

T R A N S C R I P T

LEGISLATIVE ASSEMBLY ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into student pathways to in-demand industries

Melbourne—Monday 17 November 2025

MEMBERS

Alison Marchant—Chair

Kim O’Keeffe—Deputy Chair

Roma Britnell

Anthony Cianflone

John Mullahy

Nicole Werner

Dylan Wight

WITNESS

Gary Workman, Executive Director, Apprenticeship Employment Network.

The CHAIR: Welcome to the public hearings for the Legislative Assembly Economy and Infrastructure Committee's Inquiry into student pathways to in-demand industries. All mobile phones should now be turned to silent.

All evidence given today is being recorded by Hansard and broadcast live on the Parliament's website. While all evidence taken by the committee is protected by parliamentary privilege, comments repeated outside of this hearing, including on social media, may not be protected by this privilege.

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Thank you so much for joining us here today. I will introduce the committee here, and then in a moment I will hand over to you if you want to give 5, 6 or 7 minutes of opening remarks. Then we will jump into some questions. I am Alison, the Chair and the Member for Bellarine.

Kim O'KEEFFE: Hi, Gary. I am Kim O'Keeffe, Member for Shepparton.

Nicole WERNER: Hello. Nicole Werner, Member for Warrandyte.

John MULLAHY: John Mullahy, Member for Glen Waverley.

Anthony CIANFLONE: Anthony Cianflone, Member for Pascoe Vale.

The CHAIR: Gary, I will hand over to you. Thank you.

Gary WORKMAN: Thanks, Alison. I am Gary Workman. I am the Executive Director of the Apprenticeship Employment Network. That is our trading name; our legal name is the Group Training Association of Victoria. Thanks for the opportunity to come and present today. This has certainly been an area of interest for our members and me personally for a long time. It is an area that we are fairly critical of.

When you look at the long-term trends, the numbers have certainly been heading in the wrong direction for a long time. If I look at school-based apprenticeships, they were sitting at around about 3700 in 2015, and last year the data from NCVER shows that about 1106 students participated in a school-based apprenticeship, and around about 300 of those were from our members. It certainly was a strong area for the group training network across Victoria when it was first established 40 years ago. I guess a really traditional pathway for an employer to find a young person and start their apprenticeship is when they are still in the secondary school environment. You would have had a lot of submissions that talked about technical schools and the way that we used to find young people and find their career pathways, but that has certainly changed over the last decade or so.

The other concerning part from our perspective is completion rates. We think we are putting far too much pressure on young people to pick a four-year qualification when they do not even really understand the industry or the career pathway. So when completion rates are at 55 per cent, to us that is no surprise. When we look at VET in-school completions, they are as low as 30 per cent. So, again, I think we are overtraining people and putting them into too many qualifications without giving them the real opportunity to explore what the world of work looks like.

The CHAIR: Thank you, Gary. We might ask some questions just to dig down a little bit more into what you are experiencing. Kim, I might start with you.

Kim O'KEEFFE: Sure. Thank you, Gary. I am from Shepparton, so regional Victoria. My question is: what challenges do regional students face participating in apprenticeships and traineeships? And how do group training organisations support these students? I am sure there are strengths but there also are some weaknesses.

Gary WORKMAN: Definitely. When we look at regional areas you have got the additional problems with public transport and getting people around to work. We are dealing with predominantly under-18-year-olds in this space. Some industries start early, some start late, so there are variances in terms of what employers are looking for. The school sometimes is not flexible enough to allow and cater for what employers are looking for.

I also think a lot of young people in this space probably have a different expectation of what they are going to walk into compared to what employers are looking for, so there is certainly a mismatch there. You would have

seen lots of presentations about language, literacy and numeracy and digital skills, but we also need to make sure that young people have got a fairly good understanding of that career. Employers are looking for those foundational skills, but they are also looking for someone who has got a little bit of passion or a bit of an understanding of the job that they are going into and where it can lead, and they are looking for some enthusiasm in all of that. So it is not just the hard skills. A lot of employers will tell us that they are happy to work with a young person on those if they find the right person and they have got the right passion for the industry.

When it comes to group training in Shepparton, the Apprenticeship Factory has been there for 40 years. Again, 40 years ago we had a lot of the same problems we have got today. We have got employers saying, 'We can't find young people and we've got skill shortages', and we have got young people in unemployment. Youth unemployment is tracking at about 2½ times the unemployment rate in Victoria, which is way too high. So how do we actually help those young people before they become a statistic, before they become unemployed? Then it is a lot harder to give them the support and get them back into the employment space or further education.

