

Standing Committee on State Development

Inquiry into skills shortages in rural and regional NSW

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Terms of Reference

1. That the Standing Committee on State Development inquire into and report on the skills shortages and its impact on rural and regional New South Wales and, in particular:
 - (a) the current and future demand for labour,
 - (b) the economic and social impact of the skills shortage,
 - (c) the strategies and programs of local governments to retain and attract skilled workers including opportunities for strategies and programs in conjunction with non-government bodies such as regional business organisations and Area Consultative Committees and Regional Development Boards,
 - (d) consider appropriate models from other States in interacting with the Commonwealth's skilled regional migration programs,
 - (e) coordination between Local, State and Commonwealth governments to attract and retain skilled workers,
 - (f) the impact of the Commonwealth's regional migration programs including assessing the long term jobs and investment outcomes and considering possible recommendations to encourage sustainable regional development in New South Wales,
 - (g) the adequacy of current measures used to record and report on the skills shortage, and
 - (h) the methods used by training organisations including TAFE to assess skill needs in rural and regional New South Wales and their response to identified needs.
2. That the committee report by Friday 9 December 2005.

Committee Membership

The Hon Tony Catanzariti MLC	Australian Labor Party	<i>Chair</i>
The Hon Patricia Forsythe MLC	Liberal Party	<i>Deputy Chair</i>
Mr Ian Cohen MLC	The Greens	
The Hon Greg Donnelly MLC	Australian Labor Party	
The Hon Melinda Pavey MLC	The Nationals	
The Hon Christine Robertson MLC	Australian Labor Party	

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Chair's Foreword

On Friday, 7 June 2005, the Minister for Regional Development, the Hon David Campbell MP, referred the inquiry into skills shortages in rural and regional NSW to the Legislative Council State Development Committee for inquiry and report. The Minister took this step in response to growing concerns about the skills shortages in rural and regional NSW, and its impact on local communities, businesses and industries.

In response to this reference, the Committee undertook an extensive round of public consultations, including advertising its inquiry widely and conducting a wide-ranging program of public hearings across many regions of NSW. The Committee is pleased to have had the opportunity to visit the many regions that it did, and to take first hand evidence about the skills shortage in different areas of the state.

The Committee comes to a number of conclusions in this report:

- Measuring the skills shortage in rural and regional NSW is difficult. There are difficulties defining what is a skills shortage (many do not draw a distinction between a skills shortage and a labour shortage), and the various means of measuring skills imbalances, whether based on economic indicators or employer surveys, all have their difficulties. Nevertheless, the evidence before the Committee clearly shows that there are extensive skills shortages in rural and regional NSW across almost all sectors of the economy including in professional and para-professional occupations, in trades, and in the hospitality, retail and agriculture sectors. The available data on this in NSW, and indeed Australia, is inadequate and needs to be addressed.
- The economic and social impact of the skills shortage is profound – it has implications for essential services in a region, the region's ability to attract and retain other skilled workers, and a skills shortage changes the workplace dynamics for existing workers. Nevertheless, there is evidence that faced with a skills shortage, many regional businesses are adapting their employment practice and communities are developing strategies to overcome the immediate consequences of the skills shortage.
- As always, many local towns face the challenge of their young people leaving to gain work and life experience in larger regional and metropolitan centres. For these towns and communities, part of the challenge is to attract these young people back later in life. The Committee acknowledges that many councils are responding to this challenge by pursuing improvements in key services such as access to education and health services and best practice in rural and regional design, and by being proactive in promoting the advantages of living in their communities. Local councils are also adapting their own employment practices.
- The continued development of close ties between local councils, the State Regional Development Boards, the NSW State Government, the Commonwealth Area Consultative Committees and the Commonwealth Government is vital to coordinating the ongoing development of rural and regional communities. However, the Committee believes that this could be strengthened further by greater coordination of the work of the regional development boards and area consultative

committees, and further coordination of regional development boards under the umbrella of the NSW Regional Development Advisory Council.

- The skills shortage is an international phenomenon not confined to Australia. As such, NSW and Australia cannot look to skilled migration from overseas as a simple solution to the skills shortage. However, the Committee does support steps to increase skilled migration, to address niche needs in the labour market, and believes steps should be taken to facilitate the transition of skilled migrants into the labour force.
- The vocational education and training system has a key role in addressing skills shortages in the labour market. The Committee supports the moves over recent years to introduce consistency in national training and competency standards. The Committee also recognises the importance of TAFE NSW in responding rapidly and appropriately to the training needs of industry as skills shortages arise, and makes recommendations to increase the flexibility and responsiveness of the TAFE system.
- The apprenticeship and traineeship system in NSW is undergoing rapid change. However, the Committee is very concerned at the alarmingly high rate of cancellations and withdrawals from apprenticeships and traineeships in NSW. This may be due to poor wage levels, poorly structured incentive payments to employers, the regulatory burden faced by employers and the lack of a perceived career path. The Committee also believes that career advisors have an extremely important role to play in assisting young people to decide whether to undertake a career in the trades or to follow a different pathway. The Committee also supports the role performed by group training organisations, school-based vocational education and training and encouraging traineeships for existing workers.
- Governments are moving to address many of these issues. The Committee notes in particular the NSW Government's Plan for Securing our Skilled Workforce, and the new Council of Australian Governments' regional program, to commence in July 2006, to address the supply of skilled labour to industry and regions.

I would like to take this opportunity to thank all of the many participants in the inquiry, both those who made written submissions and those who gave their valuable time to talk to the Committee during its public hearings. The value and quality of these contributions has been high.

Thanks also to my fellow Committee Members for their commitment to this inquiry and for setting the inquiry's direction and focus.

I would also like to thank the members of the Committee Secretariat who worked on this inquiry for their research assistance and coordination of the extensive schedule of hearings: Julie Langsworth, Graeme Elliott, Laura Milkins and Stephen Frappell. Thanks also to Hansard reporters who recorded proceedings at the Committee's hearings.

Hon Tony Catanzariti MLC
Chair

Summary of Recommendations

- Recommendation 1** **33**
That the NSW Government, through The Cabinet Office, coordinate a cross-agency working party that reviews existing data collection processes.
- This should be explored in line with current Council of Australian Governments' reforms on 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.
- Recommendation 2** **69**
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.
- Recommendation 3** **69**
That the NSW Government, in consultation with the Commonwealth Government within the current Council of Australian Governments' process, consider adjustments to the number and boundaries of the 13 Regional Development Boards and 17 Area Consultative Committees across the state, with a view to achieving consistent boundaries of responsibility.
- Recommendation 4** **70**
That the NSW Government look at providing the Regional Development Advisory Council with additional support in coordinating and disseminating information between Regional Development Boards.
- Recommendation 5** **70**
That the NSW Government 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.
- Recommendation 6** **89**
That the NSW Government continue to participate in the Council of Australian Governments' program relating to the assessment and promotion of skilled migration applications.
- Recommendation 7** **90**
That the NSW Government, in line with the Council of Australian Governments' 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.

- Recommendation 8** **90**
 That the NSW Government participate in the Council of Australian Governments' strategies to facilitate and encourage skilled migrants to apply for overseas skills recognition in relevant Australian states prior to their arrival in Australia.
- Recommendation 9** **90**
 That the NSW Government continue to consult with the Commonwealth for appropriate resourcing for support and settlement services for skilled migrants.
- Recommendation 10** **103**
 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 time spent by TAFE institutes in developing training courses that meet the needs of industry.
- Recommendation 11** **103**
 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.
- Recommendation 12** **131**
 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.
- Recommendation 13** **131**
 That the NSW Government examine providing additional training to school career advisors in relation to the career opportunities available to young people.
- Recommendation 14** **132**
 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.
- Recommendation 15** **132**
 That the Government maintain current registration standards for group training organisations.
- Recommendation 16** **133**
 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.

- Recommendation 17** **133**
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.
- Recommendation 18** **133**
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.
- Recommendation 19** **140**
That the NSW Government continue its commitment to education and training in the rural sector through programs like PROfarm that have replaced the FarmBiz program.
- Recommendation 20** **140**
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.

Glossary

ABL	Australian Business Limited
ACC	Area Consultative Committee
Ai Group	Australian Industry Group
AMWU	Australian Manufacturing Workers Union
ANTA	Australian National Training Authority
AQF	Australian Qualifications Framework
AQTF	Australian Quality Training Framework
ASCO	Australian Standard Classification of Occupations
ATC	Australian technical college
ATSIC	Aboriginal and Torres Strait Islander Commission
CENTROC	Central NSW Councils
COAG	Council of Australian Governments
CRC	Community Relations Commission for a Multicultural NSW
DET	NSW Department of Education and Training
DEWR	Commonwealth Department of Employment and Workplace Relations
DIMIA	Commonwealth Department of Immigration and Multicultural and Indigenous Affairs
DSRD	NSW Department of State and Regional Development
GTO	Group training organisation
LG&SA	Local Government Association of NSW and Shires Association of NSW
MBA NSW	Master Builders Association of NSW
NCVER	National Centre for Vocational Education Research
NSWFA	NSW Farmers' Association
OH&S	Occupational health and safety
OTEN	Open Training and Education Network
RCB	Regional Certifying Body
RDAC	Regional Development Advisory Council
RDB	Regional Development Board
REROC	Riverina Eastern Regional Organisation of Councils
RSMS	Regional Sponsored Migration Scheme
RTO	Registered Training Organisation
SIR	Skilled Independent Regional (Provisional) Visa
STNI	State/Territory Nominated Independent Visa

TAFE	Technical and Further Education Institute
UTS	University of Technology Sydney
VET	Vocational education and training
VTO	Vocational training order

Chapter 1 Introduction

Terms of reference

- 1.1 On Tuesday, 7 June 2005, the Minister for Regional Development, Minister for the Illawarra and Minister for Small Business referred to the Legislative Council Standing Committee on State Development terms of reference for an inquiry into skills shortages in rural and regional NSW. The terms of reference set a reporting date of Friday, 9 December 2005.
- 1.2 The terms of reference were reported to the Legislative Council on Thursday, 9 June 2005.¹
- 1.3 On Thursday, 10 November 2005, the Committee informed the Legislative Council that the Committee, in consultation with the Minister, had resolved that the reporting date for the inquiry be extended to 1 May 2006.²
- 1.4 Subsequently, on Tuesday, 2 May 2006, the Committee informed the Legislative Council that the Committee, in consultation with the Minister, had resolved that the reporting date for the inquiry be further extended to 1 June 2006.³

Submissions

- 1.5 Following the referral of the terms of reference, the Committee advertised its inquiry in a range of rural and regional papers around the state in June 2005. In addition, the Committee wrote directly to a large number of individuals and organisations inviting them to make a written submission to the inquiry. The closing date for submissions was Friday, 5 August 2005.
- 1.6 The Committee subsequently received a total of 93 submissions and 6 supplementary submissions. A list of submissions is at Appendix 1.
- 1.7 The Committee wishes to thank all those individuals and organisations that made a submission to the inquiry.

Public hearings

- 1.8 The Committee conducted an extensive program of public hearings in rural and regional centres across the state as part of this inquiry. A total of 10 public hearings were held:
 - 30 September 2005 – Coffs Harbour
 - 31 October 2005 – Wagga Wagga
 - 1 November 2005 – Griffith

¹ Minutes of Proceedings No 109, 9 June 2005, Item 6

² Minutes of Proceedings No 127, 10 November 2006, Item 6

³ Minutes of Proceedings No 147, 2 May 2006, Item 17

- 2 November 2005 – Sydney
- 23 November 2005 – Parkes
- 24 November 2005 – Bathurst
- 5 December 2005 – Sydney
- 13 February 2006 – Queanbeyan
- 16 February 2006 – Moree
- 17 February 2006 – Sydney.

- 1.9** The Committee is pleased to have had the opportunity to visit the regional centres listed above and thanks all those who assisted the secretariat in making arrangements for hearings.
- 1.10** During a number of the hearings in regional centres, the Committee conducted public forums in which it took comments from the floor from members of the public. The Committee notes that these sessions were well supported, with a number of members of the public taking the opportunity to present their views to the Committee.
- 1.11** A list of witnesses is provided at Appendix 2 and transcripts of the hearings can be found on the Committee's web site at www.parliament.nsw.gov.au/statedevelopment. A list of documents tabled at the hearings is at Appendix 3.
- 1.12** The Committee wishes to thank all those witnesses who presented evidence during the hearings.

Parties to the inquiry

- 1.13** During the inquiry, the Committee received submissions and took evidence from a broad range of individuals and organisations, including:
- the Department of State and Regional Development, the Department of Education and Training, the Department of Primary Industries, NSW Health and the Community Relations Commission for a Multicultural NSW, all on behalf of the NSW Government
 - the Local Government Association of NSW and Shires Association of NSW, which are the peak bodies representing local councils and shires in the state, together with a large number of individual councils and also a number of cross-council bodies such as the Southern Councils Group, Murray Regional Organisation of Councils, Central NSW Councils and the Riverina Eastern Regional Organisation of Councils
 - the NSW Regional Development Advisory Council, together with a majority of the 13 NSW Government regional development boards
 - a number of the 17 Commonwealth Government area consultative committees
 - representatives of TAFE NSW including TAFE NSW – Riverina Institute and TAFE NSW – North Coast Institute Council

- the Deputy Vice-Chancellor (Academic) from Charles Sturt University, together with a number of individual academics from Charles Sturt University and other universities
- representatives of the following group training organisations: Central West Group Apprentices; Hunter Valley Training Company and Skilled Group
- Unions NSW, which is the peak union body in NSW, together with the United Services Union and the Australian Workers' Union
- employer bodies such as the Australian Industry Group and Australian Business Limited
- a large number of industry organisation, including notably: the NSW Farmers' Association; the Master Builders Association of NSW; the Association of Consulting Engineers Australia; the Planning Institute of Australia – NSW Division and the Association of Professional Engineers, Scientist and Managers, Australia
- a number of individual companies such as Riverina Citrus, Country Energy, De Bortoli Wines, Casella Wines, Bartter Enterprises, Jeff Hort Engineering and Express Coach Builders Pty Ltd
- parties involved in projects such as the Illawarra Skills Shortages Taskforce and the Orange Cabonne Blayney Industry and Skills Project
- the Migrant Employment and Training Taskforce, writing in relation to migrant employment strategies
- Aboriginal representatives such as Mr Cliff Foley, former Aboriginal and Torres Strait Islander Commissioner, and representatives of Aboriginal Employment Strategy Limited, Nindethana Aboriginal Corporation and Pius X Aboriginal Corporation
- special interest groups such as the Isolated Children's Parents' Association of NSW, Council of The Ageing National Seniors Partnership, Australian Hearing and the Regional Communities Consultative Council
- a number of members of parliament and political party branches
- a large number of interested individuals writing or appearing during the hearing in a private capacity.

Structure of the report

- 1.14** This report is in ten chapters:
- 1.15** Chapter 2 provides a background to the concept of skills shortages, including an examination of what are skills, why skills shortages occur, and the distinction to be drawn between a skills shortage and a labour shortage.
- 1.16** Chapter 3 examines the current and future demand for skills in NSW, how skills shortages are recorded and monitored, the adequacy of this information and its usefulness in the development of appropriate responses by business and government to the skills shortage.

- 1.17** Chapter 4 considers the economic and social impacts of the skills shortages across rural and regional NSW.
- 1.18** Chapter 5 look at the strategies of local government to attract and retain skilled workers in rural and regional NSW.
- 1.19** Chapter 6 assesses the coordination between local, State and Commonwealth Government in developing and implementing plans to address skills shortages in rural and regional NSW.
- 1.20** Chapter 7 examines the impact of the Commonwealth's regional skilled migration programs.
- 1.21** Chapters 8 and 9 look at the vocational education and training system in NSW, including an examination of the responsiveness of training organisations, notably TAFE, to the skills shortage in rural and regional NSW.
- 1.22** Finally, chapter 10 looks at other issues raised during the inquiry.

Chapter 2 Background to the skills shortage

This chapter provides a background to the concept of skills shortages in general terms, including an examination of what are skills, why skills shortages occur, and the distinction to be drawn between a skills shortage and a labour shortage.

What are skills?

- 2.1 A skill is an ability to perform a task at a certain level of competence. A skill is generally associated with specific tasks, where someone who possesses that skill will be able to perform more productively and efficiently than someone who does not.
- 2.2 Skills are acquired in many different ways. However, they are typically associated with the attainment of qualifications through formal education and training, whether through university, TAFE or other higher education providers. Attainment or refinement of skills is also often achieved through on-the-job experience.
- 2.3 Work related skills are classified in Australia according to the Australian Standard Classification of Occupations (ASCO), as used in the Australian Skilled Migration Programs. The Committee notes the view held by some parties to the inquiry that the breadth of the ASCO classifications is too narrow and that they exclude a number of occupations in rural industries such as viticulture and agriculture, which might be considered as skills in demand were the definition to be revised.
- 2.4 In addition to ASCO classified skills, parties to the inquiry also highlighted generic skills in the workplace often overlooked, including basic literacy and numeracy and, increasingly, computer literacy. Furthermore, other attributes such as interpersonal skills, reliability, punctuality and team working are valued highly by employers.

What is a skills shortage?

- 2.5 The Commonwealth Department of Employment and Workplace Relations defines a skill shortage as follows:

Skill shortages exist when employers are unable to fill or have considerable difficulty in filling vacancies for an occupation, or specialised skill needs within that occupation, at current levels of remuneration and conditions of employment, and reasonably accessible location.

Shortages are typically for specialised and experienced workers, and can coexist with relatively high unemployment overall or in the occupation. An occupation may be assessed as in shortage even though not all specialisations are in shortage. Occupations may be in shortage in particular geographical areas and not in others. Although skill shortages are monitored closely, there may be localised or specialised shortages that are not reflected in these lists.⁴

⁴ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006, Explanatory Memorandum

2.6 In turn, in their 2003 working paper entitled *Skills Shortages: Concepts, Measurement and Implications*, Dr Chandra Shah and Prof Gerald Burke define a skills shortage as occurring:

... when the demand for workers for a particular occupation is greater than the supply of workers who are qualified, available and willing to work under existing market conditions. A shortage may be evident only in particular specialisations in an occupation; it does not have to be across the whole occupation. Furthermore, it may be restricted to particular geographic locations.⁵

2.7 However, Shah and Burke go on to argue that the term ‘skills shortage’ is often confused with ‘skills gaps’ and ‘recruitment difficulties’:

- Shah and Burke define ‘skills gaps’ as occurring where the existing workforce is considered to be under-skilled for their positions, or where employers hire workers who they consider under-skilled compared to a desired level. Within the existing workforce, a skills gap may develop as changes occur within the workplace, such as technological developments or business growth. In the case of people newly entering the workforce, there is evidence that increasingly employers are looking for generic skills such as interpersonal, communication and team-working skills in addition to those actually required to perform the job itself.
- Shah and Burke define ‘recruitment difficulties’ as occurring where employers are unable to fill vacancies, in spite of an adequate supply of skilled workers. The reasons for this may include such things as low remuneration, unsatisfactory working hours, difficult locations or ineffective recruitment processes.⁶

2.8 Dr Shah expanded on these distinctions in his evidence to the Committee:

The term ‘skills shortage’ is used in a very broad sense. Depending on whom you talk to, they have a different understanding of what it means. Research done in the United Kingdom has shown that employers’ responses to skills shortages can vary significantly...

When they did some research on this using employer surveys, they found that of all vacancies reported by employers 80 per cent were not skills shortages as we understand it to mean or very hard to fill vacancies. Some of them thought that recruitment difficulties were the same as skills shortages; some of them associated skills gaps in the existing workforce as skills shortages.⁷

2.9 In practice then, Dr Shah submitted that many employers usually interpret difficulty in filling vacancies as a ‘skills shortages’.

⁵ Shah, C & Burke, G (2003), *Skills shortages: Concepts, Measurement and Implications*, Working Paper, Melbourne, Centre for the Economics of Education and Training, Monash University, p7

⁶ Shah, C & Burke, G (2003), *Skills shortages: Concepts, Measurement and Implications*, Working Paper, Melbourne, Centre for the Economics of Education and Training, Monash University, p5-10

⁷ Dr Shah, Evidence, 17 February 2006, p35

Why do skills shortages occur?

2.10 In their paper, Shah and Burke argue that a skills shortage (or a skills surplus) is a factor of supply and demand. In a competitive and growing national economy, where conditions are conducive for business expansion, it follows that businesses require human capital. Where the available supply of skilled workers in the labour market cannot match this demand for skilled labour, a skills shortage occurs. However, Shah and Burke argue that these imbalances will usually correct themselves over time.⁸

2.11 Shah and Burke in turn cite a number of drivers of changing supply and demand of skilled labour:

- Changes in supply may be due to factors such as changes in education and training provision, resource sharing, changes in preferences for various forms of work and demographic changes including ageing, emigration and immigration.
- Changes in demand may be due to changes in technology, cyclical patterns of work in certain industries (mining, construction, etc), changes in work organisation, shifts in consumer tastes, commodity price changes, changing wages and inflation or demographic shifts.

2.12 In his evidence to the Committee, Dr Shah argued that government generally should not intervene in the labour market to attempt to address skills shortages, except in instances where skills shortages persist. Dr Shah observed:

Skills shortages will exist at all times basically and the market will sort them out in sufficient time but when they persist over a period of time, that is when intervention is required.⁹

2.13 Accordingly, he warned against continual Government intervention, particularly where there is a lack of good and reliable information on skills shortages, and suggested that the Government's primary responsibility is to developing a flexible and responsive training system.¹⁰

The distinction between a skills shortage and a labour shortage

2.14 During the inquiry, the Committee received some evidence pointing not only to a skills shortage or skills gap in rural and regional NSW, but a labour shortage *per se*. Many of the problems experienced in rural and regional areas can be attributed to an outward migration of rural populations. As submitted by Mr Peter Shinnick, General Manager of the Hunter Valley Training Company:

As a general comment, there is a shortage of people in rural and regional NSW. That is a factor. We have offices in a number of rural and regional areas. We never have a shortage of jobs, we always have a shortage of people. We look at the skilled trades,

⁸ Shah, C & Burke, G (2003), Skills shortages: Concepts, Measurement and Implications, Working Paper, Melbourne, Centre for the Economics of Education and Training, Monash University, p11

⁹ Dr Shah, Evidence, 17 February 2006, p36

¹⁰ Dr Shah, Evidence, 17 February 2006, p36

but it applies equally to retail and hospitality and so on. There is a shortage of people.¹¹

- 2.15** The shortage of labour in various areas of rural and regional NSW is reflected in this report at various points.

Content of this report

- 2.16** The Committee notes that during this inquiry, the majority of written evidence, and the focus of much of the evidence in hearings, was on the traditional trades – including manufacturing, construction, engineering and others – rather than the professions. While the Committee acknowledges that the traditional trades are not the only area of skills shortage in rural and regional NSW, they were the subject of most comment during the inquiry. The Committee also received a great deal of evidence on the vocational education and training system, and also on the impact of skilled migration in rural and regional NSW.
- 2.17** The Committee also notes that in relation to some professions, such as nursing and other medical professions which are suffering from a global shortage of skilled workers, the Committee does not have sufficient information to assess in depth the measures being undertaken to address the skills shortage. Likewise, the Committee only received limited evidence on the work being undertaken by ‘professional organisations’ to address skills shortages in their own industry.
- 2.18** Finally, the Committee would like to note that there is an ongoing inquiry being undertaken by the House of Representatives Standing Committee on Agriculture, Fisheries and Forestry into rural skills training and research. Details of the inquiry are available on the Committee’s web site.¹²

¹¹ Mr Shinnick, Evidence, 17 February 2006, p22

¹² See <http://www.aph.gov.au/house/committee/primind/ruralskills/index.htm>.

Chapter 3 The current and future demand for skilled workers

This chapter examines terms of reference (a) and (g) dealing with the current and future demand for skilled labour in rural and regional NSW, together with the adequacy of the current measures to record and report on the skills shortage.

Methodologies for measuring skills shortages

- 3.1** In their 2003 working paper entitled *Skills Shortages: Concepts, Measurement and Implications*, Dr Chandra Shah and Prof Gerald Burke identify two broad approaches to measuring skills shortages.
- 3.2** The first ‘economic indicators’ approach uses market economic indicators, such as vacancy rates, hiring rates, wage rates, unemployment rates, hours of work, production levels, training expenditure by firms, levels of subcontracting and so on, all or which may be used to infer skills imbalances in particular occupational groups.¹³
- 3.3** However, Shah and Burke argued that any single market-based indicator of skills shortages, such as those cited above, is unlikely to provide an adequate measure of skills imbalances. For example, unemployment rates can provide an indicator of skills imbalances – a high unemployment rate may indicate a surplus of skills and a low unemployment rate a shortage of skills. However, there are so many other factors affecting the unemployment rate that it would be naïve to automatically assume that a high unemployment rate indicates a strong skills surplus.¹⁴
- 3.4** The second ‘employer-based surveys’ approach utilises employer surveys, interviews and focus groups to make inferences on skills imbalances. Typically, this involves collating individual employers’ experiences in hiring workers. The disadvantage of this approach is that employers can often mistake recruitment difficulties for skills shortages. In addition, employers may have difficulty differentiating between anticipated and actual skills shortages.¹⁵
- 3.5** Commenting on the validity of these two approaches, Dr Shah and Prof Burke observe:

The economic indicators approach tends to have more objectivity associated with it as it avoids the subjectivity of the employer and the analyst in the ad-hoc employer-based surveys and interviews. On the other hand, the economic indicator approach may be inadequate in analysing regulated markets such as those of teachers and nurses. From a public policy perspective, the assessment of skills imbalances should be more reliant

¹³ Shah, C & Burke, G (2003), *Skills shortages: Concepts, Measurement and Implications*, Working Paper, Melbourne, Centre for the Economics of Education and Training, Monash University, p18

¹⁴ Shah, C & Burke, G (2003), p21

¹⁵ Shah, C & Burke, G (2003), p18

on market indicators than ad hoc employer-based surveys, though well-constructed employer surveys will provide essential information.¹⁶

3.6 Given the shortcomings of both broad approaches to measuring skills shortages identified above, Shah and Burke suggest that ‘in-depth’ studies, combining both approaches and a range of data collection and assessment techniques, provide a more comprehensive and holistic approach to the assessment of skills shortages. An in-depth study would ideally:

- provide a framework within which to situate the labour market under investigation together with the demographic and educational characteristics of those who work in it
- gather data on a range of economic indicators in both time series and cross sectional modes, but also new data through additional surveys and through meetings with relevant stakeholders
- analyse whether skills shortages had a geographic dimension, how fast the markets were resolving skills imbalances, and possibly provide forecasts for growth and the types of job openings likely in the future.¹⁷

The DEWR Skills Shortages Survey

3.7 The most comprehensive survey of skills shortages in Australia is the annual report by the Commonwealth Department of Employment and Workplace Relations (DEWR) entitled *Skills in Demand Lists*. This report is produced as part of a number of labour market and job outlook reports. DEWR released the *Skills in Demand Lists: States and Territories – 2006* in March 2006.

3.8 The principal mechanism used by DEWR to compile the *Skills in Demand Lists* is to survey employers who have recently advertised vacancies for selected skilled occupations (generally those requiring at least three years of training and which are included in the Australian Standard Classification of Occupations Major Groups 2 to 4). The telephone-based survey in general targets employers who have recently advertised for positions in the major metropolitan newspapers. DEWR and its state-based offices pre-determine the occupations to be targeted. Each state office of DEWR selects and contacts a certain number of employers who recently advertised. Employer contact is continued over the following weeks to determine if the vacancy was filled or not. If after a period of four to six weeks the vacancy has not been filled, it is classified as ‘hard to fill’ and included in the list.¹⁸

3.9 In their assessment of the DEWR Skills Shortages Survey methodology, Shah and Burke observe:

The DEWR methodology to assess imbalances is different and has advantages over the usual ad-hoc employer-based surveys. Firstly, only employers who have actually advertised positions are included in the DEWR survey. This means that ‘opinions’ of employers who are not in the process of recruiting are not used for assessing

¹⁶ Shah, C & Burke, G (2003), p18

¹⁷ Shah, C & Burke, G (2003), p24

¹⁸ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006, Explanatory Memorandum. See also Shah, C & Burke, G (2003), p25

shortages. Secondly, a follow-up survey of employers who advertised ascertains whether vacancies remain unfilled or not and the reasons thereof. It is, however, not clear from the available documentation how information on trends in demand and supply are integrated with the data from employer-based surveys to make assessments of skills shortages. Improvements in the currently used methodology could include a sounder statistical foundation and better documentation.¹⁹

The 2006 DEWR Skills Shortages Survey findings

- 3.10** DEWR describes skills shortages in its *Skills in Demand Lists* as being state-wide (S), regional (R) or metropolitan (M). The lists also identify recruitment difficulties (D) in situations where skill shortages are not evident, but where some employers have experienced recruitment problems.
- 3.11** The Committee reproduces below a summary of the DEWR *Skills in Demand Lists: States and Territories – 2006* for NSW, using the descriptions of state-wide (S), regional (R) and recruitment difficulties (D) adopted by DEWR. The Committee does not list those skills shortages being experienced in metropolitan areas of Sydney.

Table 3.1 Summary of DEWR *Skills in Demand Lists: States and Territories – 2006* for rural and regional NSW

Definition	ASCO	Occupation	Shortage
	Child care	Child care coordinator	R-D
PROFESSIONS (June 2005)	Engineers	Civil engineer	S
		Electrical engineer	S
		Electronics engineer	D
	Accountants	Accountant	R-D
	Registered nurses	Registered nurse (general)	S
		Registered midwife	S
		Mental health nurse	S
		Enrolled nurse	S
	Health specialists	Dentist	S
		Pharmacist	S
Occupational therapist		R-D	
Physiotherapist		S	
Speech pathologist		S	
Podiatrist		S	
Diagnostic radiographer		S	
Radiation therapist		D	
Sonographer	S		
Secondary teachers	Secondary teacher	D	
	Manual arts/tech studies	D	
	Maths/science	D	
	Physics/chemistry	D	

¹⁹ Shah, C & Burke, G (2003), p26

		Maths	D
	Other professions	Social workers	R
		Lawyers	D
		Urban and regional planners	S
TRADES (March 2006)	Engineering trades	Metal fitter	S
		Metal machinist	S
		Toolmaker	S
		Metal fabricator	R
		Precision Instrument Maker and Repairer	D
		Welder	S
		Sheet metal worker	R
	Automotive trades	Motor mechanic	S
		Auto electrician	S
		Panel beater	S
		Vehicle painter	D
		Vehicle body maker	S
	Electrical/electronics trades	Electrician	S
		Refrigeration and air conditioning mechanic	S
		Electrical powerlines trades	S
		Electronic instrument trades	S
		Electronic equipment trades	S
	Construction trades	Carpenter and joiner	S
		Solid plasterer	S
		Roof plumber	D
	Food trades	Chef	S
		Baker	S
		Cook	S
	Other trades	Cabinetmaker	S
		Hairdresser	S
		Furniture upholsterer	S
		Boat builder and repairer	S

Source: DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

Skills shortages in rural and regional NSW by individual occupations

3.12 The Committee examines in more detail below evidence from the DEWR *Skills in Demand Lists: States and Territories – 2006* concerning skills shortages in particular industries and occupations. It also examines additional evidence concerning individual industries and occupations presented to the Committee during the inquiry.

Engineers

- 3.13** The DEWR *Skills in Demand Lists: States and Territories – 2006* listed shortages of engineers in the following areas in NSW:
- Civil engineers – shortages are especially evident in the private sector, including building services, hydraulic services and concrete and reinforced structural steel design. Shortages are also evident in local government, including traffic management, design for civil work, technical services and asset management.
 - Electrical engineers – shortages are evident particularly in building services, including high-voltage, sub station and power maintenance, industrial automation, design and project management.
 - Electronics engineers – there are recruitment difficulties for electronics engineers in some industrial processes and software.²⁰
- 3.14** The Association of Consultant Engineers Australia affirmed these are areas of demand in its written submission. The association undertook a survey in March 2005 of all its member firms, which identified the following areas of shortage across NSW:²¹
- Civil engineers – structural, mining, geotechnical, materials, petroleum, traffic and transport, water, construction project management, construction supervisory staff, and engineering managers.
 - Mechanical – materials, mining, petroleum, hydraulics and fire, water, construction projects management, construction supervisory staff and engineering management.
 - Electrical – materials, mining, petroleum, water, construction projects management, construction supervisory staff and engineering management.
 - Chemical/Process – materials, petroleum, water, construction projects management, construction supervisory staff and engineering management.
- 3.15** The Association of Consultant Engineers Australia further indicated that the current number of graduating engineers is insufficient to meet the demand for engineers, with the result that there is significant and increasing competition for engineers.²²
- 3.16** The Committee also received a written submission from the Association of Professional Engineers, Scientists and Managers, Australia, NSW Branch, in which it cited the following areas of labour shortage in the engineering industry:
- railway engineers
 - electrical power engineers
 - road engineers
 - civil engineers

²⁰ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

²¹ Specific information on shortages in rural and regional NSW was not provided.

²² Submission 17, The Association of Consultant Engineers Australia, pp5-6

- mining engineers.²³

Health specialists

3.17 The DEWR *Skills in Demand Lists: States and Territories – 2006* listed the following shortages of health specialists in NSW:

- dentists
- pharmacists
- occupational therapists
- physiotherapists
- speech pathologists
- podiatrists
- diagnostic radiographers
- radiation therapists
- sonographers.

3.18 A number of parties to the inquiry also raised the shortage of qualified health specialists in NSW, and in rural and regional NSW in particular.

3.19 In her evidence to the Committee, Ms Deborah Hyland, Director of Workforce Development and Leadership, NSW Health, indicated:

There is a worldwide shortage of health workers, including doctors, nurses and practitioners and in Australia, in New South Wales in particular, they are particularly acute in our metropolitan, regional and rural areas.

It is estimated in New South Wales alone there will be a shortfall of between 275 and 410 general practitioners by 2012. Nationally we have got shortages in nearly all the medical specialties [including] orthopaedic surgery...ear, nose and throat surgery, obstetrics...emergency, critical care medicine, radiology, oncology, psychiatry, clinical psychology, geriatric medicine, and on and on.²⁴

3.20 In its written submission, Wagga Wagga City Council highlighted vacancies for health specialists in a number of key areas including rheumatology, nephrology, endocrinology, obstetrics/gynaecology, neurology, oncology, psychiatry and radiology.²⁵

3.21 Similar concerns about the lack of health specialists in regional areas were expressed by the New England North West RDB,²⁶ Hay Shire Council²⁷ and the Illawarra Division of General Practice.²⁸

²³ Submission 37, The Association of Professional Engineers, Scientists and Managers, Australia, NSW Branch, pp1-2

²⁴ Ms Hyland, Evidence, 5 December 2005, p43

²⁵ Submission 48, Wagga Wagga City Council, p2

3.22 The Committee also notes that it received a submission from Australian Hearing, which operates a network of hearing centres throughout Australia, of which 17 are in rural and regional NSW. Australian Hearing noted a critical shortage of audiology specialists in NSW, with 75% of vacancies falling in rural and regional areas. In addition, Hearing Australia estimated that 66% of future vacancies will fall in rural and regional locations.²⁹

Registered nurses

3.23 The DEWR *Skills in Demand Lists: States and Territories – 2006* listed the following registered nurse positions as in demand throughout NSW:

- accident/emergency
- aged care
- cardiothoracic
- community
- critical/intensive care
- neonatal intensive care
- neurology
- oncology
- operating theatre
- paediatric
- palliative care
- rehabilitation
- renal.³⁰

3.24 In its written submission, the Community Relations Commission for a Multicultural NSW (CRC) cited a report commissioned by the Commonwealth Department of Education, Science and Training in 2002 which estimated an excess demand of 40,000 registered nurses in Australia by 2010. Unfortunately, the data is not broken down by state and territory, however the CRC cited anecdotal evidence that the nursing shortage is acute in NSW, raising significant problems in rural and regional NSW.³¹ This was reiterated by Ms Hyland in evidence.³²

²⁶ Submission 79, New England North West Regional Development Board, p2

²⁷ Submission 29, Hay Shire Council, p1

²⁸ Submission 32, Illawarra Division of General Practice, p1

²⁹ Submission 39, Australian Hearing, p1

³⁰ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

³¹ Submission 78, CRC, p12

³² Ms Hyland, Evidence, 5 December 2005, p43

3.25 In its written submission, the Wagga Wagga City Council similarly indicated that it had experienced particular difficulties in recruiting nurses in Wagga Wagga, notably child and family nurses.³³

3.26 The Committee notes, however, that Dr John Buchanan, Acting Director of the Australian Centre for Industrial Relations Research and Training at the University of Sydney, suggested in evidence that the problem may not be a shortage of skilled nurses but a shortage of suitable nursing positions:

I think there is more a problem of decent jobs, there is not a shortage of skilled workers...the Health Department did a major study at the end of the 1990s on nurses who were registered who were not working in the nursing profession. They found 30,000 of them.

They then did quite a robust assessment of how many of them would potentially be interested in coming back into the workforce and there were 11,000. Overwhelmingly people were leaving the profession because we have created job situations that they do not want to work in. They cannot provide the quality of care that they want to provide and they cannot provide the support to each other. Everybody says there is a shortage of nurses, there is not a shortage of nurses, there is a shortage of decent jobs.³⁴

3.27 Dr Buchanan in turn highlighted the strategy being employed in Victoria, where the introduction of mandatory nurse/patient ratios has attracted nurses back into the profession by taking the intensity out of the work and allowing nurses to provide the level of care they want.³⁵

Care and support service providers

3.28 In its written submission, CRC indicated that the NSW Department of Ageing, Disability and Home Care employs a large number of people across rural and regional NSW in a range of occupations providing services to older people, people with a disability and their carers. The CRC noted that the department faces a serious shortage of therapists (including occupational, physiotherapy and speech pathology), together with nursing and allied health professional staff.³⁶

Lawyers

3.29 The DEWR *Skills in Demand Lists: States and Territories – 2006* indicated that there are recruitment difficulties throughout NSW for lawyers with three to five years' experience in mergers, acquisitions and financial services.³⁷

³³ Submission 48, Wagga Wagga City Council, p4

³⁴ Dr Buchanan, Evidence, 5 December 2005, p33

³⁵ Dr Buchanan, Evidence, 5 December 2005, p33

³⁶ Submission 78, CRC, p11

³⁷ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

3.30 In its written submission, Wagga Wagga City Council noted that ageing of the legal workforce is a significant issue facing the legal profession, along with the inadequate number of trainee lawyers. The council noted the following media release from the President of the NSW Law Society on 5 April 2005:

The Law Society estimates that up to a third of country solicitors are expected to retire in the next decade. It has serious concerns about the insufficient number of young lawyers entering private practice in country areas to replace retirees, despite the increase of law graduates and ready availability of jobs.³⁸

Urban and regional planners

3.31 The DEWR *Skills in Demand Lists: States and Territories – 2006* cited a shortage of urban and regional planners, with particular reference to a shortage of those specialising in development assistance.³⁹

3.32 In its written submission, the Planning Institute of Australia, NSW Division, also highlighted the severe shortage of town planners, not only in NSW but also throughout Australia.

3.33 During 2003 and 2004, the Planning Institute of Australia undertook a national inquiry into the shortage of planners. Based on this inquiry and other data, the Planning Institute of Australia, NSW Division submitted that there are currently approximately 1890 planners in NSW, but that there are approximately 300 potential vacancies. Moreover, the institute identified that over the next 5-10 years, at least 500 new positions will be created. The institute attributed the shortage of planners to:

- experienced planners leaving traditional planning areas to work in related areas such as natural resource management, transport and social planning
- experienced planners leaving the profession due to ‘burn-out’ or morale issues
- female planners over 35 years of age leaving the profession due to family commitment or other reasons and many choosing to work part-time (1 in 4 female planners work part-time)
- planners moving into managerial positions being created to deal with new planning legislation or increased workloads.⁴⁰

3.34 The Committee examines the shortage of town planners faced by local councils in rural and regional NSW later in this chapter.

