

ENERGY SKILLS QUEENSLAND RESPONSE TO SKILLS QUEENSLAND'S STRATEGIC PRIORITIES ISSUES

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PRIORITY 1

WORKING WITH INDUSTRY TO ADDRESS SKILLS NEEDS

Q 1.1 What are enterprises currently doing to meet their own needs for a highly skilled workforce?

Some enterprises continue to do little to meet their own needs for a highly skilled workforce.

Apprenticeships and Traineeships continue to be the mainstay for training in mature industry sectors such as the Electricity Supply, Power Generation, and Electrotechnology sectors.

However, in most cases, enterprises are undertaking a range of activities which include the following;

- Poaching skilled workers from other enterprises.
- Providing informal non accredited on-the-job training and supervision.
- Accredited training for existing workers at the Certificate IV level or above (the majority of this tends to be partially funded through Productivity Places Program or similar programs).
- Performance planning and development of staff.
- Participating in entry level training and employment programs to source semi-skilled entry level workers.
- Sourcing skilled workers from offshore

Industry continues to focus on the development of skill sets rather than full qualifications to meet a just-in-time skilling need.

Q 1.2 Building industry's workforce planning capability is a priority for Skills Queensland. How can Skills Queensland best help industry to plan for its current and future needs?

Skills Queensland can help industry to plan for its current and future needs by:

- Working with Industry Skills Bodies (ISBs) to develop detailed environmental scans, industry snapshots, workforce risk assessments etc. for each sector to develop a clear picture of the workforce supply and demand pressures and mismatches.
- Providing some assistance to improve the research capability of ISBs into identifying the current and future needs for the industry, through surveys and focus groups.
- Investing in quality data sets and data acquisition tools, and better access to existing data, to supplement workforce forecasting.
- Investing in a quality forecasting model, with academic underpinning, using the data-sets mentioned above.

This analysis should identify the key drivers of current and future skills demand and analyse current skills supply.

A list of high priority occupations and skill sets should be included in this analysis and some recommended strategies.

Q 1.3 To develop targeted strategies, Skills Queensland must have accurate knowledge of each industry sector and its specific needs. How can this best be achieved?

To achieve an accurate knowledge of each industry Skills Queensland needs to work with ISBs to establish a best practice mechanism for the development of environmental scans/industry snapshots/workforce risk assessments. A standardised template and format could make this process easier to compile.

Skills Queensland's Industry Portfolio Managers could then become Skills Queensland's resident experts in each sector with direct support from the ISBs.

Q 1.4 What is the role of government in workforce development?

The role of Government regarding workforce development is to create a policy framework to support the development and implementation of quality workforce development. This includes developing a framework for full contestability of training funds amongst RTOs so that industry has the capability to choose the RTO that best meets their needs, and any associated government contributions can be channelled towards the chosen RTO.

There may need to be some management of the training market particularly in 'thin market' areas to ensure that viable market share is available to support registered training organisations.

Government needs also to provide resources for workforce planning so that there is a clear understanding of the skilling priorities and possible shortages. The provision of resources for workforce development activity is also essential to stimulate activity and overcome aspects of market failure.

Governments need to provide support for specific target cohorts' e.g. long term unemployed, indigenous, migrants, etc, to assist them to develop appropriate skills to gain entry into employment.

Governments also need to ensure that skilled migration policies comply with the skill needs of Australia's industries. The skilled migration processes

needs to be streamline to ensure it is accessible by industry and can achieve a just-in-time solution to workforce issues.

The current Queensland Government Skilled Sponsored (Migrant) Visa (Subclass 176) Eligible List does not include any of the identified trade occupations in demand as identified in ESQ's workforce plans for the CSG to LNG industry and annual skills report. ESQ is of the belief that this needs to be rectified.

Q 1.5 Skills Queensland is examining the potential to build on its existing engagement approaches through an 'enterprise approach' model. The model is based on a more targeted approach to enterprise engagement and workforce planning to guide Skills Queensland's future priorities (both for investment and for organisational focus). What is your view on the concept of refocusing Skills Queensland's activities to an enterprise approach to workforce development?

