
Skills crisis at critical level: CEOs

EXCLUSIVEBy **EWIN HANNAN** and **SASCHA O'SULLIVAN**7:09AM AUGUST 8, 2019 •  211 COMMENTS

Employers have warned Scott Morrison that the nation's training system is "bedevilled by inconsistency" and urgently needs "bolder reforms" to tackle growing skills shortages that are threatening the delivery of an unprecedented pipeline of infrastructure projects.

Ahead of a Council of Australian Governments meeting in Cairns tomorrow, Australian Industry Group chief executive Innes Willox has written to the Prime Minister detailing how increasing demand for skilled workers is occurring as apprenticeship and traineeship numbers fall to a 10-year low, while the number of workers aged older than 65 has doubled in a decade.

Mr Willox said the government needed to act quickly and decisively to improve the quality of the training system in order to deliver on a planned infrastructure investment program bigger in scale than the mining boom that peaked between 2012 and 2015.

Recent research by the AiGroup found 75 per cent of employers were having difficulty recruiting qualified or skilled workers to fill vacancies. The biggest shortages were among technicians and trades workers.

Apprenticeship and traineeships numbers have fallen from 446,000 in 2012 to 259,385 last year, which Mr Willox blamed on a number of policy changes, including the removal or reduction of many employer incentives.

Mr Morrison will tomorrow seek to win support from states and territories for his proposed overhaul of the Vocational Education and Training sector, and sign them up to the \$525 million skills package announced in the April budget.

In a five-page letter to Mr Morrison, obtained by *The Australian*, Mr Willox calls for a national approach to drive higher apprenticeship numbers, increased industry involvement at the senior levels of the training system and policy measures to reduce the "excessively complex and duplicative" roles performed by the commonwealth, state and territories.

He said the VET-FEE HELP scheme "debacle" had inflicted reputational damage from which the training system had yet to recover. "From an employer and individual perspective, our training system is further bedevilled by inconsistency in both its multiple funding regimes, declining levels of funding and varying qualification arrangements," Mr Willox said. "Disappointing apprenticeship commencement and completion rates further add to the complex and confusing situation.

"Industry leadership has been eroded and the pivotal alignment of public expenditure to economic imperative and productivity improvements has been severely diluted. Confidence needs to be restored to the VET system."

He said skills demands arising from the infrastructure projects were "aggravated" by renewed employment demand in the mining sector.

Mr Willox pointed to the intensifying impact of the ageing workforce. In June this year, 610,676 people aged 65 and over were working, up from 300,107 in 2009. In manufacturing the number of workers over 65 rose from 21,100 to 38,600 over the same period. "While the increased labour force participation is positive, people in this age group are heading for retirement in the near future without the same level of skilled workers to replace them," Mr Willox said.

The government should use a new national skills commission to drive national approaches to qualifications development, apprenticeship changes and labour market mobility, he said, while urging COAG to commit to a "road map" for reform.

"It is timely to consider some bolder and more decisive reforms to genuinely lift the quality and confidence of the training system whilst simultaneously achieving a more efficient and effective spend of available public funding; a step change is required," he said.

Mr Willox said the infrastructure pipeline over the next few years was larger than the mining boom that peaked between 2012 and 2015 and "carried with it high levels of skills demand". Craig Scannell, 57, who started as a carpentry apprentice when he was 17, said the first few years could be a challenge but it was worth it for the rewards he had reaped in his career. "Look, it is a hard slog, but it is a very rewarding slog, and nothing gives me more pleasure than being able to work on a project and complete it," he said.

"Over the years, I can't recall anyone dropping out (when they realise what they can get out of the job); it's about getting them into in the first place." He said career advisers were not equipping young people with enough information to inspire them to become a carpenter. "I started out as a carpenter, and progressed to be a foreman, then a site manager, and now a project manager," he said. "I've gone overseas a couple times because of all my experience.

"It's a very broad industry. You can get into all different aspects, and people don't realise you can go from being on the tools, which is a great thing, and get into fairly senior roles within corporations."

James Parnis, 20, an apprentice at Lendlease, works with Mr Scannell. He said he got into carpentry through a course at school, and applied for an apprenticeship.

"I got some on-site experience while I was at school ... and I was just applying for jobs everywhere ... and when my agency said 'Do you want an interview with Lendlease?' I leapt on the opportunity," he said.

Mr Parnis said the industry was expanding as more women joined, but young people still shied from it as a career - because they wanted to go to university. "For me, I've always wanted to do more and whether that is training other apprentices (in the future), or running my own jobs, I always want to be moving forward and learning more in carpentry."