³⁸ The Law Society of NSW, ‘No More Bush Lawyers’, Media Release, <http://www.lawsociety.com.au/page.asp?PartID=16802> (accessed 30 January 2006), cited in submission 48, Wagga Wagga City Council, p4

³⁹ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

⁴⁰ Submission 34, Planning Institute of Australia, NSW Division, pp3-4

Engineering trades

3.35 The DEWR *Skills in Demand Lists: States and Territories – 2006* made the following observations about skills shortages in the engineering trades in NSW:

- Metal fitters – shortages are most evident for specialist skills such as assembling machinery (rather than maintenance), or turning and milling experience, or experience with heavy machinery in the engineering, or mining industries or experience with marine and rail transport machinery.
- Metal machinists – shortages are apparent across a wide range of skills including setting up computer numerically controlled machines and setting up and operating lathes and milling machines.
- Toolmakers – shortages of toolmakers are evident in both the pressed metal and plastics sectors.
- Precision instrument makers and repairers – recruitment difficulties exist for camera repairers with experience in electronic and mechanical repairs of professional-level cameras.⁴¹

Automotive trades

3.36 The DEWR *Skills in Demand Lists: States and Territories – 2006* listed a shortage of motor mechanics, auto electricians, panel beaters, vehicle painters and vehicle body makers in NSW. DEWR made the following comments about motor mechanics and auto electricians:

- Motor mechanics – shortages exist across most specialisations, including general servicing and repair, diesel motor mechanics, bus and truck mechanics and motor cycle mechanics.
- Auto electricians – shortage is evident across most sectors, including cars, trucks and buses.⁴²

3.37 In its written submission, the CRC also cited anecdotal evidence collected by the NSW Department of Commerce of widespread skills shortages in the motor vehicle repair industry, including shortages of motor mechanics, auto electricians, panel beaters and vehicle painters. This situation is exacerbated in rural and regional areas by difficulty in accessing training.⁴³

Construction trades

3.38 The DEWR *Skills in Demand Lists: States and Territories – 2006* made the following observations about shortages in the construction trades in NSW:

- Carpenters and joiners – shortages eased in 2005, but remain significant, particularly in regional NSW.

⁴¹ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

⁴² DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

⁴³ Submission 78, CRC, p12

- Solid plasterers – shortage is confined to cement renderers.
- Roof plumbers – recruitment difficulties are restricted to roof plumbers.⁴⁴

3.39 The Committee notes that the Master Builders Association of NSW highlighted the findings of the DEWR *Skills in Demand Lists: States and Territories – 2005* in its written submission.⁴⁵

Horticulturalists

3.40 In its written submission, the Murrumbidgee Horticulture Council cited a report prepared by the Rural Industry Working Group in March 2001 for the Commonwealth Minister for Education, Training and Youth Affairs entitled *Skill Needs Now and in the Future in the Rural Industry*. The report found that the horticulture and viticulture industries suffer chronic lack of skilled labour at the middle management level including overseers, supervisors, vineyard managers and trained personnel who can direct unskilled labour.⁴⁶

3.41 The Committee notes that individual parties to the inquiry also cited skills shortages in the horticulture and viticulture industries:

- In a joint submission, Riverina Citrus, Leeton Citrus Growers and Griffith and District Citrus Growers cited the need for trained agronomists and researchers in the industry, and noted in particular the impact on the industry of the loss of two young, recently trained advisory staff in the Leeton and Yanco offices of the NSW Department of Primary Industry.⁴⁷
- In their evidence to the Committee in Griffith, Ms Helen Williams and Mr Paul Foley, the Human Resource Managers for Casella Wines and De Bortoli Wines respectively, reported significant problems recruiting and retaining qualified staff in their businesses. Vacancies cover the full range of trades skills, production operators, professionals and also semi-skilled labour. They indicated that typically the companies are taking between three to four months to fill these positions, sometimes more.⁴⁸
- Mr Peter Morrish, Executive Officer with Riverina Citrus, reported that citrus growers also face shortages ‘all the way through the [supply] chain’, including pickers, pruners, handlers, packers as well as in areas such as business administration, transport and logistics.⁴⁹

⁴⁴ DEWR, *Skills in Demand Lists: States and Territories – 2006*, March 2006

⁴⁵ DEWR, *Skills in Demand Lists: States and Territories – 2005*, October 2005 cited in submission 51, MBA, p9

⁴⁶ Rural Industry Working Group, *Skill needs now and in the Future in the Rural Industry*, March 2001 cited in submission 65, Murrumbidgee Horticulture Council Inc, p3

⁴⁷ Submission 42, Riverina Citrus, Leeton Citrus Growers Inc and Griffith and District Citrus Growers Inc, p2

⁴⁸ Ms Williams and Mr Foley, Evidence, 1 November 2005, pp37-40

⁴⁹ Mr Morrish, Evidence, 1 November 2005, p25

Food processors

3.42 During the inquiry, the Committee received both written and oral evidence from a number of large food processing companies, including SunRice, Bartter Enterprises and SunnyBrand Chickens. These companies all reported difficulties in attracting both skilled and semi-skilled labour. For example, Mr John Davis, Human Resources Manager at Bartter Enterprises, told the Committee:

The business carries in the vicinity ... of anywhere between 30 and 50 vacancies at any time. Those vacancies are across the spectrum of our skills and trades within the division. We have a percentage of those which are unskilled labour, which I would term as our processing type of environment, but we also have difficulty in attracting and retaining those, within the trades particularly. We have a very good example of the majority of trades within our business. As I mentioned, we have mechanics, fitters and turners, electricians, carpenters and virtually you name a trade and we employ an individual within that field.⁵⁰

3.43 Similarly, Ms Robyn Holloway, Assistant General Manager at Sunny Brand Chickens, reported that staff turnover is significant at the company's facilities at Byron Bay, and is a 'huge problem on a daily basis'.⁵¹

Skills shortages in rural and regional NSW by region

3.44 The Committee also received anecdotal evidence during the inquiry about skills shortages in different regions of NSW. The Committee notes that this evidence was far from consistent or comprehensive – there is no consolidated mechanism whereby qualitative and quantitative research is conducted on the skills shortages in different regions of NSW.

3.45 Nevertheless, the Committee notes that many RDBs and Area Consultative Committees (ACCs) have been active in conducting research into skills shortages in their region. In many cases, they in turn provided their research to the Committee for this inquiry.

3.46 The Committee presents the evidence that it received on skills shortages by region below, together with a summary table of skills shortages by region prepared by the NSW Regional Development Advisory Council (RDAC).

Far western region

3.47 In its written submission, the Far Western RDB indicated that the region is experiencing skills shortages in a range of occupations, but primarily in vocational and university trained positions. The board nominated in particular:

- electricians
- carpenters
- metal fabricators

⁵⁰ Mr Davis, Evidence, 1 November 2005, p14

⁵¹ Ms Holloway, Evidence, 30 September 2005, p32

- fitters and machinists
- automotive mechanics
- general construction trades including plasterers and bricklayers
- medical professionals including nurses and occupational therapists
- mining engineers
- hairdressers
- community service workers (including child care and pre-school teachers)
- hospitality workers
- commercial cooks
- administrative and bookkeeper roles.⁵²

3.48 In its written submission, the Technical and Further Education Teachers Association of NSW (TAFETA) also noted that Broken Hill needs qualified tradespeople in the metal and engineering areas, as well as other trades.⁵³

Central western region

3.49 In its written submission, Central NSW Councils (CENTROC) indicated that the mining industry has been the largest contributor to employment growth in the central west over the past 10 years, but that the industry is experiencing skill shortages in underground operations, metal and automotive trades. CENTROC also identified shortages in all construction trades during peak periods, and persistent shortages in wood and furniture trades and amongst chefs and pastry cooks.⁵⁴

New England – north west region

3.50 In its written submission, the New England and North West ACC forwarded to the Committee its *Skills Audit and Strategic Plan 2005-2007*, released in February 2005. The plan identified skill shortages amongst the following occupations:

- beauticians
- builders
- carpenters
- chefs
- cooks

⁵² Submission 90, Far Western Regional Development Board, pp1-2

⁵³ Submission 85, TAFETA, p6

⁵⁴ Submission 59, CENTROC, p2

- electricians
- fibrous plasterers
- motor mechanics
- panel beaters
- payroll clerks (with accounting package experience)
- plumbers
- refrigeration and air conditioner mechanics.⁵⁵

3.51 The report also identified shortages amongst the following professions:

- dentists
- general practitioners
- pharmacists
- physiotherapists
- podiatrists
- accountants
- financial advisers.⁵⁶

3.52 In its supplementary submission, the New England – North West RDB highlighted in particular the shortage in the region of skilled medical professionals, including general practitioners and dentists, but also specialists such as podiatrists, radiographers and dialysis nurse unit managers.⁵⁷

Northern rivers region

3.53 In its written submission, Clarence Valley Council indicated that there are skills shortages in the following trades in the northern rivers region: engineers, town planners, IT professionals and an array of community services positions.⁵⁸

3.54 In turn, CRC identified in its submission a shortage of construction suppliers on the far north coast, with evidence that contractors in the region are obtaining higher margins from the south-east Queensland market.⁵⁹

⁵⁵ Richard Kelloway and Associates, *Skills Audit and Strategic Plan 2005-2007*, February 2005, part 5.7.2 cited in submission 33, New England and North West Area Consultative Committee.

⁵⁶ Richard Kelloway and Associates, *Skills Audit and Strategic Plan 2005-2007*, February 2005, part 5.8 cited in submission 33, New England and North West Area Consultative Committee.

⁵⁷ Submission 79a, New England – North West RDB, p1

⁵⁸ Submission 45, Clarence Valley Council, p1

⁵⁹ Submission 78, CRC, p10

Mid north coast region

- 3.55 In its written submission, the Mid North Coast RDB identified significant shortages of skilled and semi-skilled workers in the manufacturing industry with experience in metal fabrication and welding, metal machining and fitting, cabinet making and joinery, and timber construction.
- 3.56 The board also identified significant skills gaps where the skills of the existing workforce are inadequate due to the difficulty of accessing training in niche, non-traditional and new technology skills. The board cited in particular a lack of generic manufacturing skills.⁶⁰

Hunter region

- 3.57 In its written submission, Ai Group provided to the Committee a copy of its September 2004 report entitled *Skills Shortages in the Hunter*, based on a survey by the Ai Group of its Hunter members. The survey revealed skills shortages amongst electricians, boilermakers, fabricators, labourers and engineers. In addition, the Ai Group also identified skill gaps in the workforce, with one in four firms indicating gaps in their workforce requiring additional training.⁶¹

Illawarra

- 3.58 At the hearing on 13 February 2006, Mr Peter Pederson, General Manager of the Illawarra RDB, tabled the final report of the Illawarra RDB's *Illawarra Skills Audit*, dated November 2005. The report presented in detail the results of a survey of 1002 organisations in the Illawarra. It found that the top 10 occupations experiencing skills shortages in the Illawarra were:

- kitchen hands
- boilermakers/welders/metal fabricators
- fitter machinists/plant mechanics
- registered nurses
- general waiters
- shipwrights
- nurses and assistant nurses
- industrial spray painters
- computer systems analysts
- sales and business service providers.⁶²

⁶⁰ Submission 13, Mid North Coast Regional Development Board, pp2,7

⁶¹ Ai Group Economics, *Skill Shortages in the Hunter*, September 2004, pp3-4, cited in submission 49, Ai Group, Attachment A

⁶² Tabled document, Illawarra RDB, 'Illawarra Skills Audit – Final Report', November 2005, p21

Australian Capital region

- 3.59** In its written submission, the Queanbeyan City Council cited skills shortages in the following professions in the Australian capital region:
- accountants, especially in financial/business support
 - health professionals, particularly nurses relating to aged care
 - teachers, notably male teachers.
- 3.60** The council also identified skills shortages in the following trades:
- building and construction workers
 - motor mechanics, including repairs, panel beating and auto electricians
 - hospitality workers, notably in the Snowy Mountains.⁶³
- 3.61** The Cooma-Monaro Shire Council also identified in its submission specific skills shortages for plumbers, electricians, builders, cabinet-makers, welders, accountants, engineers and solicitors.⁶⁴

The Riverina

- 3.62** The Riverina RDB indicated in its submission that it maintains a list of skills in demand in the region. The strongest demand in the Riverina currently is for engineering positions, health positions including general practitioners but also specialists, and a range of trade occupations such as welders, mechanical trades and electricians.⁶⁵
- 3.63** The Riverina RDB also cited the findings of a pilot survey conducted by DEWR in September 2004 which cited the following industries as having the lowest fill rates: engineering, science and the environment, health, fitness, hair and beauty and electrical and electronics trades.⁶⁶
- 3.64** The Committee also notes the submission of the Leeton Shire Council in which it cited a shortage of the following trades people: electricians, welders, fitters and turners, refrigeration mechanics, truck drivers and mechanics. The council also cited a shortage of the following professional people: psychiatrists, health workers, accountants, engineers and teachers.⁶⁷

⁶³ Submission 20, Queanbeyan City Council, p1

⁶⁴ Submission 25, Cooma-Monaro Shire Council, p2

⁶⁵ Submission 24, Riverina Regional Development Board, p3

⁶⁶ Cited in submission 24, Riverina Regional Development Board, Attachment B

⁶⁷ Submission 44, Leeton Shire Council, p3

Summary of the regions

3.65 As indicated, in its written submission, the RDAC provided the following summary table of skills shortages in the various regions of NSW, based on information obtained from the various RDBs.

Table 3.2 Summary of skills shortage by region in NSW

Region	Identified skill shortages
Central Coast	Automotive repair industry, metal trades, tourism and hospitality, construction.
Capital Region	Shortages in various areas of skilled employment, primarily in vocationally trained occupations as well as university trained occupations.
Central Western	Boilermakers and welders.
Far Western	Automotive mechanics, carpenters, nurses, commercial cookery staff, community service workers, electricians, fitters and turners, hairdressers, hospital machinists, metal fabricators.
Greater Western Sydney	Auto/aerospace, building/construction, engineering, manufacturing, transport/logistics, health/community services, information communication technology.
Hunter	Boilermakers, electricians, engineers, fabricators, labourers, machinists.
Illawarra	Aged care nurses, boilermakers, chefs, electricians, engineers, fitters and turners, registered nurses, truck drivers.
Mid North Coast	Cabinet making and joinery, laminators, metal fabrication, metal fitting and machinery, spray painting, textile fabricators and welding.
Murray	Accountants, boilermakers, chefs, motor mechanics, registered supervisory level staff, nurses, welders.
New England North West	Tradespersons and medical professionals such as doctors and dentists.
Orana	Business services, electrical trades and electronic technology, hospitality, manufacturing, machine operators and mechanical trades.
Riverina	Accountants, carpenters, engineers, health industry professionals, librarians, metal fitters, production managers, tilers, welders, plasterers.

Source: Submission 92, NSW RDAC, p6

Skills shortages faced by rural and regional councils

3.66 Like other sectors of employment, the local government sector is encountering difficulties in obtaining and retaining skilled staff. As an example, as indicated above, many councils are encountering difficulties recruiting planners, raising the following problems:

- delays in assessing development proposals, which can hinder or even deter economic development and slow down growth
- inadequate resolution of major issues and concerns with development applications, due to lack of skilled staff
- inability to undertake strategic planning projects to guide development and growth in a sustainable manner
- inability to fully implement some policies, such as native vegetation and catchment management

- local governments having to pay consultants (often based outside the region) large sums of money to do planning work.⁶⁸

3.67 In response to such difficulties in obtaining and retaining skilled staff, the NSW Department of Local Government has established the Professional Skills and Training Shortages Taskforce, in conjunction with the Local Government Association of NSW and Shires Association of NSW (LG&SA), Local Government Managers Australia, TAFE NSW and the Centre for Local Government at the University of Technology Sydney. The Taskforce is responsible for helping address the current and projected skills shortages in key areas of employment in local government.

3.68 In May 2005, the Taskforce commissioned Red Letter Information Pty Ltd to survey 60 councils in rural, regional and metropolitan NSW to identify current and emerging skills shortages. The main areas of shortage identified were:

- Town planners and statutory planners. Nearly all local councils mentioned planning as a specific area of skills shortage. For the 44 rural and regional councils surveyed, 35 (80%) identified planning as an area of shortage. The shortage was attributed to the overall industry shortage, the better pay and benefits of the private sector and the shortage of students completing planning qualifications.
- Engineers. Thirty-three of the 44 rural and regional councils surveyed (75%) identified engineers as a specific area of shortage, particularly civil engineers. Councils in central NSW had the highest level of shortage in the state (88%). The shortage was attributed to the demand in the east of the state, the shortage of graduating engineers, the difficulty in attracting candidates to rural areas, uncompetitive rates of pay and what is perceived to be the unappealing nature of local government.
- Environmental, health and building professionals, including inspectors and surveyors. Nearly one-third of councils identified shortages in these areas, with the majority of these in the north-east of the state.
- Trades. A minority of councils (27%) identified the trades as an area of skills shortage, specifically in the areas of mechanics and building-related trades. Shortages were evenly distributed throughout the state.
- Finance workers, including accountants, finance managers, rating and purchase officers. Half of the councils identifying skills shortages in these areas were located in central NSW.
- Childcare workers. Nearly 15% of councils identified a shortage of childcare professionals, including childcare and early childcare directors.⁶⁹

3.69 The LG&SA also addressed in its submission the skills shortage faced by local government in rural and regional NSW. Simply stated, the Association argued that the current and projected demand for professional and para-professional positions in NSW local government is not

⁶⁸ Submission 34, Planning Institute of Australia, NSW Division, p4

⁶⁹ Submission 78, CRC, pp8-10

being met, with the vast majority of rural and regional councils acknowledging current skills shortages.⁷⁰

3.70 The Committee notes that this evidence was reiterated by individual local councils and council organisations making submissions to the inquiry:

- The Riverina Eastern Regional Organisation of Councils highlighted a shortage of engineers, health professionals, building professionals, senior managers and environmental and IT professionals.⁷¹
- The Murray Regional Organisation of Councils cited difficulties in recruiting and retaining engineers, town planners, health and building surveyors, information technology specialists, senior administrators and financial specialists.⁷²
- The Shoalhaven City Council cited difficulty in recruiting civil and environmental engineers, together with planners of more than five years' experience.⁷³
- The Hay Shire Council highlighted particular shortages in health care providers, notably doctors and dentists, but indicated that all skilled professions are in demand.⁷⁴
- The Dubbo City Council indicated particular difficulty in the recruitment and retention of engineering and environmental services professionals.⁷⁵
- The Bellingen Shire Council cited a shortage of town planners, civil engineers, rates clerks and health and building surveyors.⁷⁶
- The Goulburn Mulwaree Council nominated particular difficulties attracting engineers, health and building surveyors and, to a lesser extent, town planners.⁷⁷
- The Bombala Council cited a particular shortage of nurses, but also noted difficulties in attracting tradesmen and professionals with middle management skills.⁷⁸
- The Wagga Wagga City Council, Baulkam Hills Shire Council and Camden Council all specifically cited difficulty in recruiting town planners.⁷⁹

3.71 In evidence to the Committee, representatives of Coffs Harbour City, Kempsey and Guyra Shire Councils cited shortages similar to those listed by other councils. In particular, Mr Peter Garven, Human Resources Manager with Kempsey Shire Council, reported problems with

⁷⁰ Submission 86, LG&SA, p6

⁷¹ Submission 67, REROC, p1

⁷² Submission 47, Murray Regional Organisation of Councils, p1

⁷³ Submission 53, Shoalhaven City Council, pp1-2

⁷⁴ Submission 29, Hay Shire Council, p1

⁷⁵ Submission 9, Dubbo City Council, p1

⁷⁶ Submission 10, Bellingen Shire Council, p1

⁷⁷ Submission 16, Goulburn Mulwaree Council, p1

⁷⁸ Submission 55, Bombala Council, p1

⁷⁹ Submission 48, Wagga Wagga City Council, p5; Submission 11, Baulkam Hills Shire Council, p1, Submission 30, Camden Council, p1

losing qualified planners and engineers to the private sector, only to be forced later to employ those people on a consultancy basis at a higher cost.⁸⁰

- 3.72** In this regard, the Committee notes evidence that the shortage of urban and regional planners in NSW may be partly attributed to the 1997 changes in NSW planning laws, which integrated development assessments and had the effect of encouraging planning assessments by the private sector and consultancies. As stated by Mr Garven:

... it is quite difficult for local government to compete against the private sector. We are losing them to consultants. The changes in regulations have impacted adversely on that.⁸¹

The demand for workers in the mining industry

- 3.73** The Committee notes that during the inquiry, a constant refrain was that skills shortages in many trades and occupations are being exacerbated by the demand for skilled employees by the mining industry. For example, in its written submission, the Singleton Council submitted:

The huge sustained demand for black coal in the mining sector has resulted in an increased demand for skilled labour, which is constantly poached from other local industry sectors at hugely inflated wages, simply to meet the export and production demands.⁸²

- 3.74** In its written submission, the Advisory Councils of Murrumbidgee College of Agriculture and CB Alexander Agricultural College at Tocal, highlighted the impact that the growth of the mining industry in the central west of NSW is having on the agriculture industry. The councils submitted that farm businesses are simply unable to compete with mining companies in attracting labour, and that the mining industry has already had a major impact on the rural economy of the Hunter Valley.⁸³

- 3.75** The Committee also notes the evidence from Mr Tony Boland of the Orange Cabonne Blayney Skills Project, who submitted that there is a serious problem with skills wastage amongst workers who join the mining industry:

There is quite an element of skills wastage and the mines are a really good case. You have to be either a tradesman or an apprentice under direct supervision of a tradesman to work on site.⁸⁴

⁸⁰ Mr Garven, Evidence, 24 November 2005, p60

⁸¹ Mr Garven, Evidence, 24 November 2005, p60

⁸² Submission 46, Singleton Council, p2

⁸³ Submission 74, The Advisory Councils of Murrumbidgee College of Agriculture and CB Alexander Agricultural College, Tocal, p2

⁸⁴ Mr Boland, Evidence, 24 November 2005, p19

The adequacy of current measures to record the skills shortage

3.76 The Committee notes that a number of parties to the inquiry expressed dissatisfaction with the current measurement of skills shortages in rural and regional NSW.

3.77 As indicated above, DEWR prepares an assessment of skills shortages on a national and state basis. However, in his evidence to the Committee, Dr Chandra Shah from the Centre for the Economics of Education and Training at Monash University was critical of the method of data collection used in the DEWR survey:

They ask for a limited amount of information over the telephone. ... it cannot differentiate very well whether the skills problem was a skills deficiency, a skills gap or a genuine shortage.⁸⁵

3.78 Similarly, the Capital RDB also questioned the value of the DEWR Skills Shortages Survey. The board submitted that based on its consultation with DEWR, 'the methodologies used by the department to track skills shortages are totally inadequate and do not provide accurate and representative skills shortages data'.⁸⁶

3.79 Parties to the inquiry also highlighted that while the DEWR survey provides an overall assessment of skills shortages on a national and state basis, there is no consolidated mechanism whereby qualitative and quantitative research is conducted on the skills shortages in different regions of NSW.

3.80 As a result, the evidence that exists on skills shortages in different regions of NSW is based either on individual, locally-initiated assessments, or is anecdotal.

3.81 In its written submission, the Capital RDB indicated that as a regional development organisation, it struggles to remain fully informed of the needs of businesses and industry in the region. While the board has been endeavouring to obtain funding for a study to measure more accurately the extent and nature of the skills shortage in its region, it has been unsuccessful to this time. As a result, the board's understanding of skills shortages in its region is based largely on anecdotal evidence. Accordingly, the board recommended:

That the NSW Department of State and Regional Development, through the Regional Development Boards across the state, be funded to undertake comprehensive qualitative and quantitative research into the current and future demand for labour and the impacts of the skills shortages on rural NSW.⁸⁷

3.82 Similarly, the LG&SA submitted that the DEWR survey is generic and not specific to particular regions. The associations continued:

The Associations support the development of region-specific skills shortage lists as a means of enabling employers to plan better recruitment strategies, and providing prospective independent skilled migrants with adequate information. Efforts should

⁸⁵ Dr Shah, Evidence, 17 February 2006, p19

⁸⁶ Submission 38, Capital Region Development Board, p9

⁸⁷ Submission 38, Capital Region Development Board, p3

be [made] to include local communities in this process as experience has demonstrated that they are often best placed to provide information on skill needs.⁸⁸

3.83 Australian Business Limited (ABL) adopted a comparable position in its written submission. ABL noted that many organisations are undertaking research into regional skills shortages, ranging from local council skills audits to research funded by Area Consultative Committees and RDBs. However, ABL submitted that as there is no consolidated reporting of this information, it is unclear as to its use, either within the regional or on a state basis. Accordingly, ABL recommended:

That as a matter of urgency the NSW Government undertake an audit of existing data gathering and reporting mechanisms on skill needs across agencies and commit to develop a single mechanism to gather, analyse and publish annual skill priorities based on this consolidated data.⁸⁹

3.84 In turn, CENTROC argued that at a regional level, an enormous amount of research has actually already been conducted into skills shortages, but that there appears to be no centralised approach to the collection of the information.⁹⁰

3.85 The Committee also notes the position adopted by the NSW RDAC. The Council advocated more accurate collation of data on skills shortages, including:

- a state-wide survey and register which identifies skill requirement in and across all regions in NSW
- a standard methodology to collect information about skills shortages
- refining classes of industries to include a broader spectrum of employment including unskilled positions.⁹¹

3.86 In response to these concerns, the CRC acknowledged in its written submission that current measures used to record skills shortages in NSW do not provide region-specific information. In this regard, the CRC noted that the *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* included the following recommendation 16:

Regional Development Boards, in consultation with the Department of Employment and Workplace Relations (DEWR), the NSW Department of State and Regional Development and relevant local councils, should consider the feasibility of producing region-specific skills shortages lists.

3.87 In response to this recommendation, the CRC indicated that DEWR is currently looking at a number of issues in relation to undertaking regional skills surveys. DEWR has conducted a number of pilot surveys in regional Victoria, Adelaide, Townsville and the Riverina, although there may be difficulties coming up with a skills shortages list at the local regional level, due to the small number of employers involved, and the difficulty of getting an adequate sample size.

⁸⁸ Submission 86, LG&SA, p14

⁸⁹ Submission 77, ABL, p6

⁹⁰ Submission 59, CENTROC, p5

⁹¹ Submission 92, NSW Regional Development Advisory Council, p11

DEWR is also developing a standard set of questions to achieve consistency of survey information being collected between regions.

3.88 The Committee understands that DEWR is due to report shortly to the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW on the outcome of the initial pilot surveys and the further development of a regional skills shortage instrument.⁹²

3.89 As indicated, a number of parties also suggested a greater role for the NSW Department of State and Regional Development (DSRD) in undertaking or coordinating research into the skills shortage in rural and regional NSW. The Committee notes, however, that DSRD specifically stated in response to questions on notice that it does not see its role as undertaking coordinated state-wide research on skills shortages:

Undertaking state-wide research is not regarded as a core business activity for DSRD, rather we rely on different forms of research to help us formulate responses to emerging regional issues. The best sources of knowledge and information classification are situated at the local level. Members of regional communities possess the most intimate and developed information and understanding of their regional setting as they are the individuals situated at the forefront of regional and rural establishments.

We are aware of agencies such as the Commonwealth Department of Employment and Workplace Relations who engage in key research, however it is the Department's belief that local strategies best emerge when research is commissioned by bodies at the regional level. Many of the State's regional boards conduct their own audits into the skill needs of their local community. For example, although DSRD was a primary supporter of the study into the Western Riverina TAFE, the initial instigator into the research was the Western Riverina TAFE and not the Department. Standardised research packages cannot be tailored for entire regional areas throughout NSW; problems differ from one region to the next therefore strategies will also need to differ and need to be coordinated at the local level.⁹³

3.90 This position was reiterated by Mr Harris, Director General of the DSRD, in his evidence:

... the Department of State and Regional Development does not do it [collect data]. It is not something that really falls within the charter that we work with. We tend, as I said before, to be a very operational business development agency. I think the Commonwealth collects some data, but I understand it is fairly patchy. I am not too sure I could even say that.

3.91 Mr Paul Collits, Policy Manager from DSRD, went on to restate that a number of RDBs and ACCs have conducted their own regional skills audits, often with the support of the DSRD or the Commonwealth Government, and suggested that it is typically the regions themselves that are taking the initiative to drive investment.⁹⁴

⁹² Submission 78, CRC, pp33-34

⁹³ DSRD, Response to questions on notice, 7 February 2006, p4

⁹⁴ Mr Collits, DSRD, Evidence, 5 December 2005, p24

The UK National Employers Skills Survey

- 3.92** The Committee notes that unlike in Australia, the UK Learning and Skills Council, in partnership with the Department for Education and the Skills and Sector Skills Development Agency, conducts a comprehensive annual National Employers Skills Survey, designed to provide ‘detailed information about the extent, causes, and implications of [the UK’s] recruitment problems and skills gaps’.⁹⁵
- 3.93** The National Employers Skills Survey is the most comprehensive survey of its kind. The 2004 survey involving over 27,000 interviews with employers of different sizes across different sectors and localities in the UK. The 2004 report was published in July 2005.⁹⁶
- 3.94** The Committee notes that the phone interview questionnaire used to conduct the National Employers Skills Survey 2004 is provided at Appendix 7 of Annex A of the 2004 National Employers Skills Survey report.

Committee comment

- 3.95** The evidence before the Committee clearly shows that there are extensive skills shortages in rural and regional NSW across almost all sectors of the economy including in professional and para-professional occupations, in trades, and in the hospitality, retail and agriculture sectors.
- 3.96** For example, there is a significant shortage of urban and regional planners, not only in rural and regional NSW, but across the State, Australia and internationally. In part, this may be attributed to the 1997 changes in NSW planning laws, which integrated development assessments and had the effect of encouraging planning assessments by the private sector and consultancies.
- 3.97** However, while the existence of the skills shortage is clear, its extent is largely unknown, due to the haphazard or anecdotal nature of the data. What detailed evidence is available is due largely to locally conducted skills audits, often initiated by RDBs, ACCs or local councils. The DEWR Skills Shortages Survey does not provide comprehensive, disaggregated information to show the extent of the skills shortages at a local or regional level.
- 3.98** This shortage of data has in turn led to calls for a state-wide or nation-wide survey and register to identify skill requirement in and across all regions in NSW, together with a standard methodology for collecting information about skills shortages.
- 3.99** The Committee supports this call. The Committee believes that decision-makers at all levels of Government and within businesses need to have up-to-date and relevant information on the skills shortage, its changes and trends over time.

⁹⁵ National Employers Skills Survey 2004, cited at <http://readingroom.lsc.gov.uk/lsc/2005/research/commissioned/national-employers-skills-survey-key-findings-2004.pdf>

⁹⁶ The key findings and main report are available on the internet at: http://www.lsc.gov.uk/National/Documents/SubjectListing/Research/LSCcommissionedresearch/ness-04_key-findings.htm.

- 3.100** Accordingly, the Committee supports the recommendation of the *Report of the Commonwealth/NSW Working Party on Migration to Sydney and Regional NSW* that DSRD and the Commonwealth Department of Employment and Workplace Relations (DEWR) examine the feasibility of producing region-specific skills shortages data. The Committee also believes that the Commonwealth Government, with support of the states, should develop a region-specific skills shortages survey based on consistent methodology and reporting.
- 3.101** As indicated in this chapter, DEWR, in consultation with the DSRD, has already made some progress in relation to this issue.

Recommendation 1

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

This should be explored in line with current Council of Australian Governments' reforms on 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.

-
- 3.102** The Committee acknowledges concerns that such a task will involve considerable work and coordination, or could be regarded as an exercise of data collection 'for the sake of collecting it'.⁹⁷ However, the Committee is not satisfied that the current piecemeal approach to measuring the skills shortage in the various regions has been conducted in a consistent way or that valuable information is being put to best use.
- 3.103** In this regard, the Committee heard some evidence relating to the comprehensive skills survey undertaken by the United Kingdom Government, and notes that such an approach may be possible in Australia. At the same time, however, the Committee acknowledges concerns that such an approach may not be feasible in all areas of NSW and Australia due to possible difficulties in getting an adequate sample size.

⁹⁷ Mr Harris, Director General, DSRD, Evidence, 5 December 2005, p30

Chapter 4 **The economic and social impact of the skills shortage**

This chapter examines term of reference (b), dealing with the economic and social impact of the skills shortage on rural and regional towns and communities. The Committee also examines in this chapter the economic and social impact of the skills shortage on local councils, which are collectively the largest employer in rural and regional NSW.

The economic impact of the skills shortage

4.1 In its written submission, the NSW Regional Development Advisory Council (RDAC) indicated to the Committee that a number of RDBs believe that skills shortages are limiting economic growth and significantly reducing development and expansion of industry and small business in rural and regional NSW. The Council cited the following conditions created by skills shortages:

- a reduction in business activities
- reductions in business size resulting in lower business turnover, trade and sustainability
- escalating costs to the consumer
- a reduction in the working population and in the population as a whole
- a reduction in core community services such as health and education services
- losses in capital investment due to projects not being completed on time or on budget
- poor perceptions of a region in terms of infrastructure and lifestyle.⁹⁸

4.2 Similarly, the Regional Communities Consultative Council provided in its submission the following summary of the economic costs of the skills shortage in rural and regional areas:

- Loss of services and income in the community.
- Extended waiting times to see professionals, especially medical professionals.
- The inability to attract other skilled workers. For example, a perceived lack of health services in a town can lead to other skilled professionals such as accountants and engineers declining employment opportunities in that town. This can have a compounding effect, leading to a wider loss of services, loss of income and inability to attract other services and residents to the community.
- The need to pay higher wages to retain staff, which may force some firms out of business.
- Poaching of staff within certain industries. Some organisations may not spend money on training up their own employees, but may choose to poach trained and skilled staff

⁹⁸ Submission 92, NSW Regional Development Advisory Council, pp6-7

from other organisations. This leads to animosity between sectors of the business community and a reluctance of businesses to train staff for fear of losing them once trained.

- Inability of skilled workers to take on projects, and delays in the finalisation of projects
- Individuals having to travel to larger regional centres to access services, in the process taking money out of their own local economy.⁹⁹

4.3 In turn, the Riverina Eastern Regional Organisation of Councils (REROC) noted in its written submission that many businesses in rural and regional areas that are seeking to expand are constrained by the constant challenge of finding appropriately qualified staff. In support, REROC cited data from the Commonwealth Department of Employment and Workplace Relations that only 44% of job vacancies lodged with Job Network Providers in the Central Murrumbidgee Employment Services region were filled in the 12 months to February 2005.¹⁰⁰

4.4 Expanding on the challenge of finding appropriately qualified staff, both the Orange Cabonne Blayney Industry and Skills Project and the NSW RDAC cited the following impacts of the skills shortage on human resources management:

- tradespersons move from company to company chasing higher wages
- poaching of staff through the lure of higher wages
- companies reach a point where they can no longer afford to pay higher wages
- higher wage costs lead to cost cutting in other areas, particularly capital investment
- supervisors, managers and business owners are forced 'back to the tools', resulting in other duties being completed after production times
- an increase in overtime to complete work tasks, leading to an increase in absenteeism and delays in production
- staff having little fear of losing their jobs or facing disciplinary procedures
- a shortage of tradespersons and a shortage of apprentices.¹⁰¹

4.5 The Committee notes that the economic impact of the skills shortage was also raised by a large number of other parties making submissions to the inquiry. For example:

- The Central Darling Shire Council cited delays in major construction in the shire as a result of the unavailability of qualified tradesmen.¹⁰²
- The Riverina RDB cited the impact of skills shortages on the food and beverage industries in the Riverina, which are the dominant sources of employment and income in the region.¹⁰³

⁹⁹ Submission 57, Regional Communities Consultative Council, pp2-3

¹⁰⁰ DEWR data for April 2005, cited in submission 67, REROC, p2

¹⁰¹ Submission 66, Orange Cobonne Blayney Industry and Skills Project, p2. See also submission 92, NSW Regional Development Advisory Council, p7

¹⁰² Submission 19, Central Darling Shire Council, p1

- The Hay Shire Council cited the availability of medical, dental and education services as critical in retaining skilled workers, and in enticing people to transfer from metropolitan areas.¹⁰⁴
- The Leeton Shire Council indicated that a survey of local businesses found that many are having to limit their expansion plans due to a lack of skilled labour, while in some cases businesses are becoming unviable.¹⁰⁵
- The New England – North West RDB cited perceptions by many Sydney-based tradespersons that the wage levels in the regions are too low compared with the rates paid in Sydney.¹⁰⁶

4.6 The economic impact of the skills shortage was also raised in the Committee's hearings, notably in relation to the agriculture sector. In her evidence to the Committee, Ms Karen Hutchinson, Executive Director of the Murrumbidgee Horticulture Council, suggested that in the agricultural sector:

Key impacts [of the skills shortage] are increased labour costs, reduced work efficiencies – retraining new staff and making do with less labour – and lost opportunities for market or crop management because of timing constraints. The increasing number of larger corporate farms is also exacerbating labour shortages on smaller, family operated holdings [by inflating] labour price expectations beyond the reach of smaller landholdings.¹⁰⁷

4.7 Similarly, Mr Michael Hedditch, General Manager of Grower Services with SunRice, reported that the skills shortages have led to delays in carrying out even routine maintenance work on the company's rice processing facilities, leading to additional costs in outsourcing these functions. He also reported difficulty in introducing new technology into the business because of a lack of suitably qualified personnel to implement it.¹⁰⁸

4.8 In turn, Ms Helen Williams, Human Resources Manager at Casella Wines, cited to the Committee the costs Casella Wines has borne in recruiting in recent years:

In the course of a year, just in advertising alone, without looking at, say, recruitment agents' fees or anything else, you would probably be looking at upwards of \$200,000, depending on the sorts of vacancies you have.¹⁰⁹

¹⁰³ Submission 23, Riverina Regional Development Board, p4

¹⁰⁴ Submission 29, Hay Shire Council, p1

¹⁰⁵ Submission 44, Leeton Shire Council, p4

¹⁰⁶ Submission 79a, New England – North West RDB, p1

¹⁰⁷ Ms Hutchinson, Evidence, 1 November 2005, p56

¹⁰⁸ Mr Hedditch, SunRice, Evidence, 1 November 2005, p57

¹⁰⁹ Ms Williams, Evidence, 1 November 2005, p39

The social impact of the skills shortage

- 4.9** The evidence on the social impact of the skills shortage provided to the Committee during the inquiry focused on the loss of access to services in rural and regional areas, the impact on individual lifestyles and working arrangements, and the resultant loss of a sense of confidence and well-being in communities.
- 4.10** For example, in its written submission, the Regional Communities Consultative Council noted that:
- Some rural and regional centres have no access to services, especially some medical services, thereby necessitating travel to large metropolitan cities for treatment. This then affects an individual's life, including taking time off work and rearranging family life while away.
 - Those that can access a professional in a nearby regional centre are often subjected to long waiting times for appointments which can lead to a decrease in social functioning and sense of well being.
 - Loss of services leads to a loss of community confidence and sense of community well-being. Loss of one service often impacts on the ability to attract another service.¹¹⁰
- 4.11** In relation to access to medical services in particular, Griffith City Council indicated in its written submission that Griffith has a 92 bed hospital, but that it struggles to access sufficient doctors and nurses to staff it. Currently, specialists fly in each week to visit patients, while some patients must travel to Wagga Wagga, Albury, Canberra, Melbourne or Sydney to seek the specialist treatment they require.¹¹¹
- 4.12** In turn, representatives of the Orange Cabonne Blayney Industry and Skills Project noted in their written submission that many tradespersons are completing very large amounts of overtime, which can often have a negative impact on their social and domestic lives, leading in turn to higher rates of absenteeism.¹¹²
- 4.13** This was reiterated in evidence by Mr Hedditch from SunRice, who reported tradespersons 'working double shifts, doing a lot of overtime', and suggested that many of them 'do not have much of a family life'.¹¹³
- 4.14** The Committee also notes the evidence of the Capital Region Development Board in its written submission in relation to the impact of the skills shortages on the confidence and well-being of communities:

At a macro-economic scale (such as a large city, or country), the effects of skill shortages in a range of industries and skill areas can be well hidden and the impact can be minimized by growth and development of other industries. However in smaller

¹¹⁰ Submission 57, Regional Communities Consultative Council, p3

¹¹¹ Submission 36, Griffith City Council, p3

¹¹² Submission 66, Orange Cobonne Blayney Industry and Skills Project, p2

¹¹³ Mr Hedditch, Evidence, 1 November 2005, p57

communities, the effects can be quite profound. In a town where one or two industries dominate, the effect of skills shortages in that industry can have a marked effect on the business environment and this flows directly on to the community. Prosperity and business well-being in a small community has a major impact on the prosperity and confidence of the town.

