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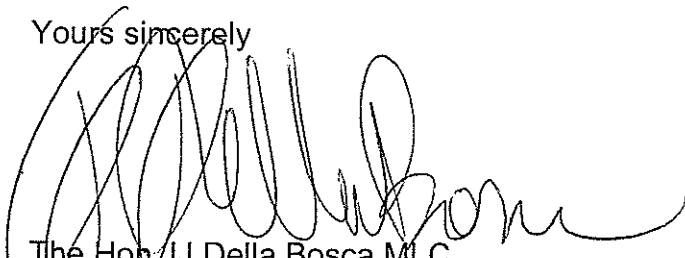
14 November 2006

Mr John Evans
Clerk of the Legislative Council and the Clerk of the Parliaments
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Mr Evans

Please find enclosed the NSW Government's response to Legislative Council State Development Standing Committee's report on its Inquiry into Skills Shortages in Rural and Regional NSW.

Yours sincerely



The Hon JJ Della Bosca MLC
Leader of the Government in the Legislative Council

*Received by me 9.25am 15 November 2006
and authorised to be published*

*John Evans
Clerk of the Parliaments*

cc. Office of the Hon Tony Kelly MLC,
Leader of the House in the Legislative Council

NSW GOVERNMENT RESPONSE
LEGISLATIVE COUNCIL STANDING COMMITTEE ON STATE DEVELOPMENT
INQUIRY INTO SKILLS SHORTAGES IN RURAL AND REGIONAL NSW

Recommendation 1: *That the NSW Government, through The Cabinet Office, coordinate a cross-agency working party that reviews existing data collection processes.*

The Committee recommends that this should be explored in line with the current Council of Australian Governments (COAG) reforms in skills shortages where the Commonwealth, States and Territories agreed to cooperate more closely in sharing labour market information so as to understand better the extent and location of skills shortages.

Response

The Government agrees that there is scope for labour market data collection and sharing arrangements to be improved, and welcomes the broad thrust of the Inquiry's insights.

The NSW Government has recently taken action to ensure that skills development is at the forefront of government decision making on matters affecting the NSW economy. In September 2006, the Government announced that it would establish a NSW Skills Council to:

- ensure that government agencies work together to develop policies, strategies and programs that develop workforce skills;
- bring together agencies at a regional level to coordinate skill development in regions;
- coordinate government response to national initiatives in the areas of economic development and innovation; and
- in conjunction with the Board of Vocational Education and Training, provide a link between government and industry in the areas of skills development and innovation.

The Skills Council will act as a bridge between business, training providers and policy makers. The Council will include senior officials of the Department of Education and Training (DET), the Department of State and Regional Development (DSRD), Treasury, the Premier's Department, the Department of Commerce, the Department of Planning, and the Board of Vocational Education and Training.

It will be through this forum that existing data collection processes by NSW agencies will be examined, and opportunities for better collaboration with the Commonwealth on data sharing pursued in line with the February 2006 COAG agreement. DSRD and DET have also commenced liaising more closely on labour market information kept by each agency.

Recommendation 2: *That the NSW Government, in consultation with the Commonwealth Government, encourage the Regional Development Boards and Area Consultative Committees in each region to produce memoranda of understanding covering cooperation between the two bodies, including their allocation of resources and priorities.*

Response

An increased level of cooperation between Regional Development Boards (RDBs) and the Area Consultative Committees (ACCs) is broadly supported, to ensure that these bodies

are not acting at cross purposes or duplicating functions. Better cooperation will support opportunities for regional development.

Any measures for increased cooperation (eg memoranda of understanding) will be developed within the confines of existing roles and responsibilities of the RDBs and ACCs. NSW would not support measures that involve RDBs assuming responsibility for implementing Commonwealth policies and programs (eg the Skilled Migration Program). The aim therefore of increased cooperation needs to be a reduction in waste and duplication and not simply an increased burden on RDBs.

