

SKILLING SOUTH AUSTRALIA

**A STRONG PLAN
FOR REAL CHANGE.**



We're ready.

Over the last four years, we've been working hard developing our vision for the future of South Australia.

Not just policies, but a series of achievable milestones that have been crafted for the long-term benefit of our state.

Our focus will be

**MORE JOBS.
LOWER COSTS.
BETTER SERVICES.**

We've got a strong plan for real change.

A handwritten signature in white ink, appearing to read 'Shah', is positioned in the lower right quadrant of the page. The signature is fluid and cursive, set against the teal background.



WHAT WE'LL DO

If elected in March 2018, a Marshall Liberal Government will initiate major reforms and make a significant investment to boost apprenticeships and provide great job outcomes for many more South Australians.

We will:

- Provide \$100 million to secure matched funding from the Federal Government's Skilling Australians Fund to support a range of initiatives that will create an additional 20,815 apprenticeships and traineeships in South Australia over the next four years;
- Maintain financial support for the crucial role of Group Training Organisations in the training sector;
- Implement a major multi-faceted program to encourage more young people to consider pursuing a career through a technical qualification as a first option, rather than as a fall-back plan;
- Establish at least one new technical college in Adelaide's western suburbs with a focus on encouraging students to prepare for work in the defence sector;
- Give industry a stronger voice in our training system; and
- Ensure that South Australia's training Budget is targeted effectively at delivering skills outcomes that lead to real jobs and careers.

1. Committing \$100 million to create an additional 20,815 apprenticeships and traineeships in South Australia

The Federal Government has established the Skilling Australians Fund to provide on-going funding for vocational education and training.

The Fund was announced in the 2017 Federal Budget but, so far, the South Australian Labor Government has failed to demonstrate any interest in securing money from this Fund to secure benefits for our State.

A Marshall Liberal Government will commit to providing \$100 million over four years to secure matched funding from the Federal Government.

We have had preliminary discussions with the Federal Government about what this commitment will provide.

Joint State-Federal spending of \$200 million over the next four years will support 20,815 new apprenticeships and traineeships.

This will include apprentices and trainees for:

- Occupations in demand, including in particular in the defence sector
- Industries and sectors of future growth
- Industry areas struggling with current skills shortages
- Trade apprenticeships
- Rural and regional areas

This is a major investment in skills development that will lead to real job outcomes. Far from Labor's failed 'Skills for All' investment – which resulted in enormous amounts of 'training for training's sake' with no job outcomes, a Marshall Liberal Government will provide this significant investment to ensure that we train more South Australians for jobs that our businesses and industries need filled now and in the future.

In particular, a Marshall Liberal Government will seek to work with the Federal Government on delivering the following initiatives:

a. Flexible apprenticeship pathways – getting more young people learning and earning

A significant proportion of school based apprenticeships require the student's attendance at the workplace for only one or two days a week – or after hours. At the end of school, these students may commence their apprenticeship or traineeship with many of their first year requirements still to complete.

On the other hand, some schools in South Australia do encourage their students to contemplate going full time at work while maintaining their enrolment in school to complete their South Australian Certificate of Education (SACE). Their final school subjects are completed in six to eight one week blocks back at school throughout the year – with these subjects usually being tailored to complement their vocation.

These students have completed their first year apprenticeship by the end of their Year 12 school year, and benefit significantly from this model, but it is not widespread in South Australia. A Marshall Liberal Government will change that.

The dominant model of school based apprenticeships works for some students and some businesses, but many businesses are not interested in this halfway house between work experience and full apprenticeships – particularly in the growth employment industries such as defence industries, advanced technology and advanced manufacturing.

We want many more students to have the opportunity to undertake their first year of an apprenticeship at the end of Year 11, rather than waiting until after the end of Year 12. **We would like to see one thousand students benefit from taking up a flexible apprenticeship at the end of Year 11.**

Achieving the SACE while undertaking an apprenticeship is currently possible, but very few students are encouraged down this path. It is further complicated by the compulsory requirement to undertake the Research Project as part of the student's Stage 2 studies. Even if the apprentice has undertaken all of their other compulsory English and mathematics units, and even if their training modules as part of their apprenticeship would provide them with sufficient points to complete their SACE, the Research Project can still stand in the way of them attaining their SACE.

Currently many students are staying on at school to achieve their SACE, despite intending to go down vocational pathways. These students who remain in school are, in some cases, disengaged and would much rather be out in the workforce earning money. The community expectation to complete Year 12 and SACE however, can delay these students from entering the workforce.