ESQ is supportive of an enterprise based model for workforce development as this is the best methodology to use in order to develop specific strategies to meet individual enterprise needs. Enterprises operating within a specific industry sector will likely have similar skilling issues, however based upon where the enterprise is located, and a range of other factors such as growth, existing workforce skills versus required workforce skills, current and future contracts, etc will have a major impact upon the specific needs of each enterprise. A workforce development strategy that addresses all skilling needs from entry level to professional level is required for current and future workers.

It is also important to identify possible industry wide workforce development strategies that can address specific occupation or skill set shortages. In some cases, it can be much more effective to work with a number of enterprises with similar skilling needs and implement a strategy that includes these enterprises as active participants.

Q 1.6 The resources sector has been identified as an immediate priority for Skills Queensland. How should Skills Queensland approach this task?

Skills Queensland should work with relevant ISBs and enterprises to identify the critical skills and occupations that will be in shortage and develop collaborative strategies to build the supply of these skills.

These strategies may need to focus on “restocking” skills from related industry sectors such as energy, telecommunications, manufacturing, construction, etc, as these sectors will likely be targets for resource companies seeking appropriately skilled workers.

There will likely be a significant shortfall in the availability of technical trainers with the required specialist skills. A strategy needs to be developed to attract suitably skilled specialists into training roles. This may require targeting these specialists from offshore in some cases.

Q 1.7 What other industry sectors require urgent intervention strategies and why?

ESQ would argue that the energy and telecommunications industry sectors require urgent intervention strategies. The CSG to LNG industry will create up to 18,000 new jobs in Queensland, many in critical occupational groups (engineers, technicians, tradespeople and operators) that are already experiencing skill shortages.

The construction and operation of the National Broadband Network will create up to 25,000 new jobs across Australia in similar critical occupational groups. This industry will also require urgent intervention.

Significant capital and operational expenditure to build and maintain Queensland’s electricity transmission and distribution networks will create significant demand for electrical workers and engineers.

As the Carbon Tax directs greater investment in the sustainable energy sector, the subsequent demand for skilled workers will also increase.

The education and training industry also requires urgent intervention strategies. Increasingly there is a major shortage of specialist technical trainers. Growth in the industry is exacerbating this issue as increased competition for skills continues to attract technical trainers back into industry reducing the capacity and capability of training providers.

Q 1.8 What other workforce development approaches could be considered?

Other workforce development approaches that could be considered include:

- Strategies are urgently needed to reduce the wastage within the apprenticeship systems. To achieve this, enterprises need improved methods to recruit, select, induct and orientate apprentices to ensure the most suitable candidates are selected into the industry and then suitably orientated and inducted into the role of an apprentice. Mentoring support is essential to maximise retention of apprentices particularly in the early stages of an apprenticeship.
- Strategies are needed to target high unemployment regions in Queensland and to provide work readiness training and then placement into suitable employment. This could result in these participants being employed within regional Queensland where unemployment is low on a drive-in–drive-out basis.
- Target mature age skilled tradespeople and technicians to attract them into education and training roles in order to combat the reduction in training capacity due to the loss of specialist trainers.
- There is also a need to implement programs aimed at overcoming some of the fundamental barriers to employment such as language, literacy & numeracy and lack of employability skills. This may also include basic skills such as driver’s licences etc

Q 1.9 What is the best way to engage small business?

The best way to engage small business is via face to face engagement through the Industry Skills Bodies. ISBs currently work with a large number of SMEs as well as large companies through their various industry engagement strategies and skills committees.

ISBs can link up small businesses and facilitate workforce development strategies that can be delivered to a number of small to medium enterprises, i.e. an ISB could identify 20 small enterprises that all have similar skilling issues. The ISB could work with these companies to develop a strategy that could be used across all 20 companies. One or more RTOs could be contracted to deliver training. The ISB would facilitate and manage the interface between the small business and the RTO and other associated organisations. The ISB could also develop funding submissions to access some resources to contribute to the cost of the workforce development activity.

A regional engagement strategy is also needed to ensure that small businesses in regional Queensland can be effectively represented.

PRIORITY 2

MEETING THE NEEDS OF QUEENSLAND'S RESOURCES SECTOR

Q 2.1 How should Skills Queensland facilitate workforce development activities for the resources sector?