Recommendation 3: *That the NSW Government, in consultation with the Commonwealth Government within the current Council of Australian Governments' (COAG) process, consider adjustments to the number of boundaries of the 13 Regional Development Boards and 17 Area Consultative Committees across the State, with a view to achieving consistent boundaries of responsibility.*

Response

As indicated above, better cooperation between RDBs and ACCs is supported. However, the Government does not consider that the cost, time and effort involved in realigning boundaries between RDBs and ACCs would justify the benefits.

It should be noted that a number of ACCs span state boundaries, making this recommendation difficult to implement (eg the cross border regions of the Central Murray and Albury Wodonga Area Consultative Committees cover areas in both Victoria and NSW).

The Government is amenable to examining the boundaries of RDBs, with a view to achieving consistency with the regional boundaries used by NSW Government Departments (eg DET). Because of the particular need for close interaction between RDBs and other NSW Government Departments with a role in economic development and tackling skills shortages, this action may provide a greater potential benefit for the costs involved.

Recommendation 4: *That the NSW Government look at providing the Regional Development Advisory Council with additional support in coordinating and disseminating information between Regional Development Boards.*

Response

DSRD currently provides the Regional Development Advisory Council with an executive officer to assist in the coordination and dissemination of information, and to undertake follow-up work and research projects arising from the regular Regional Development Advisory Council meetings.

In addition to funding administration costs of the Council and of individual Boards, DSRD allocates \$1.6 million per year for project funding under the Regional Development Board Innovation Program. This funding enables RDBs to pursue economic development opportunities relevant to their regions, including projects that address skills shortages. The Program is about to be reviewed, and the issue of funding and arrangements generally for supporting the Advisory Council will be considered.

Recommendation 5: *That the NSW procedure for auditing all regional development programs, funded by the Department of State and Regional Development, evaluate the funding, public awareness, participation in and outcomes of all NSW Government regional development programs, and that the results be published.*

Response

The Government has extensive auditing arrangements for regional development programs, including those which take place through budgetary processes, assessments undertaken by the Council on the Cost and Quality of Government and Parliamentary processes via committees such as the Parliamentary Budget Estimates Committee and the Public Accounts Committee.

In the Government's view, these processes provide a vehicle for ongoing evaluation of the cost effectiveness of regional development programs, and the Government is always open to input provided by stakeholders who have an interest in such programs.

The Government will none the less give further consideration to whether these auditing arrangements could be enhanced.

Recommendation 6: *The NSW Government continue to participate in the COAG program relating to the assessment and promotion of skilled migrant applications.*

Response

NSW will continue to be a strong supporter of efforts to encourage skilled people to migrate to Australia, particularly in relation to occupations or regions experiencing skill shortages which cannot be adequately addressed by domestic supply.

In relation to skills assessment, the Australian Skills Recognition Information (ASRI) website, a cooperative venture between the States and the Commonwealth, was launched in May 2006. The website provides information for prospective skilled migrants on assessment, licensing and registration information for almost 500 skilled occupations in all States and Territories of Australia. This helps prospective skilled migrants prepare for their migration to Australia.

The Government continues to promote skilled migration, particularly to regional NSW, as part of the Government's *Drive for Talent* program. For example, the Government funded the Riverina and Murray Regional Development Boards to participate in the *Australia Needs Skills* migration Expos in Hong Kong and Manila in May 2006. The purpose was to attract skilled migration to regional areas of NSW. Over 3,000 people attended the two Expos, and strong interest was expressed in migrating to regional NSW. In October 2006, NSW also participated in migration Expos in the United Kingdom to promote skilled migration to regional NSW.

The Government also promoted employment opportunities for skilled people in regional NSW at Careers and Employment Expos in Melbourne, Adelaide, Brisbane and Canberra in May and June 2006, and at a *Sydney Careers and Employment* Expo in July 2006. In addition, on 23 September 2006, the Government joined the Commonwealth to conduct an *Australia Needs Skills* Expo in Sydney.

