

TRAINING SECTOR REVIEW

Motion

HON BARRY HOUSE (South West) [2.01 pm]: I move without notice -

When reviewing the training sector in Western Australia the house urges the government to -

- (a) take into account the need to introduce more flexibility for apprentices and trainees; and
- (b) acknowledge, not penalise, the important role private training providers perform alongside the government system.

I framed this motion a few days ago. I perhaps should have added a third paragraph. I know that I cannot do that now. If I had the opportunity, it would be -

- (c) remove unnecessary regulation in the training sector.

Since I framed the motion, there have been further developments, which I will refer to later. I started to frame this motion last Thursday during the consideration of committee reports and ministerial statements. There was extensive comment on a ministerial statement by the Minister for Education and Training in April this year about the Building and Construction Industry Training Fund and a promotional campaign labelled the Big Mouth Ambassadors for Schools campaign. I was probably to blame when the debate turned into a general discussion about training. There is a need for a general discussion about training. That is the primary reason I have brought this motion before the house this afternoon. If the house wishes, we can spend a couple of hours discussing training issues. I believe this is the most appropriate time for a motion of this nature. During last week's debate, it was acknowledged that changes are needed. I am delighted with the minister's response. I will quote from the uncorrected *Hansard* of last Thursday. I said to the minister -

... it is a constant theme that the state's Industrial Training Act needs an overhaul.

The minister interjected -

I am just the girl to do it.

That is terrific. I am very pleased to hear that because I certainly hope that the minister is the person to do it. There is a need for an overhaul. The minister has now put in place a task force headed by former minister Hon Clive Brown, the members of which are outstanding people such as Dale Alcock and Kate Lamont and others. I am sure that the task force is well equipped to do the job. The minister might acknowledge that this motion is not framed in a confrontational way; it is framed in a very conciliatory way. Along with the minister and many other people in the area, I want to see some progress. I have deliberately framed my motion in a way that urges the government to take on board some of these issues. I am not condemning the government for not doing so, because the government must be given some time and opportunity to put into place the process to do it. With fingers crossed, I am encouraged that a start has been made. I do not want the minister to accuse me of condemning the government because I am not doing that at this stage; I am encouraging the government to take on board these points of view.

The motion is framed in the context of a national skills shortage, which is acknowledged by all and obvious to all, across many occupations and areas of the work force and economy in Australia. The motion is framed in the context of unprecedented federal government interest in the area. The federal government will probably claim unprecedented funding in the area. I have no reason to believe that the federal government is not right. In addition to what I already proposed, the Prime Minister made some announcements on Tuesday this week, which I will refer to later. The motion is also framed in the context of local issues that have come to my notice. Firstly, the task force is encouraged to take notice of local issues. I have received approaches from some individuals and organisations about a variety of issues concerning the training sector in Western Australia, particularly the regulation of the training sector and the role of private providers as opposed to government providers, and so on.

Hon Graham Giffard opened this debate yesterday by asking the following question of the Minister for Education and Training in this house, and I quote from the uncorrected proof of *Hansard* -

Will the minister advise the house of the likely impact on the skills shortage of the Prime Minister's proposal - which was announced yesterday - for apprentice and trainee wages to be set by the Australian Fair Pay Commission?

The minister's response firstly acknowledged the skills shortage. Secondly, she went on to state -

... the Prime Minister has come up with an interesting proposal on how to deal with the skills shortages. ... His proposal is to drastically cut the wages of apprentices. That is the solution of the

Prime Minister and the Minister for Education, Science and Training to skills shortages. They want to cut wages of apprentices to \$6.90 an hour for a 40-hour week.

The minister went on to state -

The Prime Minister and the federal minister want to employ a strategy that will see the erosion of the wages of apprentices and implement a policy that will reduce the number of apprentices taking up apprenticeships at a time of skills shortages.

After that, a chart was produced and the minister made the statement that the Gallop government will not support the commonwealth government's policy. She further stated -

I tell the Prime Minister and Minister Nelson that we do not need their solutions in Western Australia
...

It is her political prerogative to say that; that is fine. Let us look at the facts. Firstly, a chart was produced with a bit of fanfare. It had red and blue lines. Let us look more closely at the chart. It has a series of pretty lines. However, there is absolutely no source for the figures. For a start, where did the minister get the figures from? I would have thought that an elementary requirement in any research is that a person acknowledge the source of the figures he or she is using. Whose figures are they? Are they Hon Graham Giffard's or Hon Ljiljanna Ravlich's or Prime Minister Howard's? Whose figures are they? I do not know. I have no idea. There are a couple of lines on the graph. One is a dotted blue line and the other is a -

Hon Ljiljanna Ravlich: Red solid.

Hon BARRY HOUSE: - red line, yes. Let us examine the graph further. The heading on the graph is "Apprentices and Trainees in WA". It runs from 1998, quarter 1, through to 2004, quarter 3. If a person were to do an honest assessment, firstly, of the Court and Gallop governments, that person would have gone back to 1993, for a start, and included the figures for 1993. I do not know what those figures would have told us, because I do not know where the figures came from, for a start. However, if that line had been drawn, it might well have indicated that the trend was consistently upwards from left to right on that graph. It might well have done that; I do not know. That is the first bit of possible deception. Secondly, let us look at the scale. The scale on the left-hand side does not start from nought, as one would expect on a graph that was honestly prepared.

Hon Graham Giffard: Lots of graphs don't start at nought.

Hon BARRY HOUSE: This graph starts at 18 000 and goes up to 28 000 at the top. It is a snapshot of a section of the whole scene. If we included only natural population increases over the years, and if we included specifically the latest figures for the acute skills shortages that there are now, we would expect more apprentices and trainees to be in the system, because the number of apprentices and trainees who are in the system are in it to meet the needs of the economy at the time, surely. Quite frankly, one would expect a sharp jump in the past couple of years, and that is what there is on this graph. However, the way it is set out, with the misleading scale, makes it look as though there has been a gigantic improvement over a couple of years. If we can believe the figures - I do not know where they come from - it is an improvement from roughly 20 000 to about 26 000. In the scheme of things, if the figures are accurate, that is a significant improvement. However, it is not more than one would expect in the context of the acknowledged skills shortages in Australia.

During the debate last week we heard very clearly that the Chamber of Commerce and Industry of Western Australia had commissioned a study that identified that approximately 100 000 skilled people would be needed in Western Australia until 2010 to meet the skills shortage.

Hon Ljiljanna Ravlich: Do you know that we got no increase in the cross-funding from the commonwealth in the quadrennial agreement?

Hon BARRY HOUSE: The minister can make those points in a minute, if she likes. That may well be a valid point. On the one hand, the government does not want any federal intervention but, on the other hand, it wants the federal government's money. The need to meet the skills shortage is not denied. That means more apprentices and trainees are needed in the system. It seems that the government has made a start.

Hon Ljiljanna Ravlich: Come on, Barry! You said you weren't going to be antagonistic.

Hon BARRY HOUSE: I am not. I am giving the government credit for making a start, even if the economy is driving it more than the government is. However, that is fine; I do not mind. The graph must be treated with a pinch of salt.

Hon Ed Dermer: When you used to write reports as a schoolteacher, were you this mean spirited, or were you a bit more generous?

Hon Barry House; Hon Ljiljana Ravlich; Deputy President; Hon Peter Collier; The Deputy President; Hon
Graham Giffard

Hon BARRY HOUSE: I am a very generous-natured person.

I went to the source of the minister's response, and that was the Prime Minister's statements and speech. That is good research, is it not? A person should not rely on hearsay; he should go to the source. The Prime Minister gave an address to *The Australian Financial Review* conference on Tuesday. The parts of that speech that are directly relevant to training, workplace relations reform and apprentices were in an appended statement. It is worth having a quick trawl through that statement to see whether the minister's claims about the reduction of apprentices' wages are substantiated. I have had a thorough look at the statement and all of the Prime Minister's speech, and I cannot find where he said that. The minister might have better eyes than I, but I doubt whether she will be able to find anything. The Prime Minister framed the statement in this way -

I am pleased to announce today that barriers that restrict opportunities for young Australians to enter an apprenticeship will be removed.

Surely members opposite cannot disagree with that.

Hon Graham Giffard: What barriers was he talking about?

Hon BARRY HOUSE: We will come to that. It continues -

The workplace relations reform legislation will deliver the changes to help increase the uptake of school-based and part-time apprenticeships.

Surely we want those school-based and part-time apprenticeships, particularly because within a couple of weeks we will be debating legislation in this house to give approval to raise the school-leaving age in Western Australia to 17 in 2006, and 18 in 2008. Surely, in that climate, there will be a need for many more opportunities for school-based apprenticeships in Western Australia in the next few years. Hon Graham Giffard would have to agree with that, would he not?

Hon Graham Giffard: Yes, absolutely.

Hon BARRY HOUSE: The Prime Minister went on to say -

The barriers are generally much more serious in the state industrial relations systems than under the federal system.

Hon Graham Giffard: Did he identify the barriers?

Hon BARRY HOUSE: Yes, we will come to that. It continues -

Most of the state industrial relations systems provide little coverage for school-based apprenticeships, and only a small number of state awards provide for the employment of part-time apprentices.