Skills Queensland can work directly with resource enterprises to facilitate workforce development activities, or it can delegate this task to relevant ISBs. Skills Queensland will want some “direct line of sight” projects with major proponents, so presumably these are the ones that Skills Queensland should facilitate directly with the resource enterprises. However, where there is not a requirement for this “direct line of sight” relationship it may be more appropriate to leave the facilitation process to the ISB to work directly with the enterprises.

Skills Queensland should be involved in assisting with providing suitable contributions towards resourcing workforce development activities. This can be achieved through the Strategic Investment Fund or the National Workforce Development Fund.

In many cases, a relationship may have already developed between a RTO and a resource enterprise. Where this has occurred, Skills Queensland should encourage this relationship to continue as often this can result in excellent outcomes. The ISB may become involved to provide a broader workforce development approach to the potential solutions, whereas RTOs tend to solve issues with a training solution wherever possible.

Q 2.2 What specific strategies are needed to address workforce development for each of the regional ‘hot spots’?

There are many workforce development strategies to address ‘hot spots’. However, ESQ believes that strategies addressing the following critical skills should be considered high on the agenda:

- Electrical and Instrumentation and Control Dual Tradesperson
- Automation Technician
- High Voltage Technician
- Powerline Tradesperson
- NBN Skills

ESQ is currently working on a number of strategies to cross-train existing electrical tradespeople into some of these specialist occupations, e.g. electrician to instrumentation dual trade, electrician to lineworker, NBN skills for regional electrical contractors, etc.

The capacity and capability of regional RTOs needs to be built to cater for the specialist skill requirements of local industry.

Strategies such as the Gladstone Workforce Skilling Strategy are important to maximise employment opportunities for local people. Such programs work with local unemployed and under employed people and provide them with relevant vocational and employability skills to enable them to gain entry to these growth sectors. Industry Engagement Consultants work with local employers to connect these participants with jobs and further training.

Up-skilling semi-skilled workers into trades and back filling these roles with entry level workers may also be a possible solution.

Q 2.3 In your industry sector, what are the specific issues that are impacting on your ability to attract workers?

There remains a lack of understanding of the various industry sectors within the energy and telecommunications industries by most average Queenslanders. For example, few Queenslanders only understand the negative aspects of energy i.e. the Coal Seam Gas wells and its potential impact on ground water; coal fired power stations and their associated carbon pollution. There needs to be a better understanding of the positive impacts of the energy and telecommunications sectors combined with the excellent career paths, and the education & training opportunities available within this vibrant industry.

Many of the new jobs within the energy industry are occurring within regional Queensland e.g. Surat and Bowen Basins as well as Gladstone.

These regions already have low unemployment ($\leftarrow 3\%$). This makes it more difficult to attract new workers to these industries within these regions. The mining industry's strategy to attract workers is to pay above market wage rates and is therefore highly competitive in the labour market. This creates upward pressure on wages adding to the difficulty in attracting workers to non-mining sectors.

Potential new entrants need access to quality information and advice regarding the various careers and training pathways available.

Pre-employment training can also greatly assist potential new entrants to gain the necessary fundamental skills required to enter the energy industry.

Q 2.4 In your industry sector, what are the issues inhibiting employment of the local workforce?

Issues inhibiting employment of the local workforce include:

- Lack of recognised/licensed skills of local workforce to effectively secure skilled roles.
- Lack of available labour within local workforce (i.e. unemployment $\leftarrow 3\%$). Therefore, local workers must be "poached" from local employers. This causes relationship issues with established local employers as well as reducing capability of local business and reduced economic output.
- Many energy companies have clearly stated that in some cases agricultural workers in the regions do not have the safety and compliance culture required to work effectively in the energy industry. This potentially rules out a significant percentage of the skilled and motivated workforce within these regional centres.
- Lack of foundation skills specifically for indigenous and migrant communities, specifically language, literacy and numeracy as well as higher level mathematics and science skills required for electrotechnology apprenticeships.
- Many energy companies require workers to have a HR drivers licence. This is particularly prevalent within the Coal Seam Gas Industry. State Government regulations that require that an open manual drivers' licence be held for two years prior to undertaking a HR test can be a barrier for attracting new entrants.