Recommendation 7: *That the NSW Government, in line with the COAG reforms on skills shortages data collection methods, consult with the Commonwealth Government on upgrading the information available on the Skills Matching Database, with a view to providing continuous, up-to-date information for employers and regional certifying bodies.*

The Committee would also support the examination of a single registration process as part of the reforms to allow NSW vacancies to be collated and assessed.

Response

The Government supports the upgrading of information available on the Commonwealth's *Skills Matching Database*, and is working with the Commonwealth to achieve this.

In relation to the establishment of a single registration process to "allow NSW vacancies to be collated and assessed", it is not clear exactly what is meant by this. The Government assumes that the Inquiry is referring either to an expanded or amended *Skills Matching Database* which would include job vacancies in addition to the details of migrants, or to a new separate database. There may be some merit in this if it facilitates matching of jobs with skills in a speedier, more efficient manner, but further consideration of its justification and how it would work is required.

It should be noted that DSRD has been involved in discussions with the Commonwealth on providing improved job matching services to allow employer vacancies to be matched to eligible skilled migrants. From April 2006, employers who are having difficulties in filling vacancies in occupations in national shortage can choose to have these vacancies lodged on the Australian Jobsearch site (www.jobsearch.gov.au). These vacancies are then matched against Skilled Independent Migration applicants who are looking for employment in Australia.

The Commonwealth recently proposed extending this service to migrants sponsored under the Skilled Independent Regional visa and the State/Territory Nominated Independent visa. This proposal was supported by NSW in light of the benefits it could bring to regional NSW employers. However, the proposal was opposed by other States because of the potential for it to divert migrants sponsored by these States to other States.

Recommendation 8: *That the NSW Government participate in the COAG strategies to facilitate and encourage skilled migrants to apply for overseas skills recognition in relevant Australian states, prior to their arrival in Australia.*

Response

The NSW Government fully supports the COAG process aimed at streamlining the process for recognising the skills of people who intend to migrate to Australia under a skilled migration visa. It provides this support on the clear understanding that Australia's standards of workmanship are not eroded.

The arrangements will initially cover six trades and will expand to include other occupations by 31 December 2008. The reforms to overseas skills recognition processes are scheduled to take effect from July 2007.

Recommendation 9: *That the NSW Government continue to consult with the Commonwealth for appropriate resourcing for support and settlement services for skilled migrants.*

Response

The NSW Government maintains the view that, as the Commonwealth is responsible for migration policy, it must also bear responsibility for ensuring that skilled migrants have access to adequate labour market programs incorporating professional work placements, information and advice about the Australian job market and workplace culture, specialist career advice, mentoring and networking, and professional peer group development.

NSW will continue to advance this position in its dealings with the Commonwealth on skilled migration issues. NSW is nonetheless prepared to continue to assist the Commonwealth in planning the provision of these services, as well services for migrants under the refugee and humanitarian programs, through existing inter-jurisdictional forums.

NSW government and non-government agency websites, which provide information to migrants on services such as health, education and housing, are linked to the Department of Immigration and Multicultural Affairs (DIMA) website. DIMA and the NSW Community Relations Commission also conduct joint consultations in some regional centres on settlement issues, and promote *Living in Harmony* and *Street Festival* initiatives in regional NSW.

Recommendation 10: *That the NSW Government:*

- *investigate options for a longer-term funding mechanism for TAFE NSW to replace annual budget allocations, and allow TAFE NSW to roll-over year-end surplus commercial funds to facilitate better strategic planning.*
- *investigate options that encourage and recognise the time spent by TAFE institutes in developing training courses that meet the needs of industry.*

Response

At the instigation of the Government, in November 2005, the Independent Pricing and Regulatory Review Tribunal (IPART) commenced a review into the NSW's skill development needs and the capacity of the NSW vocational education and training system to address these needs. IPART is expected to finalise its report in the near future.

A draft IPART report raises similar issues to those raised in this Upper House Inquiry in relation to Technical and Further Education's (TAFE) strategic planning and its responsiveness to industry needs. The NSW Government will consider mechanisms for encouraging TAFE to undertake longer term strategic planning and to be more responsive to industry needs in the context of its response to the final IPART report.