He announced during that speech that the federal legislation will -

- Include a requirement that minimum wages for trainees be set by the Australian Fair Pay Commission . . . at levels that ensure they are competitive in the labour market;

The word "minimum" will come up continually -

- Provide the AFPC the discretion to establish separate minimum wages for all categories of trainees;
- Give the AFPC a general power to take any action in relation to wages that is necessary to ensure that the full range of apprenticeships and other training arrangements that are created by the training system will be covered by appropriate wages;
- Require the AFPC to establish minimum training wages for all types of apprenticeships that will operate wherever there are currently any gaps in state or federal award coverage;
- Remove any provision of an award that restricts the range of apprenticeships. This would include the removal of any provision that regulates or limits the duration of New Apprenticeships; and
- Include standard minimum wages for school-based traineeships and apprenticeships that will take effect immediately and be available for Australian Technical Colleges wherever awards do not already include such minima.

If I had not framed my motion before the Prime Minister made those comments, I would have used his speech as the sole basis for making the same statement that I am making. Surely the Prime Minister is suggesting that there is a need for more flexibility for apprentices and trainees.

Hon Graham Giffard: Which equals?

Hon BARRY HOUSE: More flexibility for apprentices and trainees to meet the demands of the economy in terms of the skills shortage across the board. That is what it is all about. Surely that is the aim of the state government. I certainly hope it is.

Hon Graham Giffard: Your prescription is to cut wages and lower standards.

Hon BARRY HOUSE: No, it is not to cut wages. The federal government's requirements, as I read them, are very clear. They set minimum standards and minimum rates. The federal government will establish a system in which exploitation cannot occur. It will set a floor below which wages cannot drop; there is certainly a lot of scope for wages to go much higher.

The Prime Minister made a very extensive speech on a range of issues. Rather than read sections of the speech, I refer members to it, because the Prime Minister makes a lot of sense when he refers to the barriers and inconsistencies that make it difficult for workers to respond to new opportunities in Australia. In broad terms, the Prime Minister discusses the foundations of schools and the need to elevate trades, which would be an interesting debate on its own. The changes proposed next year for students in years 11 and 12 in Western Australia will provide opportunities for those students to enter university.

Hon Ljiljana Ravlich: Do you reckon that is a good thing?

Hon BARRY HOUSE: In principle it is a good thing. I have no argument with that. The fact is - the minister will acknowledge this as well - that it is equally valid for young people to pursue a well-qualified trade as it is to pursue a university education. I hope that the changes proposed for next year will not funnel kids completely into university entrance situations and away from trade eligibility. Some major questions need to be answered in that respect.

In his speech, the Prime Minister went on to refer to overcoming bureaucratic failure, and I will touch on some of those issues in a moment. As an aside, he mentioned that Queensland was the only state to have fully embraced school-based state apprenticeships. That is a pointer to Western Australia and to other states that there must be some acceptance of school-based state apprenticeships. He also commented on the need for skills and workplace relations reform. The speech outlined in very clear terms the federal government's interest in this area. I have read through the Prime Minister's speech and discussed it with some of my federal colleagues over the past few months, and I could not find fault with the general direction of his comments. I am confident that they reflect the general wishes of the Australian community. We just need to get the process right - the process between federal and state governments and the process within the training sector in Western Australia and other states - to ensure that it is delivered in the best interests of young people entering the work force and also the economy in general.

I briefly touched on - I did not explain them in any detail - a couple of the local and individual examples that have come to my notice that reflect some of these issues. I relay these examples without criticism. I hope that the task force, as well as the minister and the government, will take these matters on board. First, the hairdressing industry is an interesting industry. Currently, about 1 000 apprentices are involved in the industry. By chance - it is not really by chance because these issues are very topical - a delegation of people met with me at Parliament House yesterday to present me with a survey that they had conducted. I am pretty sure that they would also have presented it to the minister; they certainly presented it to her predecessor. The survey was done by people in the industry about a bit of an old hoary chestnut for the Parliament - the Hairdressers Registration Board. I am talking about regulation in an industry. We can laugh about it, but I am sure that it is a serious issue for the industry. Hairdressers are required to pay to the Hairdressers Registration Board something like \$80 a year for registration, and there are different scales for operators and salon owners. There is significant concern that the board does nothing and that hairdressers get nothing for their money. That is the crux of their argument. The survey document that they gave me is set out very clearly. It indicates who conducted the survey. It contains copies of a petition with the signatures of about 500 people, which is a pretty significant cross-section of the industry. The document details the current major stakeholders and those who maintain the continual growth and subsequent future viability of the Western Australian hairdressing industry. It lists all the major operators in the industry - the major salon owners - and I do not think I need to go through those in detail. It is basically a "who's who" of the hairdressing industry. The last point of the survey summarises it all. There is a graph in the document; the scale starts from zero, so it is a comparative graph. Of those people surveyed, about 28 per cent said that the Hairdressers Registration Board is a waste of money, about 25 per cent said that it does not do anything for hairdressers, 14 per cent asked what the money is spent on, 10 per cent said that no other state has a registration board, seven per cent said that they already have a qualification, seven per cent said that they have never needed to use the board, five per cent said that another system would be better, two per cent said that it is red tape, two per cent asked who is on the board and one per cent said that it is a waste of time and

effort. It seems that nobody who responded to the survey has come to the defence of the Hairdressers Registration Board.

Hon Ljiljana Ravlich: You would have to agree that it depends on who was asked. Was the whole industry surveyed? Was a specific section of the industry surveyed? Were men's hairdressers surveyed? Were women's hairdressers surveyed? Was it a combination of both?

Hon BARRY HOUSE: I think that those details are contained in the document. The petition contained in the survey document, which is not set out in the proper form, states -

**THIS PETITION SEEKS TO ABOLISH THE HAIRDRESSERS' REGISTRATION BOARD IN WA AND
THE REQUIREMENT FOR COMPULSORY REGISTRATION FOR HAIRDRESSERS IN WA.**

The need to register hairdressers no longer exists as a number of broader and more appropriate legislative instruments regulate the operations of hairdressing salons. These include legislation relating to occupational health and safety, public health, fair trading and local Government by-laws. Complementary to this legislative control is the state training system which supports training and provides for hairdressers' qualifications.

I am sure that other information is available about the scope of the survey.

I was a member of a committee of this Parliament that looked at the need for the continuation of the Hairdressers Registration Board. That committee presented a report to Parliament. At that stage I was quite ambivalent about that issue, because many of the major players in the hairdressing industry came to the committee and said there was a purpose for the board, it fulfilled a function, it was doing no harm and let it be. However, the same major players who were telling us that a few years ago are not saying that now. During the term of the Court government we restructured the Hairdressers Registration Board of WA and made it more inclusive of wider industry stakeholders. My information is that people were pretty satisfied with that and it seemed to work better, but it has been abolished in the past couple of years. A more narrow-focused Hairdressers Registration Board is now in operation and it does not seem to be serving the wider interests of the hairdressing industry.

There are other points to make about hairdressing. The private providers play a very important role in the training of apprentices in the hairdressing industry. I have already mentioned that there are approximately 1 000 apprentices requiring tuition at any one time. Approximately half of those are catered for by the private system. I mentioned last week that a very impressive organisation, Taylor Weir School of Hairdressing, caters for 41 per cent of that intake. The other major private provider is Volona and Associates, with some 50 salons in the Perth metropolitan area. That provider mainly does its own internal training with about 15 extras. The remainder of the training is done in various TAFE colleges in Perth and country areas. The concern that I am picking up in the industry is that people are voting with their feet and they prefer the private providers to TAFE. The private providers have had an artificial cap put on their intake. They have been told that they can no longer take country students when there is a TAFE college in that community. I met with a group of hairdressers a couple of weeks ago in Bunbury and was told that many of the salon owners and the apprentices involved prefer to go to Taylor Weir for their training rather than TAFE. They prefer to do that for their own reasons, which are mainly related to quality. They think they get a better outcome. That must be taken on board.

I am told that the Midland TAFE college has very good facilities for hairdressing and apprentices but it is struggling for numbers. I am told that other TAFEs - Challenger TAFE and Fremantle and Balga TAFEs - are really struggling with their facilities and they cannot match the opportunities being provided by the private providers. The same question arises in the country. There are TAFE colleges in the bigger country centres, such as Bunbury, Kalgoorlie, Geraldton and Albany, but the private providers might prefer block release rather than day release for apprentice training in Perth. Unfortunately, this regulation or cap has been put on the intake of the biggest private provider, Taylor Weir, and I want to know what the rationale is for that. Surely we need to examine the real reasons people prefer to use private providers rather than TAFE. It is not good enough to put a regulation or a cap on the enrolments of private providers to protect a government provider. We must look at the issues that have led to the market reacting that way. Surely the aim is to maintain and improve standards and ensure that there are enough skilled operators to meet the demand. That provides a snapshot of the situation in the hairdressing industry.

I have also been approached by a company that does a lot of training in the construction industry, WA Skills Training. I will quote from a letter that this company has written to the Ombudsman, Ms Deirdre O'Donnell. The letter states -

I would like to make formal complaint regarding the perceived level of harassment and difficulties that WA Skills Training is experiencing with the Worksafe Certification Branch.

WA Skills Training is one of the largest private Registered Training Organisations in Western Australia. We are located in Bunbury, employ over 20 trainers and assessors and have made the State Finals for the Telstra Small Business Awards for the previous three years.

The complaint I would like to relate to you is regarding what WA Skills Training believes to be an inconsistency in customer service delivery, excessively lengthy delays Worksafe is taking in processing applications for Worksafe Assessors Certificates, confusing communication/information from Worksafe Perth Office and a demonstrated lack of professional behaviour that we believe to indicate harassment targeted against WA Skills Training, by Worksafe Officer . . .