Q 2.5 How can employment programs be refocused to consider the unique needs of the resources sector?

Employment programs can be re-focused to consider the unique needs of the resources sector by:

- Focussing programs in regions with relative high unemployment.
- Providing participants with employability, vocational and health, safety and environment skills relevant to the resources industry.
- Using a strict industry accepted selection process for participants to ensure participants meet the basic requirements of the industry. This may also include a medical to determine physical capabilities and identifying any issues with drugs and alcohol.
- Participants will need to commit to being willing and able to travel to where the jobs are once they have completed their pre-employment training.
- Employment programs can also be tailored to backfill jobs that have been vacated by experienced, skilled and semi-skilled workers that have been poached by the resources sector. In many cases, this may be a better fit for unemployed entry level workers.
- Developing an energy work preparation program to provide potential new entrants with the essential basic skills to gain entry into the industry.
- Mentoring support is also useful to increase retention of new entrants.

Q 2.6 How can skilled migration best be used to supplement an effective workforce development strategy?

Skilled migration needs to be used to supplement a skilled workforce where skills are currently not available in Australia's labour market and it would take too long to develop these specialist skills locally.

Skilled migration should not be used to replace skilled workers that are currently available in Australia's labour market or could easily be developed within a reasonable timeframe.

Skilled migrants need to be integrated with Australian workers to encourage "skill transfer" to occur in order to enable local workers to develop these specialist skills.

Skilled specialist trainers need to be targeted to supplement the education and training workforce, particularly in areas such as; CSG Drilling, process plant operations.

Review the QLD Government sponsored list of high priority occupations. The current Queensland Government Skilled Sponsored (Migrant) Visa (Subclass 176) Eligible List does not include any of the identified trade occupations in demand as identified in ESQ's workforce plans for the CSG to LNG industry and annual skills report. ESQ is of the belief that this needs to be rectified.

Q 2.7 What are the specific circumstances or principles for using skilled migration or fly-in/fly-out workforce strategies should be used?

Skilled Migration

Skilled migration should ideally be used as a last resort, i.e. when the required specialist skills are not available in Australia in the quantities required and it would take too long to develop these skills locally.

Fly-in/fly-out

Fly-in/Fly-out workforce strategies are more suited to the construction phases of projects rather than operations as during the construction phase there needs to be a large cohort of workers coming into the region for a short term to undertake the construction process. Once this phase is completed these workers then tend to move on to the next construction job. It is therefore often more efficient to bring workers in and house them in temporary housing for this period. This model requires much less infrastructure to be established as workers are only living in the region while they are rostered on the job and are often working 12 hours per day with little requirement for external services, entertainment, etc. This model causes less inflationary pressures on the region which is often detrimental to the local economy.

The operations phase obviously requires a more permanent solution and is more suited to establishing a local workforce that moves into the region on a long term basis. This requires the establishment of associated infrastructure to support this population. In some cases, it may be very difficult to attract some specialist skilled workers to re-locate to some of the regional centres. Where this occurs, a FIFO approach may be the only way to secure these skills in these regions.

Q 2.8 What alternative skills development pathways could be used by the resources sector to 'fast-track' the skills needed in the short and medium term?

There are a number of potential strategies that could be developed to fast track the development of some of the specialist skills required. From an energy related perspective, ESQ has identified the following critical occupational groups that will likely be in shortage as a consequence of the energy and resources boom:

- Electrical Fitter Mechanic – Hazardous Areas
- Electrical and Instrumentation & Control Dual Tradespeople
- Automation Technicians
- Electrician Special Class – High Voltage
- Lineworkers

These specialist skills can be developed in a relatively short period by targeting existing licensed electrical workers and putting them through intensive post trade training combined with relevant on-the-job training and experience to build these specialist skills.

ESQ is currently working on a number of strategies to cross train existing electrical tradespeople into some of these specialist occupations, e.g. electrician to instrumentation dual trade, electrician to lineworker, NBN skills for regional electrical contractors, etc.

Other critical occupational groups include;

- Coded Welders
- Compressor Fitters
- Type B Gas Appliance Fitters
- Maintenance Technicians
- Plant Operators

Similar to the example above, existing tradespeople can be targeted and upskilled in the specialist skills required and placed into relevant employment to complete their on-the-job training.