- 4.15** Similarly, Dr Chandra Shah from the Centre for the Economics of Education and Training at Monash University stated in evidence:

In some regional and rural areas the whole economy collapses once a large employer moves out. When banks and other employers move the economy collapses and all the skilled labour is sucked away. It does not leave a sustainable economic unit and it is not surprising that people leave.¹¹⁴

- 4.16** Inevitably, faced with a skills shortage, or perhaps a labour shortage, businesses are forced to look at relocating or expanding their operations in different centres. For example, during his evidence to the Committee, Mr John Davis, regional human resource manager with Barrter Enterprises in Griffith, indicated:

We are talking about the building of extra farms and sheds and increasing our processing...The major barrier we have to being able to do that is our ability to be able to source labour .. if we cannot source the labour here in the Riverina, we still have to meet customer demand, which means we have to create expansion in one of our other operations. Obviously we do not want to do that.¹¹⁵

- 4.17** Finally, the Committee also notes that the social and economic impacts of the skills shortage in rural and regional NSW are closely interrelated. As Ms Karen Hutchinson, Executive Director of the Murrumbidgee Horticulture Council, stated in evidence to the Committee:

With respect to social impacts, farm profitability [for example] directly impacts on regional sustainability. Reduced farm income affects small businesses supporting rural communities. As communities become less profitable, fewer resources are available for the provision and maintenance of essential services, particularly health and education. The problem becomes cyclic in that reduced community infrastructure inhibits a region's ability to attract and retain skilled professionals.¹¹⁶

Gunnedah: A case study

- 4.18** In its written submission, the Hunter Valley Training Company provided details of research it conducted on business conditions in Gunnedah, prior to the commencement of a two-year targeted initiative to employ 55 New Apprentices in Gunnedah in 2002. Gunnedah is a town of close to 13,000 people in the Namoi Valley, near Tamworth.

- 4.19** The Hunter Valley Training Company found that despite the skills shortages in Gunnedah, over the two years prior to 2002, 41% of businesses in Gunnedah had grown, 44% had held

¹¹⁴ Dr Shah, Evidence, 17 February 2006, p40

¹¹⁵ Mr John Davis, Bartter Enterprises, Evidence, 1 November 2005, p18

¹¹⁶ Ms Karen Hutchinson, Murrumbidgee Horticultural Council, Evidence, 1 November 2005, p56

steady, and only 15% had shrunk. The company suggested that this was contrary to expectations of what would have happened.

4.20 The Hunter Valley Training Company subsequently identified a number of economic and social indicators of the skills shortage in Gunnedah:

- Diversification of farms into other lines of business: In Gunnedah a significant 22% of respondents operated a business in addition to their main business.
- Working longer hours: In Gunnedah, the majority of respondents (76%) worked between 35 and 75 hours per week, and almost 14% worked over 75 hours per week. By way of comparison, the Australian Bureau of Statistics estimates that amongst small businesses in NSW in June 2001, 28% worked less than 35 hours per week, 48% worked 35-50 hours per week, 22% worked 51-75 hours per week and just 2% worked over 75 hours per week.
- Expected change in turnover: Over the coming year, 35% of respondents expected their turnover would decrease, 18% expected it to stay the same and only 22% thought it would increase. A further 24% were unsure.
- Expected change in staff levels: Over the coming year, 18% of respondents expected their staffing level to decrease, 50% expected it to stay the same, and only 11% expected it to increase. A further 21% were unsure.
- Expected operational changes to businesses: Almost a third of respondents (30%) expected to make some sort of operational change to their business over the coming year, while 53% expected no change and 18% were unsure. Of those expecting change, approximately half expected to diversify and expand, while the other half expected to contract.

4.21 The Hunter Valley Training Company suggested that its findings on the skills shortage in Gunnedah were typical of regional NSW as a whole.¹¹⁷

Economic costs to local government

4.22 The Committee notes that a large number of respondents on the issue of the economic cost of the skills shortage in rural and regional areas were from local government. The focus of observations made by local councils about the economic and social impact of the skills shortage were in relation to their own workforce, and not the broader community.

4.23 In its written submission, the Local Government Association of NSW and Shires Association of NSW (LG&SA) argued that the skills shortage in rural and regional NSW has both direct and indirect economic costs to local government. Direct costs include:

- Enhancing salary packages through the inclusion of relocation expenses, housing subsidies and cars
- Increasing spending on traineeships, education and upskilling staff

¹¹⁷ Submission 93, Hunter Valley Training Company, pp 6-11

- Greater contracting out of work to costly specialised consultancies based in metropolitan areas
- Increased spending on overtime and penalty rates.¹¹⁸

4.24 The Committee notes that Mr Allan Smith, Executive Member of the LG&SA, expanded on some of these problems in his evidence to the Committee on 1 November 2005:

... the skill shortages are also having demonstrable economic and social costs through direct economic costs including enhanced salary packages to local government, overtime payments, additional traineeship scheme costs, upskilling and hiring of consultants. Can I say in relation to hiring of consultants, in Dubbo just recently we have had staff that believe that it is naturally greener on the other side of the fence and have gone to private enterprise, to private consultancies, and because of our skill shortages - in our planning area we are seven staff short and are having trouble recruiting them - we have had to hire those same staff back in at much enhanced salary packages and at much cost to the local community. So that is just a straight problem that is happening in one regional city.¹¹⁹

4.25 The LG&SA also noted in its written submission indirect costs from the skills shortage in rural and regional NSW, including delays in councils meeting their statutory obligations due to insufficient staff. A common example is delays in the processing of development applications due to a lack of planners and engineers.¹²⁰

4.26 In addition, the LG&SA submitted that resolving critical skills shortages in local communities is taking up increasing resources of many councils, even though it may not be one of their core responsibilities. For example, the LG&SA indicated that in 2004, the Shires Association conducted a research project on council involvement in medical and related health services in rural and remote communities, in order to quantify levels of activity and financial support. In total 85 councils responded to the survey. All up, councils were spending around \$2.2 million per year providing medical and related services, with a further half a million dollars per year subsidising medical and related health services.¹²¹

4.27 An issue presented by some councils about their capacity to meet increasing costs is that of pegging of council rates. Under the *Local Government Act 1993*, councils in NSW are restricted to an annual 3.5% increase in council rates, subject to special variations with ministerial approval.

4.28 During the inquiry, rate pegging was presented to the Committee by some councils as a barrier to local government's retention of key skilled employees, as it was claimed that it restricts the capacity of local government to compete in the labour market.¹²²

¹¹⁸ Submission 86, LG&SA, p8

¹¹⁹ Mr Smith, Evidence, 5 December 2005, pp2-3

¹²⁰ Submission 86, LG&SA, p8

¹²¹ Since the LG&SA project was completed, the Australian Government has set up the Rural Medical Infrastructure Fund which has allocated \$15 million over three years to help offset the costs faced by local councils in their bid to keep doctors in the bush. See submission 86, LG&SA, pp9-10

¹²² See for example submission 67, REROC, pp2-3 and Mr Garvan, Evidence, 30 October 2005, p59

Social costs to local government

- 4.29** The Committee notes that the skills shortage in rural and regional NSW entails additional social costs for local government employees.
- 4.30** In its written submission, the LG&SA noted that one of the principal means used by councils in meeting their obligations to the community in the face of a labour shortage is to increase existing employees' workloads or overtime. However, the LG&SA submitted that while such a response may be inevitable, it has the propensity to increase stress on staff and their families, leading to greater taking of sick leave.¹²³
- 4.31** Mr Smith reiterated this position in his evidence to the Committee on 1 November 2005:
- The socio-economic cost includes increasing employees' workloads or over time, less time devoted to family activities and increased sick and stress leave. That is also a spin-off from skill shortages that we have within council, especially when councils are struggling to meet their statutory obligations. There is also the emergence of what we would call the toxic workplace.¹²⁴
- 4.32** Additionally, Mr Smith cited other less tangible costs associated with the skills shortage faced by local governments including lower rates of product innovation, constriction on output and investment, reduced spending on key services and interrupted service delivery.¹²⁵

Committee comment

- 4.33** The economic and social impacts of the skills shortage in rural and regional NSW are profound and ongoing. The skills shortage often means that positions go unfilled, leading to loss of income to a region, and in turn loss of essential services, particularly in health and education. In turn, such problems can become cyclical as reduced community infrastructure inhibits a region's ability to attract and retain skilled professionals.
- 4.34** At the same time, the skills shortage also places additional stress on existing workers and their families. This can include poaching of staff and high staff turnover, an increase in overtime and absenteeism, and supervisors, managers and business owners being forced 'back to the tools', resulting in other duties being completed after normal business hours.
- 4.35** The importance of a region's ability to attract and retain people of working age is one of the main challenges facing rural and regional communities. However, this is a broader issue than simply one of skills shortages:
- Demographic changes in regional areas, such as an ageing workforce and the outward migration of young people to the cities or overseas, can have a direct effect on the likelihood of investment, business growth and social wellbeing of those communities.

¹²³ Submission 86, LG&SA, pp8-9. See also submission 78, CRC, p16

¹²⁴ Mr Smith, Evidence, 5 December 2005, p3

¹²⁵ Mr Smith, Evidence, 5 December 2005, p3

- Mechanisation and technological advancement in agricultural industries continue to reshape the employment balance in rural and regional areas.

4.36 While there are undoubtedly significant problems arising from the skills shortages in rural and regional NSW, the Committee also received evidence that regional businesses are adapting their employment practice, and that communities are developing strategies to overcome the immediate consequences of the skills shortage. The Gunnedah case study presented by the Hunter Valley Training Company shows clearly the benefits of businesses in one local community adapting to address their immediate problems through operational changes, changes in the utilisation of their existing resources and a diversification of business.

4.37 The Committee is encouraged by the various innovative approaches being employed by local councils to recruit and retain staff. This is examined in the following chapter.

Chapter 5 **The strategies and programs of local government to attract and retain skilled workers**

This chapter examines term of reference (c), dealing with the strategies and programs of local government to retain and attract skilled workers. Local government has a dual role in relation to attracting and retaining skilled workers in rural and regional areas:

- Firstly, local councils have accepted a responsibility to their community to develop and grow the local economy and support local infrastructure to attract people to the region, and to encourage them to remain.
- Secondly, local councils are large regional employers in their own right. As such, they must adopt strategies to recruit and retain their own staff.

The Committee examines both of these issues in this chapter. Coordination between councils and the other levels of government to attract and retain skilled workers is examined in the following chapter.

Perceived and real disincentives in moving to rural and regional NSW

5.1 The Committee notes at the outset that the perceptions of city dwellers of life in rural and regional areas of Australia are not always favourable. In its written submission, the Murray RDB cited the results of a 2003 Commonwealth Department of Transport and Regional Services survey of city dwellers entitled 'Perceptions of Regional Australia'. The survey found that of 651 respondents:

- 49% of people said they would not like to live in a rural or regional town for any period of time
- 24% said they would live in a rural or regional town for 1-2 years but no more
- 11% said they would live in a rural or regional town for a long period but not permanently
- 15% said they would like to live in a rural or regional town permanently
- 40% indicated that they had virtually no contact with people from rural and regional Australia. Their perceptions were based almost totally on what they saw and read in the media.¹²⁶

5.2 The Committee also recognises that there are many real and perceived disincentives to the movement of skilled workers from metropolitan areas to rural and regional centres.

5.3 In its written submission, the Community Relations Commission for a Multicultural NSW (CRC) cited the following perceived and real disincentives to the movement of skilled workers from metropolitan areas to rural and regional centres:

¹²⁶ DOTARS, 'Perceptions of Regional Australia', 2003, cited in submission 43, Murray Regional Development Board, p3

- differences in real estate values between the city and regions
- growing disparity in house prices between inland and coastal areas
- potential loss of the second household income upon moving to a rural or regional area because a working partner may not be able to get another job in the new location, or may be employed at a lower salary
- working partners may be unwilling or uninterested in moving to a new location for either personal or professional reasons
- perceptions that there are limited social opportunities in the regions
- perceptions that education and health facilities are limited or of poor quality in the regions
- limited work opportunities for children of employees in regional areas to secure work.

5.4 In turn, the Mayor of Broken Hill, Councillor Ron Page, cited the following barriers to attracting and retaining skilled labour in rural and regional areas:

- concern that career advancement may be stalled by moving to rural and regional NSW
- salary levels tend to be lower in rural and regional areas
- the lifestyle in rural and regional areas, including recreational facilities, social events, culture, history, shopping and a sense of community inevitably differs from metropolitan regions
- partners and family members may not be willing to relocate
- it may be more difficult for professionals in rural and regional areas to take advantage of professional development, training and networking opportunities
- access to medical and health services may be reduced in rural and regional areas
- while housing is less expensive, issues may arise in relation to availability and quality in rural and regional areas
- where a person makes the decision to move to a rural or regional area and purchase a house, moving back to the metropolitan market may become difficult
- education facilities in rural and regional areas may not be up to metropolitan standards
- family, social and professional links need reliable, accessible and affordable transport and telecommunications infrastructure, which may not be available.¹²⁷

5.5 The Committee also notes the following submission from Clarence Valley Council:

One of the difficulties associated with recruitment in regional areas is that in most cases families are two income households and where a partner may be able to move to

¹²⁷ Submission 80, Broken Hill City Council, pp1-2

a new location and to further employment the decision to relocate often rests on the ability of the other partner to find suitable employment and vice versa.

Additionally areas such as the Clarence Valley are constrained by issues of salary in particular salary packages being significantly less than those on offer in metropolitan areas. There exists a perception that this area is infrastructure poor and is geographically distant to major population centres. The number of professional vacancies and the scope of work within those positions may also be more limited than those on offer in larger centres.

Offsetting the issue of salary reduction and access to a relatively limited set of facilities and services in comparison to metropolitan areas is the lower cost of living in the region.¹²⁸

- 5.6** A number of other parties to the inquiry also referred to the importance of the availability of suitable employment for spouses/partners. For example, in evidence, Ms Helen Williams, Human Resources Manager with Casella Wines, told the Committee of the company's recent experiences in this regard:

If someone is married or in a partnership quite often both parties work. One of the difficulties is career opportunities or educational opportunities as well for people with children. We had a scenario recently where a senior executive's partner was a psychologist. I am sure there is a lot of work for psychologists in the area, but as a company we go and look at what is available and we try to put them in contact with people.¹²⁹

- 5.7** Finally, the Committee notes that the NSW Department of State and Regional Development (DSRD) addressed the issue of attracting and retaining people in rural and regional areas in its written submission:

Often the skills shortages issues in regional areas are, in reality, retention and attraction issues. While regional areas offer lifestyle and cost benefits to households and firms, they cannot compete easily with cities in terms of career choice, breadth of business services available, cultural attractions and diversity. Social changes, the feminization of the workforce, the increased expectations of young people in relation to career choice, the tendency to career shifting, the far greater current preoccupation with higher education, all affect the capacity of regional communities to retain and attract people with skills.

These are large issues and old issues for regional development, and they are not easily addressed. Nor should it be expected that they will be addressed by a single, short term strategy. They go far beyond the question of skills shortages in particular occupations or sectors, and are not susceptible to quick fixes.¹³⁰

¹²⁸ Submission 45, Clarence Valley Council, p1

¹²⁹ Ms Williams, Evidence, 1 November 2005, p39

¹³⁰ Submission 81, NSW Department of State and Regional Development, p5

The 'hollowing-out' of rural and regional populations

- 5.8** In his written submission to the inquiry, the Mayor of Broken Hill, Councillor Ron Page, argued that there are recognisable career and life cycles for residents in rural and regional areas of NSW:
- Young people will often leave rural and regional areas of NSW to gain work experience and knowledge from living in larger regional or metropolitan centres, providing them with career advancement opportunities
 - Many will return later in life to work and live in rural and regional areas.¹³¹
- 5.9** As a result of these life cycles, the Committee notes evidence of a 'hollowing-out' of the age profile of rural and regional areas in NSW in the 20–29 and 30–39 age brackets as young people leave rural and regional areas to undertake training and work in metropolitan areas, before returning later in life to raise their family in their town of birth.¹³²
- 5.10** The Committee notes in relation to this the evidence of the Capital Region Development Board in its written submission:
- Reductions in population or the working age population within a community have broad ranging effects on other services within a community. Social and sporting activities can diminish and become unviable. Health and education services may be removed from a community due to a reduction in the 'working age' population demographic in a community. This demographic cohort generally also provides the children to a community and this affects the schools and sporting groups within the community.¹³³
- 5.11** The Committee also acknowledges the written submission of the Broken Hill City Youth Council that Broken Hill loses a lot of young people who are seeking better education, training, career opportunities and social lives.¹³⁴
- 5.12** In its written submission, the Coonamble Shire Council noted that in many instances, young people are obliged to leave their community because educational courses are not available where they are. For example, the Rural Skills Traineeship is offered by Western Institute of TAFE in Orange, Dubbo, Forbes, Parkes, Cowra and Broken Hill, but not Coonamble, forcing young people in Coonamble to travel outside of their region to access certain training.¹³⁵
- 5.13** The Committee acknowledges this evidence, although it notes that the pattern of young people leaving rural and regional areas to work and live in larger metropolitan centres is not a recent phenomenon.

¹³¹ Submission 80, Broken Hill City Council, p2

¹³² Submission 59, CENTROC, pp2-3

¹³³ Submission 38, Capital Region Development Board, p4

¹³⁴ Submission 91, Broken Hill City Youth Council, pp3-4

¹³⁵ Submission 63, Coonamble Shire Council, pp10-11

The role of local councils in attracting and retaining skilled workers

- 5.14** Whilst the Committee recognises the perceived and real disadvantages of living and working in rural and regional NSW, it is important also to recognise the work being done by local councils to promote the many positive aspects of living in rural and regional areas, partly in an attempt to attract and retain skilled workers.
- 5.15** As advocates of regional communities, local councils are increasingly seeking to identify the strengths of their region and to market them as attractive places to live. At the same time, councils are recognising the need to provide improvements in key services (access to education and health services) and infrastructure (use of land and provision of housing stock).
- 5.16** In its written submission, the NSW Farmers' Association (NSWFA) provided the following summary of some of the strategies used by local governments to attract and retain skilled workers:
- offering the best possible quality of life and environment for all residents
 - implementing principles of social justice and equity
 - achieving best practice in rural and regional design
 - providing appropriate protection and enhancement of heritage character and cultural identity
 - designing and implementing programs that are ecologically sustainable and provide for the retention of important features of the natural environment
 - ensuring that projects are efficiently designed to make the best use of land, infrastructure and services
 - providing the choice of housing sought by communities
 - offering varied and accessible employment opportunities.¹³⁶
- 5.17** In turn, the NSWFA argued that these strategies have been adopted by local councils in various initiatives, including:
- Pursuing greater efficiency, community orientation and quality outcomes in assessing development applications.
 - Implementing planning programs that address the need for better environmental design within both housing stock and public buildings, with particular emphasis on solar access, latitude design modifications, alternative wastewater use, land subdivision, use of communications technology, shared facilities and economy of scale.
 - Promoting and funding better urban design outcomes, supporting rural and regional infrastructure projects, and participation in integrated planning and service delivery projects.

¹³⁶ Submission 89, NSWFA, p30

- 5.18** At the same time, the NSWFA submitted that these strategies do not appear to be working in attracting and retaining skilled workers as more and more people are leaving the regions for metropolitan areas.¹³⁷
- 5.19** In turn, in its written submission, the LG&SA also noted that local councils in rural and regional NSW are working with their local communities to develop initiatives to address chronic skills shortages, including:
- participation in promotions such as ‘Country Week’, a joint private and public initiative to promote regional lifestyle, business and employment opportunities.
 - producing region-specific skills shortages lists.
 - supporting mentoring programs, particularly for indigenous youth.
 - development of local government websites containing marketing material.¹³⁸
- 5.20** The Committee notes that a number of other initiatives are being undertaken by councils in collaboration with other stakeholders, such as the DSRD, RDBs and ACCs. These strategies are discussed in the following chapter.

Local council strategies to recruit and retain their own staff

- 5.21** In its written submission, the CRC noted that many councils have been proactive in addressing their own skills shortages amongst their own staff, with over 80% advising the Department of Local Government that they have implemented strategies to help address their own skills shortages, or that they have plans to do so.¹³⁹
- 5.22** The Committee examines some of the strategies of local government to recruit and retain their own staff below.

Council recruitment strategies

- 5.23** In its written submission, the LG&SA cited a number of recruitment initiatives being pursued by local councils and the LG&SA:
- Many local councils are now utilising traineeships as an increasingly effective method or recruiting.
 - Many councils have established direct links with universities and secondary schools in order to recruit students directly. For example, Cootamundra Council have participated in setting up a careers exhibit at the University of Technology Sydney to try to attract engineers to the area.
 - A limited number of councils are involved in attracting overseas professionals, either through direct recruitment or exchange programs.

¹³⁷ Submission 89, NSWFA, pp30-31

¹³⁸ Submission 86, LG&SA, p11

¹³⁹ Submission 78, CRC, p18

- The LG&SA has been involved in the establishment of a local government ‘village’ at the 2006 Careers Expo in Sydney.¹⁴⁰

5.24 Similarly, the CRC noted in its submission that nearly a third of councils in NSW have advised the Department of Local Government that they are offering traineeships to attract employees. Other initiatives to recruit employees include:

- career planning with high schools.
- graduate schemes promoted to university students.
- recruitment strategies to attract international candidates.¹⁴¹

5.25 The Committee also notes the submission of the Central NSW Councils (CENTROC). In May 2005, CENTROC arranged with Central West Group Apprentices for the appointment of a portfolio manager to oversee the development, rotation and attraction of young people into trades associated with local government. It was agreed, where possible, to have planned rotations within business organisations within the region.¹⁴²

5.26 In its written submission, Shoalhaven City Council also listed the steps it has taken to help attract staff:

- including an additional salary component for new positions to attract good applicants
- offering a leaseback motor vehicle as an added benefit to employees
- varying job descriptions to lessen the experience required to perform a role and to focus more on an applicant’s skills and qualifications
- introducing a performance bonus system whereby planners have the opportunity to be given a salary bonus based on a review of their performance over a three month period
- introducing a new flexible working hours policy to recognise diversity and allow family friendly arrangements to retain staff (e.g. variations to start and finish times, availability of 9-day fortnights, working from home arrangements)
- revising the studies assistance policy to promote employees furthering their education through the provision of financial assistance
- reviewing the Council’s removal and relocation expenses policy to provide greater financial assistance to employees moving to the Shoalhaven
- implementing a recognition of service policy to reward outstanding performance and to recognise long term service to council.¹⁴³

¹⁴⁰ Submission 86, LG&SA, pp10-11

¹⁴¹ Submission 78, CRC, pp18-19

¹⁴² Submission 59, CENTROC, p3

¹⁴³ Submission 53, Shoalhaven City Council, pp2-3

- 5.27** However, as highlighted in Chapter 2, the Committee recognises that despite the recruitment efforts of councils, many continue to face acute skills shortages. As stated in evidence by Councillor Robert Wilson, Mayor of Parkes Shire Council:

... we have comprehensive and very generous study packages for trainees in engineering and administration that we put together and we pay Higher Education Contribution Scheme (HECS) fees and books ... [yet] we still have great difficulty in attracting young trainees into local government, whether it be administration, engineering, health and environment, or town planning. All councils are suffering.¹⁴⁴

The REROC professional placement programs

- 5.28** The Committee notes that the Riverina Eastern Regional Organisation of Councils (REROC) reported in its submission significant success with a professional placement program it initiated in partnership with Charles Sturt University in mid-2003. This program places undergraduate and post-graduate students from the university in short-term (usually 3-week) work placements with member councils. Since its inception the program has placed over 50 students, three of which have found permanent work with member councils.¹⁴⁵

- 5.29** In evidence, Mr Paul Braybrooks, Chairman of REROC, cited to the Committee a possible extension of this placement program:

The Charles Sturt University careers office supports REROC in arranging many of these professional placements and we have had full support for this from CSU. We are working with CSU to extend this to our neighbouring regional organisation of councils, Murray ROC, [and] to students at the campus at Albury.¹⁴⁶

- 5.30** The Committee notes that REROC, in consultation with the local Institute of Public Works Engineering Australia group, is also developing a number of strategies to address the shortage of engineers in the Riverina region. The Committee cites this case below as an example of a successful strategy to promote skilled employment in rural and regional NSW.

¹⁴⁴ Clr Wilson, Evidence, 23 November 2005, p2

¹⁴⁵ Submission 67, REROC, pp3-4

¹⁴⁶ Mr Braybrooks, Evidence, 31 October 2005, p12

Case study: REROC strategy to attract engineers to Riverina councils

REROC has developed a number of strategies to address the shortage of engineers. Eight strategies have been developed, which the organisation wishes to implement over the coming years.

The first of the strategies was implemented in August 2004 when REROC representatives visited the University of Technology Sydney (UTS) and spoke to engineering students about taking up internships with member councils. The UTS course has two 6-month work placements within their degree; successful completion of the placements allows students to be awarded a Diploma in Engineering Practice in addition to their Engineering degree.

REROC had six placements on offer and subsequently all six were filled, four in first semester 2005 and a further two in second semester 2005. This result far exceeded the expected outcomes. Students who have completed their placements have had very positive experiences and have agreed to promote our internships to their peers. REROC will again visit UTS to offer internships for 2006 and we will be hoping for the same levels of success.

In our discussions with UTS about the placements staff advised that many students in their final year placements were offered work and were subsequently able to complete their degree by part-time on-campus study. Unfortunately, UTS does not offer its programme by distance education. In order for our members to be able to make similar offers a more flexible learning approach to completion of the degree is needed; discussions are currently underway with UTS to explore course delivery alternatives.

Member councils are also considering establishing scholarships for engineering students which will tie them to undertaking their work in a REROC council as well as funding cadetships for engineers.

REROC has also entered into discussions with Riverina TAFE about the possibility of delivering the early stages of engineering in Wagga Wagga and then allowing students to complete the balance of their degree by transferring to the University of Southern Queensland (USQ) to study by distance education while working full-time in a member council. The proposed course will be delivered on a full-time basis from the TAFE's Yanco Campus near Leeton; it is planned that the Diploma will fully articulate into the University of Southern Queensland's distance education degree programme. Engineers from the region are to form an Industry Advisory Network to assist in the development of the course; the first intake of students is planned for 2007.

In support of local training REROC councils are planning to offer students in the TAFE programme full scholarships to cover their two years of study as well as paid work placements during holidays. Scholarships will also include the offer of full-time employment with a council once the Diploma is successfully completed. Councils will then meet the cost of the students completing their degree through USQ, for those who wish to continue their studies to degree level.

A number of REROC councils have already endowed scholarships with CSU, which support students from their LGA. Councils consider this a positive way of encouraging local students to return to their communities once they have obtained their qualifications.

Source: Submission 67, REROC, pp4-5

Council retention strategies

- 5.31** In addition to a range of recruitment strategies, the CRC noted that councils have adopted a variety of creative approaches to retaining their existing staff. The approaches range from up-skilling existing employees through training and development initiatives at university or TAFE, to increasing the attractiveness of council positions through lifestyle-related initiatives such as financial rewards, salary sacrificing, education assistance, flexible hours and yoga classes. Councils also mentioned the redesign of positions to increase their scope or attractiveness.
- 5.32** The CRC noted in particular that nearly all regional councils (95.5%) are considering or have implemented retraining or up-skilling as a means of addressing the skills shortages. Unfortunately, however, a number of councils have reported problems in their efforts to implement up-skilling or retraining of staff, whether because of the relatively high average age of the workforce, lack of interest among employees because of the commitment required, or the perceived lack of financial reward.¹⁴⁷
- 5.33** In its written submission, Shoalhaven City Council described in detail the steps it has undertaken to retain staff, including implementing:
- a performance bonus system for planners over a three month period
 - a new flexible working hours policy to allow family friendly arrangements in order to retain staff
 - a new studies assistance policy to promote employees furthering their education by providing financial assistance
 - a revised recognition of service policy to reward outstanding performance and to reward long-term service to the council.¹⁴⁸
- 5.34** Similarly, the Coonamble Shire Council indicated in its written submission that it has adopted comparable methods of attracting professional staff to the region, including generous packages involving housing, office facilities, support staff and so forth. However, the council highlighted that the cost to the council currently exceeds \$100,000 a year, severely constraining the council's capacity to offer further incentives.¹⁴⁹
- 5.35** Hay Shire Council also indicated that it is experiencing difficulties bearing the cost of the various incentives it offers to attract staff.¹⁵⁰

¹⁴⁷ Submission 78, CRC, p19. The LG&SA provided similar information in its written submission. See submission 86, LG&SA, p11

¹⁴⁸ Submission 53, Shoalhaven City Council, pp2-3

¹⁴⁹ Submission 63, Coonamble Shire Council, p3

¹⁵⁰ Submission 29, Hay Shire Council, p2

Strategic alliances between councils in the delivery of services

5.36 In its written submission, the LG&SA indicated that across NSW, there are currently 50 rural and regional councils actively participating in 13 strategic alliances with other councils to share human resources in the delivery of services. Under these arrangements, council staff who have expertise in a particular field are contracted to provide their services to other councils in the alliance. Examples of alliances include:

- Mid-Lachlan Alliance (Parkes, Forbes, Lachlan and Weddin councils)
- The New England Councils Strategic Alliance (Armidale, Dumaresq, Guyra, Uralla and Walcha councils)
- Wellington Blayney Cabonne Strategic Alliance
- Barwon Darling Alliance (Coonamble, Walgett, Brewarrina, Bourke and Central Darling Councils).¹⁵¹

5.37 During the hearing on 23 November 2005, the Committee heard evidence from representatives of the Mid-Lachlan Alliance on the types of structural co-operation the constituent councils are employing. Mr Chris Devitt, General Manager of Forbes Shire Council, told the Committee:

We meet on a two-monthly basis to discuss the big picture issues to set some directions and to look at the broader aspects of local government in the four [council] areas. There are three technical groups based around the council structure. You have the engineering group, environmental health and building group and corporate services. Council staff from each of these areas get together and address needs by running joint policies and looking at training programs. There are a lot of benefits straight away in those people coming together. Some councils have only one or two of those people so they do not have other people they can bounce ideas off. The groups are a bonus, apart from sharing the workload.¹⁵²

5.38 Councillor Robert Wilson, Mayor of Parkes Shire Council, continued with examples:

Something like 32 per cent of our time is spent in administration rather than on putting the money back on the ground. We need human resource documentation [so] we are talking about having a single officer for human resources [across the four councils].

Design engineers are scarce. We have to compete with the Roads and Traffic Authority (RTA) [who can offer more money]. So we collectively thought that we would corporately restructure a design team corporation so that we can match the salaries of the RTA and do design work for the four councils. That is still under preliminary investigation.¹⁵³

¹⁵¹ Submission 86, LG&SA, p10

¹⁵² Mr Devitt, Evidence, 23 November 2005, p7

¹⁵³ Mr Wilson, Evidence, 23 November 2005, p7

- 5.39** The Committee notes that a number of other parties to the inquiry also highlighted the benefits to be gained from councils banding together, including the Regional Communities Consultative Council¹⁵⁴ and the Planning Institute of Australia, NSW Division.¹⁵⁵

Committee comment

- 5.40** The challenge of attracting and retaining skilled workers in rural and regional NSW is considerable. In part, this is due to the current labour market climate in Australia and internationally, where demand for skilled workers is strong. It also in part reflects perceived and real disincentives to living in rural and regional NSW.
- 5.41** As a result, many rural and regional areas of NSW continue to experience a ‘hollowing-out’ of their populations as young people leave to gain work and life experience in larger regional and metropolitan centres. Some will return later in life to work and live in the area where they grew up.
- 5.42** In response to this challenge of attracting and retaining skilled workers in rural and regional areas, many local councils are moving to promote the many positive aspects of life in their community. For example, many councils are responding to the need to provide improvements in key services such as access to education and health services and by pursuing best practice in rural and regional design, thereby enhancing the attractiveness of their region.
- 5.43** However, the Committee recognises that the responsibility for promoting the positive aspects of life in rural and regional areas does not lie solely with local government. The Committee acknowledges the ongoing need for collaboration and partnerships between local councils, other government agencies, business, industry and the broader community in promoting the lifestyles and opportunities that exist in rural and regional areas. This is discussed further in the following chapter.
- 5.44** Local councils in rural and regional NSW are also implementing strategies to recruit and retain their own staff. In some cases, such as that of Shoalhaven City Council, those strategies include financial incentives such as a performance bonus system and offering a leaseback motor vehicle. In other cases, councils are offering a range of non-financial incentives, including flexible working hours and study assistance.
- 5.45** The Committee acknowledges the efforts of councils in attracting and retaining their own staff. Clearly this is a difficult challenge. Many councils are developing other strategies to address their skills shortages, such as sponsorship and traineeship arrangements, and retraining and upskilling for existing workers.
- 5.46** In addition, strategic alliances between councils such as the Mid-Lachlan Alliance appear to be very productive. The Committee welcomes moves towards resource sharing amongst councils in close proximity to one another, and believes that sharing the costs of recruitment and administration, while also recouping the collective benefits of sharing human resources, is sensible. The Committee is further encouraged by reports of partnerships with businesses and universities, which appear to be bearing fruit in the Riverina in particular. The REROC

¹⁵⁴ Submission 57, The Regional Communities Consultative Council, pp3-4

¹⁵⁵ Submission 34, Planning Institute of Australia, NSW Division, p5

partnership with Charles Sturt University and the engineering program with the University of Technology Sydney are considered to be successful initiatives.

Chapter 6 **Coordination between Local, State and Commonwealth Governments**

This chapter examines terms of reference (e) dealing with coordination between local government, the NSW Government and the Commonwealth Government to attract and retain skilled workers in rural and regional areas of NSW. In particular, it examines the role performed by local councils, the NSW Government's regional development boards (RDBs) and the Commonwealth Government's Area Consultative Committees (ACCs) in delivering and coordinating programs to strengthen and support regional communities. The focus of this chapter is not on cooperation in relation to vocational education and training or the Commonwealth's skilled migration programs. These issues are discussed separately in Chapters 7, 8 and 9.

The role performed by the Commonwealth Government

The Regional Partnerships Program

- 6.1** The Regional Partnerships Program is the Commonwealth Government's major program investing in rural and regional Australia. It is delivered by the Commonwealth Department of Transport and Regional Services (DOTARS).
- 6.2** In its summary of the Regional Partnerships Program, DOTARS says that the program priorities are:
- Strengthening growth and opportunities by investing in projects that strengthen and provide greater opportunities for economic and social participation in the community.
 - Improving access to services by investing in projects that, in a cost effective and sustainable way, support communities to access services. The Government gives priority to communities in regional Australia with a population of less than 5,000.
 - Supporting planning by investing in projects that assist communities to identify and explore opportunities and to develop strategies for action.
 - Assisting in structural adjustment by investing in projects that assist specifically identified communities and regions adjust to major economic, social or environmental change.

The Area Consultative Committees

- 6.3** ACCs are non-profit, community-based organisations funded by the Australian Government under the Regional Partnerships Program. They are responsible for delivering funding under the Regional Partnerships Program.¹⁵⁶

¹⁵⁶ DOTARS, Regional Partnerships, <http://www.regionalpartnerships.gov.au/>, (accessed 6 February 2006)

- 6.4** The role of the ACCs is to build networks and partnerships in their areas. Through these networks, ACCs promote and disseminate information on Government priorities and programs for the benefit of rural and regional businesses and the communities. They also attempt to bring stakeholders together to identify opportunities, priorities and growth strategies for the region.
- 6.5** There are 56 ACCs across Australia serving rural, regional, remote and metropolitan communities. There are 17 ACCs across rural and regional NSW and the ACT:
- Albury Wodonga
 - Capital Region
 - Central Coast of NSW
 - Central Murray
 - Central NSW
 - GROW Sydney
 - Hunter
 - Illawarra
 - Mid North Coast
 - New England North West
 - Northern Rivers
 - Orana
 - Outback NSW
 - Riverina
 - Shoalhaven
 - South East NSW
 - Sunraysia.
- 6.6** The Chair of each ACC is appointed by the Minister of the Department of Transport and Regional Services. Membership of ACCs is voluntary and unpaid, comprising community stakeholders, including representatives of local business and government.¹⁵⁷

¹⁵⁷ DOTARS, ACCs by State - Australian Capital Territory and New South Wales, http://www.acc.gov.au/contact_us/nsw.aspx, (accessed 6 February 2006)

The role performed by the NSW Government

The Regional Development Boards

6.7 RDBs are incorporated associations funded by the NSW Government. They provide a strategic framework for economic growth in each region of NSW. The NSW Government, through the Department of State and Regional Development (DSRD), supports a network of 13 RDBs across NSW:

- Hunter Economic Development Corporation
- Illawarra RDB
- Northern Rivers RDB
- Greater Western Sydney Economic Development Board
- Central Western RDB
- Far Western RDB
- Mid North Coast RDB
- Murray RDB
- New England-North West RDB
- Orana RDB
- Riverina RDB
- Australian Capital RDB
- Business Central Coast

6.8 The role of RDBs is to promote regional development initiatives (hence sustainable jobs) in regional NSW, to assist regional communities to capitalise on their regional strengths, to assist regional and local businesses and to address gaps in the market (such as skills gaps in the labour market).¹⁵⁸

6.9 RDBs are allocated \$1.69 million in administrative funding each year. In addition, a further amount of \$1.6 million is directed to the boards under the Regional Development Board Innovation Program.¹⁵⁹

The NSW Regional Development Advisory Council

6.10 The NSW Regional Development Advisory Council (RDAC) is the peak advisory body that makes recommendations to the NSW Minister for Regional Development on all regional

¹⁵⁸ DSRD, 'Regional Development Boards: Information Booklet and Nomination Form 2005', http://www.business.nsw.gov.au/sysfiles/download/RDB_NominationBooklet_2005_GWSEDB.doc, (accessed 1 May 2005)

¹⁵⁹ DSRD, Response to questions on notice, 7 February 2006, p5

development issues. Its charter is to advise the Minister on ways in which the Government and communities can work together to strengthen the capacity of communities to respond to local business issues.

6.11 The RDAC is formed under the *Regional Development Act 2004*, and is the statutory body that brings together the Chairs of all RDBs to discuss and deliberate over issues of importance in regional and rural NSW. Under the Act, the Council is responsible for advising the Minister on any matter that is referred to it by the Minister, and advising the Minister on any other matter it considers relevant to the object of the Act. The objects of the Act are:

- to help fill gaps left by the market system
- to promote economic and employment growth in regions
- to assist regional communities to capitalise on their regional strengths, to broaden and reposition the industry base of their regions and to develop new products and new markets
- to develop regional or local solutions for regional or local business development problems.¹⁶⁰

6.12 The RDAC meets quarterly, although there is no formal timetable in place for making recommendations to the Minister.¹⁶¹

The NSW Government's regional programs

6.13 The DSRD provides a range of programs to assist rural and regional NSW to address both longstanding and emerging economic development issues, including skills shortages. The programs include:

- The Main Street/Small Towns Program, which aims to revitalise regional communities by increasing business/economic activity in regional communities, particularly small/medium sized communities, and by fostering sustainable commitment to economic development by councils.
- The Developing Regional Resources Program, which provides funding to help regional organisations, industry associations or alliances of regional firms to investigate and pursue new economic/business development opportunities.
- The Regional Business Development Scheme, which offers financial and other assistance to businesses expanding in, or relocating to, regional NSW.
- The Towns and Villages Futures Program, which aims to foster economic growth and create a more positive environment for business communities with a population of less than 2,500.

¹⁶⁰ *Regional Development Act 2004*, s.3

¹⁶¹ DSRD, NSW Regional Development Advisory Council, <http://www.business.nsw.gov.au/regions.asp?cid=426>, (accessed 6 February 2006)

- The Business Retention and Expansion Survey, which helps communities to collect and collate data on local businesses to provide an audit of a town's business profile and a starting point for future planning.
- The Hunter Advantage Fund, which provides financial assistance to projects generating employment in the Hunter.
- The Illawarra Advantage Fund, which provides a range of assistance to eligible businesses looking to establish or expand in the Illawarra region.
- The Regional Economic Transition Scheme, which is designed to provide assistance to regional communities and towns hit hard by economic shocks as a result of business closures, industry restructuring and global economic change.
- The Aboriginal Business Development program, which is designed to assist Aboriginal business people to develop business skills, establish networks and grow markets.
- The New Market Expansion Program for Regional Enterprises, which is designed to assist regional businesses to develop the skills to pursue and take up new markets, and to break the cycle of dependence on traditional markets and/or local economies.
- The Agribusiness Alternatives Program, which assists producers to identify and develop alternative agribusiness opportunities through which they can diversify their agricultural base.
- The Business Drought Assistance Program, which provides assistance to regional businesses severely affected by the drought.¹⁶²

6.14 The various regional programs, including the Main Street/Small Towns Program, have a combined budget of \$2.2 million per annum.¹⁶³

The uptake of State and Commonwealth regional development programs

6.15 In its written submission, the NSW Farmers' Association cited the results of a survey it conducted into the uptake of the various rural and regional programs offered by the State and Commonwealth Governments.