It should be noted that TAFE's capacity to work flexibly with industries and the community to address regional and rural skill needs is constrained by Commonwealth accountabilities and requirements under Vocational Education and Training (VET) funding agreements. These agreements focus on inputs (eg delivery of annual course hours) rather than on competencies or qualifications achieved.

Recommendation 11: *That the NSW Government review the processes for developing, achieving and maintaining status as a registered training organisation, with a view to*

encouraging more large companies to assume responsibility for quality training of their own staff.

Response

The Australian Quality Training Framework (AQTF) standards applying to the registration of training organisations (RTOs) are national, as are the standards that apply to the operation of registering and course accrediting bodies. The standards applying to the registration of training organisations are aimed at supporting the integrity of the training system and maintaining industry confidence in the qualifications achieved by apprentices and trainees.

Currently, NSW is participating in a COAG sponsored review of the standards applying to the registration of training organisations to develop an outcomes-based focus. The objective is to enhance industry confidence in the quality of the training delivered by training organisations, and to ensure that regulatory arrangements are geared to meeting this outcome.

In August 2006, the NSW Vocational Education and Training Accreditation Board (VETAB) released the revised draft standards as a basis for consultation with NSW RTOs. Implementation of the revised standards is expected to take effect in 2007.

Recommendation 12: That the NSW Government:

- *in light of the low wages paid to apprentices and trainees, initiate discussions with the Commonwealth Government with respect to rates of pay and tax free thresholds for such employees.*
- *develop and implement a program of education and support for regional and rural employers with respect to the implementation of necessary OH&S and workers' compensation programs and other perceived difficulties for employers of apprentices and trainees.*

Response

The NSW Government is implementing a number of strategies to develop a highly skilled, highly paid and highly productive workforce in this State, a key element of which is making apprenticeships more attractive to prospective trainees and employers. These strategies include:

- maximising skills opportunities through the adoption of flexible measures for training and workforce development that is consistent with its strategic priority to stimulate economic growth in NSW; and
- supporting a NSW industrial relations system based on an up-to-date and comprehensive safety net for all workers with fair employment conditions and minimum wages in awards established by an independent tribunal through conciliated or arbitrated outcomes.

The Inquiry has noted the NSW Government Plan for Securing our Skilled Workforce, delivered in March 2005, some of whose initiatives have a strong rural and regional component:

- additional travel support for apprentices in rural and regional NSW by doubling the overnight accommodation allowance from \$14 to \$28 per day;

- an additional \$1 million for Group Training Organisations to deliver an additional 800 apprentices for small businesses, and rural, regional and disadvantaged communities;
- providing \$2 million to establish Tradestart, a pilot scheme in which apprentices are able to do their first year of TAFE training in the 16 weeks before they commence work; and
- providing rebates for the cost of care registration.

Building on this initiative, the NSW Government has made a commitment to implement the skills and training reform agenda agreed by COAG at its February 2006 meeting, a significant part of which involves providing incentives for people to undertake apprenticeships. These include initiatives to:

- shorten the duration of apprenticeships where appropriate competencies are demonstrated;
- remove legislative, regulatory and industrial barriers to school-based apprentices in the skills areas of metals and engineering, automotive, building and construction, electro-technology, and commercial cookery; and
- improve recognition of prior learning for existing workers.

There are no major barriers to the shortening of apprenticeships in NSW, and the Government is working with industrial parties to establish appropriate award arrangements in relation to school-based apprenticeships. It has also announced that it will establish 10 trade schools at which school based apprenticeships will be undertaken (for further detail, see below under recommendation 16).

In relation to the particular issues raised by the Inquiry, the Government makes the following observations.