It is also attractive for businesses to engage apprentices before they turn 18 so that their training is complete when they are 20.

A Marshall Liberal Government will be committed to undertaking a review of the SACE, including whether or not the Research Project should be compulsory, and whether it should be offered at Stage 1 or 2 of the SACE (Year 11 or Year 12). Many schools are already encouraging their students to undertake this task in Year 11 and this is a great outcome for those students who wish to take up apprenticeships. But many schools do not do this and those students therefore miss out on this opportunity.

Our SACE Review will look at best practice, and it may be that the Research Project is moved to Year 11 and/or made voluntary. In the meantime, and as a matter of priority, we will work with schools to ensure that students who identify during their PLP at Year 10 that they may have an interest in undertaking a flexible apprenticeship are given the opportunity to do their Research Project in Year 11.

We will work with schools, TAFE SA, the training sector and industry to dramatically increase the number of students undertaking flexible apprenticeships as they go into Year 12. These students will be supported to undertake whatever final points they need to conclude their SACE outside of work hours or through negotiated brief blocks back at school throughout the year, combined with credit towards their SACE for their Certificate qualification, so they can be full-time apprentices without losing the security provided by SACE completion.



Many Certificate level qualifications can already be converted to SACE points and we will review whether further vocational certificate qualifications might be added to this list.

Where necessary, students may qualify for vocational vouchers to attend out-of-hours or off-campus classes to complete their SACE requirements. These classes could be delivered by schools running special after-hours programs, private companies or certified training providers, but teachers must be registered and qualified to teach Year 12 SACE subjects. Where a student is undertaking out-of-hours or off-campus classes delivered by schools, their enrolment could be retained and funded as is the case at present. In the case where a student withdraws from school and a voucher is necessary, it will be provided.

Employers (including Group Training Organisations) would receive a bonus payment worth \$3000 for every student who successfully completes their SACE as well as their apprenticeship. This may see a number of students who currently disengage from school without completing their SACE now be successful in doing so.

By commencing their apprenticeship a year early, in effect, these apprentices would gain their qualifications a full year ahead of students undertaking a standard route, or a regular school-based apprenticeship – while still attaining their SACE qualification along the way.

Standard school based apprenticeships, and the existing *Training Guarantee for SACE Students* option, enabling students to commence training for their Certificate II and III qualification while still at school and continue it after they leave, would remain to ensure the system has maximum flexibility to meet the local needs of schools, businesses, and most importantly students.

The *Training Guarantee for SACE Students* will be enhanced to ensure that places are available to students for the full year of their sixteenth birthday, or from the commencement of Year 11, so that younger students are not disadvantaged in comparison to their classmates. These existing programs will, however, be reviewed to ensure that students across South Australia have access to best practice delivery and that courses are targeted towards achieving real job outcomes.

Work experience placements have become more difficult for schools to arrange in recent years. Our review will include consideration of this challenge, with a view to encouraging increased work placement and internship activities throughout vocational education and training (VET) in schools.

Critically, in addition to this, for a thousand South Australian students the new Flexible Apprenticeships pathway will be available to deliver outcomes that are best suited to those students' needs.

b. Maintaining support for Group Training Organisations

Group training schemes play a critical role in the training sector. Group Training Organisations (GTOs) - industry-led not-for profit bodies – employ apprentices and also organise training, either through their own Registered Training Organisation (RTO), TAFE, or a private provider. In doing so they enable small businesses to take on apprentices even if they wouldn't otherwise have the confidence to employ an apprentice for the full four years.

The apprentice might gain their workplace experience at a number of different worksites over the period of their training or they may end up staying with one employer throughout the whole time. The risk to the apprentice and to the employer is reduced at both ends. Where an apprentice does move around, they may benefit from the experience of seeing how several different workplaces operate through the course of their training.

The Weatherill Labor Government's policies have restricted funding to GTOs through shutting them out of the subsidised training list for many qualifications. Some GTOs have had to shut down their RTOs, and others have reduced their numbers significantly.

Recognising the benefits that GTOs provide to small business – through reducing risk, delivering high quality training, and through handling a lot of the bureaucracy and red tape that comes with taking on apprentices - a Marshall Liberal Government will maintain financial support for GTOs through the SA Group Training Program when current funding expires at the end of this financial year.

c. Streamlining registration

The registration process imposes long waits on employers before an apprentice is able to start. The apprentice, who is supposed to be the beneficiary of the protections offered by the registration system, suffers from lost pay and potentially lost interest from the employer.