These strategies will likely place greater pressure upon the existing skill base within these targeted trades, so a parallel strategy will need to be in place to increase the number of apprentices being trained within these base trades. This can be achieved by effective pre-apprenticeship programs that select the most suitable candidates and provide them with high level skills prior to commencing their apprenticeship

and then actively placing these students into employment as an apprentice. In many cases, the higher quality candidates will be more attractive to potential employers increasing the number of commencements as well as enabling these apprentices to complete their apprenticeship faster. Mature workers with relevant skills could be targeted to complete apprenticeships in shorter timeframes where possible.

Q 2.9 What specific strategies can be used to identify and address supply chain impacts brought about by expansion of the resources sector?

Strategies to address supply chain impacts:

- Programs designed to backfill poached workers from supply chain.
- Improve support services to aid the supply chain's ability to attract and retain workers. This may include support for affordable housing, child care, health care and education in these regional centres.
- There may be a need to undertake more specific research and workforce planning to identify and understand the skill needs within the supply chain.
- One of the major barriers to employers seeking to upskill their existing workforce is a perceived greater propensity of these higher skilled workers to leave the employer for a higher paid position. To minimise this, effective retention strategies need to be put in place e.g. regular performance and salary reviews that link productivity and skills to remuneration.

Q 2.10 What specific strategies could be used to assist small to medium sized enterprises, where there is potentially less capacity to undertake workforce development and planning and limited resources?

ESQ is of the opinion that ISBs can play a critical role here to link up a number of SMEs who may be experiencing similar skilling issues and work as a facilitator and broker to assist in workforce planning and workforce development activities. The ISB would connect up the SMEs to identify the workforce issues through basic workforce planning techniques. This work could be done on a consultancy basis and the cost defrayed across all of the participating SMEs. The SMEs and the ISB would then identify suitable workforce development activities to build the identified skills. The ISB would then link the SMEs up with suitable RTOs, recruitment agencies, etc and would seek to obtain available funding that could be used to contribute to the cost of the implementation of the workforce development activities.

PRIORITY 3

ENHANCING QUEENSLAND'S TRADE TRAINING SYSTEM AND PREPARATORY TRAINING TO IMPROVE SKILLS OUTCOMES

Q 3.1 Are changes needed to the apprenticeship pathway? If so, what changes are needed?

Changes to the existing apprenticeship pathway are definitely needed if we are to meet the emerging demand for skills driven by the energy and resources boom in Queensland and Western Australia. However, the desire for change needs to be tempered with the harsh reality of what can realistically be achieved within the constraints and conservative views of many key industry stakeholders.

With these constraints in mind, ESQ is keen to provide leadership in the reform of the apprenticeship system and seek to push these constraints to their limits where possible. Changes that are needed to the apprenticeship pathway include the following:

- A true commitment to competency based progression.
- Flexible arrangements for mature age and skilled migrants to complete apprenticeships in an accelerated mode.
- Ability for a greater proportion of training to be delivered in an institutional pre-employment context (including appropriate structured workplace learning components). Such a program must have a real impact upon reducing the term of the apprenticeship.
- Case management and mentoring for apprentices (similar to a Group Training approach) for all mainstream apprentices and trainees. Research demonstrates that this will improve retention rates as well as productivity of apprentices.
- Greater incentive and/or encouragement for employers to employ apprentices. There are still many enterprises and industry sectors that do not “pull their weight” regarding training of tomorrow’s tradespeople. Employers need to establish a viable business case to employ apprentices. Strategies need to be developed to assist in making the business decision to employ an apprentice an easier one.
- Current funding arrangements where RTOs are paid entirely on outcomes makes the business of apprenticeship training extremely unattractive to new entrants impacting upon choice and competitive forces within this market.
- Existing RTOs experiencing cash flow problems due to the significant time lag between training activity and payment. The electrotechnology training package is probably the worst package for this issue.
- Cadetship pathways for professional and para-professional occupations should be explored (see ESQ’s proposed model for Engineers below).
- Improved and more efficient systems for gathering workplace evidence are required. A modified version of the eProfiling system could possibly be used as a basis for gathering workplace evidence for other trades.