The individual's name is mentioned, but it is not appropriate to mention that. The letter continues -

The most recent of our problems with Worksafe has resulted in WA Skills Training losing revenue, not being able to service an important client and damage to our company's reputation with this client, on our ability to deliver training services as planned. . . .

The costs have not only been incurred by my company, but also the client in this latest incident, who had taken workers from site to attend training and have incurred downtime, travel costs and costs of production for training not delivered. . . . totally unacceptable to us as a professional training provider.

This company specialises in dogging, rigging, scaffolding and crane operators, and there are established skills shortages in all of those areas that the company has been attempting to address. An essential part of that training is providing competent lecturers to become WorkSafe-accredited assessors. The letter continues -

We are seriously concerned by the manner in which the Application for WorkSafe Assessors Certificate for three of our lecturers was handled by Worksafe (Perth Office).

I have details of those three applicants. The allegations are that they have been harassed and inconvenienced and there has been deliberate poor communication and a range of other obstacles have been put in their way. That letter gives members an idea of what is happening with just one company, a major Western Australian skills training company, that is experiencing difficulties.

Last week I also referred to the problems in the plastering trade. Plastering is directly related to the building industry. I have some correspondence from the Master Plasterers Association of Western Australia, from which I will quote some brief excerpts -

For many years the members of the Master Plasterers Association of WA have been losing faith in the TAFE system as they do nothing to help promote our trade to the youth of this state.

We feel TAFE does not understand the relevance of their training in comparison to the running of a small business in the construction industry.

Under the various headings, its criticism reads -

Non-service of clients: We believe that the employer of an apprentice is the true client of the TAFE system. Our members pay the apprentices to attend TAFE as per the apprenticeship agreement. Therefore the apprentice is on company time not TAFE time.

Up to date training packages: We are not certain on which training package is currently being used, we do know that for a long time TAFE has been using the old training package.

Constant supervision of apprentices: . . . An ex-TAFE lecturer, who is now a building supervisor with one of Perth's major building companies, once counted seven apprentices asleep out the back of the solid plastering workshop.

His letter provides examples in which apprentices are left unsupervised.

It continues -

More teaching of apprentices not just assessing them: It has been remarked to one of my previous apprentices, after he had asked why the lecturer had not been there to help them: "We are here to assess not to teach, that is your boss's responsibility". If they are only there to assess why do first year apprentices have to go to TAFE for four weeks doing the same 12 sq metres of float and set. Most apprentices would do that in a day out on-site.

Donations from industry put to proper uses: Lime Industries who supply a large percentage of lime putty to the industry, donated \$20,000.00 to help Swan TAFE conduct a pre-apprenticeship course in the hope that they may get some new apprentices for their clients. Unfortunately not one of those pre-

apps ended up in an apprenticeship with any client from Lime Industries. . . . Blue Scope Steel donated \$108,000.00 in the form of a complete steel-frame house.

According to the author of this letter that building was not used very productively. It continues -

Promotion of the trade: As you may know the BCITF is funded from 3% of all building materials sold in WA. Currently they are sitting on around \$22,000,000.00. Solid plasterers have to supply all materials when sub contracting to builders. . . .

Where is **our** contribution to the training fund going?

Training facilities in the southern corridor: Currently the only training facility for mortar trades is at the Balga campus at Swan TAFE. Students without driving licenses and coming from south of the river can expect to change public transport three or four times. This makes for a long trip to work at an early age.

The second part of the letter provides some solutions for the system. This group has met with some people in the minister's department, so I hope that some of the issues are being worked through.

Hon Ljiljana Ravlich: I was out at Balga TAFE looking at the wet trades only the other day.

Hon BARRY HOUSE: Good. The letter refers to a private provider called Silver Trowel/Comet Training WA, and reads -

As TAFE has currently cancelled two of its pre-apprenticeship courses in Solid Plastering, the Silver Trowel/Comet Training courses sounded like a great opportunity to bring some new people into our industry.

Comet Training is a registered training organisation with scope to deliver the National Training Package for all wet trade areas. All training and assessments provided by Silver Trowel/Comet Training WA follow the AQF guidelines.

The letter indicates that Comet Training is very well positioned to provide some of the much-needed tuition in plastering and is being frustrated by the lack of access to trainees. That summarises the association's main concerns. The full letter is available.

One of the policies that is frustrating the association is the thin-market policy. Once again, it seems that for apprentice plasterers to be trained by Comet Training WA, the number of new apprentices in any one trade area needs to be more than 100 a year. The association doubts that number will ever be achieved due to the current lack of promotion of the plastering trades within the TAFE system.

The second part of the motion refers to private training providers. They are playing increasingly greater roles in the training in trades and tertiary-level academic fields throughout Australia. A few weeks ago I attended a conference in Adelaide run by the Australian Council for Private Education and Training titled "Private Education in Australia - a fundamental shift". It has more than 750 members and has established an office in Perth as well as in other major areas. Its members deliver a full range of higher education vocational education and training and English language intensive courses for overseas students in all states and territories. In her introduction, the president of ACPET, Julie Moss, stated -

The next three years are likely to see unprecedented changes in the regulatory framework and trading conditions in the private education and training sector with the implementation of the Australian Government's new agenda, reaction from states and territories, the US-FTA, and increasing competition in the international education industry. The prospect of greater industry deregulation carries with it better opportunities to build your business.

The ACPET 2005 National Conference will tackle these crucial issues and provide you with the necessary information about the changing education and training landscape . . .

It was a very well run conference, which canvassed many issues involving regulations and private training providers operating alongside government providers in the states and nationally. It opened my eyes to the valuable role ACPET is playing in the provision of training and education throughout Australia. ACPET should be encouraged and not penalised by governments through regulation or other actions. I hope that by my canvassing some of these issues, they will be taken on board by the minister and her task force and the government in general when they analyse the training sector in Western Australia, which in many respects needs a shake-up. The fact that changes to the training sector are necessary has recently been brought into critical focus throughout the whole country by the acknowledged skills shortages across the board. I have said enough. Other people want to say a few words.

HON LJILJANNA RAVLICH (East Metropolitan - Minister for Education and Training) [2.49 pm]: The government will not oppose the motion. The honourable member has clearly indicated that he put it on the agenda today to urge the government to take into account a couple of key areas on which he has some concerns. I am happy to take those matters on board. I therefore see no need to oppose what he has asked me to consider. I will put the issue of skills training and the need for greater flexibility for apprentices and trainees within an economic context. Obviously the focus on skills development and the formation of skills at this time stems largely from the pressure felt by the need to supply skilled labour into the marketplace. This comes about as a result of some positive developments in the Western Australian economy. It is no secret that during 2003-04 Western Australia had a very high level of economic growth of 7.5 per cent, which was double the national average. In the previous financial year the state's estimated growth was 5.25 per cent, which was also considerably higher than the national average. The projected rate of growth over the next three or four years is 3.75 per cent, although the optimistic economic forecasters are predicting that it will be considerably higher because of the number of resource projects that continue to come on stream. The outlook for the state is very positive.

The state's recent strong economic growth has been fuelled by business investment. Access Economics reports a total of \$103.5 billion worth of projects that are being either developed or planned for Western Australia. That figure is higher than that for any other state in the nation and is a 28 per cent increase on last year, which is a massive increase. According to the latest business outlook by Access Economics, Western Australia's economic growth is expected to outstrip that of all other states over the next four years to 2008-09. As a trading state, Western Australia accounts for more than a quarter of the volume of the nation's trade and slightly more than 30 per cent of the nation's value. This is the state's highest share of national export dollars on record. That goes to show that we are experiencing an unprecedented economic boom.

Therefore, it is not surprising that we should feel some pressure on the labour market. I acknowledge the comments made by the opposition spokesperson. The booming economy has obviously had a direct impact on the skills shortage. The latest indicators suggest that the tight conditions in the labour market will continue as widespread difficulties in filling vacancies, which are at an all time high, are reported across Western Australia. The biggest challenge we face is the strong economic growth forecast for Western Australia for the remainder of the decade. That growth is likely to result in a continuation or a worsening of the existing skills shortage. It is important for us to consider the points the honourable member has identified regarding how we can make the system flexible enough to increase the number of trained apprentices and trainees and increase the skills of existing workers to make sure they are working to their full potential.

Before I go into more detail about what the government has done in this regard, I will compare the training effort of this government with that of the previous Court government. The idea that the previous Court government was in some way a great training government that was committed to training outcomes is a fallacy. Hon Barry House may or may not like this graph that I have; he may or may not have redrawn it differently. It may not have the source listed on it, but that does not matter. At the end of the day, the comparative data it shows on training speaks volumes.

Hon Simon O'Brien: It does matter, because you are a minister of the Crown and you presented that graph in this place yesterday as a source of reliable information.

Hon LJILJANNA RAVLICH: It is a reliable source of information.

Hon Barry House: How do we know?

Hon LJILJANNA RAVLICH: Because I have the statistics to back it up.

Hon Simon O'Brien: Oh, it's all right then!

Hon LJILJANNA RAVLICH: The member is dead right. The statistics speak for themselves. Between 1996 and 2001, the number of apprentices and trainees in training in Western Australia increased from 16 240 to 18 450, which was an increase of just over 13 per cent compared with a national increase of almost 100 per cent for the same period. Of great concern was the then Liberal government's lack of commitment to traditional apprentices. The number of people in training decreased - I repeat: decreased -

Hon Barry House: The economy was flat and there was an Asian crisis.