A Marshall Liberal Government will work towards streamlining the apprentice registration system to ensure that information can be transferred electronically, and processed in a timely fashion. This is just one example of the need for red tape and regulatory reduction to reduce disincentives to job creation.

Red tape reduction must be a priority across the board and this area is no exception.



2. Changing attitudes towards skilled careers

While 40% of students undertake some form of VET subject to count towards their SACE, these subjects need not have any connection to further training or job outcomes, and there is substantial evidence that many students are steered away from VET pathways and vocational careers and towards university. But many of the best, and most secure, jobs of the future will be found by those students who develop skills and training through VET, traineeships and apprenticeships.

It is critical that we better inform teachers, principals, careers counsellors and families about the opportunities and job outcomes made possible by undertaking traineeships and apprenticeships, as opposed to going to university. A university education can be a launch pad for great success – and South Australia’s universities are an adornment to our state – but that path isn’t suited to everyone.

Too many young people, having felt pressured to go to university, end up spending three years studying a degree which they are not connected to, which doesn’t significantly enhance their job prospects, and which leaves them with substantial debt.

Encouraging more young people to consider pursuing a career through a technical qualification as a first option, not as a fall-back plan, is going to require a cultural mind-shift both within the schooling sector and in the broader community.

The approach of a Marshall Liberal Government will be multi-faceted and will include:

- a. A two year multi-platform advertising and social marketing campaign designed to improve community understanding about the opportunities available through apprenticeships and other VET pathways. Particular sectors where growing job opportunities with skills needs are expected in coming years – such as in naval shipbuilding and the NDIS – may be approached to supplement this campaign with particular emphasis on the needs in their areas;

- b. Working with the Commonwealth Government’s Australian Apprenticeship Ambassador program, to encourage secondary schools around South Australia to take the opportunity available to them for their students to hear from successful apprentices who are sponsored to talk about the benefits of their pathway – potentially as part of the Personal Learning Plan (PLP) or whatever other arrangements might suit individual schools;
- c. VET Innovation Awards for schools developing new mechanisms for encouraging VET pathways in their schools, so that their models and programs may be publicised and shared with schools across the State; and
- d. A review of best practice around the state and the nation in relation to careers counselling in schools. Some schools are extremely proud of how their students’ PLP (undertaken at Year 10) assists them making wise choices in their SACE for their future careers, but some others see it as just another box in the curriculum to be ticked. Some schools invest heavily in undertaking their own career nights, others take different approaches, including by engaging with career expos. Research shows that young people who have multiple career conversations over their high school years benefit from increased earnings.

Different models may work for different schools but a Marshall Liberal Government sees this area as a priority and will invest appropriate resources in ensuring this best practice review results in strong outcomes. The review will include investigation of best practice models where introduction to career planning is offered to younger age groups as well. It is critical that Industry groups be heavily engaged in this review to ensure that careers advice is up to date and will lead to real jobs.

3. A new Technical College

South Australia currently has two technical schools, St Patrick’s Technical College in the North and Marcellin Technical College in the South, that were born as Australian Technical Colleges under the Howard Federal Government. Those schools, operating at year 11 and 12, have had tremendous success delivering first class educations to students who wish to undertake a technical qualification. Many of their students are undertaking school based apprenticeships under a similar model to that proposed for flexible apprenticeships to be introduced by a Marshall Liberal Government.

Students at these schools undertake their Research Project in Year 11 – usually on topics that are relevant to their apprenticeship pathway. Their standard subjects are delivered in a manner that is also relevant to their proposed technical qualification. The delivery model includes teaching workplace skills that help students successfully integrate into a workplace environment. Given that many of the career paths these students take may lead them to running their own small business, key skills needed by these students include business skills, small business management and financial management.

The two schools have demonstrated outstanding education delivery combined with strong partnerships with local businesses and training organisations. They work proactively to engage their students in apprenticeships and a good number of their students are almost full-time in their workplace from the beginning of Year 12. These students have completed their first year of apprenticeship along with their SACE by the end of that year.

Many other students around South Australia would benefit substantially from having such opportunities. Accordingly, a Marshall Liberal Government will deliver at least one new Technical College in its first term in the western suburbs of Adelaide with a focus on preparing for work in the Defence sector.

Connections with local industry are critically important for the success of such technical colleges. Our western suburbs Technical College will be heavily engaged with defence, shipbuilding and other maritime industries.

Partnerships will be formed with businesses and further education institutions to ensure that students are given every opportunity to get a head start with their technical qualifications that will lead towards jobs and careers for which South Australia will have significant demand.

