Do you have to have larger sized businesses for your operation to click into gear with that? It seems as though there is a lot of consultancy, a lot of people wanting to take on apprentices. The big complaint is that they could not get them for various reasons, and the pay levels was one. It seems as though there is an acute shortage but yet there is a resource waiting to be tapped.

Mr OLSEN: You are right, there is definitely a shortage in that area. That area has struggled a bit in recent times; certainly rice growers have with the changes in irrigation levels. We need to have another look at it. It is sort of like eating an elephant, you have to do it one slice at a time—and we probably just have not got there yet.

CHAIR: When were you last in Griffith?

Mr OLSEN: It would have been 18 months ago.

The Hon. CHRISTINE ROBERTSON: You mentioned a survey. Is it possible for the Committee to have a copy of that, or a copy of your results? Or is that confidential?

Ms McBETH: Yes, we have some results that we have given to the media and I can provide a copy to the Committee.

CHAIR: Earlier you said that you visit the workplace and talk to the apprentices. How does that work out with the employer? Do you have an arrangement where you go in at certain times? How do you get access?

Mr OLSEN: It is the fundamental condition that was providing people in the first instance and it is covered under our duty of care through the occupational health and safety legislation. We will not provide anyone to a place where we cannot get access. That is the first issue. Then there is the issue of what is reasonable access. We typically negotiate it and we will schedule it. We will have our people inducted so that they are able to frequent the site, so they are trained up. If it is a mine site they are fully inducted under the mines induction legislation. The clients like us to be there, which is good. We do a lot of toolbox talks, which are safety-based interaction. We have interaction with our people, we do not just say, "Hi, how are you going?" We make sure that they are being paid right, that they do not have any issues, and again focus on safety. We do the sort of things that any employer will do, although we do not own the workplace. Again, we will not supply if the client has an issue with us coaching them and working with them on safety—we will not provide people there.

CHAIR: If you have a problem when the apprentice is not happy for some reason, what sort of arrangements do you have to speak to the employer about that situation?

Mr OLSEN: That happens all the time. We are dealing with young people who are sometimes going through a changing phase in their life, as we have all been ourselves. In itself that provides a lot of pressure and challenges. We try to have a relationship with the client in which the client provides feedback that is not going to be too damaging or challenging or confronting to the individual—and that is the apprentice—but enough for us to use our guiding hand to find them a place. They will always be on our payroll and will always be in tension but we might need to find them a place where they might be a better fit. It is challenging. You have to be very cautious to not damage people but that does happen from time to time. There are personalities and all sorts of things to consider.

Mr IAN COHEN: You said they would always be indentured. How long is the indenture agreement?

Mr OLSEN: The original apprenticeship is four years. New apprenticeships can range from 18 months to two or three years, depending on the program.

Mr IAN COHEN: How long do your agreements last? Is it the time with the apprenticeship itself or beyond that?

Mr OLSEN: Hopefully beyond that.

Mr IAN COHEN: They are free to go, it is up to you to keep them there by reasonable conditions after that point?

Mr OLSEN: Correct.

Mr IAN COHEN: It is not compulsory?

Mr OLSEN: Correct.

CHAIR: Is not like a football team manager who owns the people until whatever time it works out and they leave?

Mr OLSEN: We roll them straight over into our normal employment. Throughout that period we are talking about places they have worked at that they like. We talk to the clients and ask whether they had a good experience with someone and we try to get a good fit in that regard.

The Hon. GREG DONNELLY: Other witnesses have said that there is a level of over-award payments to apprentices to make the apprentice rate relatively more attractive than under the Australian award rates. Do you have any comment on that? Is it something that is commonplace or more likely to be payable at one year of the apprenticeship versus another?

Mr OLSEN: It is a bit of a supply and demand situation. We typically pay above the award in all cases. A lot of our workplaces are linked to enterprise agreements. For instance, at Patricks at Port Botany they enjoy better than award conditions.

That enterprise agreement has a clause about apprentice payment rates in there and they are typically tied to the EEA. So in most instances we do pay above award and if you do not then you just will not attract people. I was interested to read a couple of weeks ago a view that the Federal Government had in relation to how they felt that the apprentice rates were too high, that that was an obstacle for employers. We have not really confronted that in a practical sense; we have not ever had a client say to us, "Wow, that's over the top". Maybe smaller employers are having that hurdle, and I can understand that, but from where we sit we have never experienced that as an issue.

The Hon. MELINDA PAVEY: Do you have any relationship or work with the skilled migration program? Do you have any contact with that or have you got any thoughts on how that works out there in the work force?