Hon LJILJANNA RAVLICH: The number of people -

Hon Murray Criddle: You just got lucky.

Hon LJILJANNA RAVLICH: Hon Murray Criddle was part of that government. I understand why the member is getting hostile. The finger has been pointed at him.

Hon Murray Criddle interjected.

Hon LJILJANNA RAVLICH: The simple fact is that the training effort needs to be maintained during down times but the former government did not do that. That is the point. Do not go red faced and do not squeal. The fact is that the member has just agreed to what I said. He knows he did not do the right thing. I have not even presented the information to members. Such is the shame of members opposite that they are interjecting even before I have provided them with the information. The number of people in training decreased from 11 760 in 1996 to 10 280 in 2001. That was a decrease of 13 per cent compared with a national increase of nearly eight per cent. I will say that again because, quite frankly, I am still trying to get my head around how the opposition can take the high moral ground and dare come into this chamber and put this issue on the agenda when the record of the former government shows that between 1996 and 2001 that government caused a decrease of around 13 per cent in the number of apprentices and trainees.

Hon Simon O'Brien: Your capacity to analyse figures is rubbish. This is so shallow it is pathetic.

Hon LJILJANNA RAVLICH: Hon Simon O'Brien can carry on all he likes. He has every reason to be embarrassed and concerned about the fact that the opposition spokesperson wants me to take note of what he considers to be an impediment to training.

The Labor government has worked very hard to address this issue. We recognised that booming times would cause a shortage of skilled labour. We have tried very hard to address this matter and the Liberal Party has neglected it; indeed, when in government it turned the situation around. Under our government - I understand that the Deputy President (Hon Graham Giffard) was the Parliamentary Secretary to the Minister for Planning and Infrastructure at the time - between 2001 and 2004 the number of apprentices and trainees in the state increased from 18 450 to 26 310. That was an increase. The former government decreased the number of apprentices and trainees by 13 per cent and we increased it by 42.6 per cent, compared with the national increase of 22.8 per cent. We nearly doubled the national increase in the number of apprentices and trainees. The former government reduced it by 13 per cent, yet members opposite have the gall to move a motion on training. During its time in office this government has particularly targeted the critical skills shortages area through growth in traditional training. The number of apprentices in these trades in Western Australia increased by 26.5 per cent in 2002-04, compared with 15.7 per cent nationally. The allegation that this government is resting on its laurels and doing nothing to address the issue of skills shortages in the mining, automotive and hospitality industries simply does not stack up. Hon Murray Criddle appears to be very sensitive about this issue.

Hon Murray Criddle: I will tell you why.

Hon LJILJANNA RAVLICH: He should not shoulder the whole burden of this issue by himself.

Hon Murray Criddle: I could put my record against that of any of your ministers for things that have been done in this state.

Hon LJILJANNA RAVLICH: Hon Murray Criddle should not feel guilty about it; it was not entirely his problem. It was a shared responsibility, a shared muck-up. He wanted to go forward but he was going backward.

Hon Murray Criddle: You haven't done anything since you have been here. When are you going to start?

Hon LJILJANNA RAVLICH: Have we got news for you!

The allegation that this government has done nothing is not borne out by the figures. A number of issues have been raised by the honourable member and I have already said that I will not oppose this motion. One thing I like to be is fair-minded and I reckon that if I do not hear all the ideas, I will not know the full policy options that are available. I do not have a problem with hearing those ideas.

One thing that confronted me when I took over the portfolio was the fact that the lack of skills equated to a major opportunity loss to industry and it needed to be addressed as a matter of priority. We have debated this issue before. However, basically apprenticeship and traineeship training is governed by two acts, the Vocational Education and Training Act 1990 and the Industrial Training Act 1975. There has been a problem with a section of the VET act, which was passed by the former coalition government. The provisions in section 7 of the act have never been proclaimed. One reason is that the provision gives the minister authority to basically deregulate the whole of the training market; in other words, the minister could declare that apprenticeships no longer exist. Therefore, it has been considered by ministers since 1990 to be too great a power that could be used, depending on the minister of the day, in a wrong way. As a result, section 7 has never been proclaimed. Apart from that, section 7 also sought to introduce a solution for greater flexibility in trade training, but it did so in a one-size-fits-all arrangement, and it appeared to me that a one-size-fits-all solution to trade training would not work. Apart from anything else, some trades are high-skill, high-risk occupations. I would probably put the electrical trade in

that category. Therefore, it would be much more difficult to get consensus on flexibility for reducing the length of the trade training term in high-risk trades, although the term would be competency-based and trainees could pass courses of competencies at their own rate, compared with low-risk trades.

We have therefore decided that that is not the solution and that we must set up a framework to consider each industry sector to determine where we can introduce flexibilities in trade training terms across all areas of the skills shortage. After having made changes to the State Training Board, the next agenda was to ensure that we made changes to the trades by setting up the Skills Formation Taskforce. The task force is a subcommittee of the State Training Board. Any decision that is agreed to by the six working groups that have been set up under the Skills Formation Taskforce must be approved by the State Training Board. The groups are from the building and construction industry; the resources industry, with Hard Rock Mining Pty Ltd; the automotive industry; the metals industry; the oil and gas resources industry; and the hospitality industry. Setting up the working groups was considered to be a better way to go. We appointed the captains of industry as the heads of the working groups and we set up the structure so that industry partners were part of the group to seek agreement across a number of issues in apprenticeship training. Dale Alcock plays a major role in training apprentices and trainees and heads up the housing group; Ms Kate Lamont, as already stated, heads up the hospitality group; and Mr Bruce Lake, the operations manager for Apache Energy Ltd, Mr Stephen Murdoch, chief operating officer of Austal Ships Pty Ltd, Rod Slater, who has been President of the Royal Automobile Club of WA for about 28 years, and Mark Simpson, training manager for Pilbara Iron Ore Pty Ltd, head up the other working groups.

Those people will play a critical role in examining the impediments to training apprentices and trainees and in providing advice to me on a range of issues, such as improving the relevance and attractiveness of apprenticeships and traineeships to young people; increasing employer and industry commitment to and investment in apprenticeship and traineeship training; removing the impediments to the growth of apprenticeships and traineeships; and addressing any underlying cause of and strategies to improve non-completion rates. It is a big problem when kids decide after 18 months to discontinue their four-year apprenticeship. Basically, the investment of 18 months by the apprentice and the state or employer is all for nought and it becomes, once again, a lost opportunity. We are therefore addressing that issue. The final role for the people in the working groups is to consider the improvement that flexibility and responsiveness in the system would bring to the skill needs of industries and to ensure quality training. The working group, therefore, has a fairly big job to do. One of the first tasks the group was set was to consider whether agreement could be reached on a reduction in the length of the trade training term. The working groups are also looking at the issue of traineeship and apprenticeship wages. I was very disappointed the other day when it transpired that the Prime Minister had said that apprenticeship and traineeship wages would be cut under an industrial relations shake-up.

Hon Barry House: No, he didn't say that at all. I quoted his speech to you and nowhere in that speech did he make that statement.

Hon LJILJANNA RAVLICH: I must say then that the reporters must have got it all wrong. If Hon Barry House can accept that the reporters got it all wrong for John Howard, will he accept that the reporters got it all wrong for me?

Hon Barry House: No, that is your interpretation. That is not what he said at all.

Hon LJILJANNA RAVLICH: Hon Barry House cannot have it both ways. Quite clearly, as the minister responsible, I was very concerned to hear that one solution from the commonwealth to increasing the training effort was to cut apprenticeship wages.

Hon Barry House: That is an unfair interpretation.

Hon LJILJANNA RAVLICH: Hon Barry House levels pretty unfair interpretations at me on occasions. I am trying to be generous here, because a cut in wages is the fear, and that is what we do not want.

Hon Barry House: Okay.

Hon LJILJANNA RAVLICH: It is quite clear, in response to an answer I gave yesterday on evidence from a recent study by the National Centre for Vocational Education Research, that low wages are a key factor in the non-completion of apprenticeships. Quite frankly, if the kids are not going to be paid decent rates for learning their trade, it becomes very attractive for them to work as a trades assistant or in an unskilled area etc. We must encourage students to take up apprenticeship and traineeship options. That means that they must be paid fairly while they undertake training. The notion that they will go into training anyway, irrespective of what they are paid, seems to me to be a wrong assumption.

Hon Barry House: I do not think the Prime Minister is saying that at all.

Hon LJILJANNA RAVLICH: In terms of the strategies we have put together in this state and the work that is happening, the establishment of the task force is long overdue. We are having a good look at where we can get

movement in the sector. We are trying to find a new direction. I am concerned that much of what we are doing could well be undermined because the commonwealth government is looking for a quick fix. I will give the member the benefit of the doubt, but the commonwealth government might think that a reduction in apprenticeship wages is the way in which it can achieve that quick fix. I do not want that to happen because I do not think that is the solution. I believe that everyone should be paid fairly.

Hon Barry House: I do not think that is its goal.