Group training companies originally had boundaries. They were either industry specific or they were regionally specific. They were there to be the intermediary between the employer, parents and schools, and make sure that the young person has got enough support. If the first employment outcome does not work, they can be rotated around to another employer. We are finding rotation is still the biggest challenge in our sector. There are a lot of rotations happening in that space. If you were not using a GTO, that would be a cancellation and a recommencement if the young person was able to find another employer. So a lot of the statistics and the benefits of group training have been reported through NCVET and others, but we think our completion rates are 20 to 30 per cent better than direct employers'. We certainly support more diversity—so Indigenous, young women, people from culturally diverse backgrounds, people with a disability. So we are dealing with the harder part of the community, and we are getting better completion rates.

Kim O'KEEFFE: Which is probably the best we have heard in that space today in regard to disconnect with multicultural communities, Indigenous, people with disabilities. We have spoken a fair bit about them today, but it is good to hear your multicultural perception on that, that that cohort is being considered. Thank you.

The CHAIR: Thank you. Nicole.

Nicole WERNER: Your pack talks about the misalignment between schooling and workforce needs. Could you speak to that, and do you have a thought on how we could address that?

Gary WORKMAN: Yes. My view is a bit of an old-fashioned view: I think we have got to get back to trying to get employers to allow structured workplace learning and let young people actually be immersed in the world of work instead of learning about it on the internet or talking about their strengths and weaknesses and then a computer system picking the career pathways for them. They still get a lot of their advice from their parents or their close peers, and they are relying on people who do not have a broad knowledge of all the qualifications and the career pathways that are out there. So how do we actually give them that opportunity? And then we really need to align that with what the local job opportunities are. If we pick on Shepparton, for example, aviation might be a fairly narrow field of work in that region, but there is agriculture, building construction, the health and community services sector.

A lot of young people will have a feeling for the industry they are interested in, whether it is building construction or the health and care sector, but they may not necessarily know the exact job that they are going for. I think, again, we put a lot of pressure on a young person. We say, 'What do you want to be?' And they will say, 'Well, I'm interested in construction.' Then they get advice from others, and electrical gets paid the best is the perception, so 'I'll be an electrician.' That is by far our most popular qualification; 80 per cent of young people want to be electricians in our sector. But air conditioning, refrigeration, welding—these jobs are just as well paid, if not better, but people are not aware that those jobs are available.

So how do we actually give someone an opportunity to link with what jobs are available in the local region and give them a chance to try multiple things? That gives the employer also a chance to try multiple young people, because we have got to get the best match. If we get the best match, we are going to get the best outcome. So you have got to allow both sides to actually trial in this space. This is where I think young people will pick up

their language, literacy and numeracy skills, their digital skills. You give them an opportunity in the work environment to learn what they need to learn on that career pathway, and I think that they are important things. If you are trying to teach those foundation skills in a classroom environment, you are dealing with a group of students who are not necessarily wanting to learn that way. So how do we make it more hands-on?

Kim O'KEEFFE: That is good. Thank you.

The CHAIR: Thanks. John.

John MULLAHY: Thank you. We had some evidence earlier from some regional LLENs about the difficulties of having apprenticeships in regional areas where they might be put on a project for two years and then that project comes to an end and the apprenticeship comes to an end. What do you think the Victorian government can do to encourage more employers to take on apprentices in this space?

Gary WORKMAN: This is certainly a problem. It has been a problem for a long time, and this is one of the reasons why the government initially started group training companies 40 years ago. A group training company will understand how many electricians are needed in that local town, and they will take on that volume, knowing that they will have to be rotated through those four years. Sometimes it is an economic reason—there is less work—but there is also a poor match with the individual. There might be some OH&S issues. They might also need to change employers so they get the full variety of the training that they need to get the qualification so they are fully rounded when they come out—all of those things. I think when you are relying on small businesses to take on the vast majority of your apprentices, which we do in Australia, you are really having a model that is not very flexible if you are looking for direct employers to do all this themselves. So again, group training would be my answer.

John MULLAHY: Great. Thank you.

The CHAIR: Anthony.

Anthony CIANFLONE: Thank you, Chair. Thank you for appearing and for your submission. I note some of the concerns and criticisms, obviously, that you have raised in the submission, which I respect and acknowledge. You cite completion rates and issues around completion rates as well, which I acknowledge too. You make six recommendations. One is around providing more support for employer participation. We heard evidence earlier today, particularly from the Victorian TAFE Association, that was talking about the need to provide apprentices with more support too, because the biggest barrier, according to some of their statistics and research, is the cost of them completing their apprenticeship in terms of the cost of travel and the cost of tools or uniforms or associated equipment to complete the job. Would you also acknowledge, one, that the committee should look at recommendations in that space to support both apprentices and businesses, and if so, could the two potentially be wrapped around in a package of support? The second thing worth noting is that while private businesses take on the vast majority of apprentices, they are also being paid at a much lower rate than the standard award across all these industries, which is another big factor as to why they do not complete their apprenticeships. I would just love to hear your comment or response in relation to those matters.