6.16 The survey found that the top four State Government programs by participation were as follows:

¹⁶² DSRD, Regional Programs, <http://www.business.nsw.gov.au/help.asp?cid=175&subCid=193#8>, (accessed 6 February 2006)

¹⁶³ DSRD, Response to questions on notice, 7 February 2006, p5

Table 6.1 Respondent uptake of State Government Assistance programs

Most used State Government programs	Take-up
The Main Streets/Small Town program	67%
The Towns and Villages Futures program	25%
The Business Retention and Expansion program	25%
The Regional Business Development Scheme	22%

Submission 89, NSW Farmers' Association, p35

6.17 In its written submission, the DSRD expanded on the framework that it has established for addressing regional skills shortages. The department indicated that up until June 2005, it had contributed funding for over 40 projects across the state, including:

- The Illawarra RDB's four-stage Skills Audit project, which has provided an in-depth 'snap-shot' of regional skills across industry and business.
- The Building Regional Towns Tour designed to promote residential development opportunities in selected regional towns.
- The C Change bureau, which promotes living in the Riverina and Murray regions to people in Sydney and Melbourne. The Bureau employs a facilitator to display information on living in the Riverina and Murray regions.
- The Nambucca Vehicle Body Manufacturing Cluster group, involving work with the Department of Education and Training (DET) to promote skills development as part of the Nambucca business cluster.
- The Central Regional Organisation of Councils' drive to develop occupational health and safety training strategies to update the skills and accreditation of regionally based contractors to government.
- The New England Skills Audit and Strategic Plan to collate data and test ideas in focus groups.
- The Manufacturing Careers in the Southern Highlands Program to work with schools to promote careers in manufacturing.
- The Careers on a Plate program to expose senior school students to the opportunities of working in the sciences in regional areas.¹⁶⁴

6.18 Looking at Commonwealth regional development programs, the most successful program has been the Rural Transactions Centres (RTC) program, with a take-up rate of 67%. The RTC program provides funds to help small communities establish their own RTC to provide access to services including: financial services, post, phone, fax, internet, Medicare Australia access point, Centrelink and so forth.¹⁶⁵

6.19 The Committee notes that prior to June 2004, the RTC Program was complemented by the NSW Community Technology Centre Program. The program commenced in March 2001 and was completed in June 2004, and had a budget of \$16.72 million, jointly funded by the NSW and Commonwealth Governments. Its objective was the establishment of community

¹⁶⁴ Submission 81, DSRD, p7

¹⁶⁵ DOTARS, Rural Transaction Centres, <http://www.regionalpartnerships.gov.au/rtc/index.aspx>, (accessed 6 February 2006)

managed Community Technology Centres providing information technology based services and programs to small rural NSW towns.¹⁶⁶

- 6.20** The Committee understands that prior to the completion of the NSW Community Technology Centre Program, a total of 16 Rural Transaction Centres were co-located with Community Technology Centres across NSW.¹⁶⁷

Coordination between local, State and Commonwealth Governments

- 6.21** The Committee notes that both the RDBs and ACCs are expected to be conduits for the articulation of local priorities between local, State and Commonwealth Governments. In partnership, they are expected to work to promote regional development, including addressing skills shortages.

- 6.22** Reflecting this, there are many examples of local government, RDBs and ACCs working closely together in rural and regional NSW to further the interests of their region. For example, the Committee notes:

- The work of the Hunter Skills Development Taskforce.¹⁶⁸
- The Community Strategic Plan developed by the Growing Inverell Committee and Inverell residents in October 2003 through the DSRD Main Street/Small Towns Program.¹⁶⁹
- The outcomes achieved by the Bega Valley Building Taskforce in encouraging young people into the building industry.¹⁷⁰
- The work of the Singleton Skills Attraction Committee in attracting more skilled workers to the region.¹⁷¹
- The promotion of the metal fabrication and engineering industries in the Cabonne, Orange and Blayney local government areas by the Orange Cabonne Blayney Industry and Skills Project, working in conjunction with the DSRD.¹⁷²
- The collaboration of the Riverina RDB and the Riverina ACC in the Riverina Regional Business Survey and Skills Audit of 1999.¹⁷³

¹⁶⁶ The NSW Community Centre Technology Program, <http://www.telinfo.gov.au/New%20Connections%20TK%20Pt2%20CTC@NSW.htm> (accessed 19 April 2006)

¹⁶⁷ NSW Department of Commerce, Joint Commonwealth and New South Wales Community Technology Centre Program, Final Project Report, June 2004, <http://www.telinfo.gov.au/NSWCTC202%20final%20report.pdf> (accessed 19 April 2006), pp13-14

¹⁶⁸ Submission 49, Ai Group, pp4-5

¹⁶⁹ Submission 81, DSRD, pp9-10

¹⁷⁰ Submission 31, Bega Valley Shire Council, pp1-2

¹⁷¹ Submission 46, Singleton Council, pp1-2

¹⁷² Submission 66, Orange Cabonne Blayney Industry and Skills Project, pp2-4

- The cooperation between the Mid North Coast RDB and ACC in developing a regional industry and economic plan which includes measures to address skills requirements in the region.¹⁷⁴

6.23 The Committee cites in more detail below some other collaborative projects between local, State and Commonwealth Governments.

Country Week

6.24 Country Week is a cooperative venture whose principal partners include the three tiers of Government, major businesses and community organisations. It is a week long fair conducted annually in Sydney, designed to attract professional and skilled trades people, as well as businesses, and show them the opportunities available by relocating to a community outside Sydney. In his evidence incorporated into hansard, Mr Peter Bailey, CEO of Country Week, told the Committee:

I firmly believe that if we promote country and regional New South Wales as a relocation destination, we can help proactive communities to minimise their skills shortages by encouraging Sydney professional and skilled people and their families to look to country New South Wales as the promised land, instead of Queensland. We can provide hope to a generation who believe they will never be able to afford a home in Sydney; people who would move to the country but believe there are no jobs, no water, no communication and no life. We could turn many country and regional communities around with an injection of new residents into some quieter communities.¹⁷⁵

6.25 At the same time, Country Week provides regional towns with assistance in marketing and advertising strategies. As Mr Bailey indicated in his evidence incorporated into hansard:

Many communities need help to market themselves; to understand what assets they have and how to market them to potential new residents. Indeed, we also have to educate communities about how to utilise an event such as Country Week and who should be involved. Our experience has shown that the winners will be those communities who broaden their participation to include: chambers of commerce, real estate agents, employment services, tourism officers, education providers, major employers and the local media.¹⁷⁶

6.26 The Committee notes that a number of local councils or amalgamated council bodies highlighted in their submissions their present or future involvement in Country Week, including Leeton Shire Council,¹⁷⁷ Moree Plains Shire Council¹⁷⁸ and the Murray Regional

¹⁷³ Submission 23, Riverina RDB, p4; Submission 41, Riverina ACC, p2

¹⁷⁴ Submission 92, NSW Regional Development Advisory Council, p9

¹⁷⁵ Mr Bailey, Evidence, 6 October 2005, p21

¹⁷⁶ Mr Bailey, Evidence, 6 October 2005, p21

¹⁷⁷ Submission 44, Leeton Shire Council, p5

¹⁷⁸ Mr Kunkel, Moree Plains Shire Council, Evidence, 16 February 2006, p15

Organisation of Councils.¹⁷⁹ In particular, the Committee notes the evidence of Mr White, Executive Officer with the Capital Region Development Board:

I know that Cooma-Monaro, for example, is talking about strategies to try to attract young people, young families back to the region. One of the strategies they have employed is to have a presence at Country Week, which is an annual exhibition held in Sydney. Their belief is that if they can attract one family to Cooma-Monaro out of Country Week they have achieved their goal for that year. One family means they want to buy a house and they are going to spend \$300,000 or \$400,000. They are going to send their kids to school and they are going to do their shopping. All of that sort of thing is a big interjection into a small local economy.¹⁸⁰

6.27 Mr Peter Dale, executive officer at the Riverina RDB, also commented:

Quite a lot of local government entities in the Riverina chose not to go to Country Week because they saw it as being thrust into an environment where they were competing with 40-odd other councils for the same piece of pie.¹⁸¹

The Orange Cabonne Blayney Industry and Skills Project

6.28 Another example of joint government involvement in attempting to attract and retain skilled workers in rural and regional areas is the Orange Cabonne Blayney Industry and Skills Project, which is designed to assist the metal fabrication and engineering industries in the Cabonne, Orange and Blayney local government areas. The project is jointly funded by local government and the NSW Government, through the Central Western RDB, and has a steering committee comprising representatives from:

- the Central Western RDB (Chair)
- industry
- three local councils
- the DSRD
- DET
- TAFE
- the Industry Capability Network
- Central West Group Apprentices
- Ai Group.

6.29 The Committee notes that the Orange Cabonne Blayney Industry and Skills Project is working on a range of medium to long term strategies to address the shortage in metal fabrication and other engineering positions in the region:

¹⁷⁹ Submission 47, Murray Regional Organisation of Councils, p5

¹⁸⁰ Mr White, Evidence, 13 February 2006, p41

¹⁸¹ Mr Dale, Evidence, 31 October 2005, p16

- The Project hosted a careers advisers meeting on 10 June 2005. This is expected to be a pilot for ongoing careers advisers briefing arrangements.
- Engineering Australia have contacted school principals who have expressed an interest in participating in the Schools Innovation Design Challenge.
- The Project will be contacting Rotary Clubs in August 2006 in relation to the Schools Engineering Science Challenge.
- Careers Expo was held in Orange on 27-28 July 2005. The Project facilitated a display stand on behalf of industry. The highlight of the expo was a demonstration by an apprentice metal machinist who operated a lathe on-site.
- The Project is looking at the feasibility of having industry participate in the Adopt a School program.
- The Project is trying to establish an industry network/cluster that will provide advice and direction in addressing and overcoming common issues throughout the industry in the local region.¹⁸²

The Western Riverina Higher Education Skills Analysis Project

6.30 In its written submission, the DSRD provided the following case study of the Western Riverina Higher Education Skills Analysis Project, which is seeking to address ongoing skills shortages in and around the Western Riverina, especially at Griffith.

¹⁸² Submission 66, Orange Cabonne Blayney Industry and Skills Project, pp3-4

Case study: The Western Riverina Higher Education Skills Analysis Project

The Western Riverina region, particularly Griffith, has had ongoing skills shortages problems across a range of professions, largely related to business services and management skills. Shortages are also being felt in the food and wine industries that are rapidly expanding in the region.

This led to the Western Riverina Higher Education Skills Analysis Project which has involved the DSRD, the Riverina ACC, the Riverina Regional Development Board, Charles Sturt University and Riverina Institute of TAFE.

The lack of skills in the relatively remote Western Riverina was proving to be a barrier to business expansion. There were also cultural factors at work in the region, where young people were encouraged to remain in the town and work in family businesses but did not have access to tertiary education opportunities. There were also issues relating to the capacity of the region to attract outside professionals such as accountants, health professionals and lawyers. Many community representatives involved in the initial study undertaken by the Centre for Rural Social Research also spoke about the lack of tertiary education as a barrier to the development of a vibrant culture in the region that would attract people to the area.

The impacts of the skills shortages in the Western Riverina have included the outsourcing of key professional tasks to people in other regions and the undertaking of these tasks in the region by people not suitably qualified to perform them.

As a result of the project, the Riverina Institute of TAFE and Charles Sturt University together provide an Advanced Diploma in Business Management and a Bachelor of Business Studies through an integrated program based at the University's Studies Centre in Griffith. The program began in 2004 with an intake of 26 students.

The project has been successful because of the willingness of regional partners to work together, the clarity of thinking in identifying the specific skills shortages in the region, the willingness of young people to participate, and the creative way in which stakeholders set out to address the key issues through practical, workable delivery mechanisms. The project, and the attitude of businesses generally in the region, have been noteworthy also for the willingness of businesses to work positively with government to find solutions. The project is a model for the delivery of higher education in remote locations generally.

Source: Submission 81, DSRD, pp8-9

The Illawarra Skills Shortages Taskforce

- 6.31** The Illawarra Skills Shortages Taskforce (ISST) was established in early September 2004. The ISST acts as the regional steering group for the Illawarra component of a project being funded by the Commonwealth Department of Education, Science and Training and undertaken by Ai Group in the Illawarra and Hunter regions.
- 6.32** Members of the ISST include the Illawarra RDB and Illawarra ACC, local councils such as the Wollongong City Council and Southern Councils Group, industry bodies such as Ai Group and the Master Builders Association of NSW, employers such as BlueScope Steel, Government bodies such as the Commonwealth Department of Education, Science and

Training, education institutions such as TAFE Illawarra Institute and the University of Wollongong, labour organisations such as the NSW Teachers' Federation and the Australian Manufacturing Workers Union, and welfare organisations such as Uniting Aged Care.

6.33 In their written submissions, the ISST and the Ai Group cited some of the achievements of the ISST as:

- increased employment, including the promotion of new general construction traineeships in scaffolding and rigging, with 15 trainees subsequently employed in one local business alone.
- the establishment of three industry-led sub-committees on employment, policy and branding
- extensive media coverage encouraging awareness of skills shortages issues
- engagement and liaison with group training organisations
- development and promotion of an employer toolkit outlining actions employers can take to address skills shortages
- development of career pathways and employer fact sheets
- ongoing Job Network engagement/partnership with the potential for more focused recruitment strategy development.¹⁸³

6.34 The Committee notes that significantly more detail on the ISST is provided in the submission made by Ms Tracey Freeman, Chair of the ISST, to the Committee's inquiry, and also in the submission of the Ai Group.¹⁸⁴

Variations in the effectiveness of regional partnerships

6.35 While the Committee was presented with evidence of a number of successful joint projects between local, State and Commonwealth Governments as cited above, the Committee also notes that it was presented with some evidence that not all local councils, RDBs and ACCs are necessarily working collaboratively in rural and regional NSW.

6.36 In its written submission, the Local Government Association of NSW and Shires Association of NSW (LG&SA) argued that most councils, by the nature of their role, are heavily involved in a variety of regionally focused bodies, including RDBs and ACCs. In many instance, there is an overlap in the membership of councils and the other bodies. However, the LG&SA continued:

The effectiveness of these partnerships has varied markedly, being dependent on the individuals involved and the ability to secure adequate resources to implement proposed programs.¹⁸⁵

¹⁸³ Submission 26, ISST, pp1-3

¹⁸⁴ Submission 26, ISST; Submission 49, Ai Group, pp9-10

¹⁸⁵ Submission 86, LGA&SA, p12

6.37 The Committee notes, for example, that the Riverina RDB and Riverina ACC have established a formal relationship, codified in a memorandum of understanding between the two bodies. Mr Tom Watson, Chair of the Riverina ACC, told the Committee in evidence:

We are very proud of the fact that we have a very close relationship with all these organisations. We have a formal memorandum of understanding, which we have had in place for some time. That enables us to work very closely and effectively on the various projects that are committed to addressing major issues in the region, including the skills shortage.¹⁸⁶

6.38 By contrast, in its written submission, the Capital RDB argued that in the capital region, co-operation and co-ordination between local government, the RDBs and ACCs has not been positively handled or driven by any of the stakeholders. Rather, the board suggested that ‘each seems to be undertaking their own approach’. In support, the board cited the following areas of tension:

- Differing areas of responsibility: local governments tend to be focussed on their own shire/city, whereas RDBs and ACCs have differing borders and defined ‘regions’ (the Capital RDB covers a region which includes three area consultative committee areas).
- Different priorities for the different organisations, even though all have identified skills shortages as an issue within their most recent strategic plans.
- ACCs have a different ‘primary purpose’ and differing ways of working within a region. Within the Capital RDB’s region, the two main ACCs operate quite differently and have quite different philosophies and understandings of their role.

6.39 Accordingly, the Capital RDB recommended that problems related to skills shortages be addressed at the macro or state level, rather than expecting local governments and RDBs to tackle what is in effect a state-wide phenomenon.¹⁸⁷

6.40 The Committee also notes evidence in relation to the work of the RDAC in its role as the ‘peak advisory body making recommendations to the NSW Minister for Regional Development on all regional issues’.

6.41 In her evidence to the Committee on 13 February 2006, Ms Wheelan, the Chair of the RDAC, indicated that the Board meets four times a year with the Minister for State and Regional Development, twice in Sydney and twice in rural and regional NSW. Ms Wheelan also indicated that the Board has established a task force to investigate skills shortages, although it was only established late in 2005. At the same time, Ms Wheelan indicated that the Board has only one staff member, and was looking to this Committee and its inquiry for information.¹⁸⁸

Committee comment

6.42 The Committee supports the continued development of close ties between local councils, RDBs, ACCs, the NSW State Government and the Commonwealth Government, all working

¹⁸⁶ Mr Watson, Evidence, 31 October 2005, p12

¹⁸⁷ Submission 38, Capital Region Development Board, p5

¹⁸⁸ Ms Wheeler, Evidence, 13 February 2006, p43

in cooperation with industry groups. Such ties are essential to providing sustainable, long-term solutions to skills shortages in rural and regional areas of NSW.

- 6.43** The evidence before the Committee is that in most instances, there appears to be good communication between these bodies and an inclusive approach to the development of strategies to address major regional concerns, including skills shortages. However, this may not be universally the case, as was suggested by representatives of the Capital RDB.
- 6.44** It would be of concern to the Committee if the work of local councils, RDBs and ACCs was to be compromised, for example due to a breakdown in personal relations between members on these various bodies.
- 6.45** With broadly similar and largely complementary roles, the Committee believes that the approach taken by the Riverina ACC and Riverina RDB in establishing a memorandum of understanding between the two agencies to govern their co-operation and priorities should be examined closely by government, with a view to implementing this approach across the State.

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.

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- 6.46** The Committee also believes that there would be merit in an examination of the number and the boundaries of the 13 RDBs and 17 ACCs across NSW, with a view to achieving consistency in the geographical distribution of RDBs and ACCs across the state. The Committee acknowledges that this would require some adjustments to the number and boundaries of RDBs, the ACCs or both. At the same time, however, there is already considerable consistency in the boundaries of many RDBs and ACCs.

Recommendation 3

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

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- 6.47** It is noted that the Council of Australian Governments has recently established a program to commence in July 2006 to address the supply of skilled labour in industries and regions, and that data from the RDBs and ACCs will be reported under this process.
- 6.48** With respect to the role performed specifically by RDBs, for which the NSW Government has responsibility, the Committee believes that there are a number of excellent initiatives being undertaken by individual RDBs, however there should be further efforts made to enhance how RDBs learn from each other.

- 6.49** The Committee believes that the RDAC requires additional support in coordinating and disseminating information between RDBs, and ought to be more proactive in making recommendations on best practice in the regions.

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.

- 6.50** Finally, the Committee received evidence of one qualitative survey by the NSW Farmers' Association on the effectiveness of the various NSW Government regional development programs. If the NSW Farmers' Association survey is an accurate reflection of the impact of these regional programs, the Committee recommends a thorough evaluation of the level of funding, awareness, participation in and outcomes of all NSW Government regional development programs, and that the results be published.

Recommendation 5

That the NSW Government 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.

Chapter 7 **The impact of the Commonwealth's regional skilled migration programs**

This chapter examines terms of reference (d) and (f) dealing with the impact of the Commonwealth Government's regional skilled migration programs, and the models used by other states in interacting with the programs.

The Commonwealth's skilled migration programs

- 7.1 The Commonwealth Government offers four separate skilled migration visas:
- the Regional Sponsored Migration Scheme (RSMS) visa (applicants must be sponsored by an employer)
 - the Temporary Business Entry (Long Stay) visa (applicants must be sponsored by an employer)
 - the State/Territory Nominated Independent (STNI) visa (applicants must be sponsored by a state/territory government)
 - the Skilled Independent Regional (Provisional) (SIR) visa (applicants must be sponsored by a state/territory government).
- 7.2 The Commonwealth Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) runs these programs, in some instances with the cooperation of the relevant state government authorities. More details are provided below.

The Regional Sponsored Migration Scheme

- 7.3 The RSMS allows employers in regional or low population growth areas of Australia to fill skilled positions that they cannot fill from the local labour market. Employers seeking skilled workers under the RSMS may identify suitable nominees through various means, including DIMIA's Skill Matching Database.
- 7.4 An employer can take part in the scheme if their business is in any part of Australia except Brisbane, the Gold Coast, Newcastle, Sydney, Wollongong, Melbourne and Perth. Under the scheme, nominations need to be certified by the relevant Regional Certifying Body (RCB) before being lodged with DIMIA.
- 7.5 Prior to certification of a nomination/vacancy by a RCB, an employer must be able to demonstrate that:
- the business is actively and lawfully operating in regional Australia and has a genuine need for a paid employee
 - the position is a full-time vacancy available for at least 2 consecutive years
 - the position requires qualifications equivalent to at least Australian diploma level standard (this includes trade certificates), unless exceptional circumstances apply

- there is, or will be, an employment contract or letter of appointment provided for the position before a nominee's visa can be granted.¹⁸⁹

The Temporary Business Entry (Long Stay) Visa

7.6 The Temporary Business Entry (Long Stay) visa caters for business visits to Australia of up to four years for:

- personnel (executives, managers and specialists) for companies operating in Australia
- personnel from offshore companies seeking to establish a branch in Australia, to participate in a joint venture, or to fulfil a contract awarded to the offshore company
- personnel coming under a labour or Invest Australia Supported Skills agreement.

7.7 The minimum skill and salary requirements for the Temporary Business Entry (Long Stay) Visa are lower for employers in regional and low population growth areas across Australia, making it easier for them to meet the visa criteria. Again, an employer's nomination must be supported by a RCB.¹⁹⁰

The State/Territory Nominated Independent Visa

7.8 The STNI Visa enables State and Territory governments to nominate migration applicants who are willing to settle in Australia in areas where their skills are in demand. Applicants must work in an occupation identified as a target occupation on the Skilled Occupation List.¹⁹¹

7.9 The Commonwealth Minister for Immigration and Multicultural and Indigenous Affairs, Senator Amanda Vanstone, approved the participation of NSW in the STNI Visa on Tuesday, 28 February 2006. South Australia, Victoria, Tasmania and Western Australia also participate in the scheme.¹⁹²

The Skilled Independent Regional (Provisional) Visa

7.10 The SIR visa commenced on 1 July 2004. Successful applicants are granted three-year temporary entry into Australia, with the prospect of being eligible to apply for permanent residence. The eligibility requirements for the SIR visa include:

- being sponsored by a state to territory government authority, including a RCB

¹⁸⁹ DIMIA, Regional Sponsored Migration Scheme, <http://www.immi.gov.au/migration/employers/rsms.htm> (accessed 25 January 2006)

¹⁹⁰ DIMIA, Long Business Visits to Australia, http://www.immi.gov.au/allforms/visiting_business_long.htm, (accessed 25 January 2006)

¹⁹¹ DIMIA, Validity requirements for the Skilled – State/Territory Nominated Independent (subclass 137) visa, http://www.immi.gov.au/migration/skilled/offshore_visa/valid_137.htm (accessed 25 January 2006)

¹⁹² Email from Mr Tom McAlary, Acting Senior Manager, Business & Skilled Migration, DSRD to the Director, 28 February 2006.

- meeting the basic requirements for the General Skilled Migration categories
- undertaking to live and work in regional Australia or a low population growth area for at least two years.

7.11 After the initial two-year period, SIR visa holders are eligible to apply for permanent residency through the RSMP, STNI visa or the State/Territory Business Owner visa.¹⁹³

The NSW Government's participation in the regional migration programs

7.12 NSW participates in all four of the Commonwealth Government's regional skilled migration programs listed above. As indicated, the RSMS and the Temporary Business Entry (Long Stay) Visa are employer sponsored visas. By contrast, the SIR visa and STNI visa are Government sponsored. The Committee examines the role of the NSW Government in the two government-sponsored migration programs below.

NSW Government participation in the SIR visa

7.13 Applicants for the SIR visa for entry to NSW require sponsorship by one of the 13 RCBs in NSW (although currently only eight regions are participating in the visa scheme). In many cases, the RCB is the regional development board.

7.14 To qualify for the SIR visa for entry to NSW, applicants must:

- be under 45 years of age
- have vocational level English
- attain 110 points on the DIMIA skills test (compared to the 120 points required to settle in a metropolitan area)¹⁹⁴
- be prepared to live and work in regional NSW for two years
- have had their skills assessed by the appropriate Australian assessing authority in a range of skills or occupations listed on the Department of State and Regional Development (DSRD) website.

7.15 The DSRD website also lists which RCBs in NSW are seeking applications for sponsorship under the SIR visa program, and the skills and occupations they are looking for.¹⁹⁵

¹⁹³ DIMIA, Employer and State/Territory Government Sponsored Migration, <http://www.immi.gov.au/migration/regional/regional1.htm> (accessed 25 January 2006)

¹⁹⁴ Sponsorship from a State or Territory Government is worth 10 point, making the threshold in effect 100 points.

¹⁹⁵ DSNR, Regional Skilled Migration, <http://www.business.nsw.gov.au/business.asp?cid=414&subCid=415>, (accessed 25 January 2006)

NSW Government participation in the State/Territory Nominated Independent visa

7.16 Applications for the STNI visa for entry to NSW require sponsorship by the NSW Government. To qualify for the STNI visa, applicants must:

- be under 45 years of age
- have qualifications and experience in certain occupations listed on the DSRD website
- have had their skills assessed by the appropriate Australian assessing authority
- have the English language skills specified for their occupation
- have been in paid employment on a full-time basis in their nominated occupation for a specified period of time.¹⁹⁶

Uptake of the skilled migration programs in NSW

7.17 In its written submission, the DSRD noted that in 2004-2005, NSW RCBs supported 321 visa applications under the RSMS, the Temporary Business Entry (Long Stay) Visa and the SIR visa (the STNI visa had yet to come into operation in NSW). This is shown in Table 7.1 below.

Table 7.1 NSW regional sponsored migration visas 2004-2005

Regional Certifying Body	REG^a	RSMS^b	SIR^c	Total
Australian Capital Regional Development Council	5	11	0	16
Central West RDB	13	18	2	33
Far West RDB	0	0	0	0
Hunter Councils Inc	1	27	9	37
Illawarra RDB	0	12	0	12
Murray RDB	8	14	4	26
Albury Wodonga Business Ltd	8	18	0	26
Orana Development and Employment Council	8	19	13	40
Northern Rivers RDB	0	12	0	12
Riverina RDB	5	18	44	67
Small Business Centre New England	1	32	0	33
New England and North West RDB	0	0	2	2
Port Macquarie Chamber of Commerce	1	16	0	17
TOTAL	50	197	74	321

^a Temporary Business Entry (Long Stay) Visa

^b Regional Sponsored Migration Scheme

^c Skilled Independent Regional (Provisional) Visa

Source: Submission 81, DSRD, Attachment 1

7.18 In its submission, the DSRD highlighted in particular the introduction of the SIR visa in NSW in July 2004. The department indicated that this visa is expected to have a significant impact in diverting skilled migration from Sydney to rural and regional NSW. As indicated above in Table 7.1, NSW RCBs sponsored a total of 74 applicants for the visa in 2004-2005.

¹⁹⁶ DSNR, NSW State/Territory Nominated Independent Migration, <http://www.business.nsw.gov.au/business.asp?cid=414&subCid=435>, (accessed 25 January 2006)

- 7.19** The DSRD also noted that its Business Migration Unit has been promoting the new SIR visa in NSW through:
- the web page devoted to ‘Regional Skilled Migration’ on the DSRD website, which lists the NSW RCBs and the skills and occupations that they are prepared to sponsor
 - presentations to overseas university students by migrant agents
 - participation in the Australia Migration Open Day at Australia House in London on 14 March 2005
 - The NSW quarterly *electronic newsletter* for migration agents.¹⁹⁷
- 7.20** However, in its written submission, Australian Business Limited (ABL) indicated that 92% of respondents to a survey it conducted of its regional business members in August 2005 indicated that they had never recruited employees through a skilled migration program, and that there was a lack of knowledge of the role of State and Commonwealth Governments in supporting regional skilled migration.¹⁹⁸

The economic impact of the skilled migration programs

- 7.21** In its written submission, the NSW Farmers’ Association cited the findings of a 2001 report prepared by Econtech Pty Ltd for DIMIA on the economic impact of the skilled migration programs.
- 7.22** The Econtech report found that the NSW economy stands to grow by \$60 million a year and each citizen will be \$703 a year better off by 2020 as a result of the Commonwealth Government’s skilled migration programs (assuming 13,7900 new permanent arrivals each year). At the same time, more than 500,000 jobs will be created in NSW and consumption of goods and services will grow by \$46.9 billion a year in 2000/2001 dollars.
- 7.23** Moreover, the report found that NSW stands to benefit most from the skilled migration programs, gaining more than a third of the economic benefit of 2 million extra people in the country by 2021/2022. Gross state product is forecast to rise by \$59.5 billion a year over the period in 2000/2001 dollars.¹⁹⁹
- 7.24** However, the most recent analysis of the economic impacts of migration and population growth undertaken by the Australian Government Productivity Commission shows more modest forecasts of the benefits of skilled migration.
- 7.25** On 17 January 2006, the Productivity Commission published a position paper entitled *Economic Impacts of Migration and Population Growth*. The paper was prepared in response to a request by the Australian Government to examine the impact of population growth, including migration, on Australia’s productivity growth.

¹⁹⁷ Submission 81, DSRD, pp13-14

¹⁹⁸ Submission 77, Australian Business Limited, p12

¹⁹⁹ P Murphy, *The Economic Impact of 2000/01 Migration program changes*, Econtech Pty Ltd, report for DIMIA, cited in submission 89, NSWFA, p39

7.26 In announcing the Commission's position paper, Commissioner Judith Sloan said:

Australia's migration program is increasingly focussed on skilled migration, which is generally improving the labour market outcomes for migrants. However, the annual flow of migrants is small compared with the size of the population and the workforce, so a small contribution to the economy is to be expected. Furthermore, there are other macro-economic consequences that can offset the improved labour market performance of migrants.²⁰⁰

7.27 The Productivity Commission subsequently noted that by 2024-25, the increase in per capita income from skilled migration is projected to be about \$335, a little under half of the Econtech forecast.²⁰¹

7.28 The final report of the Productivity Commission is expected in mid May 2006.

7.29 The Committee notes that both of these studies cited above provide aggregate results for the whole of NSW and Australia. They do not provide disaggregated data specifically for rural and regional NSW.

Issues relating to the operation of the skilled migration programs

The role performed by Regional Certifying Bodies

7.30 RCBs are organisations appointed by the Immigration Minister to use their local knowledge of business and labour market conditions in their respective regions to consider applications under regional skilled migration programs. RCBs assess applications and qualifications against specified criteria before certifying suitable applications for lodgement with DIMIA.

7.31 The Committee notes that in its written submission, the Capital Region Development Board, which is the RCB for the capital region, argued that it is under-resourced to undertake this role. The board noted that while it is permitted to apply a fee to skilled migration visa applications on a cost recovery basis, at present the board is only able to process in the order of 30 – 40 entry applications each hear. The board continued:

If we were fully resourced to undertake this role, we, as a regional certifying body, could be 'pro-active' rather than primarily 're-active', which we are now. We estimate that we could increase the number of skilled migration visas we process by at least three fold.²⁰²

7.32 The Murray RDB, again the RCB for the region, expressed a similar position. The board noted that since the introduction of the SIR visa, it has received between 10 – 15 enquiries per

²⁰⁰ Commissioner Sloan, 'Economic Impacts of Migration and Population Growth', Media Release, 17 January 2006, <http://www.pc.gov.au/study/migrationandpopulation/positionpaper/mediarelease.html> (accessed 24 March 2006)

²⁰¹ Commissioner Sloan, 'Economic Impacts of Migration and Population Growth', Media Release, 17 January 2006

²⁰² Submission 38, Capital Region Development Board, p8

week via email or telephone from off shore and Australian-based skilled professionals. At an average of 2 – 3 hours per application, the board submitted that in many cases, it does not have the human resources to follow through these applications.²⁰³

- 7.33** In their evidence to the Committee, representatives of the Riverina RDB also expressed their desire to expand their role as the RCB for their region. The Riverina RDB has created a dedicated skilled migration project officer position. In evidence, Mr Peter Dale, Executive Officer with the Riverina RDB, told the Committee:

We believe we are the only RDB in NSW that has employed a dedicated project officer...to take advantage of the skilled migration programs.²⁰⁴

- 7.34** Subsequently, Ms Kelly Painting, Skilled Migration Project Officer at the Riverina RDB, elaborated on the success of the position:

Within my role over the last six or so months that I have been in the position, I have assisted 20-30 employers to bring in one, two or three skilled migrants from overseas. At the moment, an employer has successfully sponsored two overseas families...it is a solution that is actually working ...²⁰⁵

- 7.35** Finally, the NSW Regional Development Advisory Council (RDAC) also noted in its submission the view of all RDBs that additional resourcing would allow the RCBs to be more proactive rather than reactive in sponsoring migrants under the skilled migration programs.²⁰⁶

The classification of regions under the RSMS

- 7.36** As indicated, an employer can participate in the RSMS if their business is in any part of Australia except Brisbane, the Gold Coast, Newcastle, Sydney, Wollongong, Melbourne and Perth.
- 7.37** The exclusion of the Newcastle region from the RSMS provoked some comment during the inquiry. In its written submission, the Newcastle City Council noted that skilled migration to Newcastle is constrained by the restriction placed on the RSMS covering Newcastle.²⁰⁷ The Ai Group expressed a similar concern in its submission, which noted that a large number of industries in the Hunter have been unable to access the RSMS.²⁰⁸
- 7.38** At the same time, the Committee notes concerns expressed by the Riverina Eastern Regional Organisation of Councils (REROC) that Adelaide has standing as an approved regional destination for the RSMS. The organisation acknowledged that while Adelaide may be facing difficulties in relation to skills shortages, ‘there is no denying that truly rural and regional

²⁰³ Submission 43, Murray Regional Development Board, p2

²⁰⁴ Mr Dale, Evidence, 31 October 2005, p11

²⁰⁵ Ms Painting, Evidence, 31 October 2005, p18

²⁰⁶ Submission 92, NSW Regional Development Advisory Council, p11

²⁰⁷ Submission 73, Newcastle City Council, p3

²⁰⁸ Submission 49, Ai Group, p5

locations will find it difficult to compete with an Australian capital city for skilled overseas workers.²⁰⁹

The National Skills Matching Database

7.39 As indicated, DIMIA maintains a Skills Matching Database to assist in promoting skilled migration to regional areas under the RSMS and other programs.

7.40 The Skills Matching Database is a web-based tool that helps match potential skilled migrants with skilled positions that are vacant in Australia. It contains Australian Standard Classification of Occupations (ASCO) codes, descriptions of current occupations and duties, qualifications, and other training requirements.

7.41 Although the Skills Matching Database contains no personal details, a unique Internet ID is assigned to each applicant. When potential employers search the database and view individual records, they see an abridged resume for each applicant and their Internet ID.²¹⁰

7.42 The Committee notes, however, concerns as to the effectiveness of the Skills Matching Database. In her evidence to the Committee, Ms Sharon Rabey, Executive Officer with the Central West RDB, stated:

The skills matching database is not up-to-date, but we quite often get resumes off it. Businesses will ring those people but quite often they cannot get hold of them, or they have left the address: so it is not a current record. Not everyone has to put their name on the database, which is quite ridiculous. If you are applying for a visa as a skilled migrant, you should have your name on the database.

We have no central point that shows all the people that are coming in, that they all have their visas approved, or that they are at a certain stage of getting that approval. That time lag in matching the person to the business is not good because the job may not be there by the time they get here.

7.43 She continued:

Currently, there is a big gap in the system. There is something missing that connects everyone from overseas to businesses here and the jobs here. The board cannot act in its current capacity as a job-matching organization. We do not have the resources to do that.²¹¹

7.44 In turn, in its written submission, REROC advocated that the national Skills Matching Database be augmented by a single web-based database at the state level. This would assist in identifying the specific skills shortages in NSW, as opposed to the entire country. The NSW results could in turn be added to the national Skills Matching Database.²¹²

²⁰⁹ Submission 67, REROC, p6

²¹⁰ DIMIA, Skills Matching Database, <http://www.immi.gov.au/skills/index.htm>, (accessed 27 January 2006)

²¹¹ Ms Rabey, Evidence, 24 November 2005, p21

²¹² Submission 67, REROC, p6

- 7.45 On a related matter, the NSW RDAC also advocated in its submission a central national database for employers to lodge vacancies, indicating their willingness to accept migrants and under what terms (eg short-term, long-term or permanent).²¹³

The Regional Migration Occupations in Demand List

- 7.46 The Regional Migration Occupations in Demand List (MODL) is a list of those occupations and specialisations identified by the Commonwealth Department of Employment and Workplace Relations as being in ongoing national shortage. It is reviewed twice a year to take into consideration existing and emerging skills shortages. The list is provided on the DIMIA web site.²¹⁴
- 7.47 A prospective migrant under one of the skilled migration programs, whose nominated occupation is on the MODL, is eligible for 'occupation in demand' points when their application is assessed.
- 7.48 The Association of Consultant Engineers Australia addressed the MODL in its written submission. The association submitted that while 'civil engineer' is included on the MODL as an occupation in demand, this definition is very limited in describing the skills required by consulting firms. In particular, the association submitted that many firms are seeking civil engineers with design expertise. Accordingly, the association submitted that a greater differentiation of skills descriptions is required on the MODL if accurate assessment of shortages is to be made.²¹⁵

Accreditation of the skills of overseas workers

- 7.49 Responsibility for assessing the skills of overseas workers who apply for entry to Australia under one of the various skilled migration programs rests with various assessment authorities, often industry associations or the like. Each separate authority has its own application forms and associated information. Examples of the assessing authorities include:
- the Architect Accreditation Council of Australia Inc
 - the Australian Association of Social Workers
 - the Australian Institute of Management
 - the Australian and New Zealand Society of Nuclear Medicine
 - the Civil Aviation Safety Authority
 - the Institute of Engineers, Australia
 - the National Institute of Accountants
 - Trades Recognition Australia.

²¹³ Submission 92, NSW Regional Development Advisory Council, p11

²¹⁴ See http://www.immi.gov.au/migration/skilled/advice_doc/gn_modl.htm.