Hon LJILJANNA RAVLICH: We will agree to disagree. I am totally committed to training. I believe we can achieve some great training outcomes. We can all work cooperatively in order to achieve those training outcomes. The member raised a number of issues concerning future directions. That covers the State Training Board and the future direction of the Skills Formation Taskforce. I am confident that we will get good outcomes from the working groups. Although only six had been set up in the first instance, they were in the areas of highest industry need. We have set up working groups in the primary industry and hairdressing sectors, and there are now eight in operation. As the working groups complete work in one area, they will move into other areas. That is great because it provides a mechanism through which the industry can have direct input to future directions. We can continue to add new working groups under this structure. I hope that in the next few months we will see some very positive results from the working group. For example, Dale Alcock, who chairs the housing working group, has been very satisfied with the process. He feels that major inroads are being made. I do not want to say too much, but I have been more than happy with the work of that group.

I have not previously mentioned that the task force will also consider areas in which fundamental and systemic reform is required to allow stakeholders in the vocational education and training sector and the wider community to provide their input. A public consultation process will be undertaken for proposed changes that may be recommended. Following that, there will be a call for public submissions and consultation forums across the regions and in metropolitan Western Australia.

I wholeheartedly agree with the member's observations about the important role of private training providers. The government funds private training providers so, as such, I do not believe that they are penalised in any way. The member cited one example but, honestly, many of them are very satisfied. Only one or two aggrieved providers are likely to approach the member. Private training providers are an integral part of the market. The member cited a case the other day in which a particular hairdresser has 41 per cent of the market share. The hairdresser might want more of the market share. The point I make is that the government wants to spread its risk because a private training provider might go down. It would not be the first time something like that had happened. However, at the end of the day, when those things do happen, it is always the government's job to mop it up - or it at least seems to be. If trading providers go out of business, we could be left with 300 or 400 apprentices who have to be indentured somewhere else. From the government's point of view, it does have a very important interest.

Hon Barry House: The hairdressing business is not necessarily after more than its 41 per cent market share, but it is concerned that extra apprentices are approaching it for apprenticeships, claiming that they cannot get equivalent training elsewhere. That is the concern on an industry basis.

Hon LJILJANNA RAVLICH: I am quite happy for my advisers or me to meet with them. I am happy to listen to the arguments; that is not a problem.

However, private providers play a critical role in delivering training in Western Australia. There are approximately 130 private providers that are funded by the department. More than 19 000 Western Australians receive their training from private providers under the auspices of the current commonwealth-state funding agreement. Earlier this year I proposed that a policy for private training providers be established. Accordingly, the Department of Education and Training has extended an invitation to private training providers to attend a forum at Observation City Hotel on 19 October 2005. We work fairly closely with private training providers. At the end of the day, we do our best. A training provider might want something that the government cannot give. Obviously, there are limitations, depending on whether it is an agency or a private training provider, on what is available. Nevertheless, we work in a spirit of cooperation with private training providers. The forum on 19 October will provide private training providers with an opportunity to discuss and provide input to the strategic directions that shape the publicly funded training market. In particular, the forum will provide private training providers with an opportunity to gain an understanding of the government's training priorities and objectives. That is good because they will be better able to link with the objectives. It will enable them to gain information on relevant policies and processes within the department so that they can work more efficiently in their dealings with the department. It will also provide feedback to the department on possible future directions for the training market. This initiative has been greeted very enthusiastically by the private training provider network. In fact, 250 training providers are expected to attend the training session.

I will touch on the changes to years 11 and 12 that will occur next year; these changes will be significant in increasing the number of subject options. Among the increased subject options there will be vocational education and training courses. I thank the member for the comments he made. In principle, he has no objections to the changes. From his own teaching experience, he will know that some students struggle because of the lack of subject options. For the first time we will be moving towards a full integration of vocational education and training in a real sense. That used to be talked about when I was a high school teacher 14 or so years ago. Finally, it will be a reality. There will be pathways that lead from high school to TAFE or into university.

Hon Barry House: I just hope that it does not end up disadvantaging the very students for whom it is purportedly being put in place.

Hon LJILJANNA RAVLICH: Why would it disadvantage them? They will have an opportunity to undertake proper vocational education and training courses that will be Australian qualifications framework accredited and to AQF standards. It will be a portable qualification.

Hon Barry House: That is one of the big questions.

Hon LJILJANNA RAVLICH: Absolutely. Those courses will be AQF accredited and to AQF standards. As such, they will be portable across the nation. Otherwise, there would be no point in doing it. This is not a mickey mouse attempt at it. The simple fact is that when students undertake the VET options in years 11 and 12, depending on how many units they have done, they will have their AQF accredited qualifications to move on to the next stage. If they have done two years of an apprenticeship, that is great, because, technically, they will be able to do that much. If they have done 18 months of an apprenticeship, that is great too. The member can see what is happening. At the school level, they will have the opportunity to do so much of their apprenticeship, depending on how many units of study they undertake. At the same time, the task force is doing work on reviewing the length of trade apprenticeships. However, because it is competency based, we will not lock kids in. Let us say that there is an agreement for three years for a certain trade apprenticeship. If the kids can do it in two and a half years or two and three-quarter years, they will be fully accredited and go out as tradespeople.

Hon Murray Criddle: While you are on that, an issue was raised with me. A school said that if it wanted to send out somebody to do some work, it had problems with occupational health and safety in that environment. Are you aware of that, or is there a way to overcome that issue? If the kids are in the school and they want to go out and do some work, as an apprentice obviously does -

Hon LJILJANNA RAVLICH: They would have to be covered.

Hon Murray Criddle: Will they be covered? Can they be covered?

Hon LJILJANNA RAVLICH: Of course they will have to be covered for the work they do when they are off the school site; for example, when they are at TAFE.

Hon Murray Criddle: Who takes responsibility for that?

Hon LJILJANNA RAVLICH: Probably the Department of Education and Training will take full responsibility for that through RiskCover. We have RiskCover for everything else.

Hon Murray Criddle: I was asked the question.

Hon LJILJANNA RAVLICH: Yes. I cannot envisage a situation in which students who attend TAFE for two days a week would not be covered by RiskCover.

Hon Barry House: That is a big question that needs to be answered in the subsequent legislation that will come into the Parliament. Whose duty of care is it?

Hon LJILJANNA RAVLICH: Yes. Technically, the kids will go to different workplaces. For example, if a person was doing a trade apprenticeship in the building and construction industry -

Hon Murray Criddle: They could go into the fishing industry or they could go onto a farm.

Hon LJILJANNA RAVLICH: They will be covered.

Hon Murray Criddle: Thank you for that.

Hon LJILJANNA RAVLICH: The member knows that we use RiskCover. However, I will clarify the issue for him.

Hon Murray Criddle: I would like that.

Hon LJILJANNA RAVLICH: In fact, they would be covered at school. Nothing will change in that regard.

Hon Barry House; Hon Ljiljana Ravlich; Deputy President; Hon Peter Collier; The Deputy President; Hon
Graham Giffard

Many changes are afoot. The suggestion has been made that in some way the government could have worked faster or I could have worked faster on these issues. I do not know that much more could have been done in six months. Hon Barry House read an extract from *Hansard* about changes to the Vocational Education and Training Act and my response that yes, I am just the girl to do it. Any changes to the Vocational Education and Training Act will happen after the recommendations of the working groups are made. In the first instance, once we have agreement, we will look at drafting appropriate regulations. We would have some sort of review provision, and as soon as things were bedded down, we would move to amend the act.

Hon Barry House: We will be looking for some results and directions; otherwise, this time next year we will be back in this place with another motion.

Hon LJILJANNA RAVLICH: Absolutely. I can tell the member that he will not have to wait that long.

Hon Barry House: Okay. That is good.

Hon LJILJANNA RAVLICH: We will make sure that the model works and that there is agreement between industrial partners on what is possible, and that will be bedded down through legislation. That is certainly the intent.

I will deal with the hairdressing industry. I hope Hon Barry House takes heart from the fact that one of the new working groups is hairdressing.

Hon Barry House: I am encouraged by that. That is good to hear.

Hon LJILJANNA RAVLICH: I remember arguing very strongly for the retention of the Hairdressers Registration Board. Although some people do not think that quality control is important, I happen to think it is. I remember commenting on the old saying that the difference between a good and a bad haircut is only about a week. I do not subscribe to that, because I reckon that if a person gets a bad haircut, it can be very damaging.

Hon Barry House: An airbrushed photograph can hide lots of things!

Hon LJILJANNA RAVLICH: Yes. I speak to my hairdresser when I go to the salon. I do go to different hairdressers. There is a divergence of views. One group of people think that the Hairdressers Registration Board is very important because, technically, it maintains quality control, and having a board that has an assessment function is considered to be good for the industry. Other people think it is a total waste of money. I am aware that the member has met with these people, that the chief executive officer of the group training scheme has undertaken a survey of salons in the metropolitan area, that the outcome of the survey will be forwarded to the industry working group, which is good, and that the industry working group will report to the Skills Formation Taskforce. The department is aware of two rumoured petitions being put forward to remove the Hairdressers Registration Board. That is the responsibility of the Minister for Consumer and Employment Protection, rather than my responsibility.

In addition, men's hairdressing salons have been agitating for some time for a men's hairdressing apprenticeship. Both men's and women's hairdressing techniques are covered in the current hairdressing apprenticeship. What they are talking about is really no different from what all the other trades are talking about. They are saying that, instead of taking four years to do a men's and women's hairdressing apprenticeship, if people want to specialise, why can they not do two years for a men's hairdressing apprenticeship and two years for a women's hairdressing apprenticeship, and if somebody wants to do a men's and women's hairdressing apprenticeship, they do the full time? That is where it comes from. Let us say that there is agreement within the working group that the apprenticeship period of four years is too long and should be reduced to three years - that is for the industry partners to decide among themselves - and let us say that the working group further agrees that people can opt to undertake male or female hairdressing apprenticeships. A male or female apprenticeship could be for two years. However, if a person wanted to do both of them, that person would have to do an additional 10 units of competency, and that would mean that person would do an apprenticeship of three years and be able to straddle both men's and women's hairdressing. That sort of reasoning is not unreasonable. I am pretty pleased that that information will go to the task force, because I believe it is a matter that should be looked at by the task force. No doubt the working group will put forward issues regarding that matter.