Gary WORKMAN: Thanks, Anthony. When we come to the costs, there are certainly costs on top of the training enrolment fee. Obviously the government cover the vast majority of training costs. If they are employed as an apprentice, those costs are borne by the employer, so the employer should be paying for the enrolment and material costs and those other things. That is part of the award condition. I think when it comes to VET in school programs, again the school or the VET provider is looking for the individual or the parents to pay the shortfall and costs in that perspective. Again, I think apprenticeships are a good way of supporting young people.

I will also mention Free TAFE here. Victoria is one of the few states that does not have Free TAFE for apprenticeships and traineeships. We have it for classroom-based qualifications, but we do not allow it for apprenticeships and traineeships. I am not sure why that is the case. I have not had any physical reason given to me that I agree with, so that is certainly one area we could improve.

When we look at wages, wages were part of the IR system. Apprenticeships are a fairly traditional model; they have been around in some countries for 400 years. They are designed to employ a young person while they are still transitioning into full-time work. The average age of an apprentice today would be 23, 24. They are leaving

secondary school, they are doing something else for a while, then they are coming back into the apprenticeship system. Again, I think our young people are taking a lot longer to find their career pathway because either they just have not been given the opportunity or they are not 100 per cent sure what they want to do. When they are 23, 24 years of age, there are obviously a lot more costs that the individual might have, more responsibilities. An apprentice wage certainly will not support a young person of that age if they have got other financial commitments. Why don't we go back and start apprenticeships when they are 16, 17 and still at secondary school? Then the wages are really attractive for someone if they are still living at home. That is what the system was designed to do. We have moved a long way away from that, but the IR system has not caught up. They do acknowledge an over-21-year-old payment; I think it is about a 5 per cent increase on their wages. And if you finish year 12, I think there is an additional 5 per cent on the wages for most awards that cover apprenticeships. But 10 per cent when you are talking about a \$25,000 wage is not a massive change.

Anthony CIANFLONE: Would you acknowledge that the introduction of the vocational major as part of the VCE is a step in the right direction in that regard?

Gary WORKMAN: I think so, yes. In terms of the perceived value of the vocational pathway and apprenticeship pathway, I think the government in Victoria, whether it is the Head Start program or the vocational major—they are certainly a step in the right direction; I just think they are poorly implemented.

Anthony CIANFLONE: Thank you.

The CHAIR: Thank you. I might just ask about the changes over time that we have seen. You have just talked about young people doing apprenticeships back in the day, I will say, and now you are seeing older and even mature students doing adult apprenticeships. Is that a sign maybe of young people wanting something different now and that we have to do things differently now because young people are—I do not know what the right word is, but they are demonstrating that they are not ready for an apprenticeship or there are some skills there. I know today we have talked about also industry saying that young people coming to them are not really job-ready. I am just trying to marry the two up there. As a committee here, we will come to some recommendations, but there is no point making recommendations to do the same thing over again. What I am trying to tease out is: is there something new or something emerging that we have now that we need to do differently?

Gary WORKMAN: I certainly think there has been an appetite for everyone to finish year 12 and get a higher level of education before they start work. That has been a long-term strategy for governments over the last 20 or 30 years. I do not think that is a bad thing, but we have put too much emphasis on secondary schools recording a ranking for those students to go to university and we have left everything else off. That is not the only outcome for a young person, their ATAR score. Universities have lowered the ATAR scores for admissions over the last 20 or 30 years, so they are taking the bulk of young people—two-thirds of young people go to university. It is an uncapped system. The student bears the cost of that because they are building up a loan on how long they stay at university. I think that has worked well for that sector. A lot of parents historically would have said, 'You'll get a better paying job if you go to university,' and their knowledge of that would have come from the very early days when only 10 per cent of people went to university. Now we have got 60 to 70 per cent of people going to university. You still have not got the same opportunities and the same well-paying jobs for 70 per cent of the population as you did have when it was 10 per cent. So there are certainly some structural things there.

I think it is no coincidence that the countries that do this very well and have low youth unemployment have really strong school VET pathways. Qualifications are completed and most of the young people are actually provided a job before they leave secondary school, and then they can still go on to university. So they are not limiting the options; they are just giving them a fully fledged pathway in a career before they leave. In Australia I think we allow young people to do what they would like to do in secondary school without necessarily thinking about what the career options are. If you look at VET in schools, our most popular qualifications are sport and fitness. We do not need 11,000 sport and fitness people in Victoria every year coming out with a qualification, but young people like that. Community services, business admin—if you looked at the actual formal apprenticeship qualifications, the percentage that go through those in secondary schools is minimal. That is where you have got industry saying, 'We've got skill shortages because we can't attract young people with the right talent.'