Mr OLSEN: We just have a view that that is a short-term solution. We have had people in Australia that have applied for jobs with us that we have put them through 4, 5, 7 visas, which enables them to then have the appropriate work rights. But that is about the level that we have had exposure to. We are aware of it. I am aware of the fact that it is a lot easier to get those people to work in rural and regional areas: the hurdles are a lot lower; the hurdles in the city are a lot higher. But none of it is insurmountable. So I think that that potentially is something that needs to be pushed a little bit harder. As a big organisation we are continuously mining these opportunities to look at what would work and what would not work. You just have to jump on Google and do a search yourself. The Victorian Government has been quite savvy with their use of the Internet. If you jump on the Internet and you do a Web search for working in Australia, the first link you will get—it is a sponsored link—will be straight into the Victorian Government, and then that will throw into their page that helps you migrate to Australia, to Victoria in actual fact. So that was interesting to see that they were the only State or Territory that were actually using that technique.

CHAIR: You are painting a pretty rosy picture as far as what is happening now, but what are the impediments that you face? What problems, if any, do you face?

Mr OLSEN: The biggest problems will be for people to want to enter new apprenticeships in the traditional trades. There are new apprenticeships and traineeships which cover everything from media through to landscape gardening. They are all very attractive and very interesting, but your traditional apprenticeships, the ones you are manufacturing, are not viewed as being all that savvy, and that is the biggest change I see, that we have got to try and probably even take the lead from the army. Many years ago the army had a lot of difficulty attracting recruits, or grunts as they call them. Today, you watch the ads on television and you feel like joining yourself: it looks exciting to be shot at.

The Hon. CHRISTINE ROBERTSON: I am not tempted.

Mr OLSEN: No, neither am I. But they have worked on the image; they have tried to make it look sexy, and that is what we have got to do: we have got to make it look a bit sexy. I think we have got to do more in the schools; we have got to do more with careers counsellors; we have got to look at some of the programs. I have not got it with me but there is a program in Victoria called the Victorian Certificate of Applied Learning [VCAL]. I do not know if you have seen it. It is very interesting; it is where the last two years of schooling in the secondary schooling certificate are getting you ready; if you want to go into a trade you will start your apprenticeship then. This has been a lot of the criticism that some smaller employers have said, "If you give me an apprentice I do not get a return for two years", which is true. But if you get an apprentice that has come through this VCAL program—and we are happy to provide you with some of the information for that; it is worth looking at—you are getting someone who is work ready.

That is key: that they come out of that; that they have been career counselled and steered appropriately at an early age; that, "Hey, maybe a trade is the way for me to go", and then when they leave school they are very attractive to employers because they are work ready, and they understand the fundamentals of using hand tools; they understand occupational health and safety.

The Hon. MELINDA PAVEY: Would they then go into third and fourth year apprenticeship award rates?

Mr OLSEN: That is a good question. I cannot answer that. I do not know, but that is a very good question. I must say, we work very closely with TAFE in New South Wales. At the moment the duration of the training really comes down to competency. It is going to be competency based going forward. So I think what we will start to see is your traditional four-year apprenticeship will start to become condensed. The traineeships we have with all our trainee lines people for Telstra used to be four years, they are now two. TAFE as a registered training organisation is very receptive to making sure that they can fit in with what is required. So I think the other challenge, other than in the schools

and the careers counsellors and the mums and dads, is also that we look at it differently, and you know what? We can actually change it. It is not set in concrete; we can change it.

The Hon. CHRISTINE ROBERTSON: Do you know if the school-based courses in relation to apprenticeships are somewhat generic or are they channelling the student straight into the exact apprenticeship?

Mr OLSEN: They are more generic.

The Hon. CHRISTINE ROBERTSON: So they can make their decision?

Mr OLSEN: Correct. It is a strand, if you like. So they will send them down maybe mechanical or electrical and then that could go into electronics high-voltage, domestic special class—

The Hon. CHRISTINE ROBERTSON: Because they are fairly young to have made a permanent decision.

Mr OLSEN: Absolutely. I did an apprenticeship. I left school when I had not even turned 16 in year 10 and I really did not know what I wanted to do in life—you are very young then. But the apprenticeship was good for me and by the time I finished it, it gave me a good steppingstone to life.

The Hon. PATRICIA FORSYTHE: You have been quite complimentary of TAFE. Is that right across TAFE New South Wales or is that with particular institutes? You have suggested they have been flexible—

Mr OLSEN: Right across the organisation. We started out and we embraced TAFE. I must admit my perceptions have changed markedly. I went through the TAFE system in 1980-81, and back then it was really quite structured. Today they are a much more flexible, customer-focused organisation. Kevin Harris is the acting deputy director of TAFE and recently I received a call from Kevin, which is unusual from a guy at that level, to say, "Are we are doing enough for you guys?" So that is very encouraging to see that. Then we go to Newcastle and the director of Hunter TAFE: same attitude. They are an organisation that has to survive on generating their own funds as well, so they are changed.

