

# CORRECTED VERSION

## RURAL AND REGIONAL SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into retaining young people in rural towns and communities

Dunkeld — 16 May 2006

#### Members

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#### Witness

Mr M. Coverdale, chief executive officer, Westvic Work Force (affirmed)

**The CHAIR** — Under the powers conferred on this committee by the Constitution Act and the Parliamentary Committees Act, this committee is empowered to take all evidence at these hearings on oath or affirmation. I wish to advise that all evidence taken by this committee, including submissions, is, under the provisions of the Constitution Act and the Parliamentary Committees Act, granted immunity from judicial review. Any comments made outside the committee's hearing are not protected by parliamentary privilege.

Before we begin, could you take an oath or affirmation, then please give us your name and address, the name of the organisation you are representing and your position within that organisation?

**Mr COVERDALE** — Miles Coverdale is my name. I am CEO of the Westvic Work Force, which originally was a group training company established in 1984 in the Warrnambool area — or Camperdown initially — and now covering all of western Victoria. Its focus originally was on the expansion of apprenticeships and traineeships throughout the region. I am speaking from my position as a promoter of apprenticeships and traineeships, so I will narrow my comments to that particular area rather than other social issues that might be relevant for young people in regional centres.

The first point to make would be that retention of young people in regional centres would certainly be influenced substantially by the availability of suitable employment. In our particular region I have gathered information from the South West LLEN environmental scan, which indicates that we have an unusually large number of low-skilled young people in employment and above-average numbers of young people who are ending school and going into positions that do not involve further training. We have an issue here in that we have a large number of people who are not going on at the completion of school into skilled areas. That is a positive in some respects, because western Victoria is about to take part in a fairly large number of projects that will develop the infrastructure across a range of fields of endeavour, so there is a potential significant skills shortage which will grow. There is the potential out there to attract young people into skilled positions and to provide training for them.

Across the region, just to give you a picture, there are about 2000 young people — and older people for that matter — who are signed up for apprenticeships and traineeships, and about 12 per cent of them will be existing workers. One of the very positive things about western Victoria is that we have continued to expand apprenticeship and traineeship training. It has been one of the strong areas for the whole of Victoria. When I started about 20 years ago, there were about 1000 young people engaged in apprenticeships and traineeships, and now we have doubled that number, so I think that is a very positive thing.

The picture for apprenticeships and traineeships is multifaceted. When I started years ago you could expect to get 20 or 30 applications for a single position. That certainly has changed in recent years. There are many more employment opportunities and options available, and we would be lucky to see two or three young people in some instances apply even for trades that were popular some years back in, say, plumbing or construction — but there is still growth.

That is a general picture of where we are. In my presentation I wanted to focus on the area of school-based new apprenticeships and traineeships. I think they are becoming a very important means of linking young people to skilled employment opportunities in local regions, and improving the retention of skills in local regions. It is very much an untapped area and underdeveloped at this stage of the game, but I think they are a significant part of the answer to not only engagement of young people but offsetting skills shortages.

There is another important factor. Recently I attended a seminar where one of the guest speakers was from the Smith Family and had been doing some research into transition of young people into employment from school. Of course that organisation tended to focus on young people at risk, but some of their findings indicated that young people at risk who were engaged in paid employment during the course of their education stood a much better chance of making a positive transition into ongoing and full-time employment, as opposed perhaps to the concept of young people going straight into VET programs that are linked very closely to school. I guess the thought behind that is if a young person is engaged in paid employment, they have got to achieve certain standards of performance because they are being paid. That is an interesting point because it aligns very nicely with school-based new apprenticeships, which of course are a form of paid employment and skill development.

As of December 2005 there were about 298 young people undertaking SBNAs — that is our figure; it could be corrected, but I believe it is reasonably accurate. Of those only 92 were undertaking programs related to trade school-based new apprenticeships. So it is quite a small cohort of young people who are engaged in trade-related

school-based new apprenticeships — in other words, 30 per cent. Those areas were agriculture, engineering, automotive and general construction. Interestingly, while full-time apprenticeships in the rural sector — in certificate II in agriculture, for instance — have been on the decline, we see that in SBNAs there has been a reasonably good take-up of agriculture-related training opportunities. I do not have the actual figures, but of the 92 trade-based, something like 30 or 40 young people were doing it in ag, so that is quite a significant bit of information. Also of note is that Westvic employed 33 per cent of all SBNAs in the region — of the 298 — and about 65 per cent of all trade-based school-based new apprenticeships.

Another interesting little point to note in relation to SBNAs is the growing number of young women undertaking trade-based programs through school-based new apprenticeships. I guess I am saying that SBNAs are one key that should be considered by the state government. I know that the state government is very concerned and interested, and in the past has supported the growth of SBNAs and will continue to do so, but one of the programs conducted over the last three years — the school-based new apprenticeship development program — did end its funding in December of last year after three years. It appeared that the targets had been reached — and they had been essentially numerical targets.

I guess the issue is that as far as SBNA growth and development is concerned a lot more work has to be done in terms of benchmarking and engaging all of the stakeholders. One of the differences about SBNAs is that fact that they require a number of stakeholders to be engaged, from schools to young people to employers and to parents. It is not an easy task to get successful outcomes with so many stakeholders engaged. I guess what I am saying is that I think it would be valuable for the state government to invest some more resources into benchmarking best practice in engaging these stakeholders.