²¹⁵ Submission 17, The Association of Consulting Engineers Australia, pp9-10

- 7.50** A full list of the assessing authorities and a brief description of their assessment processes is provided by DIMIA on its website.²¹⁶
- 7.51** In its written submission, the Australian Manufacturing Workers Union questioned the operation of Trades Recognition Australia in the assessment of overseas trades. The union noted that applications for assessment have trended downward since the early 1980s, and that the costs associated with applications have become excessive.
- 7.52** The Commonwealth Minister for Immigration and Multicultural and Indigenous Affairs, Senator Amanda Vanstone, recently announced additional resources for Trades Recognition Australia in a bid to assist it in its accreditation role.²¹⁷
- 7.53** The Committee also notes that in late 2004, the former NSW Premier, the Hon Bob Carr, announced the establishment of the Community Relations Commission Committee on the Recognition of Overseas Nursing Qualifications, designed to help alleviate the chronic shortage of nurses in rural and regional areas through recruitment of overseas qualified nurses.²¹⁸

The challenges faced by skilled migrants

- 7.54** The Committee received a detailed submission from the Migrant Employment and Training Task Force examining the structural and individual barriers than many skilled migrants, especially from developing non-English speaking countries, face when attempting to find relevant employment in Australia. The Committee notes in particular the following evidence cited in the Task Force's report:

Migration has been a key economic strategy used by successive Australian governments and businesses to enrich the labour market with a pool of skilled and semi skilled workers. Despite this strategy the transition of migrants into the labour market has been fraught with difficulties and the literature indicates that migrants typically are under employed or employed below and well below their skill level. Such migrants have therefore been inhibited from contributing in full to the productive diversity of the economy.²¹⁹

- 7.55** Similar evidence was presented to the Committee by Dr Chandra Shah from the Centre for the Economics of Education and Training at Monash University:

The data suggests that a lot of migrants downskill after they migrate. Similarly, their inter-occupational mobility shows that when people move jobs in some occupations such as trades, a significant number go into semiskilled and unskilled work. So if there

²¹⁶ See <http://www.immi.gov.au/allforms/pdf/1121i.pdf>

²¹⁷ Submission 76, Australian Manufacturing Workers' Union, p14

²¹⁸ Submission 78, CRC, p12

²¹⁹ R.Wagner (ed), 'Recognition of Prior Learning in Higher Education and the Australian Labour Market: The case for Skilled Migrants and Refugees', cited in Submission 82, Migrant Employment and Training Task Force, p4

is a shortage of trade skills why are these people going into jobs requiring lower skills?²²⁰

7.56 In its written submission, the Migrant Employment and Training Task Force cited a number of reasons why skilled migrants struggle to find suitable skilled employment:

- A lack of local experience and knowledge of ‘the Australian working culture’, which can hamper them in getting an interview/job.
- Difficulties in getting overseas skills and qualifications assessed and recognised. While the migration process incorporates a skills assessment process, upon arrival in Australia, professional bodies often require additional assessment for local recognition of skills, thereby delaying entry into the labour market.²²¹
- Loss of currency of skills during the skills assessment process in Australia, especially for regulated professionals such as doctors, pharmacists, veterinarians, teachers and lawyers.
- The casualisation of the labour market, requiring migrants to apply repeatedly for various positions.
- The lack of income and employment support available to newly arrived skilled migrants, obliging them to take any available employment, rather than in their field of expertise. During their initial two years in Australia, skilled migrants are unable to access social security payments and are only eligible to access basic job search assistance through Job Network providers.
- Perceptions by employers that migrants are overqualified for a position, leading them to downgrade their skills on paper and apply for positions at a lower level.
- Cultural differences and the possibility of discrimination.²²²

7.57 The Migrant Employment and Training Task Force also cited a number of individual barriers to finding relevant employment:

- Most skilled migrants lack a professional network. It is estimated that over half the jobs in Australia are filled through word of mouth.
- Lack of knowledge of the Australian job market. For migrants from some countries, the idea of ‘selling yourself’ in your resume and interview can be culturally alien, making it difficult for employers to assess the migrant’s potential.
- The subtleties of language and cultural gaps can lead to misunderstandings. In the highly competitive job market the level of English required to win a job is often higher than the level required to perform the job. In addition, many professions have specific ‘jargon’, which can be foreign to migrant workers.
- In regional areas in particular, there is often few if any migrant specific programs, employment services may not have the capacity to offer suitable assistance, and there

²²⁰ Dr Shah, Evidence, 17 February 2006, p39

²²¹ Australian Business Limited also made this point in its submission. See submission 77, ABL, p12

²²² Submission 82, The Migrant Employment and Training Task Force, pp5-7.

is often a lack of public transport which may mean that ownership of a car is necessary in order to access employment.²²³

7.58 Based on this evidence, the Migrant Employment and Training Task Force argued that there is a serious lack of services available to new migrants to assist them in finding suitable employment. In particular, the Task Force noted that the NSW Department of Education and Training used to fund the Skilled Migration Placement Program in NSW between 1989 and April 2004. However the program was discontinued in the 2004 State mini-budget. The Task Force submitted that this program provided a variety of services vital to supporting skilled migrants prior to its cessation.

7.59 This evidence was reiterated by Mr Alex Burns from the Task Force in his evidence of 5 December 2005:

The loss of the skilled migrant placement program or skilled migrant strategy program has exacerbated the employment of migrants in rural areas. Migrants in rural areas, particularly the dependants of skilled migrants, often are professional people themselves and lack access to people that can guide them through the Australian work cultural experience. This program and its loss has really impacted heavily on migrants trying to access and maintain work in rural areas.²²⁴

7.60 As an alternative to the Skilled Migration Placement Program, the NSW Government currently funds the Skillmax program which provides language and job seeking support to skilled migrants. However, the Migrant Employment and Training Task Force argued that the program is limited in its effectiveness because it:

- does not have a work experience component
- does not have individualised support and tailored assistance
- does not provide occupational or industry specific support or tailoring information
- is only available in certain geographic areas.

7.61 The Migrant Employment and Training Task Force also highlighted the gaps in support to migrants under the Commonwealth Government's Job Network scheme.²²⁵

7.62 In its written submission, the Newcastle City Council also highlighted the impact of the discontinuation of the Skilled Migration Placement Program, together with the Productive Diversity in the Workplace program. The council argued that these programs had been particularly successful in its shire, placing about 80-100 migrants into jobs each year, predominantly in the lower Hunter. The Council continued:

A major gap now exists with the State Government saying that skilled migrant employment is a Federal responsibility. The Commonwealth Government maintains that their target groups for resource allocation are the humanitarian and family streams of migrants.²²⁶

²²³ Submission 82, The Migrant Employment and Training Task Force, pp8-9

²²⁴ Mr Burns, Evidence, 5 December 2005, p51

²²⁵ Submission 82, The Migrant Employment and Training Task Force, pp10-12

²²⁶ Submission 73, Newcastle City Council, p3

7.63 To address these issues, the Migrant Employment and Training Task Force made a number of recommendations for both the NSW and Commonwealth Governments in its submission. They included:

- Putting strategies in place to facilitate and encourage skilled migrants to apply for overseas skills recognition in the relevant Australian state prior to their arrival in Australia
- Providing skilled migrants with targeted 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.
- Providing insurance cover for new skilled migrants, making regional migrants immediately eligible for Job Search training programs, and giving skilled migrants cross-cultural training in mainstream services.²²⁷

Do skilled migrants settle for the long term in regional areas?

7.64 In its written submission, the DSRD argued that the key measure of the success of the Commonwealth Government's regional skilled migration programs is whether migrants remain in regional areas, or whether they later move to metropolitan areas. However, the DSRD argued that at present, it is too early to assess the various skilled migration programs against this criterion:

- the new SIR visa was only introduced on 1 July 2004
- The revised business skilled migration program was implemented on 1 March 2003
- The RSMP has been in place for many years, but it has only been actively promoted in the last 12 – 18 months.

7.65 The Committee notes that the Federal/State Working Party on Migration to Sydney and Regional NSW has been working on strategies to encourage skilled migrants to settle and remain in rural and regional areas, including:

- Providing designated area sponsored visas to skilled migrants who agree to reside in rural NSW
- Offering applicants for a SIR visa who score five points below the applicable pass mark a temporary three-year visa on condition they live and work in rural NSW
- Requiring an employer wishing to sponsor an applicant for a Temporary Business Entry (Long Stay) visa for a position in Sydney to meet a higher salary threshold than an employer wishing to sponsor an applicant for a position in regional NSW.²²⁸

7.66 However, in its written submission, the Local Government Association of NSW and Shires Association of NSW (LG&SA) submitted that Sydney continues to be the first choice for the majority of migrants to NSW, due to:

²²⁷ Submission 82, The Migrant Employment and Training Task Force, pp15-19

²²⁸ Cited in submission 86, LG&SA, pp13-14

- the strength of the Sydney labour market and employment prospects
- access to services, including telecommunications, education and health services
- community support, including that of family and friends.

7.67 Accordingly, the LG&SA welcomed recent changes to the business and skilled migrant visa programs to encourage or require migrants to settle in regional areas, and advocated greater resources for the development of programs and strategies to promote the attractions and opportunities of rural and regional NSW.²²⁹

7.68 The Cooma-Monaro Shire Council also advocated in its written submission greater encouragement by the NSW and Commonwealth Governments of business migration to rural and regional NSW.²³⁰

7.69 However, in its written submission, the Leeton Shire Council indicated that local employers in Leeton had sponsored skilled migrants, mostly from New Zealand or South Africa, but that in many cases the migrants had often left shortly after their arrival for employment in larger centres or cities.²³¹

Should the regional skilled migration programs be expanded?

7.70 A number of parties to the inquiry expressed support for the regional skilled migration programs, while stressing that the programs are only a part of the solution to addressing skills shortages in regional NSW, and that Governments should continue to invest in vocational education and training. As stated by the Capital Region Development Board:

These regional skilled migration programs are only ‘one part’ of a potential solution to addressing skilled shortages in regional NSW. They are the component which can provide the short term, quick fix solutions. Other solutions such as vocational training, school based education and other training (and retraining) solutions, necessarily have longer lead times.²³²

7.71 Similarly, ABL argued that the role of skilled migration should be a complimentary process to address short-term skills vacancies alongside a broader strategy to promote skills development through vocational education and training.²³³

7.72 Mr Andrew Smith from Charles Sturt University also argued that migration cannot be a panacea to solve the problems of skills shortages in Australia:

... I think it is a little misleading for us to look to migration and skilled migration as an answer to this problem. In fact, one would have to think about upping the skilled migration program 20 or 30 times to make a real impact on the number of people

²²⁹ Submission 86, LG&SA, p13

²³⁰ Submission 25, Cooma-Monaro Shire Council, p2

²³¹ Submission 44, Leeton Shire Council, p4

²³² Submission 38, Capital Region Development Board, p8

²³³ Submission 77, Australian Business Limited, p12

coming in from overseas. The reality is that Australia operates in a globalised labour market. That means that the skills we are looking for are the skills that every other country is looking for. So the days when we can attract large numbers of skilled migrants into Australia have long gone.²³⁴

7.73 Other parties adopting similar positions included the NSW RDAC,²³⁵ the Association of Professional Engineers, Scientists and Managers, Australia²³⁶ and the Riverina RDB.²³⁷

7.74 The Committee notes in particular the position of the Riverina RDB that the various regional migration programs should be broadened not only in terms of the numbers of skilled migrants, but also in terms of the definition of 'skilled' migrants.²³⁸ In evidence, Ms Painting, Skilled Migration Project Officer at the Riverina RDB, told the Committee:

We believe that the definition of skills is too narrow. According to the Federal Department of Immigration (DIMIA) it is basically any occupation that requires a trade certificate, diploma or degree. In an area such as the Riverina, due to its large agricultural industry, we believe there are some positions that require skills but they do not fit into that definition. The inability of employers to bring in skilled migrants to fill those skilled positions that we cannot fill locally is having a disastrous effect. So we believe the definition is a bit too limited.²³⁹

7.75 Later, Ms Painting went on to refer to recent developments in New Zealand, which may have relevance in Australia:

In New Zealand, its definition of occupations has been updated. It has created some more specific occupations, in particular, in the viticultural industry. I think Australia will benefit from them. At the moment, there are some occupations that employers can define but they cannot be defined into an Australian standard of classifications code. So when it comes to trying to assist an employer to sponsor somebody, if the [DIMIA] finds it difficult to classify that occupation, often it is a struggle to push it through.²⁴⁰

7.76 By contrast, however, the Committee notes that the Australian Manufacturing Workers Union (AMWU) expressed concern that skilled migration is in fact compromising Australia's capacity to address the skills shortage through vocational education and training. In addition, the Union suggested that the increase in skilled migration to Australia had come at the expense of family immigration, unfairly penalising citizens attempting to reunite with their overseas families.²⁴¹

²³⁴ Mr Smith, Evidence, 31 October 2005, p49

²³⁵ Submission 92, NSW Regional Development Advisory Council, p11

²³⁶ Submission 37, The Association of Professional Engineers, Scientists and Manager, Australia, p4

²³⁷ Submission 23, Riverina Regional Development Board, p6

²³⁸ Submission 23, Riverina Regional Development Board, p6

²³⁹ Ms Painting, Evidence, 31 October 2005, p17

²⁴⁰ Ms Painting, Evidence, 31 October 2005, p20

²⁴¹ Submission 76, AMWU, pp11-12, 15

7.77 In this regard, the Committee notes that Dr Shah cautioned against the excessive reliance on immigration in regional communities, citing economic theory:

The economic theory on migration suggests that once you bring migrant labour, particularly seasonal migrant labour, into a particular sector of the economy—you usually bring them in because they can be employed at a lower wage—it results in the flight of native labour out of that sector. The more you bring in, the cycle becomes like positive feedback and more and more local people will leave that sector. So you will become more and more reliant on outside labour.²⁴²

7.78 The United Services Union also expressed concern at the precarious position of skilled migrants, notably those engaged to fill vacancies in town planning positions, and their potential exploitation in the context of a globalised economy and further deregulation of the labour market.²⁴³

7.79 In response to questions on notice, the DSRD listed a number of advantages and disadvantages from the skilled migration programs. The advantages cited by DSRD were that:

- skilled migration provides targeted solution to specific skills shortages
- skilled migration gives state and territory governments considerable discretion to influence the size, mix and promotion of migration to regional and rural areas
- prospective migrants to rural and regional areas require a lower number of points under the DIMIA skills test than prospective migrants to metropolitan areas, promoting migration to rural and regional NSW.

7.80 The disadvantages cited by DSRD were:

- migrants have a higher propensity than the general population to live in cities
- migrants from non-English speaking countries have an even higher propensity to settle in Sydney and Melbourne rather than other cities or regional areas
- the successful settlement of migrants requires an availability of adequate settlement services for migrants which may be more available in urban than regional areas
- migration programs are more successful in attracting applications from professionals and managers and less successful in attracting applications from trades people
- the Commonwealth classifies certain metropolitan areas such as Adelaide, Hobart and Darwin as 'regional' areas and therefore detracts from the opportunity for other regional areas to attract skilled migrants under the programs.²⁴⁴

Recent announcement on skilled migration in rural and regional NSW

7.81 The Committee notes that on 14 April 2005, the Commonwealth Minister for Immigration and Multicultural and Indigenous Affairs, Senator Amanda Vanstone, announced an increase

²⁴² Dr Shah, Evidence, 17 February 2006, p40

²⁴³ Submission 28, United Services Union, p2

²⁴⁴ DSRD, Response to questions on notice, 7 February 2006, pp8-9

of up to 20,000 places for Australia's 2005-2006 skilled migrant intake to 97,500 in an attempt to help address the shortage of skilled workers in Australia. In the Media Release to accompanying the announcement, the Minister observed:

The increase will target employer sponsored migration, state/region sponsored migration, or migrants who have an occupation on an expanded and more responsive Migration Occupations in Demand List (MODL).²⁴⁵

- 7.82** Subsequently, the NSW Government has also made a number of announcements on expanding the skilled migration program in NSW.
- 7.83** On 5 December 2005, the NSW Premier, the Hon Morris Iemma MP, announced a major expansion of the Government's efforts to attract skilled migrants to NSW. Under the initiative, the Government has set a target of doubling skilled migrants coming to NSW from 350 to at least 700 a year.²⁴⁶
- 7.84** More recently, on 6 April 2006, the NSW Minister for Regional Development, the Hon David Campbell MP, launched the 'Drive for Talent' campaign. The 'Drive for Talent' campaign targets skilled migrants as part of the STNI visa to move to Sydney as well as regional NSW to fill gaps in trade and professional areas.
- 7.85** The Committee understands that the 'Drive for Talent' campaign is primarily targeting highly skilled workers in the United States, United Kingdom, Canada, Ireland, India and China. Promotional activities have included a new website and printed material on migration to NSW and the skills and occupations in demand. The NSW Government also participated in the Australian Migration Information Days held earlier in April in London. In addition, the NSW Government will also be represented at Bio 2006 in Chicago – the world's leading biotechnology conference.²⁴⁷

The skilled migration programs of other states

- 7.86** Term of reference (d) of the inquiry required the Committee to consider appropriate models from other states in interacting with the Commonwealth's skilled regional migration programs.
- 7.87** In its written submission, the Community Relations Commission for a Multicultural NSW (CRC) provided a summary of the Victorian skilled migration strategy. The *Victorian Skilled Migration Strategy 2004-2007* was launched on 30 April 2004, and incorporates the following elements:
- The *Live in Victoria* website designed to assist potential migrants in finding practical information to assist them if they seek to migrate. It includes information on services

²⁴⁵ Senator Amanda Vanstone, 2005-06 Migration (Non-Humanitarian) Program, http://www.minister.immi.gov.au/media_releases/media05/v05052.htm, (accessed 25 January 2006)

²⁴⁶ Hon Morris Iemma MP, 'NSW to Drive Skilled Business Migration', Media Release, 5 December 2005

²⁴⁷ The Hon David Campbell MP, 'NSW Government Drives Talent Search', Media Release, 6 April 2006

(eg education and housing), on requirements and contracts to work in particular occupations, on job opportunities and an requirements of the sponsored migration programs.

- The Skilled Migration Unit, which nominates skilled migrants to settle in Victoria through the STNI visa and the SIR visa.
- The Business Migration Unit, which sponsors business migrants to Victoria.
- The Overseas Qualification Unit, which provides overseas qualified professionals who have settled in Victoria with assistance to obtain Australian recognition of their overseas qualifications. In 2003-2004, the unit provided 4,289 client services, including over 2,000 academic assessments.
- The *Regional Migration Incentive Fund*, which provides funding of over \$3 million over three years (2005 – 2007) to 11 regional boards, responsible for identifying skills needs and shortages, developing partnerships to solve skills needs, and assisting regions with attracting and settling skilled migrants.²⁴⁸

7.88 By contrast with Victoria, the Committee notes that NSW has adopted a model whereby business skilled migration programs are run centrally by the DSRD, whereas skilled migration programs for individuals are run by the Regional Certifying Bodies. It was submitted by the Capital RDB that this seems a ‘fractured approach’. While the theory behind the RCBs is that they have more local knowledge on the needs of their region, this may not always be the case, and there may be benefits in a more centrally driven approach.

7.89 The Capital RDB also submitted that the active marketing by Victoria of its regional skilled migration programs, including overseas marketing, seems to be paying dividends.²⁴⁹

7.90 In Queensland, the Queensland Government offers sponsorship under the SIR visa for skilled migrants who wish to live and work in regional Queensland. This is currently the only visa category for which the Queensland Government offers sponsorship.

7.91 The Queensland Department of State Development, Trade and Innovation is the central entry point for Queensland businesses looking to access skilled migrants. The Business Migration Unit within the Department is responsible for developing strategies such as targeted marketing, promotion, sponsorship, support services and whole-of-government coordination.²⁵⁰

Committee comment

7.92 Migration programs into Australia are the responsibility of the Commonwealth Government. That said, the Committee does have a number of comments to make on the effectiveness of

²⁴⁸ Submission 78, CRC, Appendix A, pp50-52

²⁴⁹ Submission 38, Capital Region Development Board, p6

²⁵⁰ Department of State Development, Trade and Innovation (Queensland), Queensland Government Sponsorship - Skilled Independent Regional (Provisional) Visa, http://www.sdi.qld.gov.au/dsdweb/v3/guis/templates/content/gui_cue_cntnhtml.cfm?id=2771, (accessed 27 January 2006)

the skilled migration programs as they relate to NSW, and the support given to migrants, so far as they relate to skills shortages in rural and regional NSW.

- 7.93** As indicated in this chapter, the Australian and NSW Governments promote skilled migration as one means of attempting to address the skills shortage in this country. In 2005-2006, the targeted national skilled migrant intake is 97,500, up 20,000 places on the previous year.
- 7.94** The capacity of skilled migration programs to address the skills shortage in rural and regional NSW is limited. Evidence that the skilled migration programs collectively brought in the order of 300 new migrants to rural and regional NSW in 2004-2005 indicates clearly that skilled migration has the capacity to address niche needs, but is not a solution to the ongoing skills shortage. The most recent Productivity Commission paper shows the economic impact of skilled migration is positive, but limited.
- 7.95** Nevertheless, the Committee believes that the NSW and Commonwealth Governments should be looking to facilitate and promote skilled migration wherever possible, especially to rural and regional areas of NSW.
- 7.96** Evidence to the Committee suggests that while more and more emphasis is being placed on increasing skilled migration numbers, insufficient funding or resources are being allocated to the skilled migration application process (by employers or certifying bodies), the assessment and recognition of overseas qualifications, or to the provision of assistance to newly arrived migrants to enable them to settle in their community and to work efficiently and productively on arrival.
- 7.97** The Committee recognises the need for the provision of additional resources to regional certifying bodies for the assessment and promotion of skilled migration applications. The Committee notes that in Victoria, a central skilled migration unit has been created to provide specialised assistance to regional certifying bodies in processing and administering applications to the migration programs.

Recommendation 6

That the NSW Government continue to participate in the Council of Australian Governments' program relating to the assessment and promotion of skilled migration applications.

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- 7.98** The Committee also believes that the NSW Government, in line with the Council of Australian Governments' reforms on skills shortages data collection methods, should 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.

Recommendation 7

That the NSW Government, in line with the Council of Australian Governments' 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.

- 7.99** In relation to the recognition and accreditation of the skills of overseas workers, the Committee believes that the NSW Government should participate in the Council of Australian Governments' strategies to facilitate and encourage skilled migrants to apply for overseas skills recognition in relevant Australian states prior to their arrival in Australia.
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Recommendation 8

That the NSW Government participate in the Council of Australian Governments' strategies to facilitate and encourage skilled migrants to apply for overseas skills recognition in relevant Australian states prior to their arrival in Australia.

- 7.100** Finally, the Committee is also concerned about the transition process faced by skilled migrants when they arrive in Australia. In particular, the NSW Government's withdrawal of the Skilled Migration Placement Program in 2004 has been criticised. The Migrant Employment and Training Taskforce strongly advocated that skilled migrants have access to targeted 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.
- 7.101** The Committee understands the position of the NSW Government that responsibility for skilled migrant placement rests with the Commonwealth Government. The Committee believes that the NSW Government should continue to consult with the Commonwealth for appropriate resourcing for support and settlement services for skilled migrants.
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Recommendation 9

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

Chapter 8 The vocational education and training system in NSW

Vocational education and training (VET) is competency-based learning designed to equip people with work-related knowledge and skills that enhance their job prospects and assist them in entering or re-entering the workforce, or in re-training or upgrading their existing skills. VET is distinct from degree or higher-level programs delivered by higher education institutions.

This chapter examines the VET system in NSW. It initially provides a summary of the Australian Qualifications Framework (AQF) and the National Training Framework, which sets standards for VET throughout the country. Subsequently, it examines the role of TAFE NSW and other non-TAFE VET providers in the delivery of VET in NSW.

The Australian Qualifications Framework

- 8.1 The AQF is a set of nationally agreed registration and audit standards that ensure the quality of the VET service providers throughout Australia. They include standards for state/territory Registered Training Organisations (RTOs) such as schools, TAFE and the higher education sector (generally universities). The AQF is shown below.

Table 8.1 The Australian Qualifications Framework

Higher education sector	
	Doctors degree
	Masters degree
	Graduate diploma
	Graduate certificate
	Bachelor degree
	Associate degree
	Advanced diploma
	Diploma
Vocational education and training sector	
	Graduate Diploma (or Vocational Graduate Diploma)
	Graduate Certificate (or Vocational Graduate Diploma)
	Advanced Diploma
	Diploma
	Certificate IV
	Certificate III
	Certificate II
	Certificate I
(A Statement of Attainment is a record of completion of units of competency or modules from an AQF course. Although not itself an AQF qualification, it may be counted towards one later.)	
Schools sector	
	Certificate II
	Certificate I
	Senior Secondary Certificate of Education

Source: TAFE NSW, The AQF, Qualifications and National Code, <http://www.tafensw.edu.au/about/aqf.htm> (accessed 31 January 2005)

- 8.2 Each qualification shown in Table 8.1 is based on the level of outcome of studies and not on the length of the course. For example, some Certificate IV courses in the VET sector are quite short but have as an entry requirement the completion of a related Certificate III course.²⁵¹

The National Training Framework

- 8.3 The Australian VET system is the joint responsibility of Commonwealth and state and territory governments under the National Training Framework. Up until July 2005, the Australian National Training Authority (ANTA) was responsible for the coordination of the National Training Framework at the Commonwealth level, in consultation with the responsible state and territory department. On 1 July 2005, ANTA's responsibilities were transferred to the Commonwealth Department of Education, Science and Training.
- 8.4 The two key features of the National Training Framework are the Australian Quality Training Framework (AQTF) and National Training Packages. The Committee examines the AQTF and National Training Packages in more detail below.

The Australian Quality Training Framework

- 8.5 The AQTF is a system of nationally consistent, vocational education and training standards, used as a common foundation for ensuring the quality and integrity of training and assessment services across Australia.
- 8.6 National recognition has two elements:
- National recognition of RTOs - each state and territory has agreed to recognise the status of the RTOs of all other states and territories under the AQTF. This enables an RTO to operate in any state and territory without a further registration process.
 - National recognition of qualifications and statements of attainment - RTOs must recognise and accept AQF qualifications and statements of attainment issued by other RTOs. This enables individuals to have national portability of the qualifications and statements of attainment they achieve.²⁵²

National Training Packages

- 8.7 National Training Packages contain competency standards for individual industries (ie the skills and knowledge required for particular occupations), together with guidelines for assessing those competency standards. They are developed by industry skills councils. There are currently approximately 120 endorsed National Training Packages.²⁵³

²⁵¹ TAFE NSW, The AQF, Qualifications and National Code, <http://www.tafensw.edu.au/about/aqf.htm> (accessed 31 January 2005)

²⁵² Commonwealth Department of Education, Science and Training, 'What is the AQTF?', http://www.dest.gov.au/sectors/training_skills/policy_issues_reviews/key_issues/nts/aqtf/what.htm (accessed 30 March 2006)

²⁵³ Independent Pricing and Regulatory Tribunal of NSW, *Review of the Skills Base in NSW and the Future Challenges for Vocational Education and Training*, Issues Paper, December 2005, pp25-26

The vocational education and training framework in NSW

8.8 VET in NSW is formalised under the *Vocational Education and Training Act 2005*. The key players and elements of VET in NSW are examined below.

The NSW Board of Vocational Education and Training

8.9 The NSW Board of Vocational Education and Training is the key body responsible for VET in NSW. Its role includes identifying the skills needs of the metropolitan and regional workforce in NSW, providing strategic advice to the State Government and the Minister for Education and Training on skills shortages, and allocating recurrent and capital funding to the VET sector.

The NSW Strategic Plan for Vocational Education and Training 2005-2008

8.10 The key planning framework developed by the Board to address future skills needs in NSW is the *NSW Strategic Plan for Vocational Education and Training 2005-2008*. The plan identifies a number of competing challenges facing VET in NSW:

- the State faces serious shortages of skilled workers, particularly in traditional trades, in the health and community services industries and in financial and business services
- the working population is ageing, leading to increasing competition for a contracting pool of labour
- the nature of employment continues to shift away from full-time to part-time, casual and contract work.

8.11 The strategies outlined in the Plan to address these challenges are grouped under three key themes:

- ‘Skilling the NSW Workforce’ to build a skilled, innovative and responsive workforce
- ‘Skilling the NSW Communities and Individuals’ to prepare people for work
- ‘Skilling the NSW VET Community’ to ensure NSW has a high quality, flexible VET system.

8.12 The *NSW Strategic Plan for VET 2005-2008* will also be used to guide funding decisions for VET programs in NSW over this period.²⁵⁴

Registered Training Organisations

8.13 As indicated above, all RTOs in NSW (including TAFEs, universities and schools) that issue AQF qualifications and statements of attainment must be accredited. An organisation that is

²⁵⁴ NSW Board of Vocational Education and Training, *NSW Strategic Plan for Vocational Education and Training 2005-2008*, <http://www.bvet.nsw.gov.au/pdf/stratdoc0508.pdf> (accessed 3 March 2006)

not registered may offer training or assessment services, but cannot issue nationally recognised qualifications.²⁵⁵

- 8.14** The Committee notes that individual companies or businesses may also be accredited as RTOs. For example, in evidence, Mr John Davis, Regional Human Resources Manager with Bartter Enterprises, indicated that his company was formally an RTO, delivering courses such as certificate I, II and III in meat processing to its employees. The Committee understands, however, that due to the administrative burden of delivering the courses, Bartter Enterprises no longer provides them in-house.²⁵⁶
- 8.15** In NSW, the Vocational Education and Training Accreditation Board is responsible for accrediting RTOs. The board's functions are managed by a dedicated team within the NSW Department of Education and Training (DET), with Board members having legislated responsibilities under the *Vocational Education and Training Act 2005*.²⁵⁷
- 8.16** The Committee notes that the last decade has seen the number of RTOs in NSW increase from 175 in 1995 to 852 in 2004, with another 691 interstate RTOs now operating in NSW under recognition arrangements.²⁵⁸

The NSW Open Training Market

- 8.17** VET funding in NSW is delivered within a competitive training market called the NSW Open Training Market. Under this arrangement, both public and private training providers are contracted by DET to deliver publicly-funded VET training, including all traineeships and selected apprenticeships.
- 8.18** In 2005, there were 354 RTOs (a third were interstate-registered) on the Approved Providers List accredited to deliver publicly-funded training in NSW under the NSW Open Training Market. Those RTOs include TAFEs, schools, community colleges, technical colleges and some universities.
- 8.19** The 2005 budget for the NSW Open Training Market was \$68 million.²⁵⁹

²⁵⁵ Vocational Education and Training Board, What is registration? http://www.vetab.nsw.gov.au/be_rto/whatisreg.htm (accessed 1 February 2006)

²⁵⁶ Mr Davis, Evidence, 1 November 2005, pp15-17

²⁵⁷ Vocational Education and Training Board, Welcome to the Vocational Education and Training Board, <http://www.vetab.nsw.gov.au/> (accessed 1 February 2006)

²⁵⁸ NSW Board of Vocational Education and Training, NSW Strategic Plan for Vocational Education and Training 2005-2008, <http://www.bvet.nsw.gov.au/pdf/stratdoc0508.pdf> (accessed 3 March 2006)

²⁵⁹ Submission 78, CRC, pp41-42

The ANTA funding arrangement

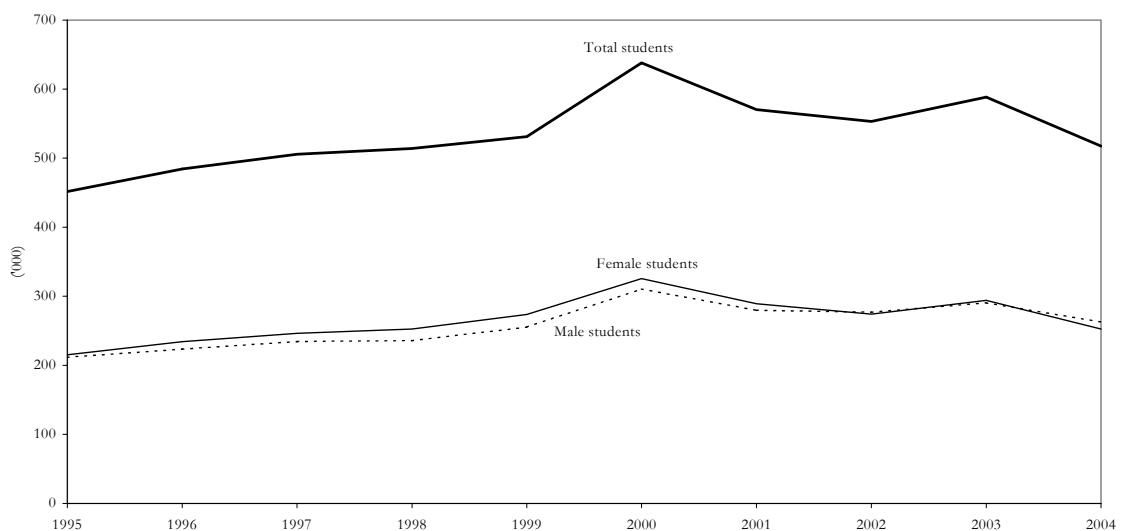
- 8.20** Under the ANTA funding agreement between the Commonwealth and the states and territories, the NSW Government received funding from the Commonwealth Government for the NSW Open Training Market, and approximately a third of TAFE NSW funding.
- 8.21** The ANTA Agreement for 2001-2003 was rolled over in 2004 and again in the first six months of 2005. The Commonwealth has now offered the states almost \$5 billion as part of a new funding agreement for VET for 2005-2008, subject to the states and territories meeting industrial relations requirements, including offering Australian Workplace Agreements or individual contracts to all existing and future employees of TAFE.
- 8.22** However, in its written submission, the Community Relations Commission for a Multicultural NSW (CRC) argued that the quantum of funds on offer, as in past agreements, fails to keep pace with projected demand for training. The CRC submitted:

... when matched with additional state funding, the offer represents only 2.6 per cent growth nationally in financial resources over the four years of the agreement. This funding offer does not allow for sufficient growth in training places to meet the pressures of skill shortages, the higher costs of regional and rural skills needs and the demands that will be placed on training systems both by existing workers and new entrants during the period of the agreement.²⁶⁰

Participation in VET in NSW

- 8.23** The total number of students enrolled in the VET system in NSW has increased since the mid 1990s. By the end of 2004, there were nearly 520,000 VET students in NSW, although this was down slightly from a peak of nearly 590,000 in 2003. This is shown in Figure 8.1 below.

Figure 8.1 Total number of VET students in NSW by sex 1995 – 2004 ('000)



Source: National Centre for Vocational Education Research, 'Students and courses 2004', <http://www.ncver.edu.au/statistic/publications/1602.html> (accessed 1 February 2006)

TAFE NSW

- 8.24** TAFE NSW is Australia's biggest VET provider, and is one of the largest in the world. Each year, TAFE NSW trains over 400,000 people – either on campus, in the workplace, online or through distance education.
- 8.25** TAFE NSW comprises 130 campuses grouped by geographic area into ten Institutes. The six country institutes are:
- Hunter Institute
 - Illawarra Institute
 - New England Institute
 - North Coast Institute
 - Riverina Institute
 - Western Institute.
- 8.26** Additional details of the institutes and campuses are provided on the TAFE NSW website.²⁶¹
- 8.27** In 2004, Institutes outside the Sydney metropolitan area accounted for 43% of TAFE NSW enrolments. Institutes outside Sydney, the Hunter and the Illawarra accounted for 25% of all enrolments.²⁶²

TAFE NSW courses

- 8.28** The following is a summary of the courses and qualifications offered by TAFE NSW.

Certificates

- 8.29** Certificates range from level I to IV. Certificate courses usually link different levels of skills within an occupation (for example, Certificates I, II, III and IV in horticulture):
- Certificate I courses teach the foundation skills required in some industries, and are often part of a suite of courses.
 - Certificate II courses provide preparation for employment and/or apprenticeships. They may also include traineeships with an on-the-job component.
 - Certificate III courses teach well-developed skills in a range of occupational areas. Certificate III courses are roughly the same level as the former trade certificate courses offered by TAFE NSW.
 - Certificate IV courses usually teach supervisory skills and advanced technical skills which may build upon skills acquired in the workplace, a Certificate III course or equivalent.

²⁶¹ See www.tafensw.edu.au/campuses

²⁶² Submission 78, CRC, p37

Diplomas and Advanced Diplomas

- 8.30** Diplomas and Advanced Diplomas prepare students for work that requires a broad range of complex technical skills and in-depth knowledge. Diploma and Advanced Diploma courses often include training in management, planning and evaluation, budgeting and finance.

Graduate Certificates and Graduate Diplomas

- 8.31** TAFE NSW offers Graduate Certificates and Graduate Diplomas on a commercial basis. They may be studied following the completion of a degree or an advanced diploma. Graduate Certificates and Graduate Diplomas usually include extra training to build on previous training, or training in a new professional area.

Shorter courses offered by TAFE NSW

- 8.32** TAFE NSW also offers a range of shorter courses, including:
- TAFE Statements, which can be awarded for specialist courses, or for courses that may be offered only at one or two locations for a brief period of time.
 - Statements of Attainment, which comprise modules and/or units of competency from an AQF course. When students complete a Statement of Attainment, they can get a credit transfer into a higher level TAFE NSW course.
 - Selected Study Programs which allow students to complete their own special interest combination of modules or units of competency.
- 8.33** Accredited Short Courses are usually designed for specific purposes. They are not an AQF level qualification but are widely accepted. They are not usually linked to a major course.²⁶³

TAFE course planning processes

- 8.34** The process for determining which courses are offered by TAFE NSW involves both individual Institute planning managers and a central TAFE Policy, Strategy and Review Unit. The central TAFE Policy, Strategy and Review Unit provides advice on state-wide planning priorities, while individual institutes make decisions about which courses and modules will be delivered at the local level.
- 8.35** The TAFE Policy, Strategy and Review Unit monitors skill shortages across the state and regional areas. Advice from TAFE NSW Curriculum Centres, reviews of employment and workforce data, industry and community consultation and external data such as that available from the Australian Bureau of Statistics, Department of Employment and Workforce Relations and the National Council for Vocational Education Research are all used in determining which courses will be offered.
- 8.36** The state-funded NSW industry training advisory bodies are also key agencies in obtaining information and advice on training needs. There are 20 industry training advisory bodies. However, with the withdrawal of Commonwealth funding for the bodies over two years ago,

²⁶³ TAFE NSW, TAFE NSW AQF courses, <http://www.tafensw.edu.au/courses/about/outline.htm>, (accessed 31 January 2006)

only five industry bodies are able to provide regional-level (as opposed to state level) identification of skills shortages.²⁶⁴

8.37 In evidence to the Committee, representatives from the North Coast Institute of TAFE NSW raised a number of issues in relation to current planning and funding mechanisms for TAFE NSW Institutes.

8.38 In her evidence on 30 September 2005, Ms Elizabeth McGregor, Director of Education Planning and Innovation at North Coast Institute of TAFE, told the Committee that TAFE institutes are hamstrung in their delivery of courses by their funding arrangement which ties funding dollars to training hours. Mr McGregor argued that this does not encourage TAFEs to engage with industry and individual enterprises to address skills shortages:

We, as a VET provider, can meet our national targets by producing lots of training hours. However, for us to be more effective, which is to spend a lot more time a lot earlier working with clusters of small, quite dispersed, quite challenged enterprises, we are required to work quite differently. ... What we would like to put to the Committee is that at the moment there are new ways that VET providers have to work, but there are no mechanisms in the system that drive us to work that way.²⁶⁵

8.39 As an example of these difficulties, Ms McGregor referred to the work that the North Coast Institute has been doing in conjunction with the Nambucca vehicle cluster and the Department of State and Regional Development in developing a training package for the automotive vehicle industry. She suggested that while this collaboration was delivering positive outcomes for industry and demonstrating flexibility on the part of TAFE to provide targeted training, there are no mechanisms in the funding system to encourage training providers to work in a similar way in other areas.²⁶⁶

8.40 In turn, Ms McGregor also highlighted to the Committee the current need to allocate resources according to three time frames simultaneously: a strategic three-year plan, annual business plans and *ad hoc* plans derived from particular needs at a given time. Ms McGregor argued that annual budgets and ad hoc plans do not fit well with consultation with industry and individual enterprises to address skills shortages. Mr Warren Grimshaw, Chair of the North Coast Institute of TAFE Advisory Council, continued:

[I] might just add to that that industry does not make decisions on a year-to-year basis. They, too, have strategic plans and long-term goals, whereas in TAFE it is a year-by-year budget. It would be much better if there were certainty in allocation, whatever the quantum, so that their long-term plans can be made, early intervention plans, in the context of the overall budgetary situations that are emerging. A three-year rolling plan could potentially exist. I believe it would provide an opportunity for TAFE to plan better and to also facilitate opportunities to establish better links with industry, in terms of that capacity.²⁶⁷

²⁶⁴ Submission 78, CRC, pp39-40

²⁶⁵ Ms McGregor, Evidence, 30 September 2005, p12

²⁶⁶ Ms McGregor, Evidence, 30 September 2005, p12

²⁶⁷ Mr Grimshaw, Evidence, 30 September 2005, p12

8.41 Mr Neil Black, Director of the North Coast Institute of TAFE, added:

Until two years ago we had the capacity to roll over commercial surplus on a financial-year basis. It was critical to be able to use some of our surplus to perhaps assist a teacher to do some of those things as well. As of two years ago we have been brought back to a rigid bureaucratic approach to spending everything in the financial year. You cannot effectively manage an organisation like ours, where we are dealing with businesses and strategic needs, in that way. We have spoken to our Minister about it and she is sympathetic, but there are some Treasury issues. If they can be addressed it would be helpful.²⁶⁸

8.42 On a more positive note, however, Ms McGregor also informed the committee of the 'skills ecosystems' pilot project currently under way nationally, which encourages collaboration between industry, training providers and other stakeholders:

What this pilot skill ecosystems project has done has had all of the players working together, including the VET provider, in a different way, trying to influence all of those things at once. So one of the outcomes from that project was some change in the nature of the work as well as about how the skills were supplied. So I guess when we are talking about the supply of skills it is not just about what is being spat out of a training institution, it is about how skills and all the other things that affect work, come together.²⁶⁹

Non-TAFE VET providers in NSW

8.43 The Committee notes that in addition to TAFE NSW, there are a number of other VET providers in NSW. These are examined below.