The CHAIR: Just to marry up the workforce shortage and unemployment rate, something is not matching here, right?

Gary WORKMAN: That is right. If you were better at articulating to parents and young people, 'We've got mechanical engineering vacancies that can lead on to engineering and advanced manufacturing jobs and project management roles that pay well into \$200,000-plus per year but you start as an apprentice,' I think you would get a lot more young people looking at that as a career pathway. Instead they go to university and they do an engineering degree, and then they cannot get a job at an entry level because the entry level job needs some hands-on skills.

The CHAIR: Thank you. Kim, we have got time for one more question.

Kim O'KEEFFE: You did mention impact on business. Businesses themselves have to be able to afford to put on apprentices because they are not getting the Free TAFE as such. Do you think we are doing enough when it comes to supporting business in that space? Because they may want more apprentices but they cannot afford to do that, or there might be a variety of reasons. Is there something state government could be doing perhaps to assist from that side where businesses can afford to put on apprentices or make a pathway that is going to work for both of them?

Gary WORKMAN: I think there is a place here for the stick and the carrot, so employer subsidies and supports. That is usually managed by the Commonwealth government. At the moment they are probably the lowest subsidies that they have been in the last 20 years. That is probably a strong reflection on why the apprentice numbers overall are the lowest they have been in 20 years. We need to support the employers. They actually do not get a return on their investment till the third or fourth year, once the young person is committed. Most non-completions happen in the first 12 months. Employers have been burnt in the past. They have taken on young people and given them a chance and they have not quite got there, and they get tired of doing this without finding the right young person and the right connection. With less employer support, you are getting less employer engagement.

Kim O'KEEFFE: You mentioned other states are doing the Free TAFE for apprentices. Did I hear that correctly?

Gary WORKMAN: Correct, yes. New South Wales, South Australia and Queensland are all doing Free TAFE programs linked to apprenticeships.

Kim O'KEEFFE: That really is a financial incentive for them.

Gary WORKMAN: It is. It is saving \$4000 or \$5000.

Kim O'KEEFFE: Without depending on the Commonwealth, that could be something we should be really considering to help business and to help –

Gary WORKMAN: Yes, I certainly agree.

Kim O'KEEFFE: Very good. It is a good point.

The CHAIR: Nicole. We have got time for another one.

Nicole WERNER: I take that point because it is really important that we are giving that incentive, particularly when—sorry, I did not take it down—the percentage of completion is quite low. Are you seeing a drop off in businesses and people willing to take on apprenticeships?

Gary WORKMAN: Yes. Commencements are at the lowest they have been in Victoria for a long time. They are half what they were when the Commonwealth ran a program called the boosting apprenticeship commencements, BAC, program. That was a very large employer incentive. It was up to \$30,000. We had a really big uptake of employers taking on a young person when there was that incentive. Now the incentive is not there, the employers are not quite as interested.

The CHAIR: When did that finish?

Gary WORKMAN: Just after COVID. There was a bit of a fade-out of when the payments were made. But at the moment we are in a fairly lean space, and a lot of traineeships just are not funded at all. It is only the construction sectors and the renewable energy sectors linked to those qualifications.

Nicole WERNER: Interesting.

The CHAIR: John.

John MULLAHY: In your submission you go on about embedding GTO staff in secondary schools. Can you describe to us how you think that should work?

Gary WORKMAN: Yes. There is a lot of, I guess, compliance around when you are dealing with a young person. You have got to make sure that they are safe and they are well looked after. Schools are great at doing that, but they are not great at understanding what the local employment needs are, when jobs are coming up and when they may stop. So how do you actually find that intermediary that understands the school and the compliance and the complexities of that environment but also understands what employers are looking for? I would start young people through taster programs, giving them a chance to try. We ran a really large one between 2016 and 2019, which is in our paper. We found 55 per cent of young people changed their mind. We surveyed them at the start. 'What do you want to be?' 'An electrician.' 'What do you want to be after you have had a chance to try a few things?' I think that is a direct correlation to completion rates. Some of those programs were one day a week. Some of them may have been more intensive for unemployed youth, so they might have been full-time for eight weeks. But the whole goal of the program was to rotate a young person through multiple career options and give employers an opportunity to try multiple young people. If there was a match, they would go off on an apprenticeship. If there was not a match, you would kept trying until there was.

The CHAIR: Thank you so much for your time today, Gary. If there is anything further you think may need to be added for the committee's consideration, please feel free to send that in to us as well.

Witness withdrew.