From my perspective, SBNAs could provide a strong means of maintaining young people in local communities and broadening local skill bases of the community generally, but I think they are still a bit of a secret. They are not that widely known in the community. I think parents still perhaps do not have a good understanding of what school-based new apprenticeships involve. Certainly it is very important to continue to explore and expand the promotion of school-based new apprenticeships. I do not see any clear drive from the state government at this stage towards promoting and expanding SBNAs at a state level. The state government has been active in such programs as MIPs and a range of other schools-related, employment-related programs. But I think that SBNAs are such a crucial opportunity that they deserve a little more resource allocation.

There is also a reluctance, I think, from some schools to engage year 10 students in school-based new apprenticeships. There were only 17 young people with year 10 qualifications who were taking up trade-based SBNAs as of December 2005. Of course there are competing interests as far as schools are concerned. I guess that schools are very concerned about the capacity of young people to balance both academic and trade training in an SBNA, and so somebody at year 10 level may be challenged to do so. There is also, I think, a perception of a potential loss of cohorts from schools that are working to establish their VET teaching resources. If they lose SBNA students, that could impact on those resources.

I think we are also finding that schools in regional centres which have close linkages with other RTOs, such as TAFE, are opting much more for the VETiS programs, rather than school-based new apprenticeships. That tends to be an area of choice for more regionally isolated schools. We need to address this issue of the prospective engagement of year 10 students in school-based new apprenticeships, particularly in trade areas.

From my perspective there is still much work to be done in refining the effectiveness of school-based new apprenticeships as a form of structured workplace learning. Getting school learning and learning on the job together in synchronised form is a major challenge. Of course, if we can do that we will create a pretty impressive training package. If schools are aligned with employer training activity through school-based new apprenticeships, that is a very powerful form of training as far as I can see.

I think there is much more work to be done. I would certainly like to see a bit more resource allocation to benchmarking, and to the search for excellence in relationship building between employers and schools, and also the capacity of organisations like ours to provide that mentoring and monitoring support and to manage the industrial relations, occupational health and safety and mentoring and training activities that are all part and parcel to this program.

In closing, I would say that it will also be important for the existing projects and programs out there — such as MIPs, the activities of the LLEN, and the federal government's LCPs, RICAs and YPP programs, that are all coming out. Really a lot of money is being poured into these programs, and it will be increasingly important that that money is utilised effectively and that state and federal governments are talking to each other.

Westvic itself continues to be supportive of this particular area. Over the last two years we have contributed \$170 000 to 450 young people who are taking up VET programs. We have provided scholarships of between \$150 and \$750 for those young people. We have targeted particularly those young people who are in financial disadvantage because we recognise that there are challenges for their families to cover the costs of VET RTO enrolment. We have also seed funded a couple of positions within our own organisation, using our own funds to take up the gap that has appeared in the promotion of school-based new apprenticeships. That concludes my little presentation.

**Mr INGRAM** — Do you see the lack of take-up in year 10 as part of, if you like, a conflict about where students are getting their careers advice and making those major decisions about what subjects they do in year 11 and year 12? Maybe that needs to be brought forward earlier in their schooling life so they can make a decision about where they are going and whether they should take up one of those apprenticeships?

**Mr COVERDALE** — Yes, I think that is it — good quality information on career options for young people at an earlier stage, and engagement in work experience. That is already happening, of course, at year 10 levels but we could use work experience and target it more effectively to possible career directions, and that requires a thorough assessment of the young person and their needs and opportunities and potential directions.

SBNAs are great in that you are not fixed; you can take up options, you can change as you move along. It gives you a very good taste of opportunities. We do not want to cram too much on year 10 students, of course, but it should be seen as an opportunity, as a real means of testing the marketplace, of testing your interest in a particular career area and making a commitment, but knowing that if it does not work out you are not locked in; you can continue on in other directions. I really think it is probably more about effective promotion of school-based new apprenticeships as a real option for young people.

The other point, of course, and one of the end bits that I neglected to mention, is that there is a growing number of young people who do not take up tertiary options at the end of year 12 but take up a school-based new apprenticeship as a gap opportunity to expand their skills in areas that will be of benefit to them at university and equip them with skills that might give them some part-time employment during that time. I know that is not the target group of people that school-based traineeships are generally targeted at, but if we are looking at retaining young people in our local communities and bringing them back after, say, a university education, it seems to me that if we get a young person engaged in the community for at least one or two years after finishing their secondary education, they are creating networks, social and employment, that can be long-lasting and will perhaps encourage them to return after the completion of either a tertiary program in some other part of the state or further education and training at a TAFE program in the metropolitan area, for instance. It is that critical point of engagement for a year or two after year 12 — or year 11 for that matter — before leaving the area that is important to possible re-engagement through the networks that have been established when they leave, or before they leave.

**Dr NAPHTHINE** — Are the new apprenticeships and traineeships you have got just as available to places like Lake Bolac or Timboon?

**Mr COVERDALE** — They are challenges. Certainly there are opportunities to tap into local employment in those regions. It is not a big ask for an employer to take on somebody for a day a week, so I think even small towns can provide those opportunities. It just requires the capacity to work with schools and employers in those small towns to sift out those employment opportunities. I think they are available; I believe they are. I think most employers who have had apprentices and trainees have done apprenticeships and they understand what they are. They are probably reluctant because of long-term commitments sometimes, or the availability of finances to cover the costs of somebody on a full-time basis. An SBNA is not a big ask in terms of financial commitment.

**The CHAIR** — Thanks very much, Miles, for your submission today. You will receive a copy of your evidence in a couple of weeks. You may correct any errors but you cannot change matters of substance.

**Witness withdrew.**