Australian Technical Colleges

8.44 The Commonwealth Government is funding the establishment and operation of 25 Australian Technical Colleges (ATCs) providing both academic and vocational education to students in Years 11 and 12. In NSW, colleges will be established in the following regions: the Hunter, the Illawarra, Queanbeyan, Port Macquarie, Lismore/Ballina, Dubbo, Gosford and Western Sydney.²⁷⁰ To date, only five ATCs have been announced for NSW.

8.45 Students at the colleges will be enrolled in school-based 'New Apprenticeships' and also undertake academic, information technology and business courses. Each college will specialise in a particular trade, and will offer a trade or trades from at least four industries including:

- metal and engineering (machinists, fabricators, toolmakers, welders, sheet metal workers)
- automotive (mechanics, auto electricians, panel beaters, vehicle painters)

²⁶⁸ Mr Black, Evidence, 30 September 2005, p13

²⁶⁹ Ms McGregor, Evidence, 30 September 2005, p14

²⁷⁰ Commonwealth Department of Education, Science and Training, 'About the Australian Technical Colleges Initiative', <http://www.australiantechnicalcolleges.gov.au/about.htm> (accessed 1 February 2006)

- building and construction (bricklayers, plumbers, carpenters)
- electro technology (including refrigeration, air conditioning and electricians)
- commercial cookery.

8.46 In its written submission, the CRC criticised the ATC initiative as an inadequate response to the skills shortage, on the basis that the colleges will take between six and eight years to have any impact on the serious skills shortages being experienced in Australia, and that funding is required right now so that the states can deal with immediate and emerging skills shortages.²⁷¹

8.47 Other participants to the inquiry also questioned whether the creation of ATCs was a worthwhile investment, and suggested that they might end up working in competition with TAFE institutes and colleges rather than in collaboration. For example, representatives of the North Coast Institute of TAFE commented that where there are finite resources in the provision of education and training, it would be of concern if ATCs operated in isolation of, or in competition with, TAFE. Mr Grimshaw concluded:

I think whether one accepts the need for Australian technical colleges or not, I do not think that is the debating point at the moment. It is a question of how we go forward with it, and that is mixed up with industrial and other considerations in the context of that collaboration. From my point of view, we have got to be very careful because there are finite resources across-the-board, not only here but elsewhere, and it is stupid, it would defy logic for Australian technical colleges to go their own way and be in competition with schools that are providing vocational education and training and with the North Coast Institute, which is also providing vocational education and training ...²⁷²

8.48 Mr Neale Towart, Research Director with Unions NSW, also expressed concern in evidence about the impact of the ATCs on the TAFE system, suggesting that they ‘will further muddy the waters’. He, too, emphasised the need for co-ordination across institutions and for clear communication about what young people should expect from the various education providers:

It is terribly confusing for young people who are still at school or who have just left and are trying to work out what they will do with their lives to have all these options thrown at them without any real basis to choose between one and the other and without any knowledge of what credit they will get from one body as opposed to another regarding the real skills they will need to get through life. The co-ordination between State and Federal Government and worker groups is absolutely crucial for the New South Wales regional economy.²⁷³

8.49 Similarly, Mrs Dawn Fardell, a private citizen who gave evidence at the Committee’s public forum in Parkes on 23 November 2005 argued that the money being spent on the ATCs should go directly to TAFE.²⁷⁴

²⁷¹ Submission 78, CRC, pp48-49

²⁷² Mr Grimshaw, Evidence, 30 September 2005, p15

²⁷³ Mr Towart, Evidence, 2 November 2005, pp16-17

²⁷⁴ Mrs Fardell, Evidence, 23 November 2005, p31

Universities

- 8.50** The Committee received a written submission from Charles Sturt University (CSU), which operates from campuses in Albury-Wodonga, Bathurst, Dubbo and Wagga Wagga. Under its governing act, CSU conducts learning, teaching and research with ‘particular regard to the need and aspirations of the residents of western and south western NSW’.
- 8.51** In evidence to the Committee, Mr Colin Sharp, Director of the Office of Planning and Audit at CSU, informed the Committee that currently, the CSU has approximately 19,000 domestic students studying by distance education and 3,800 on campus.²⁷⁵
- 8.52** In its submission, CSU addressed the role of higher education in supporting regional communities and helping address the skills shortage. In particular, CSU highlighted its role in:
- Providing education and training to meet the shortfall of graduates in critical service industries such as nursing, allied health, teaching and policing, both through on-campus and distance education. The allied health field is an area in which CSU has moved to develop a range of courses in response to regional labour shortages, including in the fields of physiotherapy, pharmacy, occupational therapy, speech pathology and podiatry. CSU also established the first non-metropolitan based veterinary science course in Australia.
 - Attracting students from metropolitan areas to the country, and helping to retain students from rural and regional areas in the country. Approximately 70% of regional students who study at CSU take up initial employment in the regions. In addition, approximately 20% of students from metropolitan areas who study on-campus take up their initial employment in a regional area.
 - The CSU is working closely with VET providers. For example, it offers joint programs with TAFE institutes leading to degree level qualifications in business, information technology and most recently social work. The university is also in the process of forming the Murray-Darling Education Consortium, a set of collaborative partnerships between agencies committed to the development of education to meet the needs of individuals and communities in the Murray-Darling basin.²⁷⁶
- 8.53** In its written submission, the Riverina Eastern Regional Organisation of Councils (REROC) supported the role of the CSU in the region, arguing that it offers courses in occupational therapy, pharmacy and nursing which have increased the available pool of qualified people in the region, with the majority of graduates choosing to live and work in country NSW.²⁷⁷
- 8.54** The Committee also notes again the excellent professional placements program between REROC and CSU discussed in Chapter 5.

²⁷⁵ Mr Colin Sharp, Charles Sturt University, Evidence, 31 October 2005, p3

²⁷⁶ Submission 64, CSU, pp1-5

²⁷⁷ Submission 67, REROC, p6

Community colleges

- 8.55** Community Colleges NSW is a not-for-profit association formed for the advancement of adult and community education in NSW.
- 8.56** Community Colleges NSW was established in 1991 through a merger of the former Evening and Community Colleges Association, The Workers Educational Association (NSW) and The Community Adult Education Centres Association of NSW. In 2000 the three associations took a decision to amalgamate and be represented by one peak body.
- 8.57** There are currently 64 community colleges across NSW which provide adult and community education.²⁷⁸

Agricultural Colleges

- 8.58** NSW has two Colleges of Agriculture: the CB Alexander Agricultural College and the Murrumbidgee College of Agriculture. These colleges provide full-time and part-time award courses, short courses and home study courses to assist farmers and landowners.
- 8.59** The Murrumbidgee College of Agriculture is discussed in more detail in Chapter 10.

Committee comment

- 8.60** The Committee supports the moves through the AQF, the National Training Framework and National Training Packages to achieve consistency in national training and competency standards.
- 8.61** In addition, the Committee endorses the VET framework in NSW and fully supports TAFE NSW, in particular, as Australia's largest VET provider. The Committee is pleased to acknowledge increased participation in VET in recent years and the range of courses on offer to young people.
- 8.62** However, the Committee is concerned about the ability of TAFE NSW to respond rapidly and appropriately to the training needs of industry as skills shortages arise. In evidence, representatives of the North Coast Institute of TAFE argued that flexibility was vital in tailoring education and training to the needs of all its clients, including industry. However, they expressed frustration that both performance measures and funding mechanisms were inhibiting moves to increase flexibility.
- 8.63** The committee agrees that more could be done to encourage strategic planning and consultation between TAFE NSW and industry to facilitate better response times in course development and flexibility in teaching models. Accordingly, the Committee believes that the NSW Government should:
- 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.

²⁷⁸ Community Colleges, <http://www.communitycolleges.nsw.edu.au/> (accessed 1 February 2006)

- Investigate options that encourage and recognise time spent by TAFE institutes in developing training courses that meet the needs of industry.

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 time spent by TAFE institutes in developing training courses that meet the needs of industry.

-
- 8.64** The Committee notes that the other major issue in relation to TAFE funding, the now-expired ANTA funding arrangement, is outside the direct responsibility of the NSW Government.
- 8.65** The Committee also recognises the value of the diverse educational facilities in NSW, particularly community colleges, and the need to maintain their funding.
- 8.66** The Committee was also concerned to hear from Bartter Enterprises that the processes for achieving and maintaining status as an RTO proved prohibitive. The Committee believes efforts ought to be made to make it easier for large organisations to develop training packages for their staff. In relaxing the administrative burden, it may be possible to encourage more organisations to assume responsibility for training their own staff.

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.

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- 8.67** Finally, the Committee notes the concern of some inquiry participants arising from the Commonwealth Government's development of the ATCs. Without making comment on the need for or value of these colleges, the Committee urges TAFE NSW and the ATCs to work co-operatively in the future and to articulate the benefits of each body clearly, including the provision of information relating to the qualifications which are available and how they can be transferred between higher education and other VET providers.

Chapter 9 Apprenticeships and traineeships in NSW

This chapter examines the apprenticeship and traineeship system in NSW, and whether it is meeting the needs of rural and regional NSW. Given the nature of the inquiry, the focus of the chapter is on the attainment of trades and related skills through the apprenticeship system. However, the chapter also examines other issues, including school-based vocational education and training (VET) and distance education.

What are apprenticeships and traineeships?

9.1 Apprenticeships and traineeships combine training at a TAFE or other Registered Training Organisations (RTO) with on-the-job experience. Elements common to all apprenticeships and traineeships include:

- a ‘contract’ or ‘training agreement’ between the apprentice/trainee and the employer
- paid employment under an appropriate industrial arrangement (eg an award or enterprise agreement)
- a training agreement that is signed by both the employer and apprentice or trainee and registered with the NSW Department of Education and Training (DET)
- structured on the job training (in most cases the training agreement will include structured off-the-job training as well, which could be at a training provider like TAFE NSW)
- a training program, delivered by an RTO, that meets the requirements of a declared apprenticeship or traineeship in NSW and leads to a nationally recognised qualification.²⁷⁹

9.2 Apprenticeships generally last four years and cover traditional trade areas such as building and construction, hairdressing, cooking, the automotive industry, engineering and manufacturing. There are more than 100 apprenticeship vocations available in NSW.

9.3 Traineeships have many features in common with apprenticeships, although traineeships usually last only one to two years instead of four years. There are over 600 traineeship vocations available in NSW in a range of areas including multimedia, information technology, sport and recreation, hospitality, retail and primary industries.

9.4 The training requirements for each apprenticeship or traineeship is governed by a vocational training order (VTO). These orders are developed in consultation with industry bodies, employer groups, unions and RTOs. They are the official instruments by which apprenticeship and traineeship vocations are recognised in NSW and require government gazettal.²⁸⁰

²⁷⁹ TAFE NSW, Apprenticeships and Traineeships, <http://www.tafensw.edu.au/courses/about/apprtrain.htm>, (accessed 31 January 2005)

²⁸⁰ DET, What is an Apprenticeship & Traineeship? <http://traineeships.det.nsw.edu.au/html/whatis.htm> (accessed 1 February 2006)

The NSW Open Training Market for apprenticeships and traineeships

9.5 As indicated in the previous chapter, NSW operates an Open Training Market for VET. Under this market, VET apprenticeships and traineeships are delivered under three separate programs:

- The NSW Apprenticeships and Traineeships Training Program
- The Contracted Training Provision Program
- The Pre-Vocational Training Program

The NSW Apprenticeships and Traineeships Training Program

9.6 The NSW Apprenticeship and Traineeship Training Program is the main element of the NSW Open Training Market. Under current national user choice policy, the skills needs being met by the program are primarily determined by employer demand rather than government direction.

9.7 The NSW Apprenticeship and Traineeship Program purchases the delivery of the formal training requirement of traineeships and selected apprenticeships in designated areas in NSW. RTOs tender to DET to participate in the Apprenticeship and Traineeship Training Program and for placement on the Approved Providers List.

9.8 The primary aim of the NSW Apprenticeship and Traineeship Training Program is to provide high-quality, accessible training to all new trainees in declared callings and apprenticeships in selected areas.²⁸¹

The Contracted Training Provision Program

9.9 The Contracted Training Provision Program purchases training from public and private RTOs to meet NSW Government determined strategic skills needs. The program purchases customised courses to meet local skills needs identified under the Open Training Market's Industry Training Purchasing Priorities.

9.10 The Industry Training Purchasing Priorities include an explicit focus on rural and regional economies. This focus includes training to support such NSW strategies as the Government's Rebuilding Country NSW Strategy, the NSW Salinity Strategy, the Department of Primary Industries' drought strategies, and the Premier's Department's Leadership Development for Rural Communities Strategy.

9.11 At the time of the submission to the inquiry by the Community Relations Commission for a Multicultural NSW (CRC) in September 2005, \$27 million had been spent under the Contracted Training Provision Program. Purchased training has focused on areas of skills shortages such as automotive, electrotechnology, engineering, and construction.

²⁸¹ Department of Education and Training, 'Apprenticeship and Traineeship Training Program', <https://www.det.nsw.edu.au/industryprograms/programs/apprtrai/hnbk2003.htm> (accessed 29 March 2006)

- 9.12** Some 51% of Contracted Training Provision Program funding in 2004 and 2005 has purchased training for 10,700 people outside the Sydney metropolitan area.²⁸²

The Pre-Vocational Training Program

- 9.13** The Pre-Vocational Training Program provides preparatory training that articulates into relevant apprenticeships and traineeships. As with the Contracted Training Provision Program, DET determines the skills needs to be targeted.
- 9.14** In 2003 and 2004, more than \$7 million was invested in pre-apprenticeship and pre-traineeship training for 4,600 people in skill shortage areas. These areas included critical trade areas such as automotive, electrotechnology, engineering, and construction, and critical non-trade skill shortage areas such as aged care and child care.
- 9.15** A further \$5 million was expended in the second half of 2005. As well as targeting trade shortage areas, a doubling of places has been targeted for aged care and child care.²⁸³

Summary

- 9.16** In its submission, the CRC indicated that all existing traineeships are available under user choice in NSW (through the NSW Apprenticeships and Traineeships Training Program). In addition, there are 14 apprenticeships available under user choice in selected areas identified as strong, sustainable markets. These account for over half of all apprenticeship commencements. Overall, user choice in NSW accounts for 83% of all new entrant traineeship and apprenticeship commencements.²⁸⁴

'New Apprenticeships' and user choice

- 9.17** In 1998, the Commonwealth Government introduced the 'New Apprenticeships' system with the aim of introducing greater flexibility into apprenticeships and traineeships. Under the 'New Apprenticeships' system, the Commonwealth has attempted to remove the distinction that formerly existed between apprenticeships and traineeships.
- 9.18** This contrasts with the approach of the NSW Government, which has taken a more cautious attitude to user choice, especially in rural and regional NSW. As indicated above, the NSW Open Training Market has retained the distinction between traineeships and apprenticeships, which continue to be used in traditional trades-based occupations.
- 9.19** According to the National Centre for Vocational Education Research (NCVER), important features of the 'New Apprenticeship' system include:
- 'User choice', whereby employees can select their own VET provider for the formal, off-the-job component of their training

²⁸² Submission 78, CRC, p43

²⁸³ Submission 78, CRC, pp43-44

²⁸⁴ Submission 78, CRC, p42

- the option of undertaking the formal part of training entirely in the workplace
- allowing training contracts to apply to part-time as well as full-time employment situations
- the option of commencing training programs while still at school
- subsidies and incentives for employers to encourage them to take on 'New Apprentices', to encourage training at high-skill levels, and to reward successful completion of the training program. Employers are given an incentive payment of \$4,400, with a possible additional \$1,100 if the position is in an industry suffering a skills shortage.²⁸⁵

9.20 The Committee notes, however, that in its written submission Australian Business Limited (ABL) raised the concern that the flexibility that was meant to be delivered by 'New Apprenticeships' and user choice has not been delivered, at least in the area of trade-related indentured apprenticeships, which continued to be delivered in regional NSW by TAFE (excluding in the Hunter and Illawarra).

9.21 In support, the ABL noted that in a recent survey of regional businesses, 39% had not employed a 'New Apprentice' in the last 4 years. In turn, 54% indicated that this is because the qualifications available were not appropriate to their business needs.²⁸⁶

Participation in apprenticeships and traineeships in NSW

9.22 As noted in the previous chapter, by the end of 2004 there were nearly 520,000 VET students in NSW. However, it is significant to note that only a small proportion of this number were undertaking apprenticeships, and an even smaller proportion undertaking what the NCVER calls 'traditional apprenticeships'²⁸⁷. This is shown in Table 9.1 below, based on NCVER data, which shows apprentices in training at the end of the June quarter for the years 2000 – 2005, broken down by sex, occupation group, full-time/part time status and by 'traditional apprentice'/other.

²⁸⁵ NCVER, *Developments in Australia's Vocational Education and Training Systems*, 2000, p19

²⁸⁶ Submission 77, ABL, pp6-8

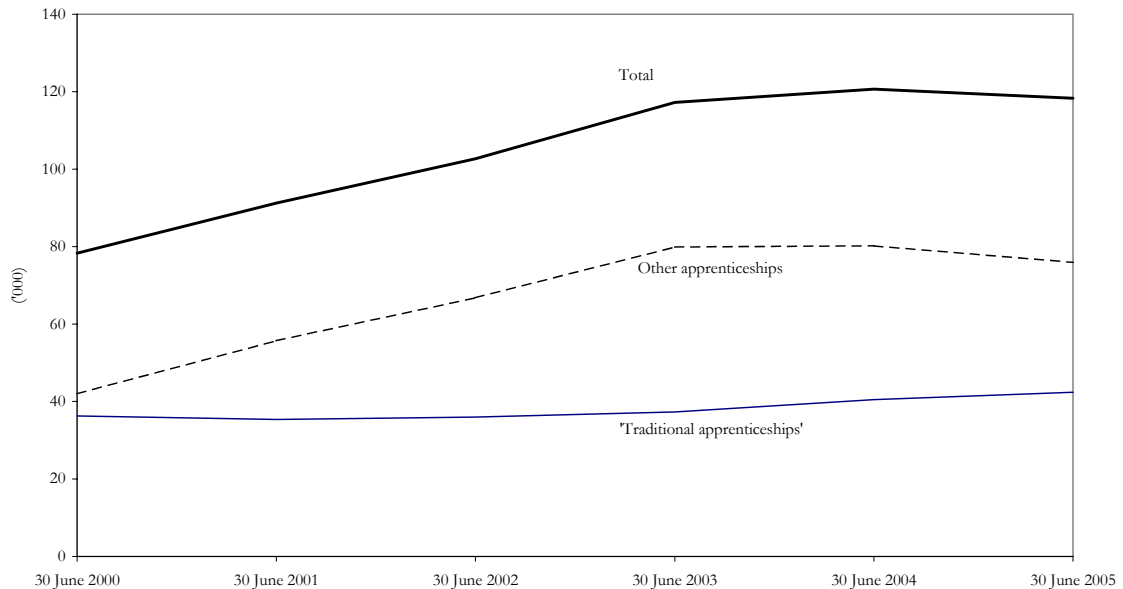
²⁸⁷ The 'traditional apprentices' definition used by NCVER is someone who is employed under a contract of training in a trades occupation, training towards a qualification at AQF level III or higher, and the expected duration of that contract is more than two years for full-time workers (or more than eight years for part-time workers). This conforms to the common understanding of how somebody prepares themselves for a career in trades such as plumbing, carpentry and hairdressing.

Table 9.1 Apprentices and trainees in NSW at the June quarter, 2000-2005 ('000)

	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005
'Traditional apprenticeships'						
'Traditional apprenticeships' proxy	36.3	35.4	36.0	37.3	40.5	42.4
Other	42.0	55.7	66.8	79.9	80.2	75.9
Sex						
Males	56.3	63.3	69.9	78.0	80.0	78.0
Females	22.0	27.8	32.8	39.2	40.7	40.3
Occupation (ASCO) group						
Managers, administrators & professionals	0.5	0.5	0.3	0.3	0.9	1.0
Associate professionals	1.1	2.0	4.8	8.6	10.8	11.5
Trades and related workers	41.3	40.5	41.4	42.2	45.1	47.7
Advanced clerical and service workers	0.8	1.7	1.8	1.8	1.6	1.6
Intermed. clerical, sales & service workers	17.1	23.1	27.8	32.5	33.8	31.5
Intermed. production & transport workers	7.7	13.0	15.7	19.6	19.1	16.8
Element. clerical, sales & service workers	4.2	3.4	3.5	4.2	3.1	3.1
Labourers and related workers	5.6	7.0	7.4	8.0	6.4	5.1
Full-time status						
Full-time	70.2	78.9	86.5	96.9	99.6	98.2
Part-time	8.2	12.2	16.2	20.6	21.1	20.1
Total number	78.3	91.2	102.7	117.2	120.7	118.3

Source: NCVER, Australian vocational education and training statistics: Apprentices and trainees - June quarter 2005, State and territory tables, <http://www.ncver.edu.au/statistic/publications/1657.html> (accessed 1 February 2006)

9.23 Table 9.1 shows that the proportion of apprentices in so-called 'traditional apprenticeships' in NSW rose from 36,300 in the June quarter 2000 to 42,400 in the June quarter 2005, an increase of 15.7%. Over the same period, the number of other apprentices rose from 42,000 to 75,900, an increase of 80.7%. These results are show in Figure 9.1 below.

Figure 9.1 Apprentices in NSW at the June quarter, 2000-2005 ('000)

Source: NCVER, Australian vocational education and training statistics: Apprentices and trainees - June quarter 2005, State and territory tables, <http://www.ncver.edu.au/statistic/publications/1657.html> (accessed 1 February 2006)

- 9.24** The Committee also notes that while participation in apprenticeships in NSW is on the rise, there is also an alarmingly high rate of cancellations and withdrawals from apprenticeships in NSW. While the number of commencements in 'traditional apprenticeships' in NSW in 2004 and 2005 were 16,800 and 17,600 respectively, the number of completions for the same years was only 5,900 and 5,800.²⁸⁸

The reasons for the low take-up and completion of apprenticeships in NSW

- 9.25** As indicated above, despite the NSW Government's commitment to the Open Training Market for apprenticeships and traineeships and the Commonwealth Government's 'New Apprentices' system, there is still a limited take-up of apprentice positions, and a high rate of cancellation and withdrawals. Many parties to the inquiry also cited difficulty in recruiting young people into the trades.²⁸⁹
- 9.26** The Committee examines some of the reasons for this below.

²⁸⁸ NCVER, Australian vocational education and training statistics: Apprentices and trainees - June quarter 2005, State and territory tables, <http://www.ncver.edu.au/statistic/publications/1657.html> (accessed 1 February 2006)

²⁸⁹ See submission 89, NSWFA, p21; submission 13, Mid North Coast Regional Development Board, p10

The low wages paid to apprentices

- 9.27** In its written submission, the NSW Farmers' Association (NSWFA) argued that the wages paid to apprentices are very low. The NSWFA submitted that an 18-year-old apprentice entering the manufacturing industry is paid \$6.20 an hour, compared to a fast food trainee who can expect between \$7.50 and \$8.70 an hour.²⁹⁰
- 9.28** Similarly, in its written submission, the AMWU argued that the wage structure for apprentices is discriminatory, and fails to recognise both the increasing age and educational achievements of prospective apprentices.²⁹¹
- 9.29** Various other parties also raised this issue during the inquiry.²⁹² The Committee notes in particular the evidence of Mr Jeff Hort, CEO of Jeff Hort Engineering:

To me it is absolute nonsense when I see chambers of commerce and employers and support groups argue with the unions about the labour rates for an apprentice, because \$6 is just an absolute nonsense. Shelf packers in Woolworths are paid \$13 an hour ...²⁹³

The four-year time frame for apprenticeships

- 9.30** A number of parties to the inquiry suggested that the length of apprenticeships, generally four years, is a further disincentive to potential apprentices, when combined with the low wage rates. Accordingly, it was suggested that the length of apprenticeships could be shortened. For example, Mr Peter Fussell, President of the Chamber of Commerce in Griffith, submitted:

For a year 10 student [an apprenticeship] is terrific because they have to mature and there are a whole lot of processes going on but for a year 12 student, who wants to come out of school and do a four-year apprenticeship starting at a wage of \$5 an hour? It is not very attractive ... In private universities in Queensland you can do a three-year degree in two years. Is there some way of looking at the apprenticeship structure to see whether it should be quicker and are there things boys and girls can do in years 11 and 12 that may shorten their potential apprenticeships they may want to do later?²⁹⁴

- 9.31** However, other parties to the inquiry rejected any shorting of the length of apprenticeships. Mr Ben Bardon, General Manager of Central West Group Apprentices Ltd, submitted:

Of the 600 firms that use us there are not people battering down our door asking for apprenticeships to be made shorter. There is not a massive groundswell of opinion

²⁹⁰ Submission 89, NSWFA, p21

²⁹¹ Submission 76, AMWU, p8.

²⁹² See for example Submission 5, Ms Kerr, p1; Submission 46, Singleton Council, p3; Submission 48, Wagga Wagga City Council, p9

²⁹³ Mr Hort, Evidence, 24 November 2005, p12

²⁹⁴ Mr Fussell, Evidence, 1 November 2005, p46

from apprentices either. The issue is how much we pay them and how well we reward them throughout their training.²⁹⁵

- 9.32** One option put to the Committee was for specialisation of apprenticeships through the introduction of specialised short courses, so that apprentices could undertake training in only one specific aspect of their trade. Again, however, a number of parties opposed such so-called ‘part-certification’. Mr Neale Towart, Research Director and Librarian, Unions New South Wales, submitted:

I know that the part-apprenticeship pathway has been suggested as one avenue. It certainly has some attractions, but I would say that it will leave people short of the long-term skills required.

I think that is a situation that occurs in the United States, where people do their training in one aspect of being an electrician, for example, and then they can only work as an electrician in one company in one aspect of being an electrician. Whereas, if an Australian electrician goes to America, the Americans are blown away by the scope of their knowledge in the industry.²⁹⁶

- 9.33** Similarly, Mr Michael Hall, Training Manager for the Master Builders Association of NSW (MBA NSW), submitted that part-specialisation or a reduction in the length of apprenticeships would not be satisfactory. He told the Committee:

With [trades] like carpentry, joinery, plumbing, electrical, that type of thing, what you are doing is really alleviating the short-term skills shortage by promoting a long-term skills gap.²⁹⁷

- 9.34** In turn, Mr Barry Heraghty, appearing in a private capacity during the Committee’s public forum in Parkes on 23 November 2005, indicated to the Committee that in the UK, which has a significant skills shortage in building and construction trades, advertisements have been appearing stating “Become a plumber in 70 hours”. However, Mr Heraghty submitted that such courses are a ‘quick fix’ because they only teach one small aspect of a tradesman’s job.²⁹⁸

- 9.35** Given this opposition to the introduction of so-called ‘part-certification’, the Committee notes the AMWU submission that there is a bias in the Commonwealth Government’s incentives under the ‘New Apprentices’ system, which encourages shorter term traineeships over apprenticeships, and which encourages RTOs to concentrate on providing shorter courses producing the greatest commercial return rather than meeting long-term demand.²⁹⁹

The perceived burden of apprentices

- 9.36** In its written submission, the NSWFA also argued that many employers do not want to take on the perceived burden of an apprentice:

²⁹⁵ Mr Bardon, Evidence, 24 November 2005, p3

²⁹⁶ Mr Towart, Evidence, 2 November 2005, p14

²⁹⁷ Mr Michael Hall, Training Manager, MBA NSW, Evidence, 5 December 2005, p15

²⁹⁸ Mr Heraghty, Evidence, 23 November 2005, p32

²⁹⁹ Submission 76, AMWU, p9

- Many tradesmen in country towns are in their 50s and 60s, and may not want the responsibility of an apprentice
- Other tradesmen may lack confidence in the economic environment, deterring them from hiring an apprentice
- Employers are reluctant to commit to employing staff on a long-term basis, preferring casual labour to apprenticeships
- Employers who could potentially take on an apprentice may fear that the apprentice will be head hunted in their third or fourth year. Wages for skilled workers in metropolitan areas are often higher than for skilled workers in rural and regional areas, meaning that many young people will be attracted to migrate to metropolitan areas as their skills increase.³⁰⁰

9.37 It is notable, however, that many of the employers that actively seek to promote and employ apprentices do so because they were once apprentices themselves.

9.38 Mr Hort, who appeared in evidence before the Committee in Bathurst, is an excellent example of a skilled former apprentice who now owns a company that employs significant numbers of apprentices. Mr Hort indicated in evidence:

I am an ex-apprentice. All my management team are ex-apprentices and we have a mind-set about what apprentices can and cannot do. I had been a general manager in the mining industry before I started my own business. An apprentice can go all the way to the top in the industry; it is about tenacity and ability to have a go and work ethic, all that sort of stuff. We are good role models. We know what it is like in the workplace, because we spend most of our life in there...The people who are the backbone of my organisation are all ex-apprentices.³⁰¹

9.39 Mr Brian Seidler, Executive Director of the MBA NSW, also referred in evidence to a recent survey the MBA conducted which found that the people in the building industry who are most likely to engage apprentices are those who have been apprentices themselves.³⁰²

Incentive payments to employers are insufficient

9.40 On a related issue, the Committee notes that in its written submission, the NSWFA argued that the incentive payments to employers to take on an apprentice under the 'New Apprentices' system are insufficient. Under the 'New Apprentices' system, the incentive payment of \$4,400 is split, with one payment at the beginning of the apprentice's first year, and one at the end of the fourth year.³⁰³

³⁰⁰ Submission 89, NSWFA, pp20-21

³⁰¹ Mr Hort, Evidence, 24 November 2005, pp12-13

³⁰² Mr Brian Seidler, Executive Director, MBA of NSW, Evidence, 5 December 2005, p12

³⁰³ Submission 89, NSWFA, pp20-21

- 9.41** Similarly, the AMWU argued that in engineering and manufacturing occupations, the level of subsidies and incentive payments to employers do not reflect the significant additional costs and time involved in training apprentices.³⁰⁴
- 9.42** In its written submission, MBA NSW, amongst many others, also drew attention to a culture of poaching second and third year apprentices. To change this culture, the MBA NSW argued that there needs to be a fairer scheme to reward consistent, committed employers, rather than simply paying completion incentives to whomever is employing the apprentice at the end of their term.³⁰⁵
- 9.43** Parties also raised in evidence the cost of employing apprentices, especially in the first year. Mr Mark Grimson, Chief Executive Office of the Illawarra Business Chamber, argued that in their first two years, the cost of employing apprentices is very high, particularly for small businesses. It is only in the third and fourth years that employers gain benefit from their apprentices.³⁰⁶
- 9.44** Similarly, Mr Peter Lewis, who runs a car dealership in the Cooma Monaro region, commented:

As a director of a company operating a car dealership in Cooma over the past four years I have employed four staff.

As an employer of an apprentice I accept that I will see little or no return from that apprentice for the first 18 months of his apprenticeship and whilst the direct costs of their wages to my business is limited the indirect cost (training time) is substantial.

I receive limited financial support for my efforts in training the apprentices; their enthusiasm is dulled by low wages and high education costs and I can be certain that once qualified they will move to an area which can offer them greater financial reward in the future.³⁰⁷

Payroll tax and workers' compensation costs

- 9.45** A further issue related to the incentives for employers to take an apprentice is the regulatory burden imposed by government. A number of parties to the inquiry raised payroll tax, workers' compensation and business compliance with occupational health and safety (OH&S) obligations, together with compliance with the Commonwealth GST, as additional disincentives to taking on an apprentice.³⁰⁸
- 9.46** In relation to payroll tax, in his evidence to the Committee, Professor Ross Chambers, Deputy Vice-Chancellor (Academic) with Charles Sturt University, commented on the large amount of

³⁰⁴ Submission 76, AMWU, p20

³⁰⁵ Submission 51, MBA NSW, p25

³⁰⁶ Mr Grimson, Evidence, 2 November 2005, p2

³⁰⁷ Submission 14, Peter Lewis and Co, p2

³⁰⁸ See for example submission 66, Orange Cabonne Blayney Industry and Skills Project, p10; Submission 24, Liverpool Plains Shire Council, p1; Submission 35, COTA National Seniors Partnership, p3

money being paid by the university in payroll tax, more than \$7 million last year, which he argued could be better spent on assisting regional universities and education.³⁰⁹

9.47 The Committee notes from 1 January 2004, the entrant trainee Payroll Tax Rebate Scheme was replaced with a payroll tax exemption. Under the Payroll Tax Rebate Scheme, employers were eligible for a rebate of payroll tax paid in respect of new entrant trainees. From 1 January 2004, both apprentices' and new entrant trainees' wages are exempt from payroll tax.³¹⁰

9.48 In relation to workers' compensation premiums, the Committee notes that from 1 January 2004, employers of 'new entrant' trainees employed on and from 1 January 2004 must pay their workers' compensation insurance premiums in the same way they currently do for apprentices and 'existing worker' trainees.³¹¹

9.49 The Committee notes, however, ongoing concerns about this system. In evidence, Mr Seidler commented:

... in New South Wales, up until I think two or three years ago, we had some relief in payroll tax for trainees and for workers' compensation; there was a sliding scale. However, for whatever reason, Treasury decided to remove that. So whatever little incentive there was to engage or to get relief has not continued.³¹²

9.50 In turn, Mark Grimson, CEO of the Illawarra Business Chamber, suggested that the NSW Government ought to consider providing assistance with workers' compensation for apprentices, particularly in years 1 and 2.³¹³

The decline in the range of courses offered by certain institutions

9.51 A range of parties to the inquiry argued that the lack of local training opportunities is a significant impediment to employers taking on an apprentice. In particular, the absence of apprentices for large blocks of time while they are away on training often places a burden on their employer.³¹⁴

9.52 For example, in its written submission, the MBA NSW cited the case of young apprentices in Albury in trades such as Painting and Plastering who have to travel to Melbourne for their training. Another apprentice travels from Bega to Canberra. The MBA NSW continued:

MBA NSW submits that the situation as it stands with so many young apprentices and trainees travelling so far just to fulfil the off-the-job component of their training is

³⁰⁹ Professor Chambers, Evidence, 31 October, p9

³¹⁰ DET, 'New Incentive Arrangements for Apprentices and Trainees', 1 June 2004, <http://apprenticeship.det.nsw.edu.au/html/advins/atadf003.htm> (accessed 29 March 2006)

³¹¹ DET, 'New Incentive Arrangements for Apprentices and Trainees', 1 June 2004, <http://apprenticeship.det.nsw.edu.au/html/advins/atadf003.htm> (accessed 29 March 2006)

³¹² Mr Seidler, Evidence, 5 December 2005, p15

³¹³ Mr Grimson, Evidence, 2 November 2005, p2

³¹⁴ See submission 13, Mid North Coast Regional Development Board, p11; Submission 90, Far West Regional Development Board, p3; Submission 62, Mr Archer, p3

unacceptable. To our knowledge this sort of disadvantage is not endured on such a scale by any other group in our society, whereby a compulsory part of their employment involves training so far from their regular place of employment.³¹⁵

- 9.53** In response to this problem, MBA NSW argued that where a nearby TAFE institute cannot offer a course to an apprentice, a more pro-active approach should be taken to maximise the use of on-the-job training. This would involve some costs to government through increasing the incentives to employers to provide appropriate training, however it would ease the financial burden on apprentices and employers for the additional travel and time away.³¹⁶

The cost of travelling to a regional centre for training

- 9.54** In its written submission, Technical and Further Education Teachers Association of NSW (TAFETA) noted that transport issues in rural and regional areas can limit opportunities for apprentices and trainees:

- Many students need to travel large distances to get to a particular college
- In many cases they have limited or no access to public transport
- If students have access to a car, they are not entitled to transport subsidies unless the car is in their name (and even so the subsidy is very low)
- Young people are at risk when driving long distances with early starts and late finishes. In addition, where young people travel together, there may be peer pressure for inappropriate driving behaviour.
- Appropriate overnight accommodation is not always accessible or available.³¹⁷

- 9.55** Similarly, the NSWFA noted in its submission that many apprentices and trainees are required to travel from their home town to a regional centre to undertake training. Such block training can involve significant costs, often leaving apprentices and trainees out of pocket.³¹⁸

- 9.56** The Committee notes that a number of other parties raised this issue and called for an increase in the living away from home allowance for apprentices attending block release to TAFE.³¹⁹

The decline of government and large company apprenticeships

- 9.57** In its written submission, the NSWFA noted that traditionally, government employers such as the Water Board, Public Works Department, the railways and Telstra were key employers of apprentices. In many cases, however, this is no longer the case.³²⁰

³¹⁵ Submission 51, MBA NSW, p13

³¹⁶ Submission 51, MBA NSW, p13

³¹⁷ Submission 85, TAFETA, p3

³¹⁸ Submission 89, NSWFA, pp21-22

³¹⁹ See for example submission 62, Mr Bill Archer, p4, Submission 56, Unions NSW, p5; Submission 79a, New England – North West RDB, p2

- 9.58** Similarly, Mr Ben Bardon suggested in evidence that many large organisations, including many now de-regulated public utilities companies, have tended over the past 10-15 years to reduce the number of apprentices in their workforce. As a result, few appear to be re-investing in apprenticeships to the level that is required:

Within the 600 employers who use us we have got some very large employers. But at the moment they are taking only a small percentage of their work force as apprentices. The medium-size engineering companies and the automotive workshops...are the ones that put on a significant proportion of apprentices as a proportion of their workforce. We have four or five engineering companies that have 20 per cent of their work force as apprentices or trainees. That seems to me to be about the best practice figure.³²¹

- 9.59** Nevertheless, the Committee did receive a submission from Country Energy in which it indicated that since its formation in July 2001, it has trained nearly 350 new apprentices, including 77 in 2005-2006. In addition, over the past four years, Country Energy has maintained an average apprentice retention rate of more than 80%. Of the 35 apprentices who completed their training in 2004-2005, 30 were employed full-time by Country Energy.³²²

- 9.60** In evidence to the Committee, Ms Teri Benson from Country Energy commented further on the positive steps Country Energy has been taking to expand and complement their own apprenticeship program:

The industry for probably the last 10 years did not have a lot of apprenticeship programs running. Now we are filling that gap...This year we have started a technical traineeship program. We put 20 people in who started in January...we are also doing graduate engineering programs...so we are trying to complement [apprenticeships] with strategies around traineeships and the graduate programs as well.³²³

- 9.61** On a related matter, the Committee notes the evidence of Mr Seidler from MBA NSW that the building industry has, with the concurrence of the NSW Government, sought over several decades to maintain a ratio of five apprentices to tradespeople on government construction sites in the state.³²⁴

The stigma attached to the trades

- 9.62** The NSWFA also noted in its written submission that there is an unfair stigma attached to the trades. There has developed a misconception that young people should complete the HSC and go to a university if they want to have any measure of success in their lives. Having a trade is seen as something less than a university degree, even though both take approximately the

³²⁰ Submission 89, NSWFA, p21

³²¹ Mr Bardon, Evidence, 24 November 2005, p5

³²² Submission 60, Country Energy, p2

³²³ Ms Teri Benson, Country Energy, Evidence, 13 February 2006, p19

³²⁴ Mr Seidler, Evidence, 5 December 2005, p15

same amount of time. As a result, the NSWFA submitted that more emphasis must be placed on promoting careers based on practical skills.³²⁵

- 9.63** A number of other parties also raised this issue and the need for a cultural shift in perceptions of VET, and a greater appreciation of apprenticeships as a legitimate career path. In particular, in his written submission on behalf of the Orange Cabonne Blayney Industry and Skills Project, Mr Tony Boland argued:

The apparent focus of secondary schools in guiding students towards a university degree is also unrealistic given drop out rates in the first year of university and low numbers of graduates employed in their field of study. A student who leaves school at the end of Year 10, completes an apprenticeship and subsequently goes to university as a mature student, has taken a career and education path that is just as valid as a school leaver from Year 12 entering direct into university.³²⁶

- 9.64** Mr Boland further argued that one of the biggest hurdles in convincing students to undertake an apprenticeship is the attitude of their parents. Parental perceptions of the trades appear to be that they are a dead end career prospect with poor pay and conditions.³²⁷

The role for career advisors in advocating trades

- 9.65** In response to the perceived stigma attached to the trades cited previously, the Committee notes evidence that career advisors in particular should be proactive in promoting the trades to young people and their parents.