Pay rates

The issue of pay for apprentices is complex, involving a number of stakeholders with particular interests. In this regard, the Australian Fair Pay Commission (AFPC) recently indicated that there was broad consensus among stakeholders that concessionary or lower pay rates should be retained for apprentices and other employees in training arrangements. The argument advanced is that if apprentices and trainees are to be competitive in the labour market their wages should reflect their relative lack of skills and experience and the time they spend in structured training rather than productive work. The AFPC will conduct a wage review in 2007, in which the issues raised by the Inquiry and others in relation to wage rates for apprentices are likely to be discussed. The NSW Government will await this process before advancing any discussions with the Commonwealth on the issue of pay rates.

The NSW Government has taken action to ensure that conditions of employment for young workers are protected. Young workers often do not have the skills and confidence to negotiate agreements that best suit their needs. Accordingly, they may not be able to bargain effectively to include conditions currently available in NSW awards in individual workplace agreements under the Commonwealth's Work Choices legislation.

The Government has therefore recently introduced into the Parliament the *Industrial Relations (Child Employment) Bill 2006*. The Bill provides that an employer offering a Federal workplace agreement must provide children with minimum conditions of employment. Those minimum conditions of employment must not, on balance, provide a net detriment to a child when compared to a State award which applies to similar work to that performed by the child. The NSW Industrial Relations Commission will be required to set no net detriment principles within 6 months of the enactment of the Bill. The principles will provide a guide to employers when determining minimum conditions of employment for a child.

The Bill will provide some certainty for those children taking up apprenticeships that conditions of employment established by the NSW Industrial Relations Commission will be safeguarded.

Tax

The NSW Government would support any actions taken by the Commonwealth to alleviate the tax burden on apprentices and trainees.

Through its taxation arrangements, NSW has sought to make conditions more conducive to employers taking on apprentices. In the Economic and Financial Statement of February 2006, the Premier announced that the NSW Government would introduce a payroll tax rebate for new or expanding businesses in areas with persistently above average unemployment. This incentive came into effect on 1 July 2006.

Workers compensation

Existing OH&S and workers compensation requirements provide fundamental protections to workers. NSW has, however, sought to minimise any disincentives to the employment of apprentices posed by these requirements, without compromising the protections provided by these requirements.

- The Government recently announced a \$74 million package to encourage the uptake of legitimate apprenticeships through workers compensation incentives. Under the *Growing our Skills* apprentices scheme, wages paid to apprentices will not be counted towards an employer's workers compensation premium. It is forecasted that the scheme will increase the number of apprentices by five percent, or an extra 1,000 apprentices a year. The changes will apply to workers compensation policies commenced or renewed after 1 January 2007.
- WorkCover has also developed a range of publications to help employers with apprentices manage their workplace safety including the *New Apprenticeships and Traineeships – your opportunity to improve occupational health and safety* and *Protecting Young Workers From Workplace Hazards*. These are in addition to the *Small Business Safety Pack* and *On-line Self Assessment Tool* that were launched in mid-2006 to give small and medium sized businesses guidance on compliance with OH&S and workers compensation requirements.

The Government has also established the Business Assistance Unit to deliver specialist programs and products to assist small and medium sized businesses build their capacity to manage their OH&S and workers compensation obligations. In 2005, the Unit commenced a statewide workshop program. Over 7,500 people have attended the 429 workshops on workplace safety, workers compensation and injury management that have been conducted across regional, rural and metropolitan NSW.

Recommendation 13: *That the NSW Government examine providing additional training to school career advisors in relation to the career opportunities available to young people.*

Response

The NSW Government's \$22.1m *School to Work Program* enables students in Years 9-12 to obtain access to a range of career and transition initiatives and resources, such as work experience, work education, job readiness programs, career Expos, multi-media industry specific resources and websites. These activities help to enhance students' career awareness and to improve their job readiness.

Rather than receiving additional formal training, careers advisers need to network with local community and business organisations including local councils and business groups to remain up-to-date with local employment and training opportunities, particularly in skills shortage areas to provide quality advice to exiting school students. The Department of Education and Training (DET) is considering ways of assisting careers advisers in this regard.