A Marshall Liberal Government will undertake a process including seeking expressions of interest from existing schools keen to expand their offering through a new campus or converting an existing campus to a technical school. Expressions of interest and proposals from the non-government sector will also be considered.

The technical school may either operate as a Year 11 and 12 campus – as do St Patrick’s and Marcellin – or as a Year 10-12 campus if the relevant school identifies a model that will benefit from the inclusion of Year 10. It will be fully integrated with our Flexible Apprenticeships model, enabling students to have all of the benefits of that new program.

4. Twelve-month trial of expedited driver's licence – to P1 level – for first and second year apprentices under the age of eighteen

A growing challenge for young apprentices and trainees is increased difficulty in obtaining a provisional driver's licence and the right to drive without supervision. Many apprenticeship jobs, whether directly working for a business or through a GTO, require that the apprentice be able to drive to worksites, and as part of the job.

However through a series of government policies it has become much harder for young people to obtain their driver's licence by the age of 17. The steps required are to pass a theory test, then twelve months on a learner's permit (driving under supervision), completing 75 compulsory driving hours during the learner's permit stage (including 15 hours at night) and passing a compulsory hazard perception test.

A Marshall Liberal Government will undertake a twelve-month trial of expediting this stage for students who are engaged in a contract of training – as trainees or apprentices who are required to drive for their employment – by reducing the time required on the L Plates from 12 months to 6 months. All other requirements, including the compulsory driving hours and the hazard perception test, would still be required.



5. Industry Skills Councils and a Revitalised Training and Skills Commission

A Marshall Liberal Government will re-establish Industry Skills Councils to ensure that Industry has a stronger voice in TAFE, in VET in schools, on the Training and Skills Commission, and directly to the highest levels of government decision-making – including to the Minister and Cabinet. A review of the legislation governing the Training and Skills Commission – the *Training and Skills Act 2008* – has been mooted for years. It will be reformed by a Marshall Liberal Government as a step towards revitalising the Commission.

We need to reduce the duplication of effort in consultation with industry and stakeholders to one source of information, collection and coordination of up-to-date and emerging skill needs. This will be drawn from up to eight Industry Skills Councils covering strategic priority areas across South Australia's economy.

The head of each Industry Skills Council (or their delegate) will be represented on the revitalised Training and Skills Commission which will in turn be charged with advising the Government on workforce development needs. The input from the Training and Skills Commission will be the primary source of data from which the subsidised training list is to be identified in a reformed structure.

The Commission will also develop and maintain strong links with regional representatives and business stakeholder groups to ensure that regional variations are taken into consideration when providing advice. RTOs, TAFE SA and the Australian Council for Private Education and Training will be invited to provide critical resourcing advice to ensure industry skills needs can be accommodated.

The Commission will deliver a clear Training Priorities Plan that will create focus, certainty and stability in the training sector, aligned with employer demands for skills today and into the future. As needed, the National Centre for Vocational Education Research and other non-government organisations may be commissioned to support the work of the Training and Skills Commission and the Skills Councils with its data and analysis.

As part of its ongoing policy work, the Commission will also be asked to consider the place of shorter training units, cadetships, upskilling and re-skilling within the training system, after its current body of work on traineeships and apprenticeships is completed.

The responsible Minister will be required to meet with the Training and Skills Commission (as a whole) on a regular basis to ensure that Industry representatives have a clear line of communication to the Government to identify when any issues of concern arise.

Each Industry Skills Council will also be given the opportunity to engage with TAFE SA. This will provide a mechanism through which all industry bodies can have direct communication to TAFE senior management to ensure that TAFE is focused on delivering industry's skills needs.

6. Fixing the subsidised training list

A Marshall Liberal Government will undertake a thorough renewal of the subsidised training list, through transparent processes for the compilation of the list with current and future workforce needs given the most weight. New consideration will be given to qualifications recognised interstate but not in South Australia so as to simplify the system for companies operating nationally, and for students who wish to move interstate (or to South Australia).

There is currently a lack of confidence amongst many in industry with the composition of the subsidised training list – not to mention that 83% of subsidised course delivery is restricted to TAFE SA, with non-government providers restricted from the list – even if their quality is high and demand for their course is significant.

Under a Marshall Liberal Government, the Training Priorities Plan developed by the Training and Skills Commission, based upon industry needs and the advice of the Industry Skills Councils, will be the basis upon which the subsidised list will be formed. It will be a transparent and accountable process.