- 9.66** In particular, the Committee notes the evidence of Mr Gary Burrridge, CEO of the Northern Cooperative Meat Company in Casino:

I go down and talk at all local high schools and I take the time out to talk at careers days. I am pleased to [have] brought that up because the education system has some failings that need to be addressed. The idea of instilling in children the concept that they are not successful if they do not have a degree is something that has evolved over the years and has to somehow be corrected. I personally look to the government to start doing that. The lack of knowledge of teachers and career advisers in high schools is also a limiting factor. They should be made to go to industry and understand what is available in the area.³²⁸

- 9.67** Similar evidence was presented by Mr Val Zanotto, Chairman of the Illawarra Skills Audit, on the importance of career advice in convincing young people and their parents that job opportunities exist in a particular trade or profession.³²⁹

³²⁵ Submission 89, NSWFA, pp21-22

³²⁶ Submission 66, Orange Cabonne Blayney Industry and Skills Project, p8

³²⁷ Submission 66, Orange Cabonne Layney Industry and Skills Project, p7

³²⁸ Mr Burrridge, Evidence, 30 September 2005, p37

³²⁹ Mr Zanotto, Evidence, 13 March 2006, p6

9.68 In turn, in evidence, Mr Ben Bardon, General Manager of Central West Group Apprentices, told the Committee about efforts the company is undertaking to expose young people through work experience to the opportunities available in trades:

[We] are working with the schools to be able to identify people who are still at school, organise work experience through their careers processes and move them into trades so that they actually have an idea that that is what they want to do. Just under 60 per cent of the people who drop out, do so in the first three months. That is indicative of a problem with the way we are recruiting and attracting people....³³⁰

9.69 Finally, Ms Rankin from the ABL submitted that a demonstrated career path is critical to attracting young people to apprenticeships. While the material barriers remain, the single most important factor in the likelihood of an apprentice completing his or her training is said to be the perception of the opportunities that exist beyond those four years.³³¹

Vocational Training Orders

9.70 As indicated above, the training requirements for each apprenticeship or traineeship are governed by vocational training orders (VTOs), which are developed in consultation with industry bodies, employer groups, unions and RTOs.

9.71 In its written submission, the ABL submitted that VTOs are not delivering the flexibility and responsiveness to business that is desirable, due to:

- Complexity in obtaining variations to and additional VTOs
- Difficulty in establishing VTOs for traineeships that provide direct pathways to higher level qualifications, especially if these higher qualifications have been previously endorsed as indentured apprenticeships. For example, a Certificate II in automotive manufacturing requires a complementary VTO for Certificate III (traineeship) in order for the initial qualification to have recognition and articulation to a higher level qualification.
- Some unions actively resisting the introduction of new and/or lower traineeship qualifications. For example, a business operating in a new manufacturing sector will require the development of a new VTO. However, the approval of a new VTO requires the cooperation of unions, who may not always facilitate the process.

9.72 Accordingly, ABL called for the NSW Government to review the current processes for establishing VTOs to ensure that VET is responsive to business needs.³³²

9.73 The Committee also notes the evidence on this issue of VTOs from representatives of the Nambucca Vehicle Body Manufacturing Cluster group of companies.

9.74 The Nambucca Vehicle Body Manufacturing Cluster group of companies is seen by all participants as a model of successful partnership between business and local and state

³³⁰ Mr Bardon, Evidence, 24 November 2005, p7

³³¹ Ms Rankin, Evidence, 2 November 2005, p3

³³² Submission 77, ABL, pp6-8

government. One company in the cluster, Express Coach Builders, has increased in size from six to 90 employees in the last 19 years, with over 35 apprentices trained in that time.³³³

9.75 However, in evidence, Mr Wayne Lowe, Economic Development Officer, Nambucca Shire Council and Mr Paul Hoffman, General Manager, Express Coach Builders Pty Ltd, indicated that one of the frustrations the group has experienced has been in establishing a training package for their particular industry. Mr Hoffman indicated that over the last five years, the cluster, with the help of the DSRD and the Nambucca Shire Council, have put a lot of time and effort and representation into getting a nationally approved training package for the industry. In addition, Mr Hoffman cited the good work of the North Coast Institute of TAFE locally in developing an appropriate training package.³³⁴

9.76 However, Mr Hoffman indicated that the Australian Manufacturing Workers Union (AMWU) has been obstructing the successful completion of the VTO for the vehicle industry.³³⁵ Mr Hoffman commented:

... in this State, under the so-called parameters of vocational training orders [VTOs], they must be supported wholly and solely by every representative on that board; and, if one does not support it, it does not go ahead. I find that very disheartening for those in regional New South Wales who are trying to grow their businesses.³³⁶

9.77 This issue was resolved by TAFE NSW following representation of the issue by the Committee to the Minister for Education. TAFE NSW negotiated for the required apprenticeship program to be available on the North Coast to meet the specific requirements of the Vehicle Body Manufacturing Cluster.

Group Training Organisations

9.78 Group training organisations (GTOs) employ apprentices or trainees who are then continuously placed for periods of six to twelve months with host employers. The role of the GTO includes:

- selecting apprentices and trainees
- arranging and monitoring on and off-the-job training
- taking responsibility for all paperwork connected with wages, allowances, superannuation, workers' compensation, sick/holiday pay and other employment benefits
- ensuring apprentices and trainees receive a broad range of training and experience by rotating them from business to business.

9.79 The benefits of GTO arrangements can be summarised as:

³³³ Mr Paul Hoffman, General Manager, Express Coach Builders Pty Ltd, Evidence, 6 October 2005, p 52

³³⁴ Mr Hoffman and Mr Lowe, Evidence, 30 September 2005, pp52-53

³³⁵ Mr Hoffman, Evidence, 30 October 2005, p54

³³⁶ Mr Hoffman, Evidence, 30 October 2005, p52

- The host employer does not have to provide a permanent position. One significant factor for regional businesses is that often they feel a level of discomfort about whether they have the longevity and financial resources to support four years of training for an apprentice, especially when the businesses themselves are small and the work is contract-based, as is the case for many trade occupations.
- Host employers may take an apprentice or trainee to suit peak business workload and seasonal variations.
- The GTO acts as a ‘trouble-shooter’ throughout the period of employment and training
- The GTO undertakes all the administrative responsibilities that would normally fall to an employer.³³⁷

9.80 The Committee understands that there are currently just over 30 GTOs in NSW, employing around 15% of all apprentices and new entrant trainees in NSW.³³⁸

9.81 In 2004-2005, the Commonwealth and NSW governments provided joint public funding of over \$3 million for GTOs in the state. An additional \$1 million in State funds has been allocated for 2005-2006 for further incentives for GTOs to employ an additional 800 apprentices in trade skill shortage areas. The Commonwealth is yet to agree to match the additional State funding.³³⁹

9.82 During the inquiry, the Committee took evidence from three major GTOs. This evidence is considered in more detail below.

The Hunter Valley Training Company

9.83 The Hunter Valley Training Company is a not-for-profit GTO that is 50% owned by the NSW Ministerial Corporation. It is the largest employer of apprentices in NSW, providing employment to approximately 1,250 apprentices across the state, mainly in heavy industry. Much of the funding for its operation is through government subsidies from the Commonwealth Department of Education, Science and Training and from the State Government, which provides incentives for the company’s work in rural and regional areas.³⁴⁰

9.84 In its written submission, the Hunter Valley Training Company provided details of two projects it has completed in recent years:

- A two-year Targeted Initiative Program funded by the Commonwealth Department of Education, Science and Training to employ 55 new apprentices in Gunnedah in the north-west of NSW

³³⁷ <http://www.training.com.au/portal/site/public/menuitem.cc287280198d3690f9fa5a1017a62dbc/> (accessed 20 March 2006)

³³⁸ Mr Peter Shinnick, Hunter Valley Training Company, Evidence, 17 February 2006, p23

³³⁹ Submission 78, CRC, p44

³⁴⁰ Mr Peter Shinnick, Hunter Valley Training Company, Evidence, 17 February 2006, p24

- A pilot program providing training to a group of 15 Sudanese immigrants in the company's training centre 'Hunter-V-Tec' located in Maitland, with the assistance of the Migrant Resources Centre and the Hunter Institute.

9.85 Significantly, the Hunter Valley Training Company noted that the skills shortage is not a recent phenomenon, citing evidence that in the past four years, four of its offices have been unable to find suitable candidates for available positions, with many applicants not having the aptitude or inclination to succeed in a trade.³⁴¹

9.86 Mr Shinnick, General Manager of the Hunter Valley Training Company, reported that group training generally enjoys an excellent retention rate for its employees:

The retention rates are very high for those that are under group training arrangements because we do not just get rid of our apprentices if the contract finishes or the work has gone. We move them somewhere else. We have a network of contacts who are able to give them employment...At the moment [our retention rate] is in excess of 80 per cent.³⁴²

Central West Group Apprentices

9.87 Central West Group Apprentices is a GTO based in central west NSW, employing around 840 apprentices and 130 trainees, making it the largest employer of young people and school leavers in the region. Central West Group Apprentices use a network of around 600 'host employers' to provide work placement and on-the-job training for its apprentices and trainees. According to the company, 92 per cent of placements are in trades currently classified by the Commonwealth Department of Employment and Workplace Relations as experiencing a skills shortage.³⁴³

9.88 Central West Group Apprentices is implementing a number of initiatives seeking to raise the profile of traditional trades through a deeper engagement with the school system. Its key project in this regard is the 'Try a Trade skills to schools road-show' that will be offered to all public high schools this year, using local tradespeople and apprentices to market the benefits of apprenticeships to students.³⁴⁴

Skilled Group

9.89 Skilled Group was established in 1964 and was publicly listed in 1994. Skilled Group employs approximately 12,000 employees Australia-wide, with about 3000 tradespeople, including 600 new apprentices and trainees and 150 trades-related apprentices. Last year, its turnover was \$850 million.³⁴⁵

³⁴¹ Submission 93, Hunter Valley Training Company, p2

³⁴² Mr Peter Shinnick, Hunter Valley Training Company, Evidence, 17 February 2006, p23

³⁴³ Tabled Document No 35, Submission to Inquiry into Skills Shortages in Rural and Regional NSW, 24 November 2005, p1

³⁴⁴ Tabled Document No 35, Submission to Inquiry into Skills Shortages in Rural and Regional NSW, 24 November 2005, p1

³⁴⁵ Mr Michael Olsen, Skilled Group, Evidence, 2 November, p42

Does group training work?

9.90 In his evidence to the Committee, Dr Buchanan, Acting Director of the Australian Centre for Industrial Relations Research and Training at the University of Sydney, observed that the benefits of GTOs are often that they support training when businesses, in seeking to maximise profitability and shareholder value in the short-term, seek cost-savings at the expense of training.³⁴⁶

9.91 However, Dr Buchanan did sound a note of caution about maintaining the training standards of GTOs by restricting the number of GTOs in the market:

I think group training is at a fairly critical juncture. The Australian Chamber of Commerce and Industry has been doing its best to undermine standards for the registration of these bodies and that creates the potential for low cost operators to enter the industry. Traditionally group training in Australia has been quite tightly regulated so they usually have to be not for profit and there were limitations on the number of group training companies that could operate in any one local labour market to maintain viability.³⁴⁷

9.92 There was also some suggestion in evidence that GTOs are primarily of benefit to large employers. Mark Grimson, CEO of the Illawarra Business Chamber, submitted:

... a lot of small businesses again do not use group training and it comes down to cost. They decide: 'Why would I give all my incentives to a group training company and then pay some more.' That is the attitude of a lot of small businesses...I think it is fair to say that group training largely deals with larger employers, not the really small ones.³⁴⁸

9.93 As an extension of this, in its written submission, the NSWFA argued that GTOs are not operating effectively in rural Australia due to 'thin markets'. The NSWFA submitted that most group training companies still operate within the boundaries of larger regional centres and do not service rural areas outside these central areas because of the higher costs involved.³⁴⁹

School-based VET and pre-vocational training

The take up of school-based VET and pre-vocational training

9.94 Students in NSW can study VET courses as part of years 11 and 12 of their HSC. Depending on the course and where the student lives, courses may be delivered at a TAFE NSW campus, at the student's school or at another school.

³⁴⁶ Dr Buchanan, Evidence, 5 December 2005, p38

³⁴⁷ Dr Buchanan, Evidence, 5 December 2005, p38

³⁴⁸ Mr Grimson, Illawarra Business Chamber, Evidence, 2 November 2005, p8

³⁴⁹ Submission 89, NSWFA, p22

- 9.95** The NSW Board of Studies has developed a range of Industry Curriculum Framework courses specifically for school students in a range of industry areas. Courses that can be studied at TAFE NSW or at school are:
- Business Services
 - Construction
 - Entertainment
 - Hospitality
 - Information Technology
 - Metal and Engineering
 - Primary Industries
 - Retail
 - Tourism.
- 9.96** Students who continue to study in the industry area of their HSC VET course after they leave school can transfer credit to a higher qualification.³⁵⁰
- 9.97** In its written submission, CRC indicated that in 2003 and 2004, the NSW Government invested more than \$7 million in pre-apprenticeship and pre-vocational training for 4,600 students in areas of skills shortages. A further \$5 million was earmarked for the second half of 2005.³⁵¹
- 9.98** The Committee notes that in 2004, there were 69,563 VET in school enrolments compared with 48,658 in 2000. In 2005 over 40% of Government students in Years 11 and 12 undertook a VET course as part of their senior studies, with 80% of these students spending time in structured workplace learning with over 20,000 host employers across the state.³⁵²

The impact of school-based VET and pre-vocational training on future careers

- 9.99** The Committee notes that there appears to be strong evidence of a correlation between the type of work experience and contact with the workplace that young people undertake while at school and their future career path. There is less correlation between VET training in school and career path.
- 9.100** In her evidence to the Committee, Ms Erica Smith, Associate Professor in vocational education and training at Charles Sturt University, referred in particular to a NCVET paper entitled *How Workplace Experiences While at School Affect Career Pathways*. This study found that:

³⁵⁰ TAFE NSW, Study at TAFE NSW as part of your HSC, <http://www.tafensw.edu.au/courses/about/vetis.htm>, (accessed 1 February 2006)

³⁵¹ Submission 78, CRC, pp 43-44

³⁵² NSW Board of Vocational Education and Training, NSW Strategic Plan for Vocational Education and Training 2005-2008, <http://www.bvet.nsw.gov.au/pdf/stratdoc0508.pdf> (accessed 3 March 2006)

... while VET in schools programs is very valuable, we found the main determinant of what kids did after school was their part-time work. While it has been traditional that young people while they are at school work in retail and fast food... they normally work in those industries because they are the industries that offer them part-time employment.³⁵³

9.101 Ms Smith went on to outline the implications of these findings:

... it implies that industries that are not in the part-time student working game these days are missing out on a really valuable source of future labour and the chance for young people to try an occupation and to only enter it full-time if it is attractive to them rather than, for example, starting an apprenticeship and then leaving it after six months or so because it was not what they expected. That was the main message I wanted to convey. Employers need to look at offering part-time work opportunities, and we need to look at offering school-based apprenticeships in New South Wales as well as school-based traineeships.³⁵⁴

9.102 The Committee examines the range of school-based VET courses available to young people below.

The courses available in school-based VET and pre-vocational training

9.103 In its written submission, ABL acknowledged that school-based VET has provided increased opportunities for young people. However, it noted that the current school-based part-time traineeships restrict entry into many trade qualifications, which commence at Certificate III level. Accordingly, ABL called for the NSW Government to negotiate the introduction of Certificate III trade level training in schools, including the introduction of a training wage.³⁵⁵ This issue was reiterated by Ms Kathryn Rankin, Policy Adviser with ABL, in her evidence on 2 November 2005:

Australian Business Limited feels very strongly that there is a need to raise the level of school-based new apprenticeships from predominantly certificate to traineeships to suit certificate III that would actually pick up on some of these trade-based activities. One of the concerns that we have had for a number of years is that while the delivery of vocational education and training in schools is strong and provides a good grounding to move people generally into employment, the decision as to what qualifications and what subjects are taught within the schools is determined by the schools themselves in terms of the resources in-house and also the people delivering them.³⁵⁶

9.104 Mr Grimson, CEO of the Illawarra Business Chamber, also raised this issue in evidence. Mr Grimson noted that young people are being encouraged while still at school to undertake Certificate III studies in non-traditional trade areas such as retail, hospitality and IT rather than trades. However, as a result, employers are precluded from receiving incentive payments

³⁵³ Ms Smith, Evidence, 31 October 2005, p46

³⁵⁴ Ms Smith, Evidence, 31 October 2005, p46

³⁵⁵ Submission 77, ABL, pp11-12

³⁵⁶ Ms Rankin, Evidence, 2 November 2005, p5

to assist those people with further education at Certificate III level in trades, should they later consider entering into an apprenticeship:

From the employer's perspective obviously the kid has already done a certificate III at school and it is not in a related area, and then they go and try to do a certificate III apprenticeship or traineeship, then that incentive does not apply because you can only do one certificate III, but the school system is totally blind to that issue.³⁵⁷

- 9.105** The Committee also notes that in his written submission on behalf of the Orange Cabonne Blayney Industry and Skills Project, Mr Boland argued that the school system appears to be set up in a manner contrary to the promotion of apprenticeships. For example, Mr Boland submitted that school funding is based on the number of students, which encourages schools to retain students through to the end of year 12 rather than encouraging them to continue to pursue apprenticeship training.
- 9.106** In its written submission, Unions NSW supported the initiative of the NSW Government in encouraging VET in schools, on the basis that it allows students to undertake a part of their training for an apprenticeship or traineeship while studying for their HSC. However, Unions NSW emphasised the need for schools to be properly resourced and to align their courses with the Industry Curriculum Framework, while also ensuring proper award protections for school students undertaking VET.³⁵⁸

Distance education through TAFE NSW

- 9.107** TAFE NSW offers study alternatives to students who cannot attend a particular campus: TAFE Online, which is online teaching and learning through local Institutes; and the Open Training and Education Network (OTEN), which specialises in distance learning. Some OTEN courses are totally online, while others have selected modules or units available online. Most courses are delivered using a range of media such as printed lesson notes, videos, CD-ROMs, DVDs and the internet.
- 9.108** In its written submission, TAFETA offered the following comment on distance education services provided by TAFE:

The popular answer to educational provision in country and remote locations is distance and online delivery. Educational research indicates that such provision of education is suitable only for a small number of motivated self-disciplined learners. By and large, most students who attend TAFE, and this is particularly true of apprentices and trainees, respond better to education which is face-to-face, and where they can interact with their peers. Many TAFE students are at TAFE because they often do NOT (TAFETA emphasis) fit in to the more self-disciplined modes of learning demanded by the universities.

Educational provision by TAFE in country areas must continue to provide a range of delivery modes, but always allow students the opportunity to study in a classroom environment. TAFE must remain accessible to students.³⁵⁹

³⁵⁷ Mr Mark Grimson, Illawarra Business Chamber, Evidence, 2 November 2005, p6

³⁵⁸ Submission 56, Unions NSW, p6

³⁵⁹ Submission 85, TAFETA, p2

- 9.109** The Committee notes that in its written submission, MBA NSW argued that at least in the building industry, the provision of distance learning options through TAFE has been used to mask the withdrawal of TAFE service from regional areas. MBA NSW submitted that its feedback from members is that using distance learning is generally ineffective in the building industry, particularly the Certificate IV in Building, which is required to obtain a building licence in NSW. MBA NSW further submitted that students recognise the limitations on learning online when compared with the environment of a classroom teacher-student relationship, and that completion rates for the Certificate IV online are low.³⁶⁰
- 9.110** By contrast, however, the Committee notes that one participant in the Committee's public forum in Bathurst, Mr Andrew Johnstone, was very supportive of OTEN. He told the Committee that OTEN had provided him with an option to study for a two-year diploma in manufacturing and engineering (to Certificate III level), where the full-time alternative through TAFE was not available because he was not in possession of a trade certificate.³⁶¹
- 9.111** The Committee also notes that regional universities offer distance-learning opportunities. Indeed, figures from Charles Sturt University show approximately 19,000 students currently engaged in distance-learning courses.³⁶²

Existing worker traineeships

- 9.112** The NSW and Commonwealth Governments also seek to encourage existing workers to undertake traineeships. Generally, persons employed on a part-time or casual basis will be considered as an existing worker trainee if their employment with their current employer, prior to commencing their traineeship, exceeded twelve months.
- 9.113** The Commonwealth Government offers incentives for existing worker traineeships, subject to eligibility guidelines. Currently there is no plan to introduce state incentives for existing worker traineeships in NSW.³⁶³
- 9.114** In its written submission, the ABL highlighted the need for strategies to upskill and reskill existing workers, especially as regional youth migrate to urban centres and regional birth rates decline. In its survey of regional members in August 2005, ABL found that 32% of members consider there are limited training opportunities for existing workers, and 41% consider that the skills of mature age workers are not being fully utilised.
- 9.115** To address this, ABL advocated reform of the VET system to support a more rigorous and standardised process for recognition of prior learning. In addition, ABL argued for a review of the resourcing formula to allow for more comprehensive pre-training evaluation against training package standards.³⁶⁴

³⁶⁰ Submission 51, MBA NSW, pp13-14

³⁶¹ Mr Johnstone, Evidence, 24 November 2005, pp55-56

³⁶² Mr Colin Sharp, CSU Wagga Wagga, Evidence, 31 October 2005, p3

³⁶³ DET, FAQ Existing Worker Traineeships, <http://apprenticeship.det.nsw.edu.au/html/faqs7.htm>, (accessed 1 January 2006)

³⁶⁴ Submission 77, ABL, pp9-10

- 9.116** In its written submission, the AMWU also argued that the mechanisms by which prior learning for existing workers is recognised are poor, citing the following major obstacles:
- The processes of identifying within firms what are the competencies which workers already hold and what are the competencies which are needed is expensive and time consuming.
 - The funding arrangements for RTOs discriminate against their involvement in effective recognition of prior learning.
 - Enterprise bargaining, privatisation and contracting out have pushed the issues of training and skills formation off the agenda.³⁶⁵
- 9.117** Similarly, as highlighted previously, the NSWFA noted in its submission that employers are unable to access employer incentives for adult ‘New Apprentices’ who hold a qualification level III or higher in an unrelated field. The NSWFA submitted that this is acting to preclude existing workers from retraining in areas of high employment demand.³⁶⁶
- 9.118** Finally, on a related matter, the Committee notes that it also received a written submission from the COTA National Senior Partnership, advocating that all levels of government work to encourage the employment of mature age and older people, including through campaigns detailing the benefits of employing mature age workers and aimed at diminishing age discrimination in the workplace.³⁶⁷

Training opportunities for Indigenous Australians

- 9.119** The Committee notes that many of the issues discussed in this chapter in relation to the training needs of rural and regional communities apply to Aboriginal communities.
- 9.120** However, some participants in the inquiry offered specific comments on the particular issues affecting Aboriginal people, their involvement in the workforce and access to skills development opportunities. In particular, a number of parties focused on the importance of education in assisting Aboriginal people to gain skills and access to the labour market.
- 9.121** In his evidence on 2 November 2005, Mr Cliff Foley, a former Aboriginal and Torres Strait Islander (ATSIC) Commissioner, spoke to the Committee about opportunities for Aboriginal people on the North Coast. He argued that opportunities are limited by the lack of industry in the area, forcing many young Aboriginal people to work on the Community Development Employment Program.³⁶⁸
- 9.122** Mr Foley subsequently emphasised the importance of education in facilitating the participation of Aboriginal people in the workforce:

³⁶⁵ Submission 76, AMWU, p21

³⁶⁶ Submission 89, NSWFA, p22

³⁶⁷ Submission 35, COTA National Seniors Partnership, p2

³⁶⁸ Mr Foley, Evidence, 2 November 2005, p18

Education is central to this. If you don't educate them in school we pick them up in our organisations and teach them basic literacy and numeracy. We are wasting our resources rather than negotiating partnerships and programs with the State and Commonwealth governments to look at proper economic development and outcome.

Keep the kids at school. Use the institutes, do not worry about the higher education ones, but certainly TAFE. TAFE is a tool, because it has resource people, teachers, tradesmen, all the great things for giving kids skills, opportunities and visions.³⁶⁹

9.123 Ms Cathy Duncan, Director of Culture and Reputation at Aboriginal Employment Strategy Ltd (AES) in Moree, also submitted that many of the problems for Indigenous communities can be traced back to the school environment. Ms Duncan suggested that school-based apprenticeships should begin at year 9 in Aboriginal schools to encourage greater levels of completion for these programs, and that consideration should be given to providing monetary incentives to apprentices at the end of each completed year.

9.124 At the same time, Ms Duncan indicated that the AES in Moree has had success in developing work experience programs for Aboriginal schoolchildren, including with some of the major banking corporations:

We looked at programs [following a meeting with the CEO of the ANZ Bank] where we could get our children into the banking industry. ... we developed partnerships with the ANZ Bank and with the Commonwealth Bank ... and today we have 29 current school-based trainees in the banking industry.

We had seven graduates in December last year that represented both the ANZ and Commonwealth Banks..so it has provided a direct pathway for Indigenous kids.³⁷⁰

9.125 Ms Duncan further submitted that the provision of such clear, meaningful and continuous employment opportunities is essential for young Aboriginal people.³⁷¹

9.126 Ms Elizabeth Taylor, Chair of the Pius X Aboriginal Corporation in Moree, also cited the need to provide specific programs for Aboriginal communities. Ms Taylor told the Committee:

In Sydney for example, Sydney City Council has a drivers licence program [to facilitate young people obtaining their licence]. It is a big issue, especially for country kids, because you need a licence to access training [and employment]. Our College is 5 miles out of town and if you want a job in the rural area, you cannot get [one] if you do not have a car.

The City of Sydney program at Redfern had a 99 per cent success rate.³⁷²

9.127 Ms Taylor also commented that the current system of imposing fines on young people for driving-related misdemeanours was causing problems. She said:

³⁶⁹ Mr Foley, Evidence, 2 November 2005, p24

³⁷⁰ Ms Cathy Duncan, Aboriginal Employment Strategy, Evidence, 16 February 2006, p18

³⁷¹ Ms Duncan, Evidence, 16 February 2006, p25

³⁷² Ms Taylor, Pius V Aboriginal Corporation, Evidence, 16 February 2006, p36

Also, a lot of our young people are fined when they are not wearing helmets when they are young so when they reach employment age they cannot get a job because they have not got a licence as they cannot pay off the fine. It is a catch-22. We think that maybe community service orders would be a better way for those people instead of paying fines.³⁷³

- 9.128** The Committee notes that in the New England and North West region of NSW, Indigenous Australians represent an important part of the region's population. However, due to the importance of family and place within Aboriginal communities, Indigenous Australians are often reluctant to leave their local area even on a short-term basis to undertake training.³⁷⁴

The NSW Government's Plan for Securing our Skilled Workforce

- 9.129** Given the concerns about the attractiveness of the apprenticeship system and the operation of VET in schools raised above, the Committee notes that on 20 March 2005, the NSW Premier announced a \$7 million package of measures designed to increase apprenticeship participation and make apprenticeships more attractive to young people and employers. Key elements of the plan included:

- Providing \$2 million to establish TradeStart – a 12-month pilot scheme in which 450 apprentices will be able to do their first year of TAFE training in the 16 weeks before they start work.
- Providing a \$100 rebate on the cost of car registration for first and second year apprentices in NSW.
- Providing additional travel support for the 5,000 apprentices from rural and regional NSW by doubling their overnight accommodation allowance from \$14 to \$28 per day at an additional cost of \$1.6 million. This will apply to apprentices who have to be away from home for at least two days at a time to undertake their off the job training.
- Investing an additional \$1 million in GTOs to deliver an additional 800 apprentices for small businesses, rural, regional and disadvantaged communities.
- Placing renewed emphasis on guidelines for training on government construction projects. These guidelines require that building construction projects worth more than \$2.5 million must have 20% of the trade work undertaken by apprentices. The state government currently employs over 1,200 apprentices.
- Increasing TAFE positions by 13,000 places to 521,000.
- Investing an additional \$80 million in the TAFE NSW capital works program over the next four years to support an additional 5,600 places for apprenticeships and high demand occupations.
- Consolidating VET in schools by strengthening pathways between school and work. In 2005 over 40% of students in Years 11 and 12 will undertake a VET course as part

³⁷³ Ms Taylor, Pius V Aboriginal Corporation, Evidence, 16 February 2005, p36

³⁷⁴ Submission 79a, New England – North West RDB, p2

of their senior studies; 80% of these students will spend time in on the job training with over 18,800 host employers across the state.³⁷⁵

Recent developments at the Council of Australian Governments

- 9.130** At the Council of Australian Governments' (COAG) meeting held on 10 February 2006, a new national approach to apprenticeships, training and skills recognition was discussed.
- 9.131** To target skills shortages in regions, COAG has agreed to establish a new Commonwealth regional program in collaboration with the States and Territories to commence in July 2006 to address the supply of skilled labour to industries and regions. Integrated strategies will be developed for selected regions to identify solutions to labour market needs in regions and industries of strategic importance to the Australian economy.

Committee comment

The apprenticeship and traineeship system

- 9.132** The apprenticeship and traineeship system in NSW is undergoing rapid change. At the forefront have been recent initiatives such as the NSW Open Training Market for apprenticeships and traineeships, together with the Commonwealth Government's 'New Apprenticeships'.
- 9.133** While these initiatives have promoted a more flexible and responsive apprenticeship and traineeship system in NSW, the Committee is nonetheless very concerned at the alarmingly high rate of cancellations and withdrawals from apprenticeships in NSW. The extremely poor rate of completion, at around 40 per cent for apprentices, is clearly unsatisfactory.
- 9.134** The Committee makes a number of observations:
- Award rates for apprentices are too low. The comparative earnings for school leavers entering the retail and hospitality sectors make it unfavourable for a young person to enter into an apprenticeship in the short term. However, while some have suggested that the shortening of apprenticeships might increase the likelihood of completion, the Committee is not satisfied that this is a suitable way forward. Evidence suggests that much of the benefit of a four-year apprenticeship is in the exposure to structured work experience and that the length of the program has less impact than low wages.
 - The incentive payments for employers who take on new apprentices and trainees are not well structured, meaning that many employers, particularly small business owners, face considerable costs in the first two years of employing an apprentice.
 - Payroll tax, workers' compensation and business compliance with OH&S obligations, together with compliance with the Commonwealth GST, are additional disincentives to taking on an apprentice.

³⁷⁵ *The NSW Government's Plan for Securing our Skilled Workforce*, March 2005, <http://apprenticeship.det.nsw.edu.au/docs/skillsbase.pdf>, (accessed 1 February 2006)

- The NSW Government, through the NSW Government's Plan for Securing our Skilled Workforce, has attempted to address some of the concerns relating to the cost of travel for apprentices to attend their institutions of study.
- In addition, COAG recently agreed to establish a new Commonwealth regional program in collaboration with the States and Territories to commence in July 2006 to address the supply of skilled labour to industries and regions.
- There has been a decline in government companies and large private companies offering apprenticeships, with notable exceptions such as Country Energy
- More can be done to promote apprenticeships to young people. Evidence from employers such as Jeff Hort Engineering and Country Energy, who actively promote and employ apprentices, shows the clear benefits of demonstrating a career pathway to young people entering into trades-related employment. It is critical that young people are encouraged to consider the opportunities that exist beyond the initial four-years of the apprenticeship. Employers must do more to ensure that realistic career pathways exist and that they are promoted to young people, particularly through the provision of work experience and other pre-employment opportunities.

9.135 Based on these observations, the Committee makes the following recommendation.

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.

9.136 The Committee is also of the opinion that school career advisors have an extremely important role to play in assisting young people to decide whether to undertake a career in the trades or to follow a different pathway. Accordingly, the Committee believes that the Government should look at providing additional training to school career advisors in relation to the career opportunities available to young people.

Recommendation 13

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

Vocational Training Orders

- 9.137 The Committee also notes with concern evidence that current processes for establishing VTOs are cumbersome and time consuming, and may not lead to the best outcomes for industry, GTOs or apprentices.
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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.

Group training organisations

- 9.138 GTOs are major employers of apprentices and trainees in NSW. They offer the opportunity for businesses to take on an apprentice for a short time where they are unable to make a longer-term commitment. They also take responsibility for the education, training and work experience of apprentices.
- 9.139 This is a model of skills creation that the Committee supports. The Committee would like to acknowledge the excellent work of those GTOs that provided evidence to the inquiry.
- 9.140 However, the Committee is concerned that the integrity of GTOs might be compromised by changes in the regulation of new entrants into the market, and urges the NSW Government to ensure current registration standards for GTOs are maintained.
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Recommendation 15

That the Government maintain current registration standards for group training organisations.

School-based VET and pre-vocational training

- 9.141 The Committee fully supports school-based VET and pre-vocational training, and practical initiatives such as Try-a-Trade. The Committee believes that these schemes ought to be expanded and that investment from local industry as well as government should be forthcoming.
- 9.142 However, concerns were expressed about 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. Again the Committee believes that the Government should look at this issue more closely.
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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.

Existing worker traineeships

- 9.143** Given the current tight labour market and skills shortage, the Committee fully supports the initiatives to promote the upskilling or reskilling of existing mature age workers. However, it was suggested during the inquiry that the current mechanisms by which an existing worker's on-the-job experience and prior learning are recognised need to be addressed.
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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.

Training opportunities for Indigenous Australians

- 9.144** The Committee acknowledges some of the specific barriers faced by Aboriginal people in acquiring work skills, but notes some of the successful programs being run by the Aboriginal Employment Strategy, Nindethana CDP and Pius V Aboriginal Corporation, which encourage skills development for young people in collaboration with schools and local business.
- 9.145** In recognition of the importance of school-based learning to the workforce participation of Aboriginal Australians, the Committee believes that the NSW Government, in collaboration with local businesses, should look to invest in successful school-to-work programs in Aboriginal communities.
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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.

Chapter 10 Other issues

The chapter looks at two issues raised during the inquiry but not discussed in previous chapters:

- The take up of vocational education and training (VET) specifically in the agriculture industry.
- Temporary and seasonal ‘guest workers’. While the Committee’s terms of reference focus on the migration of skilled labour into rural and regional NSW, and not that of unskilled labour, the issue of ‘guest workers’ was prominent during the inquiry.

The take up of VET in the agriculture industry

10.1 In its written submission, the NSW Farmers’ Association (NSWFA) noted that there is a poor take-up of VET in the agriculture industry due to perceptions that it does not suit employment in the rural industry, which is characterised by predominantly casual and seasonal employment. The NSWFA also noted that the skills profile of employment in agriculture, forestry and fishing is skewed toward less skilled workers such as livestock farmers and farm hands. However, while acknowledging this impediment to greater take-up of VET, the NSWFA continued:

While on-the-job training may be more important than formal qualifications in this regionally dispersed industry, the need for upskilling of workers cannot be over emphasised in view of the rapidly changing technologies in the agriculture sector.³⁷⁶

10.2 The NSWFA also highlighted that many farmers are unaware of developments in the VET system, including the National Training Framework and ‘New Apprenticeships’. However, in regions where farmers are aware of the reforms, the NSWFA suggested that there is strong support for initiatives such as on-the-job training, existing worker traineeships and school-based VET.³⁷⁷

FarmBis and the NSW Government’s Agriculture Education Strategy

10.3 FarmBis is a Commonwealth program matched dollar for dollar by the state governments which offers a subsidy towards the cost of specific training courses that encourage farmers to improve their business and natural resource management skills. FarmBis II funding in NSW ran out in September 2003, nine months earlier than the scheduled program end on 30 June 2004.

10.4 The State Government has since announced that it will not be participating in FarmBis III, meaning that NSW farmers do not have access to this popular program. Instead, the NSW Government has since announced an ‘agriculture education strategy’ with a \$5.8 million budget allocation.

³⁷⁶ Submission 89, NSWFA, p47

³⁷⁷ Submission 89, NSWFA, pp48-49

10.5 In its written submission, the NSWFA expressed disquiet about the process whereby the ‘agriculture education strategy’ was introduced, and grave concerns whether the package will deliver the same level of funding for training purposes as was previously available to NSW farmers. The FarmBis III scheme offered by the Commonwealth Government includes \$15 million in funding.³⁷⁸

10.6 In evidence to the Committee, Mr Alan Brown, Chair of the Rural Affairs Committee of the NSWFA, reiterated the NSWFA’s disappointment about the government’s decision on FarmBis. Speaking in relation to the dairy industry, Mr Brown commented:

Dairy farmers in New South Wales are now unfairly disadvantaged compared with their interstate counterparts, as obviously the FarmBis subsidy cannot be accessed by them. This is extremely disappointing, as New South Wales-based dairy farmers have been strong supporters of the program in the past, with the FarmBis I and II subsidies greatly assisting them to fund their participation. The association's dairy committee has advised me that they expect a dramatic reduction in participant applications from New South Wales – if there are any at all – as a result of the absence of the FarmBis subsidy for this important course. Whilst the New South Wales Government has introduced an alternative agricultural education strategy, of which the ProFarm component was supposed to replace FarmBis, this strategy certainly does not appear to be meeting the industry's training needs.³⁷⁹

The closure of residential courses at the Murrumbidgee College of Agriculture

10.7 The Murrumbidgee College of Agriculture is located at Yanco in the Riverina. It provides a range of adult education and training services for the rural sector. Until December 2003, it also provided residential courses, of particular importance to farmers located in the more remote areas of the state.

10.8 In its written submission, the NSWFA indicated that it remains extremely concerned about the closure of residential courses at the Murrumbidgee College of Agriculture, as it has removed the options for future students in the southern and much of the western regions of the state to undertake agriculture related courses.³⁸⁰ A similar concern was expressed by the Leeton Shire Council.³⁸¹

10.9 In its written submission, the Isolated Children’s Parents’ Association of NSW argued that the existing infrastructure of the former Murrumbidgee College of Agriculture should be used to establish a senior residential college focussing on agriculture for year 11 and 12 students who wish to pursue a career in agriculture or related industries, without the restrictions of traditional school teachings.³⁸²

³⁷⁸ Submission 89, NSWFA, pp56-57

³⁷⁹ Mr Brown, Evidence, 17 February 2006, p11-12

³⁸⁰ Submission 89, BFA, pp50-51

³⁸¹ Submission 44, Leeton Shire Council, p4

³⁸² Submission 22, Isolated Children’s Parents’ Association of NSW, p4

- 10.10** The Committee notes that the closure of the Murrumbidgee College of Agriculture was the subject of an inquiry conducted by the General Purpose Standing Committee No 5 of the NSW Legislative Council. The Committee tabled its report on 21 October 2004. A response from the Government was received on 21 April 2005.³⁸³
- 10.11** Despite the closure of the Murrumbidgee College of Agriculture, the Committee notes that The CB Alexander Agricultural College Tocal, Paterson continues to provide full-time training in agriculture and related industries as well as traineeship programs for young people wishing to work on the land and undertake part-time training. In addition, a wide range of short courses are run throughout the state by NSW DPI supported by infrastructure afforded by the two Colleges. A major external studies program is also run through Tocal College.³⁸⁴

Unskilled position for temporary seasonal and guest workers

The Commonwealth's Working Holiday Maker Program for seasonal workers

- 10.12** The Commonwealth Government's Working Holiday Maker Program provides opportunities for backpackers between 18 and 30 to holiday in Australia and to supplement their travel funds through incidental employment.
- 10.13** The visa allows a stay of up to 12 months from the date of first entry into Australia, regardless of whether or not the whole time is spent in Australia. Working Holiday Makers who have worked as seasonal workers³⁸⁵ in regional Australia³⁸⁶ for a minimum of three months while on their first Working Holiday visa, will be eligible to apply for a second Working Holiday visa. Applicants need to demonstrate that they continue to meet the requirements for a Working Holiday visa.³⁸⁷ This provision for a second Working Holiday visa was introduced in April 2005.³⁸⁸
- 10.14** The Committee notes that a number of parties to the inquiry cautiously supported the relaxation of the Working Holiday Maker Program to attract more seasonal workers to horticultural industries in Australia.