Schools in rural and regional areas have the opportunity to be involved in the DET's *Pathways Mentors* initiative where training is provided for a teacher in the school to work in close collaboration with the careers adviser. This role provides opportunities for the school to strengthen existing community partnerships, promote effective communication strategies between schools, employers and local communities and seek solutions through specialised community support for disengaged students.

Recommendation 14: *That the NSW Government investigate options to ensure that vocational training orders are made efficiently and in a timely manner, and deliver outcomes suited to industry, group training organisations, unions and apprentices.*

Response

The Vocational Training Tribunal has advised that the processes for obtaining and modifying vocational training orders (VTO) have been substantially streamlined and simplified. Currently, the average processing time for vocational training order requests is between two weeks and one month.

NSW will continue to monitor processes for development of vocational training orders, and consider opportunities for improvement. However, as the Inquiry report notes, VTOs are developed in consultation with a wide range of parties including industry bodies, employer groups, unions and RTOs. The goal of further streamlining administrative procedures needs to be weighed against the need to ensure effective consultation in relation to vocational training order requests.

Recommendation 15: *That the Government maintains current registration standards for group training organisations.*

Response

The registration standards referred to are national standards, and NSW supports them. The standards were reviewed in 2004 to provide greater clarity.

Recommendation 16: *That the NSW Government examine the range of vocational courses on offer in years 11 and 12 in schools, including the teaching of certain Certificate III courses in schools, and the impact this may have on future study options for students.*

Response

Following the release of the review *Strategic Evaluation of VET in Schools in NSW* conducted by Mr Bert Evans AO, NSW is undertaking several measures to enhance and expand VET in schools.

In May 2006, the Premier announced the establishment of 10 trade schools which will offer part-time school-based apprenticeships from 2007 in partnership with local industry. The cost of the initiative is \$18 million. Each of the 10 trade schools will specialise in an area that reflects the needs of the local labour market. Trade schools will provide industry-standard training and equipment such as electronic calibrated lathes, commercial quality stoves and modified, safe construction work sites, in key skill shortage areas like construction, metals and engineering, automotive, hospitality and health care. Of the schools announced so far, three are in rural/regional areas: Ballina; Orange; and Glendale.

NSW is also in the process of establishing school-based apprenticeships initially in five trades (metals and engineering, automotive, building and construction, electro technology and commercial cookery) in line with the February 2006 COAG decision.

Recommendation 17: *That the NSW Government examine measures to improve the current mechanisms by which an existing worker's on-the-job experience and prior learning are recognised.*

Response

One of the February 2006 COAG initiatives was the introduction of a Commonwealth-State recognition of prior learning (RPL) program to improve the take-up of RPL and streamline assessment. In support of this, TAFE NSW has developed a range of products and services to enhance recognition of RPL in NSW.

The Commonwealth has agreed to provide \$12 million over three years for the RPL program, and allocate this to the States and Territories on the basis of share of working age population. NSW will receive \$3.75 million over three years and intends to match the amount with State funds.

Four strategies will be funded, including:

- a state-wide RPL information and promotion strategy and the development of a Virtual RPL Referral Centre;
- a professional development strategy to build the training system's capacity to deliver quality and streamlined RPL by private and public sector; and
- 10 industry partnership projects in priority sectors where there are skill shortages and large number of potential candidates for RPL.

All strategies will have a rural and regional component.

Recommendation 18: *That the NSW Government, in collaboration with local businesses, invest in school-to-work programs in Aboriginal communities to facilitate and promote greater Aboriginal participation in the workforce.*

Response

The Government is undertaking a number of initiatives to boost opportunities for young Aboriginals to gain full time employment once they leave school. In the last 18 months, Aboriginal apprenticeship and traineeship employment in NSW has increased by 230 per cent to 3,300 places.