Q 3.2 How can apprenticeship intakes be increased? What incentives or changes are required?

Apprenticeship intakes can be increased by implementing the following:

- Implementing “best practice” pre-apprenticeship programs that recruit and select the most suitable candidates available. This would provide high quality skills and employability training integrated with structured workplace learning combined with reverse marketing of candidates into employment. This would also create productive and skilled apprentices that will instantly be able to make money for a potential employer from their first day of employment.
- Promote the need and benefits of employing apprentices to employers, i.e. employers need to have an improved understanding of the projected future skill shortage and the need to “grow your own” skills rather than the traditional approach of poaching skilled workers from other employers. It will likely become much more difficult to poach skilled workers in the future unless above average salaries are on offer.
- Minimising attrition rates of apprentices by:
 - Encouraging SMEs to use suitable recruitment and selection processes to ensure the most suitable candidate are selected for apprenticeships
 - Providing appropriate orientation and induction programs for new apprentices to ensure they possess an understanding of their role responsibilities, health and safety, as well as acceptable work performance etc.
 - Providing on-going mentoring and performance management to ensure the apprentice continues to perform at a suitable level, as well as resolving any issues before they become potential problems.
- Targeting mature age workers who possess relevant skills that wish to become apprentices. This would increase the range of suitable candidate for apprenticeships. Mature age workers often have the ability of completing an apprenticeship in less than the average term of three years and six months with associated Recognition of Prior Learning (RPL).
- Financial incentives may make it more attractive to employ apprentices for some employers. However, to make any significant impact these incentives would need to be much more than the normal amount of approximately \$4000 to have any discernable effect.
- Improve productivity of apprentices in the early years (Year 1 and 2) is the key to making the employment of apprentices more attractive. Most employers perceive that the average apprentice does not begin to contribute to a business’s bottom line until they have finished their second year. If apprentices were productive earlier in their apprenticeship there would be an increased incentive to employ them. To achieve this, improved recruitment, selection, induction, orientation, supervision and leadership is required.
- Quality pre-employment training will also contribute to improved productivity in the early stages of an apprenticeship.
- Enterprises need to develop a training and development culture similar to their health & safety culture.

Q 3.3 Should new skills development models be examined?

There needs to be a greater focus upon identifying the essential tasks that early stage apprentices commonly undertake. These tasks should be the focus of early skills development to ensure that apprentices can efficiently and effectively complete these essential common tasks as early as possible in their apprenticeship. This may help apprentices' productivity during these early stages. For example, higher level theory should be delivered later, on a just-in-time basis when the apprentice is more likely to be able to put these higher level theoretical skills into practice. Pre-apprenticeship programs should focus on developing proficiency in these essential tasks undertaken by early stage apprentices.

Q 3.4 How can industry and Skills Queensland best collaborate to improve the training culture in organisations?

Organisations need a better understanding of the potential shortage of key skills that will likely to occur over the next five years. A clear understanding of these challenges will hopefully motivate these organisations to develop a much improved internal training and workforce development culture, particularly in the critical occupations.

ESQ is already working throughout industry with forums, committees, conferences and workshops in an attempt to impact upon organisations training culture. However, key decision makers need to commit to change in order for real cultural change to occur.

ESQ believes that a high profile, but exclusive, skills forum needs to be facilitated to target major decision makers (CEOs, VPs, etc) from key resource and energy companies. The forum should clearly outline some of the major skill shortages that are expected in Queensland over the next five years and work with these key decision makers to develop suitable workforce development strategies to resolve these shortages. If key decision makers can commit to implementing these strategies cultural change within the organisations may occur. The event could be sponsored by Skills Queensland and perhaps hosted by the Minister for Employment, Skills and Mining,

ESQ advocated through its submission to the NRSET that resources companies be required to provide a workforce impact statement using a standard template to outline the workforce needs of projects (\$40 million+) at the same time as they apply to the relevant state or territory government for project approval. Companies should then provide the relevant state or territory government with more detailed workforce information at the time of the Final Investment Decision, prior to the construction of the project and before project commences operations. This information should include proposed sources of labour and training plans. The NRSET included this in their final recommendations.