I am not sure whether anybody else wants to speak.

Hon Barry House: Yes, they do. There are a couple of other people.

Hon LJILJANNA RAVLICH: Okay; that is not a problem.

As the minister responsible, I am really pleased about the direction of training. In view of the fact that research has been undertaken, I recognise the pressure on the government. A couple of years ago the Argus report considered the skills shortage in the mining industry. Obviously the Chamber of Commerce and Industry of

Western Australia has done research on the skills shortage. This will continue to be a pressure point for government. The fact that we have great economic growth is a problem -

Hon Barry House: It is a good problem.

Hon LJILJANNA RAVLICH: It is a better problem than a high level of unemployment. The member is quite right; I do not have any problem with trying to introduce a greater degree of flexibility to maximise the state's ability to achieve its full potential. When this state loses contracts overseas, it means fewer jobs for Western Australian workers, less revenue to the state and less revenue to the nation. Why would we want to lose those opportunities? As Minister for Education and Training, I certainly do not want to lose those opportunities, and they are at the forefront of my mind.

The DEPUTY PRESIDENT (Hon Ken Travers): Obviously a number of members are seeking the call, so I remind members that this is a time-limited debate and that some interjections may prolong the debate.

HON PETER COLLIER (North Metropolitan) [3.31 pm]: I am delighted to speak on this motion. I am delighted that there is so much harmony in the debate, and I will speak in support of the motion. I am pleased that the government will not oppose the motion. I had a bit of a say on this issue about a week ago during debate on a ministerial statement but I was cut short, so I am pleased that I have a little more time in which to speak today. Having said that, I am aware that -

Hon Graham Giffard: What you said a week ago was a microcosm of the same debate.

Hon PETER COLLIER: Precisely. I will repeat a few comments that I made a week ago on this issue, because they are very pertinent to the skills industry as a whole and to apprenticeships in particular. As I said last week, I have spoken at length with the Chamber of Commerce and Industry of Western Australia, the Master Builders Association and a number of tradespeople about their views on the issue. I was intrigued to hear some of the practical examples provided by Hon Barry House. Basically, everyone is singing from the same song sheet on this issue. I made a few pertinent points about the current problems with the skills shortage, and in particular about a survey that was commissioned by the CCI and conducted by Monash University. I will remind the house of the current associated problems with the skills shortage. The Monash University study forecast a continuing skills shortage in this state, reaching a shortfall of more than 3 300 tradespersons in key occupations by 2009. The study found that there was a lower uptake of apprenticeships in Western Australia compared with other states; the ageing of the trades work force was leading to an increase in the rate of retirements; and in the engineering and fabrication trades, there was evidence that only 75 per cent of the 3 200 apprentices who will complete training by 2008 were likely to progress to full-time trade positions, while around 530 tradespeople were expected to come from migration.

Hon Graham Giffard: Is the figure for the lower uptake of apprenticeships in total numbers?

Hon PETER COLLIER: I am not sure about that. I apologise. That is a direct quote from the study.

Hon Graham Giffard: I am interested to know whether that is a total figure for apprenticeships, or whether it is a proportion of the population, and what the study bases that figure on, because construction is Western Australia's best industry for the uptake of apprenticeships.

The DEPUTY PRESIDENT: I do not want to interrupt the debate. Obviously Hon Peter Collier is entertaining interjections, but I remind members that we need to keep the debate moving.

Hon PETER COLLIER: Although 5 100 additional tradespersons in these categories will be needed by 2008, the total new supply from current training and migration activities will be 2 930 - a shortfall of 2 170. There are a number of other figures, which I mentioned last week, so I will not go through them again. We are all familiar with the fact that there is a skills shortage in Western Australia.

The points that emanated from the study conducted by Monash University and from the consultations that I have had with a fairly wide cross-section of industries have led me to a few conclusions, and that brings me to the motion itself. One point that is profoundly evident is the inflexible nature of apprenticeships; that is, they are for four years, regardless of competency. The other issues that emanated from my consultations include the restrictive opportunities to access non-practical training and the restrictive ratios applied to apprenticeship employment, and there are a number of others. Any training system must reflect and respond to realistic and current industry needs and be focused on skills in demand. That is fairly obvious. Therefore, it is imperative that we listen to the wishes and the needs of the industries involved. I have listened to, and the following recommendations are based on, the views that have been expressed by the groups I mentioned earlier.

The first issue is the most significant. The single biggest impediment to the employment of hundreds of additional traditional trade apprentices is the Industrial Training Act. The act requires employers to make an up-front four-year commitment to an apprentice, and applies a range of archaic regulations about what an employer

can and cannot do in relation to apprentices. It is a significant disincentive to apprenticeship uptake. Both employers and suitable potential apprentices are sceptical of such an inflexible long-term commitment. One solution is to repeal the Industrial Training Act, which I said last week. I was under the impression that section 7 of the Vocational Education and Training Act was available to manage apprenticeships until new legislation is put in place. However, after listening to the minister today, I may stand to be corrected on that, but that was my understanding of the situation. Regardless, much more flexibility is needed within the traditional apprenticeship program. The current act means that an individual must continue and complete a set four-year period of theoretical education, even if that individual has completed all sections of the competency based on the job component of the program within those four years. Western Australia is the only state with this requirement. The system needs to move to a more flexible competency-based program, whereby an apprentice is required to prove his trade performance against industry-determined standards. Apprentices could then move more quickly through the program while still maintaining high skill standards. The notion of nominal three-year competency-based apprenticeships also has considerable support. This proposal has national support. For example, one recommendation of a green paper produced for the Queensland Labor government earlier this year is that the Training and Employment Recognition Council shorten the nominal apprenticeship contract periods for some trades from four to three years, or even two years in some cases, to better reflect the time required to achieve competency. Another recommendation of the green paper was for apprentices to move to a system whereby once all the competencies required for the trade had been achieved and assessed, the apprentice could become a fully qualified tradesperson without having to serve out the remaining time of the apprenticeship period. As I have said, it appears that everyone is singing from the same song sheet in this area. I will revisit the editorial in *The West Australian* of Monday, 5 September 2005, which states -

The State's Industrial Training Act is outdated and inflexible. It discourages potential apprentices by setting a four-year training period for every trade, regardless of the apprentice's skill level or willingness to qualify earlier by doing extra study.

It is to be hoped that the Skills Formation Task Force announced last week by Education and Training Minister Ljiljana Ravlich will report quickly on how to streamline the system and make it more attractive to young people, and that its recommendations will not be resisted by unions clinging to tradition.

The second issue is funding. There needs to be more flexibility in funding for this area. There are currently two funding pools available to the private sector to provide training for workers: Competitively Allocated Training and Skilling WA. Both have application periods of up to 12 months prior to the allocation of funds, which is extremely restrictive. Access to funds from those programs or others need to be much more readily available. In addition, access to the user-choice system for the non-practical component of apprenticeships outside the metropolitan and south-west areas is restricted to TAFE. I applaud the role that TAFE plays within the training sector and acknowledge it; however, I fully endorse the expansion and role of private providers, assuming of course that they comply with the standards, which is logical. They may offer more specialised services and provide invaluable expertise through close links with industry. In particular, greater user choice for employers would allow the provision of a wide variety of apprenticeships throughout this state. From a personal perspective, during the debate last week I mentioned my brother-in-law, Ian Holman. He has a cabinet-making business in Kalgoorlie and he is a perfect example of this issue. TAFE does not provide for the non-practical component of cabinet making in Kalgoorlie. Any apprentices that he employs must travel to Perth. I can imagine that the situation is profoundly more difficult in the less populated areas of Western Australia.

Another suggestion I received during the consultations was to develop modern apprenticeship legislation that would allow employers to offer shorter employment-based training contracts. That is something that we perhaps need to consider. Apprentices could complete elements of training under these contracts and then decide whether to seek a further contract to build upon those skills or to exit the apprenticeship program and continue working at that level in the industry. Those contracts would allow individuals to exit and re-enter the apprenticeship system throughout their working lives. The current system assumes that tradespeople learn all they need to know in a fixed four-year term. This would certainly encourage adults to pursue an apprenticeship or to re-enter the trade later in life. Again, it adds to the flexibility of the whole system.

A very popular point is the problem relating to the ratio that applies to apprenticeship employment, which prevents many employers from taking on additional apprentices. The ratio requires employers to employ two tradespersons for every apprentice they employ, an almost impossible requirement during the current period of severe skills shortage. That is very difficult to achieve in small and medium construction businesses. This is something that my brother-in-law has discussed with me over and over again. The notion of a ratio is not compatible with the expansion of his business. I think that can be achieved without relinquishing any safety concerns.

Another issue is that the government might more actively support the immigration of skilled labour into Western Australia. This is coming from a different tack. As part of this arrangement, flexible work permits should be promoted to allow skilled labour to be brought into Western Australia during periods of high demand, such as at the moment, to complement the resident skilled labour work force. Regardless of what is done with the apprenticeship training system, the significant current shortage of skilled training can be alleviated only through immigration. I appreciate that is the situation in the short term, of course, and it is not a solution in the long term.