- The Board of Studies and the Board of Vocational Education and Training are currently undertaking a project to explore options to strengthen vocation education curriculum pathways in years 9 and 10 to improve the retention of, and outcomes for, students, particularly those who are disengaged from schooling. Twenty three schools in rural and regional areas are piloting various vocational education options as part of the project in 2006 and 2007, including 10 schools with significant enrolments of Aboriginal students.
- DET administers three programs to improve employment outcomes for Aboriginal people, with an emphasis on vocational training, job placement, and enterprise development in NSW.
 - The Elsa Dixon Aboriginal Employment Program (EDAEP) encourages job opportunities and career advancement for Aboriginal and Torres Strait Islander people, and aims to promote diversity, innovation and service responsiveness in the NSW workforce by reducing barriers to employment and promotion for Aboriginal people.
 - New Careers for Aboriginal People Program (NCAP) enables organisations to employ an NCAP officer to assist Aboriginal people access education and training pathways that enhance their prospects of permanent employment by identifying, creating and supporting sustainable opportunities at the local level.
 - The Aboriginal Enterprise Development Officer Program (AEDO) assists Aboriginal people to access education and training pathways to facilitate the establishment and retention of viable Aboriginal business enterprises. The program aims to increase the confidence and expertise of Aboriginal people to enable them to participate in self employment opportunities and to encourage an entrepreneurial culture within Aboriginal communities.
- As previously indicated, the Premier recently announced an \$18 million plan to create 10 new dedicated trade schools with school-based apprenticeships and traineeships for HSC students. The first trade school to be opened in 2007 (Recommendation 16) will be in Colyton, in the Mt Druitt Region. This area has the largest Aboriginal population in NSW.
- DET manages the Joint Indigenous Funding Pool, a Commonwealth/State joint program supporting the delivery of vocational training to Aboriginal people. This program has annual matched funding of \$2.2 million for three years and has a focus on pre-vocational training in specific industries including construction as well as training in cross cultural awareness, healthcare, governance and information technology.

- The NSW Strategic Skills Program also supports training for Aboriginal people, and the 2006 Program included a strategy specifically to support skill formation in the Aboriginal community. This training focuses on Aboriginal business development, skills to support Aboriginal people in correctional facilities and Aboriginal community leadership. This means that for 2006 \$3.6 million has been committed to meet specific Indigenous training strategies for about 1,400 people.
- DET funds four Aboriginal Training Co-ordinators, located in Sydney, Wollongong, Tamworth and Orange to assist Aboriginal people in gaining apprenticeships and traineeships, and in administering Aboriginal community development programs.

Recommendation 19: *That the NSW Government continue its commitments to education and training in the rural sector through programs like PROfarm that have replaced the FarmBiz Program.*

Response

The NSW Government has made the continuing development and delivery of PROfarm a high priority. This is evidenced by the fact that in its first year over 130 PROfarm courses were available to NSW farmers and over 4100 people undertook the 470 courses delivered.

Under PROfarm, the NSW Department of Primary Industries has delivered a wide range of training to farmers in partnership with industry organisations, such as Australian Wool Innovation, Meat and Livestock Australia, and Cotton Australia.

PROfarm courses are subsidised to reflect the benefits flowing to the public from farmers adopting more sustainable management practices. Some courses are subsidised by more than 50%. In some cases, the NSW PROfarm course is cheaper than its equivalent in other States.

The PROfarm model is now working well particularly in association with Catchment Management Authorities and some Research and Development Corporations.

Recommendation 20: *That the NSW Government develop a business friendly kit, that includes case studies, ideas and strategies and a list of resources to assist businesses/communities to deal with skills shortages, and a strategy for its broad distribution.*

Response

NSW is taking action to establish a kit of the kind recommended. DSRD is currently developing a toolbox for businesses and communities experiencing skills issues, which will consist of case studies and a resource guide.

DET is holding discussions with DSRD to identify the best way of integrating additional workforce development advice and support into DET's business and regional advisory services.

A number of industry bodies, such as Tourism Training Australia, the Australian Hotels Associations NSW, the Planning Institute of Australia, the Master Builders Association of

NSW and the NSW Nurses' Association, are working to address skills shortage problems confronting their industries. This involves examining measures to improve the take up of VET courses in their industry. The kit could build on and enhance existing industry measures.