CHAIR: What about unions? What union involvement, if any, is there?

Mr OLSEN: A lot right across the board. We enjoy very open relationships with all unions at the State secretary level. I engage all the unions in a proactive fashion and it is very important to do that because just like we all have perceptions and misconceptions, you have got to get out there and you have got to try and change those and alter those. We have found in the past that some of the unions have a particular view of skilled. That may have been a historical view. I have only been with the company for three and a half years but in that time I have seen our relationships grow quite well. We are actually after the same things: we want a safe workplace; we want people to be well-paid; and we want to grow our trades and apprenticeships. So we have common goals; we just have different ways of going about it.

The Hon. GREG DONNELLY: Your organisation obviously focuses on employees who have a reasonable skill level. Are there equivalent organisations that provide labour in a similar formula that you use to deal with unskilled and semiskilled labour?

Mr OLSEN: We provide a lot of semiskilled people as well, and the challenges are there as well to get people to do those types of work. Sometimes those people do not have a choice because they do not have skill sets to do anything else. But what we have found is that there are huge upskilling opportunities there, and again we do not want to have a large churn factor in our business. A lot of our work is cyclical and seasonal and what we try and do is identify the best non-skilled people and start to skill them up, and that might be something as simple as getting them a rigger's ticket; getting them a forklift ticket; getting them an HR license; getting them a traineeship; all sorts of opportunities. So that gives us a lot of good will. There are others who will not bother to do that, but we have found that if we take some of our learnings from the trades and skilled areas to the unskilled and semiskilled areas, the same benefits apply. And in mining right now that is a classic example.

Most of the people driving dump trucks and excavators would typically be classed as semiskilled or unskilled. It does not take a lot to train those people up to a certain level, and right now they are in very high demand, and the pay rates that they are getting are phenomenal.

Mr IAN COHEN: Where else do you have the churn factor?

Mr OLSEN: Probably in areas where the work is very monotonous. Typically those areas would be your picking, packing, stores type areas where the skill levels are very, very low, probably coinciding with a lower command of English, and basically people will move from job to job for 50¢ an hour. So you will get that.

Mr IAN COHEN: Retail?

Mr OLSEN: We do not do much in retail at all. We have really focused on what we call the concrete space, which is transport logistics, manufacturing, food and beverage, mining, that type of area. Retail we call the carpet space, which is not where we are at: we are not good at it.

Mr IAN COHEN: You mentioned that you were going for bigger organisations as an entity. It strikes me that a lot of smaller organisations, like tradespeople, apprenticeships are prohibitive in that they just cannot cope with the paperwork. Is there a slot in there for your organisation at that level?

Mr OLSEN: It is certainly something that we have looked at. I guess our number one value is safety, and given that we do not control the workplace, the man-in-van trades person—your plumber, your carpenter—we are not able to get in there and assess the job site for risk and all the rest of it and if you have one minor injury it could cost you $20,000 to $50,000 without any trouble at all. Not all that goes to helping the injured party, but the system takes about 30 per cent of that. So it is really a risk scenario that we look at. We would love to do it, and you are right, they would be great candidates; we need to look at a better way of assessing how we could manage the risk with them. Perhaps what we need to do is train them: we focus a lot on training people.

Mr IAN COHEN: Or else get adequate coverage in terms of insurance protection.

Mr OLSEN: It is all the WorkCover scheme, and the premiums for that type of work tend to be a bit higher and then if you have an injury that, in a few months time, will flow right across your whole business with the grouping provisions that are about to be introduced, thank you very much. It is something we need to think more about. Again, it comes down to the eating the elephant thing: we will pick the lower hanging fruit. You had better come to Griffith, I think, Tony, and have another look.

CHAIR: Your definition of skilled and unskilled, what would that be?

Mr OLSEN: This is my personal definition: skilled to me is anybody who has a proficiency that will make them marketable or more employable. It does not necessarily have to be a trades certificate or degree. To me a skilled person is someone who has a certain set of skill sets that are valued and will stand them above others. If you have got a trades certificate that is recognised nationally or internationally that is a bonus. Unskilled would be somebody who is going to be doing labouring or basically picking and packing.

CHAIR: There are certain skills in doing that.

Mr OLSEN: There are, absolutely. There is no doubt about that. And there are people that are much better at that type of thing than others, but generically that is how I would probably term them.

CHAIR: Is there anything you would like to add?

Ms McBETH: No, except that I will get back to you with those reports.

CHAIR: May I thank you for your contribution this afternoon. Thank you very much for being here.

(The witnesses withdrew)

(The Committee adjourned at 2.45 p.m.)