Another area is the possibility of a one-stop-shop approach to apprenticeships, a much more coordinated approach, with one department providing all relevant information to both the employer and the prospective apprentice. This would include subsidy information, advice, employment conditions, information packs etc. Such an institution could also be used to address such issues as educating the employers of apprentices on their personal management responsibilities, educating apprentices on the demands of running a business, finance, profit management, customer service and quality assistance. Another option is that it could be used to promote value-based mutual obligation relationships between employers and apprentices and thereby develop even more harmonious and productive workplaces.

At the moment there are two many disincentives for employers not to take on apprentices: workers' compensation and public liability costs, unwillingness of new apprentices to commit to four years etc. Greater incentives are needed for employers to take on apprentices - for example, tax breaks, reduced workers' compensation costs and a reduction in payroll tax - as well as increasing government subsidies and simplifying the administration of apprenticeships. At the moment taking on apprentices is perceived as a burden not worthy of being embraced by a lot of employers, particularly in small and medium businesses. The proposed notion of imposing a training levy on all businesses would have catastrophic repercussions and it needs to be roundly dismissed. The minister mentioned the residential apprenticeships working group headed by Dale Alcock. I would like to think that the government will take on board and embrace the recommendations of that aspect of the task force. The creation of specialised residential apprenticeships with special residential requirements, with nominal two-year training and competency based - for example, bricklaying, paving, roof tiling and metal roof fixing - has real merit. In addition, the prospect of even more specialisation, such as separating carpentry and joinery into residential carpentry and residential joinery, is an extremely appealing prospect. This point has also been supported by a report from the Training Pathways project, a national steering committee consisting of representatives from the Australian Chamber of Commerce and Industry, the Housing Industry Association and the Master Builders Association, the purpose of which was to fundamentally identify what industry jobs will be required in the future and how best to structure entry level and career path training to meet existing and future skill needs. The report recommended the introduction and implementation of a limited number of priority qualifications and to use these as vehicles for the development and testing of appropriate quality systems. The priority qualifications nominated included bricklaying residential, carpentry, fixing, carpentry formwork, paving and roof and metal cladding. These changes would involve regulation change, not legislation change, and could be completed with considerable ease.

A major issue with regard to apprenticeships is the lack of incentives to take up apprenticeships in rural Western Australia. In large part this is due to the fact that there are limited institutions for the apprentices to fulfil the non-practical component of their training. I mentioned that earlier. The development of a more comprehensive user choice system, through the promotion of more extensive privately-registered training authorities, is certainly an option that needs to be considered and implemented. Skilled labour in rural and remote Western Australia is at a critically low level. In addition, no up-front assistance for travel or accommodation costs are provided for apprentices forced to make the journey to urban centres and they are able to recoup only a small percentage of those costs once their training is completed. Allowances must be provided to apprentices to go towards travel and accommodation expenses at the very least. I would like to think that the task force will come up with that recommendation; I would be surprised if it did not. Another area I am quite familiar with, having just left the teaching profession, is the image of apprenticeships. Again, this is an area that needs to be improved and embraced. There is a desperate need to update and modernise the image of this career path. The message needs to get through to our youth as they prepare to follow a pathway for their career choice that apprenticeships are a vibrant and rewarding alternative. Unfortunately, apprenticeships do not have a positive marketing image with contemporary youth. This is not surprising given the enormous level of resources directed into promoting university as the best career option. The promotion of apprenticeships requires modernising, with fresh direction for appeal to contemporary youth. The use of vibrant web sites and promotional tools within our secondary schools would certainly assist in this area. This promotional program should also be expanded to appeal to apprenticeships for females. As I said, after having recently left the education system, trying to encourage years 10 or 11 students to go into apprenticeships is a very difficult task. They do not see apprenticeships as an option at all. We need to address this issue and I would like to think that the recommendations will do exactly that.

These are just some of the suggestions that have been given to me during my consultations to overcome the shortages and I would like to think they will be embraced by the government. Like Hon Barry House, I will address the issue of the wages structure, and respond to recent remarks in this place about comments made by the Prime Minister. I nearly had a coronary when I heard during question time yesterday that the Prime Minister's proposal for apprentice and trainee wages set by the Australian Fair Pay Commission would slash apprenticeship wages. I could not support such a proposition.

Hon Graham Giffard: Are you going to go Independent?

Hon PETER COLLIER: I do not think that will happen.

The DEPUTY PRESIDENT (Hon Ken Travers): Order, members!

Hon PETER COLLIER: I am sure the Prime Minister did not say that. A federal government fact sheet on workplace relations reform and apprenticeships reads as follows -

Many state and federal awards currently contain provisions which either restrict or outlaw part-time or school-based apprenticeships.

The barriers are generally much more serious in the state industrial relations systems than under the federal system. Most of the state industrial relations systems provide little coverage for school-based apprenticeships, and only a small number of state awards provide for the employment of part-time apprentices.

A lack of appropriate wage provisions in awards and restrictions on the range and duration of apprenticeships are obstructing people from entering apprenticeships.

The Government has already announced its intention to create a single workplace relations framework which will reduce the red tape created by overlapping state and federal systems and reduce barriers to young Australians entering into skills development.

In relation to trainees and apprentices the Prime Minister announced that the workplace relations reform legislation will:

- Include a requirement that minimum wages for trainees be set by the Australian Fair Pay Commission (AFPC) at levels that ensure they are competitive in the labour market;
- Give the AFPC the discretion to establish separate minimum wages for all categories of trainees;
- Give the AFPC a general power to take any action in relation to wages that is necessary to ensure that the full range of apprenticeships and other training arrangements that are created by the training system will be covered by appropriate wages;
- Require the AFPC to establish minimum training wages for all types of apprenticeships that will operate wherever there are currently any gaps in state or federal award coverage;
- Remove any provision of an award that restricts the range of apprenticeships. This would include the removal of any provision that regulates or limits the duration of New Apprenticeships; and
- Include standard minimum wages for school-based traineeships and apprenticeships that will take effect immediately and be available for Australian Technical Colleges wherever awards do not already include such minima. The minimum wages will apply until the AFPC has been established and has set minimum wages that will fill the gaps in award coverage.

Nothing in that fact sheet indicates that the Prime Minister's proposal will cut or slash apprentices' wages. My heart is therefore in good nick. An article in the *Sydney Morning Herald* of 21 September reads -

Control over wages and conditions for almost 400,000 apprentices and trainees will be handed to a new national body and rules governing the length of apprenticeships scrapped under sweeping changes announced by the Federal Government.

Unions and state governments condemned the plans yesterday as a recipe for cutting pay and entitlements.

A new Australian Fair Pay Commission will set minimum wages for young workers which have traditionally been negotiated in awards and under state laws.

Hon Graham Giffard: "Negotiated". You mean arbitrated.

The DEPUTY PRESIDENT: Order, members! Hon Peter Collier is not inviting interjections, so members should not seek to interject on him.

Hon PETER COLLIER: I do not mind interjections but I am trying to complete my remarks to give Hon Graham Giffard the opportunity to speak. The article continues -

The Prime Minister, John Howard, said minimum wages would be set “at levels that ensure they are competitive in a labour market” but the Federal Opposition seized on these words as “code for slashing the wages of Australian apprentices”.

That is where it came from. To continue -

The legislation will strip existing award conditions deemed to “restrict” the range of apprenticeships - including award-imposed rules governing their duration and training content - and open the way for school-based and part-time apprenticeships.

It could pave the way for shorter and more narrowly focused apprenticeships than the traditional model of four years’ training in a trade.

I thought that was what we were supporting. To continue -

The Fair Pay Commission will have discretion to set separate minimum wages for all categories of trainees now covered by awards. But is not due to begin operation until late next year, so Mr Howard said the Government would legislate to set minimum pay levels to apply until then.

As I said, my confidence is restored. From that article I have established that the federal government’s reforms will not cut minimum and award wages for apprentices or trainees. The government’s claims that John Howard’s proposal will slash the wages of Australian apprentices is manifestly untrue. The Australian Fair Pay Commission is setting minimum wages. There is nothing to prevent employers offering higher wages to attract and keep apprentices. That is a real possibility. The new provisions for school-based apprentices’ and trainees’ wages will be contained in the legislation, which is based on existing award provisions that were agreed to by the Australian Council of Trade Unions, endorsed by the Australian Industrial Relations Commission and have been operating successfully for a number of years. The legislated wage provisions will apply any existing award wages only to school-based new apprentices; in other words, when there is a gap in federal and state awards. As I said, my heart is in good condition. I would like to think that, eventually, apprentices will get an increase in wages and that there will be more flexibility because that will increase productivity and, subsequently, wages. I would like that to happen.

I thoroughly endorse the motion moved by Hon Barry House. Unless the state government listens to the building and construction industries - the pertinent industry groups on this issue - the problems surrounding our skills shortage will not be resolved. I acknowledge that the government has initiated the Skills Formation Taskforce to tackle skill shortages. I also acknowledge that the government has initiated the Residential Industry Working Group, of which the chair is Dale Alcock, to support the task force. I am sure its recommendations will be very productive and positive. However, task forces and committees are only as effective as their recommendations, and recommendations are only as effective as their implementation. In endorsing the workings of these two groups, I seek confirmation from the Minister for Education and Training, and thereby the government, that it will accept and implement the recommendations of these two groups. Having consulted widely on this issue, I would be astounded if the recommendations did not include more flexible, competency-based apprenticeships; a more comprehensive role for private registered training organisations within the training sector; more incentives for employers to take up apprentices; more non-practical educational opportunities for rural apprentices; a more rigorous and dynamic campaign to attract new apprentices; and more incentives for skilled migrant workers to settle and work in Western Australia. The government will be judged harshly should it choose to ignore some or any of these recommendations, and its sincerity in seeking to resolve the shortage of skilled workers will be seriously questioned.