Q 3.5 How can preparatory training be improved to complement the apprenticeship pathway, and provide effective transitions for young people to enter the labour market?

Energy Skills Queensland has always been in favour of pre-apprenticeship training initiatives. With some modifications, these programs can provide an effective pathway into the trades within the energy industry. ESQ's research indicates that many employers are concerned by the lack of core foundation skills and knowledge of many school leavers.

Skills Queensland with support from the Industry Skills Bodies should work together to have VET programs delivered in schools which are more aligned to the foundation skills and knowledge that is needed within industry. Skills Queensland should facilitate discussions with the Queensland Studies Authority to bring about change to the curriculum taught within the vocational pathway of the senior years of high school.

Program must also be supported with proper informed and knowledgeable career guidance following aptitude and attitude testing. Energy Skills Queensland research has shown that apprenticeship and traineeship cancellations have a direct linkage to the poor selection and testing of apprentices upon employment. This foundation approach is currently being investigated through a review of the employability skills by DEEWR through the Ithaca Group.

The core knowledge and skills gained from undertaking such listed competencies provides the student with a better opportunity for a successful apprenticeship/traineeship outcome. The inclusion of post program placement support and mentoring is required to ensure that the apprentice or trainee makes a successful transition into a full-time apprenticeship or traineeship.

Q 3.6 How can we improve completion rates?

- Encouraging SMEs to use suitable recruitment and selection processes to ensure the most suitable candidate are selected for apprenticeships.
- Providing appropriate orientation and induction programs for new apprentices to ensure they possess an understanding of their role responsibilities, health and safety, as well as acceptable work performance etc.
- Providing on-going mentoring and performance management to ensure the apprentice continues to perform at a suitable level as well as resolving any issues before they combine potential problems.

ESQ'S PROPOSED 'GROUP TRAINING' CADETSHIP MODEL FOR ENGINEERS

This strategy would operate similar to a group apprenticeship model where ESQ, or similar enterprise, employs 3rd and 4th year engineering students and host them out to relevant enterprises seeking to build their professional engineering workforce.

ESQ would charge these enterprises an hourly rate and the host employer would put them to work as an assistant engineer or para-professional role. The students would work part-time (15-20 hours per week) and study part-time to complete their degree.

ESQ believes that there may be a demand for this model from both employers and engineering students seeking to secure part-time employment during the last two years of a degree.

This model would allow the employer to provide some on-the-job training and paid work to the engineering student while they are still completing their degree, ensuring that when they graduate they quickly become productive within the enterprise. The employer would also have time to assess the students' suitability and would presumably have first option to employ the graduate engineer.

The program would be attractive to engineering students as they would be working as a cadet engineer and would not need to have a part-time job in an unrelated field (e.g. hospitality or retail) to subsidise their lifestyle while at University. This would enable the program to attract high quality candidates that could then be 'reverse marketed' to potential employers. An hourly charge out rate would be charged to the employer similar to existing group training arrangements.

The model would need some seed funding (from either an internal or external source) to bring the model to market, once the business plan was completed and commitment from a critical mass of industry was achieved.

PRIORITY 4

TRANSFORMING VET INVESTMENT

Q 4.1 How can Skills Queensland facilitate greater co-investment from all stakeholders?

Skills Queensland needs to move to a model of limiting the contribution to the costs of priority workforce development activity to a maximum of 50%. This will ensure that industry also contributes to the cost of these activities. ESQ has been able to achieve this outcome throughout the delivery of the CSG/LNG Industry Training Program. In this case, Government funding has been confined to a maximum of 50%.

Ensuring that industry contributes 50% or more to the activity will ensure that the enterprises engage much more actively in the workforce development activity. ESQ has found that when enterprises are funding 50% or more they take a greater interest in what is occurring and the associated skilling outcomes. This tends to make these activities more industry driven and outcomes focused.

Q 4.2 What incentives or improvements would be needed to encourage more employers to use accredited training?

Government contributions to the cost of accredited training can significantly stimulate activity. ESQ's experience with both the Productivity Places Program and the CSG/LNG Training Fund have demonstrated that a Government contribution to the costs will make accredited training much more attractive to employers.

