

8 April 2011

Department of Education, Employment and Workplace Relations  
GPO Box 9880  
CANBERRA ACT 2601

To Whom It May Concern,

*RE: Apprenticeships for the 21<sup>st</sup> Century, Final Report of the Expert Panel.*

As the State's peak business organization, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide input to future reform options for the Australian Apprenticeships System. Representing the interests of 25,000 businesses in all industry sectors across Queensland, CCIQ recognizes the important role of Australian Apprenticeships in addressing skills shortages and increasing participation, productivity and economic growth in Queensland.

CCIQ's primary response to the Expert Panel Report has been submitted to the Department through the Australian Chamber Alliance (ACA), which has been established as the national representative body by all Australian State and Territory Business Chambers. This letter supplements the ACA submission, providing Queensland specific information for consideration by the Department in developing its response to the report.

Queensland's business community is acutely aware of the need to invest in workforce skills development. Business and industry in Queensland are actively engaging with the education and training sector through both formal and informal channels, which, although difficult to quantify, are adding significant value to education and employment outcomes. Creating a strong and productive workforce is central to business success and underpins employment and economic growth, and is therefore a high priority for Queensland employers.

### Economic Conditions

Unfavourable economic conditions resulting from the global financial downturn and recent severe weather events are continuing to impact on the capacity of Queensland businesses to invest in training and skills development.

Chamber of Commerce &  
Industry Queensland  
Industry House  
375 Wickham Terrace  
Brisbane Q 4000

ABN 55 009 662 060

t > 07 3842 2244

f > 07 3832 3195

e > [info@cciq.com.au](mailto:info@cciq.com.au)

Employer Advice Line  
1300 135 822

Regional Offices  
Gold Coast, Sunshine Coast,  
Toowoomba, Rockhampton,  
Mackay, Townsville, Cairns



The Queensland economy is not experiencing the same level of economic activity that is occurring elsewhere in Australia. The Commonwealth Bank CCIQ Pulse Survey of Business Conditions for the December Quarter 2010 revealed that business expectations for the Queensland economy are significantly lower than expectations for the national economy. Queensland businesses are continuing to experience difficult trading conditions and are not expecting any reprieve from the effects of tightened consumer spending and a slowing economy. The Australian Bureau of Statistic's State Final Demand and Labour Market measures also indicate Queensland significantly lagging the rest of Australia.

Further compounding the financial hardship for Queensland businesses, the majority of the State has been adversely affected by the recent severe weather events. Cyclone Yasi and the Queensland floods will have significant impacts for business, employment and the broader state economy. With seventy-two of seventy-three Local Government Areas disaster declared, all businesses in Queensland have been either directly or indirectly impacted.

As recognised in the Expert Panel Report, a decline in economic conditions places a significant constraint on business capacity to invest in workforce development and training. CCIQ is supportive of recommendation 7 from the Expert Panel Report which proposes mechanisms to support existing apprenticeships during periods of economic downturn.

In Queensland, the primary impact of the depressed economic conditions on apprenticeships has been evident in reduced commencement rates, rather than in the discontinuation of existing apprenticeships. Many businesses in Queensland have gone to significant lengths to ensure that apprentices already engaged were able to continue training and employment. In addition to the proposed mechanism, further consideration should be given to incentives and support during periods of economic downturn to address anticipated reductions in apprenticeship commencement rates.

### Regulatory Reform

Businesses in Queensland have reported that current regulation and the structure of the Apprenticeships System is overly burdensome, confusing, and costly, presenting a barrier to increased business participation. Additionally, businesses operating across multiple jurisdictions are incurring significant costs in ensuring compliance with multiple and inconsistent processes. In light of this, CCIQ recommends that the nationally consistent regulation be developed and that consideration also be given to reducing the compliance cost for all businesses engaging with the Apprenticeships System.

CCIQ also supports reforms to increase the system's responsiveness to the needs of the economy, provide greater focus on retention and completion of Australian Apprenticeships and to support high quality training. Vocational Education and Training and Apprenticeship Systems must become more industry and demand driven in order to meet the needs of employers and individuals.

### Regional Service Delivery

Queensland has a largely regional and decentralized economy, with 55% of the state population living outside of Brisbane. The geographical spread and regionalized economies in Queensland mean that employers in rural and regional areas commonly absorb a greater percentage of the cost of training. While acknowledging that services provided in regional areas typically operate at

higher cost and are less economical, employers in these areas have expressed significant concern about the quality and accessibility of training and support services.

The significant disparity in the quality and availability of training between metropolitan and regional areas in Queensland will have implications for the implementation and promotion of competency based progression (recommendation 12). Competency based progression relies on an assumption that registered training organisations are sufficiently flexible to accommodate the needs of enterprises and Australian Apprentices. Employers and individuals in regional areas have limited choice of provider, timing of delivery and course options. These limitations must be addressed to ensure that all employers and Australian Apprentices can utilise competency based progression.

Queensland businesses need a flexible, demand driven system that is capable of responding to the needs of the economy and regional variances in skills in demand. In developing reforms for the apprenticeships system, consideration must be given to the implications on the accessibility, cost and quality of regional and remote service delivery.

### Resource Projects

Resource projects and the mining services industry contribute significantly to the Queensland economy. During the next 15-20 years the State's economy is likely to continue to rely heavily on the resources sector, particularly in light of the significant resource projects that have been announced.

Over the coming period, significant projects will become operational, including the extraction of coal seam gas in the Surat Basin. As these projects come online, the level of demand on the local workforce will increase, leading to the reemergence of skills shortages as a major constraint on business growth.

Achieving a balance between the skills needs of the resources sector and the needs of local business, industry and community is a critical issue for Queensland's regions. The flexibility of the Vocational Education and Training System, particularly in relation to Australian Apprenticeships, and its capacity to adapt to changing economic conditions and regional skills demands will be crucial in achieving this balance.

CCIQ welcomes the opportunity to work with the Department of Education, Employment and Workplace Relations to increase and improve the quality of Australian Apprenticeships. If you would like to discuss any aspect of this response, please contact Elizabeth Roberts, Education and Training Policy Advisor on (07) 3842 2227.

Yours sincerely



Nick Behrens  
**General Manager, Policy**  
**Chamber of Commerce and Industry Queensland**