HON GRAHAM GIFFARD (North Metropolitan) [3.59 pm]: I too am delighted to see consensus on this motion among members of this house. I am delighted that members on the other side of the chamber have expressed reasonably positive views on training. That is in stark contrast to their attitudes during the previous four years, when they did not fire a shot on the issue. I commend members opposite for expressing their views - in some cases informed views - on training. If the graph that explicitly indicates the uptake of apprentices and trainees in the past few years has shamed members opposite into that, it is a useful outcome. I agree in principle with many of the recommendations that Hon Peter Collier identified from the various working parties and the reports. I have some sympathy for some of the issues and proposals raised, although we should be careful to not too readily make criticisms about fatal flaws in, for example, the Industrial Training Act 1975. I am very comfortable with and supportive of the notion of ongoing reviews of this matter, particularly in areas of training, which are constantly changing.

Hon Barry House: It involves technology, too.

Hon GRAHAM GIFFARD: That is right. Work practices are changing at a rapid rate, and that must be taken into account. Legislation that tries to cover that field can quite easily become obsolete very quickly. In principle, I support a review into and an update of the Industrial Training Act. Members must be careful about making sweeping criticisms of the Industrial Training Act. Opposition members criticised the four-year commitment employers must give to an apprentice. The employer and employee are asked to make that commitment. Yesterday the minister said that Western Australia continues to have disappointingly low completion rates among apprentices. People on both sides are making commitments that they are unable to meet some years down the track. The employer must then ask the State Training Board of Western Australia to terminate the contract, which is a quite involved bureaucratic process. If the employer does not do it properly by holding meetings and explaining to the board that there is not enough work to justify keeping the apprentice, the employer will find it difficult to register another employee as an apprentice. There is an obligation on the employer to go through that process. Those types of processes could be reviewed and updated. Although I encourage people to maintain and honour the commitments they make, employers should not be made to unnecessarily jump through hoops and hurdles to terminate an employer-employee agreement. I agree with the opposition that these matters must be reviewed; however I warn members to not make superficial criticisms.

Hon Peter Collier referred to the requirement for trades to include a four-year theoretical education. The member would like some flexibility in the competency-based training. I agree with him and have thought that for a long time. The community is now willing to forge ahead with these issues, whereas 10 years ago there was scepticism in the community and an unwillingness to push on with these things. The climate in the community today and among people in government has changed. People today are more prepared to advance some of these issues in different industries at different rates. I welcome that because it needs to be done.

Another point Hon Peter Collier raised was enabling apprentices to finish their apprenticeship more quickly. That is a corollary of the previous point, and I agree with it. The member talked about splitting trades such as carpentry and joinery. Some years ago there was a push in the work force for employees to be multiskilled. People got a ticket in this trade and a ticket in that trade to enhance their employment opportunities because the greater array of skills they had was supposed to make them a more employable commodity and be more useful to an employer. The downside to that program was although employees were multiskilled in several areas, they were only half-useful for a lot of things but were not particularly useful to another employer whose work force was configured differently. It is interesting to reflect on the multiskilling agenda and to hear people today talking about splitting up trades so that people can finish their apprenticeships more quickly. Rather than someone acquiring a trade as a carpenter and joiner, for instance, they would be qualified in either carpentry or joinery only. I do not know how to marry those two concepts, because they seem to me to be at odds. However, I understand the point that is being made. The splitting up of trades has been happening very slowly over time. When I worked in the trade union movement in 1992, one of the new trades in the plastering industry was a wall and ceiling fixer. That was a long time coming. Changes are being made to work practices and technologies. Just like every other system of work, the trade system must be flexible enough to respond to those changes. Perhaps in the past it has not been flexible enough and has been too slow. I support many of the recommendations that the opposition has identified.

Hon Barry House: There is a good case to be made for some credits to be granted to people who want to get a dual competency in trades that have many similar base skills, rather than having to start from scratch again.

Hon GRAHAM GIFFARD: Yes. That is what the traineeship system is modelled on. A person might study eight core modules to gain one traineeship and two extra modules to get a second traineeship. I think that is how it works and is what the member is alluding to. I accept many of the recommendations as good ideas. We cannot afford to sit around for the next 10 years talking about them as good ideas. We must advance some of those ideas. I note the minister's review, which is well placed to forge ahead with a review of training. However, I have serious concerns about the language of the federal government. Although members opposite might protest that the new industrial relations reforms do not mean that wages will be cut or that standards will be reduced, I am not convinced by any stretch of the imagination that that is not the case. The current system works on the basis of applying a minimum rate of awards. Apprentices are usually given a percentage of a tradesperson's rate as their basic salary. Their basic conditions are those that are usually contained in the minimum rates awards. Interestingly, the enterprise bargaining system that has galloped beyond the award system now places the award system very much as the system below which nobody should be paid. When I left the construction industry, the ordinary rate of pay in the standard industrial agreement was about 40 or 45 per cent higher than that which was provided for in the award. The minimum rates award that underpinned those agreements had become very much a minimum rates award, and by 2000 the industry standard was well ahead of the minimum rates. They are minimum rates awards, which means that they are the minimum rates that an employer can pay a worker. An employer can pay an employee more to work harder and smarter. That is entirely at the discretion of the parties to that relationship. A minimum rates award is just that: the employer is

not to pay below the minimum rate. An employer can choose to pay a young apprentice above the minimum award conditions because the employer has a good relationship with a terrific apprentice or because the employer does not want his apprentice to be poached or to cash out of the trade. Members have talked about the poor completion rates for apprenticeships. Many young apprentices are on pretty low money compared with the rest of the industry. Most subcontractors in the housing sector of the construction industry are happy to take second or third-year tradespeople if they show that they are any good and know what they are doing. They tell them that they are good enough and not to worry about their apprenticeship, and offer them a cash rate of a couple of hundred bucks a day. They are then bought out of their trade, and that is the problem. As apprentices, they were on low rates of pay and were bought out of the whole training system. Their training stops, they go on cash rates and that has resulted in a low rate of completion of trades in the industry. That is one of the major problems.

Hon Ed Dermer: I imagine that if they abandon their trade, it must be a dead-end for them at that stage.

Hon GRAHAM GIFFARD: That is certainly a problem. Hon Ed Dermer is right: a lot of them stay in the housing industry because they do not have a ticket. They cannot work on big construction sites in the mining sector where the really good money is or move through into managerial positions and the like because they do not have a ticket. There is no doubt that it holds them back. They get better money on the cash rate compared with the wages they get as apprentices. There are a lot of guys who have had a couple of years training in a trade who are working in the housing sector of the construction industry and who know what they are doing, but they are limited to doing that as they do not have the range of skills that allows them to launch their careers into other directions if they so desire.

I wonder, therefore, why the Prime Minister would say that he wants apprentices' wages to be more responsive to market conditions. Why would the commonwealth government want to change the model award system, which very much applies the minimum rate below which someone cannot be paid, and which enterprise bargaining agreements and Australian workplace agreements have galloped past in terms of rates paid to people in the industry nowadays? Employers have the capacity any day of the week to give workers \$100 a week extra. They can do that right now; there are no difficulties with that, as it is quite legal. They would probably get a harder and more committed worker if they did that. Therefore, why on earth would employers want to make apprentices' wages more responsive to market conditions when they can increase them or maintain them at the award rate under the current model? The only conclusion that I can come to, which is based on my view of John Howard's view of Australian workers, is that he wants to cut their wages. I say that because, if he wants to increase their wages or keep them the same, he can do it right now. The only change that I envisage John Howard wants to introduce into the system is the capacity to cut wages. I caution members that John Howard has not said that he wants to cut wages; he has said that he wants to make them responsive to market conditions. I am telling members that is code, pretty poor code, but code for cutting wages.

Hon Barry House: But he mentions in his speech that it's a workers' market at the moment, so there's no reason that workers can't command more.

Hon GRAHAM GIFFARD: Yes, it is a workers' market and there is no doubt that workers are getting better money than they would get under worse market conditions. However, the industry standard is significantly far ahead of most awards now, certainly in unionised areas. I suppose there are areas that are not industrially strong in terms of union activity in which the rates between standard enterprise bargaining agreements and awards are much closer. However, I am talking from my perspective and my experience, particularly of what happens in the construction industry, and I say that John Howard's remarks are a recipe for cutting wages. I recall reading some quite interesting research, which is quite appropriate to draw to members' attention, as we are now talking about a skills shortage. The research, into the fast-food industry, went along the lines that there were two cities in America next to each other bounded by a state border. In America, workers are on the minimum rate of pay, particularly those who work in the fast-food industry. One state increased its minimum pay rates to workers in fast-food outlets, whereas the adjoining state did not, so that its fast-food outlets maintained a lower minimum pay rate. One would think that the rules of economics would have resulted all of a sudden in the outlets with the lower rate of pay becoming more competitive, but they did not.

Debate interrupted, pursuant to sessional orders.

Sitting suspended from 4.15 to 4.30 pm