There will be a mechanism where other stakeholder groups, businesses or individuals may advocate a point that the Commission may not have considered. Some flexibility will also be provided to enable the Government to identify its own priorities in addition to those of the Commission.

However transparency and accountability will be the keys. If the Government makes a decision – for whatever reason – to stray from the advice of the Commission’s Training Priorities Plan in completing the composition of the subsidised training list, then that alteration will require the approval of the Minister, and the reasons for the variance will be published at the time of the decision taking effect.



WHY WE'RE DOING IT

South Australia's unemployment during Labor's sixteen years in government has been the highest of the mainland states for almost half of that time. Despite this, South Australia has also faced skills shortages in a number of industries.

For the future, South Australia has a number of opportunities for jobs growth – not least in the Defence sector where our State will be the main beneficiary from \$90 billion worth of Federal Government investment in naval shipbuilding. It is critical that we are ready to meet this opportunity and others with a workforce trained in the skills that will guarantee South Australians job and career opportunities without needing to look for them elsewhere.

It is also essential that businesses across South Australia have access to a skilled workforce that meets their needs so that they can invest and expand with greater confidence to add to our State's prosperity.

Government investment in training must lead to real job and investment outcomes. There are emerging and future skills needs that must be addressed as we seek to innovate, diversify and keep pace in a digital and high-tech economy.

As we face these challenges and opportunities, there is a crisis of confidence in our training sector. As a result of the TAFE scandal, the Weatherill Labor Government has trashed the reputation of our training system and is incapable of restoring it. A Marshall Liberal Government will implement reforms to TAFE to restore the confidence of students, businesses and taxpayers who fund TAFE's activities. We will accept the enormous challenge to repair the reputational damage done to the whole training sector by Labor's incompetence.

Repairing our training sector must address as a priority, the alarming reduction in the number of South Australians in job training.

Over the past four years, the number of South Australians in apprenticeships and traineeships has more than halved – by far the biggest reduction in any state or territory.

Table: Apprentices and Trainees in training – 2013 - 2017 Apprentices and Trainees in training at 30 June

Apprentices and Trainees in training at 30 June	2013	2017	Change
SA	33,320	15,700	- 52.9%
NSW	124,060	82,040	- 33.9%
VIC	94,635	61,755	- 34.7%
QLD	86,185	57,090	- 33.8%
WA	42,330	35,330	- 16.5%
TAS	9,600	7,595	- 20.9%
NT	3,855	3,090	- 19.9%
ACT	10,005	6,035	- 39.7%

Source: Apprenticeships and Trainees 2017 – June Quarter – National Centre for Vocational Education Research

In 2013, South Australia had almost 9% of Australians in job training. It's now 5.8%. If South Australia had retained its share of four years ago, another 8,200 South Australians would be in apprenticeships and traineeships today.

Small to medium sized employers find it financially challenging to take on apprentices and trainees, and time consuming to navigate the overly-bureaucratic administrative processes involved.

For many employers it is just too hard. We need to make it easier.

Group training schemes are an excellent part of the solution – enabling small businesses to take on apprentices even if they don't have the confidence to employ an apprentice for the full four years. Their model is also beneficial to their apprentices, who may get the opportunity to experience several different workplaces through the course of their training.

Many of these Group Training Organisations are industry led not-for-profit groups that run their own training organisations: they get great outcomes and we should be giving them more support. However, the Weatherill Labor Government's policies have restricted funding to this sector through shutting them out of the subsidised training list for many qualifications.

We also need to address the problem that many students do not see a technical qualification as an opportunity that they should be pursuing.

While we must retain the opportunity for higher education pathways to be an achievable and worthy aspiration for all of those young people who seek them – and our universities are deservedly recognised as key partners with government in being able to deliver great outcomes for those students – it is also critical that pathways to vocational education and training (VET) are seen to be more appealing.

Both for their own benefit, and for the good of our economy, we need more young people to consider pursuing a career through a technical qualification as a first option, not as a fall-back plan. Many young people may have no idea that an apprenticeship may be the best option for them, because the very thought of it has never been presented to them.

Many students would also benefit from having the opportunity to undertake their first year of an apprenticeship at the end of year 11. The capacity to earn money at the age of seventeen is, in many cases, an attractive prospect for the apprentice, as is the opportunity to complete an apprenticeship a year earlier than waiting until after the end of year 12.

While it's important to train more people, we must also ensure that workforce planning identifies future skill needs so that our training system is geared to meet them. This requires industry to have a stronger voice in our training system.



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