The ability to establish a mechanism that can rapidly respond to employer needs is also necessary to stimulate activity. Brokerage arrangements with the flexibility to respond quickly to training demand have been very successful in a significant increase in the participation of existing workers in accredited training activity.

Q 4.3 What approaches are needed to accredit the training that employers are currently using for their existing workforce?

Non-accredited training activity can often be mapped back to relevant units of competency so that the same training outcome can be achieved within an accredited program.

Non-accredited training occurs because enterprises cannot access the accredited training they need. Partnerships need to occur between enterprises and RTOs to map non-accredited training to units of competency, develop compliant assessment instruments and then deliver and assess the training in accordance with the AQTF, etc. The RTO can manage the compliance issues and the enterprise trainers can deliver the training. The outcome is accredited training designed and delivered to meet the specific need of the enterprise.

Other reasons why non-accredited training occurs is due to the fact that enterprises do not want their workers having to go off-site for extended periods to undertake a formal training program.

RTOs and enterprises need to work together to develop flexible training delivery and assessment models that allow training and assessment activities to occur in the workplace to minimise the negative impact upon productivity.

Q 4.4 How can Skills Queensland and industry increase investment from individuals?

In many cases, individuals will consider contributing to the cost of their own training and development. Skills Queensland needs to allow individuals as well as enterprises to be able to make these contributions to their training.

Enterprise based models are not always the most suitable way to deliver training targeting individuals as often individuals are undertaking training so that they can move into a higher level role which may not necessarily be with their current employer or to change careers completely.

To overcome this problem, 'single subscriber' programs need to be established in priority skills sets to cater for these individuals. These programs would generally need to be delivered outside normal working hours.

Increased access to Fee Help for all RTOs in Queensland is also an obvious way to increase the contributions from individuals. Overcoming the current existing barriers for TAFE Institutes in Queensland to access this program needs to be addressed as soon as possible.

Q 4.5 How can industry have a more prominent role in setting the parameters for a new funding model?

As mentioned above the current funding model is fundamentally flawed. Current funding arrangements where RTOs are paid entirely on outcomes makes the business of training extremely unattractive to new entrants impacting upon choice and competitive forces within this market. Existing RTOs experience significant cash flow problems due to the significant time lag between training activity and payment.

The electrotechnology training package is probably the worst package for this issue, particularly at the certificate III level, making apprenticeship training extremely unattractive to commercially driven RTOs.

Industry needs to be consulted in the development of new funding models and industry needs to be made

aware of the implications of current funding models and the behaviours they will drive among RTOs. Perhaps there is a role for ISBs in this process as a potential 'neutral' stakeholder representing the interests of their associated industry in order to develop funding models that work for both industry, RTOs and Governments.

Q 4.6 What is industry's view on the key principles for a new funding model?

Industry want access to Government contributions for training and workforce development activity, but also want greater choice to be able to choose which RTO they use to deliver and assess the training.

Funding needs to be available for training and workforce development activities as training is often only a part of the required solution.

Funding needs to be available at short notice to resolve workforce issues on a just-in-time approach. Funding that is only available at a certain time of the year when agencies are seeking proposals does not meet the needs of industry. There needs to be a more flexible approach to distributing funding when and where it is needed. Brokerage arrangement such as the Productivity Places Program worked well to achieve this outcome.

Q 4.7 In determining a new funding model, what is industry's view on how the state's community service obligations should be met?

Generally, industry believes that the Government has an obligation to provide all Queenslanders with basic education and training so that they can be productive members of the community and gain employment in a suitable occupation. This may mean that individuals are entitled to fully funded training to perhaps the Certificate III level. This will provide most people with a suitable qualification to source a satisfactory job.

Perhaps further education and training above this level requires a contribution from the individual or employer as it will be either the individual or employer who gains most from further education and training.

Q 4.8 What does the term 'entitlement' mean to stakeholders?

"Entitlement" means that all Australians have a right to a basic level of education and training that is government subsidised, to enable them to become productive members of the community.

The provision of a basic level of education and training to facilitate productive employment is a benefit to the individual as well as society as a whole. It can therefore be justified that governments should have a role in supporting this basic level of education and training.



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