³⁸³ Both are available on the Committee's website at <http://www.parliament.nsw.gov.au/gpsc5>.

³⁸⁴ Submission 74, Advisory Councils of Murrumbidgee College of Agriculture and CB Alexander Agricultural College, Tocal, p1

³⁸⁵ Seasonal work is defined as: picking fruit, nuts and other crops, pruning and trimming vines and trees, general maintenance crop work and other work associated with packing or processing the harvest.

³⁸⁶ Regional Australia includes anywhere in Australia except Sydney, Newcastle, Wollongong, the NSW Central Coast, Brisbane, the Gold Coast, Perth, Melbourne or the ACT.

³⁸⁷ DIMIA, Working Holiday Makers, http://www.immi.gov.au/allforms/visiting_whm.htm, (accessed 30 January 2005)

³⁸⁸ Senator Amanda Vanstone, 'Enhancements to Working Holiday Maker Program to Help Address Seasonal Labour Shortages', Media Release, http://www.minister.immi.gov.au/media_releases/media05/v05051.htm, (accessed 30 January 2006)

10.15 In its written submission, the NSW Farmers' Association commented that the backpacker community is an important and valued supplier of seasonal labour in rural industries. The association further noted that many horticulturalists would support expanding further the backpacker labour force through a relaxation of the age restrictions and tax regulations on their visas.³⁸⁹

10.16 Similarly, Mr Frank Battistel, President of Griffith Citrus Growers Incorporated, stated in evidence:

I think there is a small advantage [in extending the working holiday visa for backpackers]. It is not as big an advantage as they might think, for the simple reason that most of those guys are young kids who have just finished school in their own countries and they are not really skilled in anything other than going to school. They require a lot of training. You will spend time training them and then within three months they are off.³⁹⁰

10.17 Ms Kelly Painting, Skilled Migration Project Officer at the Riverina RDB, also provided cautiously positive support for backpacker seasonal work, but stressed the need to better communicate the provisions of the Working Holiday Maker Program to employers as well as potential employees:

We believe it can provide some benefits to the region [but] it is about communicating that offer to employers and then ensuring they are involved in the publicity of the harvest trail.³⁹¹

The Commonwealth's temporary protection visa

10.18 The Commonwealth Government's temporary protection and temporary offshore humanitarian visa provide a range of options for temporary workers in Australia.

10.19 Full details of the various Commonwealth Government temporary protection schemes are on the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs website.³⁹² However for the purposes of this inquiry, the Committee simply notes that the Commonwealth made a number of changes to its temporary visa categories in July 2004. Many of the changes allowed greater flexibility to temporary workers in Australia, an acknowledgement 'that some of these people have made strong contributions to Australia, particularly in regional areas, or have established close links with Australians'.³⁹³

10.20 In its written submission, Bartter supported the Commonwealth's temporary protection arrangements. The Company noted that it has previously recruited a large number of refugees who have been on temporary protection visas, and that they have proved to be reliable and

³⁸⁹ Submission 89, NSW Farmers Association, p40

³⁹⁰ Mr Battistel, Evidence, 1 November 2005, p27

³⁹¹ Ms Painting, Evidence, 31 October 2005, p20

³⁹² See http://www.immi.gov.au/facts/64a_overview_tpv.htm

³⁹³ DIMIA, 'New Measures for Temporary Protection And Temporary Humanitarian Visa Holders', http://www.immi.gov.au/facts/64a_overview_tpv.htm, (accessed 30 January 2006)

hard working, and have integrated well into the Griffith community. Bartter further submitted that the positions would have been impossible to fill from the local labour market.³⁹⁴ This was reiterated by Mr Davis, Regional Human Resources Manager with Bartter Enterprises:

In my submission I made reference to the fact that we have historically placed a large number of Afghan refugees, for instance, who were here on protection visas and such. We went through a lot of angst and heartache with those individuals with the processes they were subject to, going from protection visas to full-time visas, work visas and work classifications and such. ...

On a monthly basis we check with the department the status of every single employee that we are aware of who is here on a certain type of visa, but we still have some of these challenges. In a lot of cases, obviously getting to know these people, they are genuinely unaware their status has changed. The vast majority of these people are outstanding workers. If you could set up a profile of what you wanted as an example of a great worker, these are those people. They come every day. You have no absenteeism. They work all day, every day. They go to their breaks and they create that multiculturalism, which is fantastic within the environment. They are wonderful people.³⁹⁵

- 10.21** The Committee also notes the comment of the Local Government Association of NSW and Shires Association of NSW:

The current regional shortages in unskilled and semi-skilled labour continue to inhibit development in regional NSW. Regional representatives and community participants raised similar concerns, indicating that Temporary Protection Visa Holders are making a significant contribution to their community by working in unskilled jobs.³⁹⁶

- 10.22** The Committee also notes the evidence of Ms Robyn Holloway, Assistant General Manager with Sunny Brands Chickens Pty Ltd in Byron Bay. The company recently put on 14 Sudanese workers, however Ms Holloway indicated that language and cultural barriers had made their employment problematic.³⁹⁷

'Guest Workers'

- 10.23** The Committee notes that on Wednesday, 7 December 2005, the Australian Senate referred to the Senate Employment, Workplace Relations and Education References Committee an Inquiry into Pacific Region seasonal contract labour, to report by 17 August 2006. The inquiry is in response to renewed interest in a Pacific region seasonal work or guest work program to address labour shortages in many rural industries, particularly around the harvest season.

- 10.24** At its web page, the Senate Committee indicates:

³⁹⁴ Submission 75, Bartter Enterprises, p1

³⁹⁵ Mr Davis, Evidence, 1 November 2005, pp18-19

³⁹⁶ Submission 86, LG&SA, p8

³⁹⁷ Ms Holloway, Evidence, 30 September 2005, p32

The National Farmers' Federation has called for a scheme to cover temporary and peak gaps in the rural labour market. It would be limited to industries and regions experiencing a labour shortage, with contractors enjoying local wages and conditions, provided they come from countries receiving Australian aid. The ACTU has expressed cautious support for a seasonal work program. At this year's Pacific Island Forum, renewed pressure was put on Australia and New Zealand from Pacific nation leaders to accept seasonal agricultural workers to help their struggling economies.

The Senate inquiry will examine whether a seasonal work program can meet labour shortages in rural Australia and advance the economic development of Pacific nations. It will consider the likely effects of such a policy on the current seasonal workforce and the likely social effects on regional cities and towns. Temporary or seasonal labour schemes are already in use in a number of other countries. The Canadian model is of particular interest.³⁹⁸

- 10.25** This Committee notes that in its written submission, the Murrumbidgee Horticulture Council advocated further investigation of a specific 'guest worker scheme' to support horticultural work in Australia. Such a scheme could possibly be available to recruits from Pacific island nations.³⁹⁹ This was reiterated by Ms Karen Hutchinson, Executive Director of the Murrumbidgee Horticulture Council, in evidence:

A guest workers scheme for horticulture has been in operation for some time internationally, notably in Canada, the United Kingdom and the United States of America. ... Benefits for source countries include enhanced housing, nutrition and education support for workers' families. Direct benefits for the Australian horticultural industry arise from increased labour reliability. Indirect benefits include expanded employment opportunities in tertiary industries, including transport, construction and fruit processing. Additional benefits for rural communities result from seasonal workers spending on goods and services in the community.⁴⁰⁰

- 10.26** By contrast, however, Ms Rosemary Campbell, a participant in the public forum in Wagga Wagga and an employee of TAFE NSW, was strongly opposed to the idea:

I strongly recommend that we do not invest in guest workers being brought from overseas and that we invest in the opportunities of training our young people in the regional areas so we build up a really strong cohort of highly qualified people.⁴⁰¹

Committee comment

- 10.27** The Committee is concerned by the evidence from the NSWFA about the poor take-up in the agriculture industry of the NSW Government's agriculture education strategy, offered as an alternative to participation in FarmBis III. The Committee notes the reduction in funding to

³⁹⁸ Senate Employment, Workplace Relations and Education References Committee, Inquiry into Pacific Region seasonal contract labour, cited at http://www.aph.gov.au/Senate/committee/eet_ctte/contract_labour/info.htm (accessed 24 March 2006)

³⁹⁹ Submission 65, Murrumbidgee Horticulture Council, p4

⁴⁰⁰ Ms Hutchinson, Evidence, 1 November 2005, p56

⁴⁰¹ Ms Campbell, Evidence, 31 October 2005, p39

NSW farmers from \$30 million under the bilateral FarmBis program over three years, to \$5.8 million over one year.

Recommendation 19

That the NSW Government continue its commitment to education and training in the rural sector through programs like PROfarm that have replaced the FarmBiz program.

10.28 The Committee also notes that a number of parties to the inquiry raised issues in relation to the take up of VET in their own industry. The Committee notes in particular:

- The evidence of Tourism Training Australia and the Australian Hotels Association NSW in relation to VET in the tourism industry.⁴⁰²
- The evidence of the Planning Institute of Australia, NSW Division in relation to VET in the planning industry.⁴⁰³
- The evidence of the MBA NSW in relation to the National Training Packages in the building industry.⁴⁰⁴
- Evidence forwarded from the NSW Nurses' Association in relation to the recruitment and retention of health care workers.⁴⁰⁵

10.29 The Committee acknowledges that many industry bodies such as those listed above are actively working to address the skills shortages problem that confronts their industry. At the same time, the Committee does not feel that it has sufficient evidence to comment adequately on the initiatives being undertaken in specific industries. In particular, the Committee is aware that a number of initiatives are being pursued in relation to the recruitment and retention of health care workers in NSW which go beyond the evidence available to the Committee.

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.

10.30 Finally, although not directly related to its terms of reference, the Committee notes that a number of parties to the inquiry raised the shortage of unskilled labour in Australia, leading to the suggestion that Australia should introduce a visa to cover unskilled workers working in the horticultural industries. The Committee recognises that the Senate Employment, Workplace Relations and Education References Committee is currently considering this issue in more detail, with a report due by 17 August 2006.

⁴⁰² See Submission 8, Tourism Training Australia and Submission 87, Australian Hotels Association

⁴⁰³ See Submission 34, Planning Institute of Australia, NSW Division

⁴⁰⁴ See Submission 51, MAB NSW

⁴⁰⁵ See Submission 78b, CRC

Appendix 1 Submissions

No	Author
1	Mr James Carney
2	Mr Peter M Allison
3	Mr Dominic Vella
4	Ms Helen Goodacre
5	Mrs Deborah Kerr, Ricegrowers Association of Australia Inc
6	Mr David Murray
7	Mr Robert Vincin, Emission Traders International Pty Ltd
8	Tourism Training Australia
9	Ms Carol P Logan, Dubbo City Council
10	Mr P J Doyle, Bellingen Shire Council
11	Councillor Sonya Phillips, Baulkham Hills Shire Council
12	Mr Murray Geldes, Asian Trade and Regional Development/National Economics
13	Mr Bill Calcutt, Mid North Coast Regional Development Board 13a - Mr Bill Calcutt, Mid North Coast Regional Development Board
14	Mr Peter Lewis, Peter Lewis & Co
15	Mr Richard Torbay MP, Member for Northern Tablelands 15a - Mr Richard Torbay MP, Member for Northern Tablelands
16	Mr Luke Johnson, Goulburn Mulwaree Council
17	Ms Therese Charles, The Association of Consulting Engineers Australia (ACEA)
18	Mr Barrie Brennan
19	Mr Bill O'Brien, Central Darling Shire Council
20	Mr Graham Taylor, Queanbeyan City Council
21	Mr Anthony McBride, TAFE NSW – Riverina Institute
22	Mrs Susan Gordon, Isolated Children's and Parents' Association of NSW Inc (ICPA)
23	Mr Peter Dale, Riverina Regional Development Board (RRDB)
24	Mr Neil McGarry, Liverpool Plains Shire Council
25	Mr Neil Watt, Cooma-Monaro Shire Council
26	Ms Tracey Freeman, Illawarra Skills Shortages Taskforce (ISST)
27	Mrs Margaret Royds, Liberal Party – Braidwood Branch
28	Mr Brian Harris, United Services Union (USU)

No	Author
29	Mr Bob Behl, Hay Shire Council 29a - Mr Bob Behl, Hay Shire Council
30	Ms Noleen Jessup, Camden Council
31	Ms Judith Clifton, Bega Valley Shire Council
32	Dr Andrew Dalley, Illawarra Division of General Practice
33	Ms Rebel Thomson, New England North West Area Consultative Committee (NENWACC)
34	Ms Monique Roser, Planning Institute Australia – NSW Division (PIA)
35	Ms Lucy Cheetham, COTA National Seniors Partnership (CNSP)
36	Mr Stephen Joyce, Griffith Shire Council
37	Mr Joe McKay, The Association of Professional Engineers, Scientists and Managers, Australia (APESMA)
38	Mr Robert van Aalst, Capital Regional Development Board (CRDB)
39	Ms Gina Mavrias, Australian Hearing
40	Mrs Lesley Scarlett, Southern Councils Group (SCG)
41	Ms Peta Beelen, Riverina Area Consultative Committee (RACC)
42	Mr Peter Morrish, Riverina Citrus
43	Ms Barbara Hull, Murray Regional Development Board (MRDB)
44	Mr RC Pluis, Leeton Shire Council
45	Mr Stuart McPherson, Clarence Valley Council
46	Ms Belinda Charlton, Singleton Council
47	Mr Ray Stubbs, Murray Regional Organisation of Councils (Murray ROC)
48	Ms Tracey Lonergan, Wagga Wagga City Council
49	Ms Megan Lilly, Australian Industry Group (AIG)
50	Mr Warren Grimshaw AM, TAFE NSW – North Coast Institute Council
51	Mr Brian Seidler, Master Builders Association of NSW (MBA)
52	Mr Dennis C Chugg, Liberal Party – Milton/Ulladulla Branch
53	Mr Stephen Crerar, Shoalhaven City Council
54	Ms Anita Mulally, Illawarra Respite Forum
55	Mr David L Rawlings, Bombala Council
56	Mr Neale Towart, Unions NSW
57	Ms Diana Gibbs, Regional Communities Consultative Council
58	Mr Bruce Haigh
59	Ms Sonia Battye-Smith, Central NSW Councils (CENTROC)
60	Confidential

No	Author
	60a – Ms Myffie Coady, Country Energy
61	Mr Colin Johnsen, FJP Manufacturing Pty Ltd
62	Mr Bill Archer
63	Mr John Griffiths, Coonamble Shire Council
64	Mr Colin Sharp, Charles Sturt University
65	Ms Karen Hutchinson, Murrumbidgee Council Inc (MHC)
66	Mr Tony Boland, Orange Cabonne Blayney Industry and Skills Project
67	Ms Julie Briggs, Riverina Eastern Regional Organisation of Councils (REROC)
68	Mr Owen G Moorhouse
69	Ms Leah Maj
70	Mr Bijai Kumar, Penrith City Council 70a – Confidential
71	Mr Adam Petrie, Petrie Electrical
72	Confidential
73	Ms Therese Postma, Newcastle City Council (NCC)
74	Ms Margo Duncan, CB Alexander Agricultural College Advisory Council Mr Jim Gelch, Murrumbidgee College of Culture Advisory Council
75	Mr John Davis, Bartter Enterprises
76	Mr Paul Bastian, Australian Manufacturing Workers' Union (AMWU)
77	Mr Paul Orton, Australian Business Limited (ABL)
78	Mr Stepan Kerkyasharian, Community Relations Commission for a Multicultural NSW 78a – Mr Malcolm Haddon, NSW Health 78b – Ms Myriam Bahari, Community Relations Commission for a Multicultural NSW
79	Mr Don Tydd, New England North West Regional Development Board (NENWRDB) 79a – Ms Kate Ware, New England North West Regional Development Board
80	Councillor Ron Page, City of Broken Hill
81	Mr Loftus Harris, Department of State and Regional Development
82	Ms Nicole Schlederer, Migrant Employment & Training Taskforce
83	Mr Don Page MP, Member for Ballina
84	Hon Ian Macdonald MLC, Department of Primary Industries
85	Ms Linda Simon, Technical and Further Education Teachers Association of NSW (TAFETA)
86	Mr Bill Gillooly AM, Local Government Association of NSW and Shire Association of NSW

No	Author
87	Mr John Thorpe, Australian Hotels Association NSW (AHA)
88	Mr Mark Beahan, Narromine Plumbing Co.
89	Ms Brianna Casey, NSW Farmers' Association
90	Mr Neville Gasmier, Far Western Regional Development Board
91	Mr Stefan Delatovic, Broken Hill City Youth Council (BHCYC)
92	Ms Sue Whelan, NSW Regional Development Advisory Council (RDAC)
93	Hon Milton Morris, Hunter Valley Training Company

Appendix 2 Witnesses

Date	Name	Position and Organisation
30 September 2005		
Coffs Harbour		
Coffs Harbour Ex-Service's Club		
	Mr William Grant Calcutt	Executive Officer, Mid North Coast Regional Development Board
	Ms Carmel Anne Hong	Acting Deputy Chair, Mid North Coast Regional Development Board
	Mr Warren Albert Grimshaw AM	Chair, North Coast Institute Advisory Council
	Mr Neil Duncan Black	Institute Director, TAFE NSW – North Coast Institute Council
	Ms Elizabeth Ellen McGregor	Director – Education Planning and Innovation, TAFE NSW – North Coast Institute Council
	Mr Peter Robert Bailey	Chief Executive Officer, Country Week
	Mr Douglas Head	Chief Executive Officer, Australian Solar Timbers
	Ms Robyn Ellen Holloway	Assistant General Manager, Sunny Brand Chickens Pty Ltd
	Mr Gary Forbes Burr ridge	Chief Executive Officer, Northern Co-operative Meat Company
	Mr Donald Joseph Want	Engineering Manager, W.E Smith Hudson Pty Ltd
	Mr Nick Ciani	Workshop Manager, A.J Mills and Sons Transport
	Mr Wayne Lowe	Economic Development Officer, Nambucca Shire Council
	Mr Paul Hoffman	General Manager, Express Coach Builders Pty Ltd
	Mr Kevin Arthur Abey	Temporary Economic Development Officer, Armidale/Dumaresq Council
	Mr George Beecher Cowan	Executive Manager, Economic Development, Clarence Valley Council
	Mr Andrew Keith Johnson	General Manager, Guyra Shire Council
	Mr Peter James Garven	Human Resources Manager, Kempsey Shire Council

Date	Name	Position and Organisation
31 October 2005 Wagga Wagga Carriage House Conference Centre	Ms Linda Elizabeth Kirkwood	Human Resources Manager, Coffs Harbour City Council
	Mr Colin James Sharp	Director, Office of Planning and Audit, Charles Sturt University
	Professor Ross Cameron Chambers	Deputy Vice Chancellor (Academic), Charles Sturt University
	Mr Thomas Watson	Chair, Riverina Area Consultative Committee
	Ms Peta Olive Mary Beelen	Executive Officer, Riverina Area Consultative Committee
	Mr Peter Stanley Dale	Executive Officer, Riverina Regional Development Board
	Ms Kelly Susan Painting	Riverina Skilled Migration Project Officer, Riverina Regional Development Board
	Ms Julie Briggs	Executive Officer, Riverina Eastern Regional Organisation of Councils
	Mr Michael Paul Braybrooks	Chairman, Riverina Eastern Regional Organisation of Councils
	Mr Lea Rowdan John Brown	Administration Manager, RIC Electrics Pty Ltd
	Mr Paul George Gianniotis	General Manager, ICG Construction Group
	Ms Tracey-Leann Lonergan	Director Finance, Commercial Response Unit Pty Ltd
	Ms Robyn Thurston	Executive Officer, Wagga Wagga Chamber of Commerce & Finance
	Mr Mark Anthony Cunningham	Marketing Manager, Riverina Community College
	Ms Rosemary Campbell	Institute Director, Riverina Institute of TAFE
	Mr Andrew Clinton	Junee Railway Workshop Pty Ltd
Mr Daryl Day	Managing Director, Precision Parts Pty Ltd	
Mr Terry O'Connor	Organiser, Greater New South Wales Branch, The Australian Workers' Union	
Mr Mark Koskiniemi	Managing Director, Buckman Laboratories Pty Ltd	
Ms Erica Smith	Associate Professor in Vocational Education and Training, Charles	

Date	Name	Position and Organisation
1 November 2005 Griffith Regional State Theatre	Mr Richard Pickersgill	Sturt University Lecturer in Vocational Education and Training, Charles Sturt University
	Professor Andrew Smith	Professor in Human Resources, Charles Sturt University
	Ms Barbara Hull	Executive Officer, Murray Regional Development Board
	Mr Dominic Vella	Private citizen
	Mr Mark Taylor	General Manager, Griffith Skills Training Centre
	Mr Harold David Goring	Organiser, South West Region, Australian Workers' Union
	Mr John Davis	Regional Human Resources Manager, Bartter Enterprises
	Mr Peter Alexander Morrish	Executive Officer, Riverina Citrus
	Mr Victor Antonio Nardi	President, Leeton Citrus Growers
	Mr Frank Battistel	President, Griffith Citrus Growers Inc.
	Mr Stephen Leonard Joyce	Economic Development Manager, Griffith City Council
	Mr Raymond Charles Pluis	General Manager, Leeton Shire Council
	Mr Peter Michael Kozlowski	General Manager, Carrathool Shire Council
	Mr Garry David Stoll	Manager Economic Development, Leeton Shire Council
	Mr Paul Anthony Foley	Human Resources Manager, De Bortoli Wines
	Ms Helen Maree Williams	Human Resources Manager, Casella Wines
	Mr Gordon Dunlop	State Treasurer, Isolated Children's and Parent's Association
	Mr Peter Fussell	President, Griffith Chamber of Commerce
	Mr John Collins	Manager Continuing Education, Murrumbidgee College of Agriculture
	Mr Jim Geltech	Chair, Murrumbidgee College Advisory Council
Mr Brett Tucker	Operations Officer, Murrumbidgee	

Date	Name	Position and Organisation
2 November 2005 Sydney Parliament House	Ms Gillian Kirkup	Irrigation Grower representing the Ricegrowers Association
	Ms Karen Hutchinson	Executive Director, Murrumbidgee Horticultural Council
	Mr Mike Hedditch	General Manager Growers Services/Communications, SunRice
	Clr John Dal Broi	Mayor, Griffith City Council
	Ms Kathy Rankin	Policy Advisor – Education and Training, Australian Business Limited
	Mr Mark Grimson	Chief Executive Officer, Illawarra Business Chamber
	Mr Neale Towart	Research Director, Unions NSW
	Mr Desmond Bede Williams	Representative, Tweed Byron Local Aboriginal Land Council
	Mr Clifford Foley	Former ATSIIC Commissioner
	Mr David Archibald Collins	General Manager – State Training Services, NSW Department of Education and Training
	Mr Gary Alexander Pollock	Director of TAFE NSW, New England Institute
	Mr Michael Olsen	General Manager, NSW Skilled
	Ms Julie McBeth	Corporate Affairs Manager, Skilled Group
	23 November 2005 Parkes Council Chambers	Mr Robert Ian Wilson
Mr Christopher John Devitt		General Manager, Forbes Shire Council
Mr Roger William Bailey		General Manager, Lachlan Shire Council
Mr Neil Harrison		Director, Transtank Pty Ltd
Mr John Simpson		Managing Director, Parkes Steel Products
Mr Robert Colin Haddin		Managing Director, Bosmac Pty Ltd
Mr Peter John Batten		Relieving Institute Director, TAFE NSW, Western Institute

Date	Name	Position and Organisation
24 November 2005 Bathurst Council Chamber	Ms Juliet Lee Duffy	Executive Officer, Orana Regional Development Board
	Mr Thomas William Warren	Chief Executive Officer, Orana Area Consultative Committee
	Mr William Archer	Private citizen
	Mrs Dawn Fardell MP	Member for Dubbo
	Mr Barry Heraghty	Private citizen
	Mr Blake O'Malley-Powter	Private citizen
	Mr Benjamin Peter Bardon	General Manager, Central West Group Apprentices Ltd
	Mr Jeffrey Charles Hort	Managing Director, Jeff Hort Engineering Pty Ltd
	Ms Sharon Anne Rabey	Acting Chief Executive, Central Western Regional Development Board
	Mr Anthony John Boland	Project Manager, Orange Cabonne Blayney Industry and Skills Project
	Dr Geoffrey Alan (Jock) Fletcher	Council member, Regional Communities Consultative Council
	Mr Thomas Alan Murphy	Chief Executive Officer, Western Research Institute, Charles Sturt University
	Mr John Charles Lamberton	Training Co-ordinator, Masterfoods of Australia – New Zealand
	Mr Parminder Singh	Managing Director, Radhika Enterprises Pty Ltd
	Mr Ray Stapley	OHS&E Training Manager, Simplot
	Ms Marisa Clift	Manager of Community Work Services, Central West Community College
	Ms Jennifer Houghton	Recruitment Co-ordinator, Central West Community College
	Mr Barry Gregan	Project Supervisor, Central West Community College
	Mr Stephen Freeman	Private citizen
Mr Andrew Johnstone	Private citizen	
Mr Gerard Martin MP	Member for Bathurst	
Mr Ian Armstrong MP	Member for Lachlan	

5 December 2005

Sydney

Parliament House

Mr Allan John Smith	Executive Member, Local Government and Shires Association
Mr Barry Campbell Johnston	Vice President, Local Government and Shires Association
Mr Shaun Christopher McBride	Strategy Manager, Local Government and Shires Association
Mr Brian Seidler	Executive Director, Master Builders Association of NSW
Mr Michael Peter Hall	Training Manager, Master Builders Association of NSW
Mr Loftus Wright Harris	Director General, Department of State and Regional Development
Mr Paul Gerard Collits	Manager Policy, Department of State and Regional Development
Mr Michael Cullen	Executive Director Regional Development, Department of State and Regional Development
Dr John Duncan Anselan Buchanan	Acting Director, ACIRRT, University of Sydney
Mr Russell Bryan Schedlich	Medical advisor, Workforce Development and Leadership, NSW Health
Ms Deborah Hyland	Director of Workforce Development and Leadership, NSW Health
Mr Richard Acheson	Director, Community Relations Commission For a multicultural NSW
Ms Merryn Howell	Member, Migrant Employment Training Taskforce
Mr Alexander Burns	Member, Migrant Employment Training Taskforce
Ms Nicole Schlederer	Co-convenor, Migrant Employment Training Taskforce
Ms Cheryl Webster	Member, Migrant Employment Training Taskforce

13 February 2006

Queanbeyan

Council Chambers

Mr Peter Pederson	General Manager, Illawarra Regional Development Board
Mr Val Zanotto	Chairman, Illawarra Skills Audit
Mr Neil Watt	General Manager, Cooma-Monaro Shire Council
Mr John Mercer	Manager, Snowy-Monaro Enterprise Centre Inc.
Mr Craig Franklin Murray	Managing Director, Country Energy
Ms Teri Ann Benson	Group General Manager, Corporate Services, Country Energy
Mr William James Frewen	Group General Manager, External Relations, Country Energy
Mr Benjamin Ross Hamilton	General Manager, Strategy, Country Energy
Mr John Dedman	Executive Officer, South East NSW Area Consultative Committee
Ms Judith Ann Clifton	Economic Development Manager, Bega Valley Shire Council
Ms Susan Elizabeth Whelan	Chair, Regional Development Advisory Council
Mr Clinton Neal White	Executive Officer, Capital Regional Development Board

16 February 2006

Moree

Former Rugby League Club

Mr Donald Lawrence Tydd	Executive Officer, New England North West Regional Development Board
Ms Meryl Lurline Dillon	Chair, New England North West Regional Development Board
Ms Kate Ware	Executive Officer, New England North West Area Consultative Committee
Mr Kevin John Humphries	Former Chairman, New England North West Area Consultative Committee
Mr John Joseph Griffiths	General Manager, Coonamble Shire Council
Mr Anthony Myles Kunkel	Economic Development Officer, Moree Plains Shire Council

Ms Cathy Joyce Duncan	Director of Culture and Reputation, Aboriginal Employment Strategy Ltd
Ms Zona Moore	Manager, Aboriginal Employment Strategy Ltd
Ms Dallas Brown	School to Work Co-ordinator, Aboriginal Employment Strategy Ltd
Ms Wendy Marie Craigie	Employment Co-ordinator, Aboriginal Employment Strategy Ltd
Mr Matthew Eric Hannan	Chief Executive Officer, Ninethana Aboriginal Corporation
Mr Russell Stewart	Marketer, Best Employment
Ms Norma Joy Wilson	President, Moree Chamber of Commerce
Mr Donald Frederick Desmond Devney	Director, DDs Welding Service Pty Ltd
Mr Harvey John Gaynor	General Manager, Auscott Ltd
17 February 2006	
Sydney	
Parliament House	
Mr Anthony Michael Dwyer	Education and Training Adviser, Rural Skills Australia
Mr Wayne Alwyn Cornish	Chairperson, Rural Skills Australia
Mr Geoffrey Michael Bloom	Executive Director, Rural Skills Australia
Mr Alan James Brown	Chair, Rural Affairs Committee, NSW Farmers Association
Mr Anand Sugrim	Senior Policy Analyst, NSW Farmers Association
Hon Milton Arthur Morris	Chairman, Hunter Valley Training Company
Mr Peter Charles Shinnick	General Manager, Hunter Valley Training Company
Mr John Leslie Quick	Education and Training Advisor, Australian Industry Group
Ms Megan Mary Lilly	General Manager Education and Training, Australian Industry Group

Appendix 3 Tabled documents

30 September 2005 Coffs Harbour

No	Tabled Document
1	<i>Growing Jobs on the Mid North Coast</i> , Consultative Draft 19 January 2005, tabled by Mr Bill Calcutt
2	NSW Department of Education and Training - Planning and Innovation Directorate, <i>Submission to the House of Representatives Standing Committee on Science and Innovation Inquiry into pathways to technological innovation</i> , tabled by Ms Elizabeth McGregor
3	<i>NSW Country and Regional Relocation Guide</i> , tabled by Mr Peter Bailey
4	<i>Country Week Expo 2005</i> , tabled by Mr Peter Bailey
5	Answers to questions from the Committee, tabled by Mr Wayne Lowe
6	<i>Nambucca Shire Council – Department of Environment and Community Planning</i> , tabled by Mr Wayne Lowe
7	Answers to questions from the Committee, tabled by Mr Peter Carven
8	Answers to questions from the Committee, tabled by Mr George Cowan
9	<i>Clarence Valley Council Profile</i> , tabled by Mr George Cowan
10	Clarence Local Industry Education Network Committee Inc., <i>School-Industry Partnership</i> , tabled by Mr George Cowan

31 October 2005 Wagga Wagga

No	Tabled Document
11	<i>Sundry Statistics on New South Wales Higher Education Enrolments</i> , Charles Sturt University, tabled by Mr Colin Sharp
12	<i>Riverina Skilled Vacancies – By Need/Employer</i> , <i>Riverina naturally</i> , tabled by Mr Peter Dale
13	<i>Riverina Regional Development News</i> , <i>Riverina naturally</i> , tabled by Mr Peter Dale
14	Email from Dallas Kaylock to the Chamber of Commerce, dated 25 October 2005, tabled by Ms Robyn Thurston
15	<i>Wagga Wagga Skills & Trades Development Initiative Connecting Careers & Industries</i> , tabled by Ms Tracey Lonergan
16	<i>Points from TAFE NSW Riverina Institute</i> , tabled by Ms Rosemary Campbell
17	<i>Enterprises' Commitment to Nationally- Recognised Training for Existing Workers</i> , NCVER, tabled by Ms Erica Smith
18	<i>How workplace experiences while at school affect career pathways</i> , NCVER, tabled by Ms Erica Smith
19	<i>Submission to New South Wales Legislative Council Inquiry into Skills Shortages in Rural and Regional NSW</i> , tabled by Mr Richard Pickersgill

1 November 2005 Griffith

No	Tabled Document
20	<i>Presentation to the Legislative Committee on State Development at Griffith on Tuesday 1 November 2005</i> , tabled by Mr Ray Pluis
21	<i>Leeton Narrandera Lynks</i> , tabled by Mr Ray Pluis

No	Tabled Document
22	<i>MLA Backpackers and Harvest Labour Study, Final Report (May 2005)</i> , SGS Economics and Planning, tabled by Mr Garry Stoll
23	<i>Murray & Riverina – Regional and Rural Skills Shortages Survey (August 2005)</i> , tabled by Mr Stephen Joyce
24	<i>Federal Council “Access to Education”, Isolated Children’s and Parent’s Association of Australia</i> , tabled by Mr Gordon Dunlop
25	<i>Rural Skills Inquiry</i> , Isolated Children’s and Parent’s Association of Australia, tabled by Gordon Dunlop
26	<i>Public Forum, Griffith, Tuesday 1 November 2005</i> , NSW Department of Primary Industries, tabled by Mr John Collins

2 November 2005 Sydney

No	Tabled Document
27	<i>Dairy: Employment for the future, Towards an employment strategy</i> , ACIRRT, University of Sydney, tabled by Mr Neale Towart
28	<i>Rural Workers to be Hardest Hit</i> , tabled by Mr Neale Towart
29	<i>Destination and Satisfaction Survey of 2004 HSC VET Students in New South Wales</i> , NSW Department of Education and Training, tabled by Mr David Collins
30	<i>Strategic Evaluation of Vocational Education and Training in Schools in New South Wales</i> , Bert Evans AO, tabled by Mr David Collins
31	<i>Addressing Skills Shortages Through a National Approach for Apprenticeships, Training and Skills Recognition</i> , tabled by Mr David Collins

23 November 2005 Parkes

No	Tabled Document
32	<i>Reasoning and Maths</i> , Transtank, tabled by Mr Neil Harrison (2 documents) with identifying details kept confidential
33	<i>Orana Regional Business Survey – Summary of results: June Quarter 2005</i> , tabled by Ms Juliet Duffy
34	<i>Orana Regional Business Survey – Summary of results: September Quarter 2005</i> , tabled by Ms Juliet Duffy

24 November 2005 Bathurst

No	Tabled Document
35	<i>Submission to the Inquiry into Skills Shortages in Rural and Regional NSW</i> , Central West Group Apprentices, tabled by Mr Ben Bardon with confidential material to be deleted
36	<i>Enquiry into Skills Shortage</i> , tabled by Mr Jeffery Hort
37	<i>Additional information for attachment to the submission from the Orange Cabonne Blayney Industry and Skills Project</i> , tabled by Tony Boland
38	<i>Western Research Institute Skills Shortage Research</i> , tabled by Mr Thomas Murphy

5 December 2005 Sydney

No	Tabled Document
39	<i>Introduction: Vocational education and training – a key dimension of long-life learning</i> , tabled by Dr John Buchanan

13 February 2006 Queanbeyan

No	Tabled Document
40	<i>Bega Valley Building Industry Taskforce – Summary on Local Building Industry Issues from 2004-2005</i> , tabled by Ms Judith Clifton
41	<i>Student Diary</i> , produced by South East NSW ACC, tabled by John Dedman

17 February 2006 Sydney

No	Tabled Document
42	<i>A Guide to Rural Production and Amenity Horticulture Training Packages</i> , tabled by Mr Wayne Cornish
43	<i>NSW Rural and Relation New Apprenticeships Commencements 1998/99</i> , tabled by Mr Wayne Cornish
44	<i>New Apprenticeships</i> , tabled by Mr Wayne Cornish
45	<i>Skills Needs for the Rural Industry</i> , tabled by Mr Wayne Cornish
46	<i>Rural Industry Task Force Report for 2001-2003</i> , tabled by Mr Wayne Cornish
47	Graphs and images tabled by Dr Chandra Shah (2 documents)
48	<i>Rural Skills Shortage Project, Hunter and Illawarra Regions in NSW</i> , tabled by Mr John Quick

Appendix 4 Minutes

Minutes No 36

Wednesday 8 June 2005

Parliament House, Room 1153, 1.10pm

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. ***

3. Correspondence

The Chair noted the following item of correspondence:

Received

Item 1 – To the Chair from David Campbell, Minister for Regional Development, Minister for the Illawarra, Minister for Small Business, dated 7 June 2005, regarding a new inquiry into skills shortages in rural and regional NSW.

4. ***

5. Deliberative – Inquiry into Skills Shortages in rural and regional NSW

The Committee discussed the terms of reference for the new inquiry into skills shortages in rural and regional NSW.

Closing date for submissions

The Committee deliberated.

Resolved, on the motion of Ms Forsythe, that the closing date for submissions should be Friday 5 August 2005.

Advertising and inviting submissions

The Committee deliberated.

Resolved, on the motion of Ms Forsythe, that the inquiry be advertised in the Sydney Morning Herald, the Daily Telegraph and major regional newspapers as identified by the Secretariat; and that in addition, the Committee write to invite a submission from relevant organisations and individuals.

6. Adjournment

The Committee adjourned at 2.00pm sine die.

Julie Langsworth
Director

Minutes No 37

Friday 2 September 2005

Parliament House, Room 1153, 2.00pm

1. Members present

Hon Tony Catanzariti MLC (Chair)
 Hon Patricia Forsythe MLC (Deputy)
 Hon Christine Robertson MLC
 Hon Greg Donnelly MLC
 Hon Melinda Pavey MLC
 Mr Ian Cohen MLC

2. Minutes

Resolved, on the motion of Mr Cohen: That the Committee adopt Minutes 36.

3. Correspondence

The Chair noted the following item of correspondence:

Received

Item 1 Ellen McMaster to Peter Black (cc to State Development Committee), dated 24 October 2004

Item 2 Alan McCormack, General Manager, Parkes Shire Council to Director, dated 12 July 2005 re: inquiry into skills shortages

Item 3 Alex Darling, Lord Mayor, City of Wollongong to Director, dated 13 July 2005 re: inquiry into skills shortages

Item 4 Adrian Piccoli MP for Murrumbidgee, dated 5 July 2005 re: inquiry into skills shortages

Item 5 Adrian Piccoli MP for Murrumbidgee, dated 18 July 2005 re: inquiry into skills shortages

Item 6 Robert Fulcher, General Manager, Uralla Shire Council, dated 29 July 2005 re: inquiry into skills shortages

Item 7 Ian McDonald, MLC, NSW Minister for Primary Industries, dated 2 August 2005 re: inquiry into skills shortages

Item 8 Dawn Fardell MP for Dubbo, dated 4 August 2005 re: inquiry into skills shortages

Item 9 Robert I Wilson OAM, Mayor, Parkes Shire Council, dated 5 August 2005 re: inquiry into skills shortages

Item 10 Adrian Piccoli MP for Murrumbidgee, dated 8 August 2005 re: inquiry into skills shortages

Item 11 Pat Romano, General Manager, Burwood Council, dated 8 August 2005 re: inquiry into skills shortages.

Sent

Item 12 Chair to Adrian Piccoli MP for Murrumbidgee, dated 23 August 2005 re: inquiry into skills shortages

Item 13 Chair to Dawn Fardell, MP for Dubbo, dated 23 August 2005 re: inquiry into skills shortages.

4. Deliberative - Inquiry into skills shortages in rural and regional NSW

The Committee deliberated on the inquiry terms of reference and the focus of the inquiry.

Submissions

The Chair tabled submissions 1 to 75.

Resolved, on the motion of Ms Robertson: That submissions 1 – 59; 61 – 71 (excluding 70A); 73 – 75 be made public.

Site visits

Resolved, on the motion of Ms Forsythe: That the Committee undertake site visits to a number of rural and regional areas to take evidence and conduct forums in relation to the inquiry into skills shortages; and

that the specific arrangements for these site visits be left in the hands of the Chair and secretariat after consultation with the Committee.

Conference

Resolved, on the motion of Ms Roberston: That the Secretariat seek the approval of the Clerk to attend a conference relevant to the inquiry into skills shortages, *Skilling Australia. Addressing the Nation's Skills Shortages* on 20 and 21 September 2005.

House of Representatives inquiry

The secretariat briefed the Committee on the House of Representatives Inquiry into Rural Skills Training and Research.

5. Adjournment

The Committee adjourned at 2.50pm.

Julie Langsworth
Director

Minutes No 38

Friday 30 September 2005

Entertainment Lounge, Coffs Harbour Ex-Services Club, Coffs Harbour, 9:17 am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. Minutes

Resolved, on the motion of Mr Cohen: That the Committee adopt Minutes 37.

3. Correspondence

The Chair noted the following items of correspondence:

Received

- **Item 1** – Hon Tony Kelly MLC, Minister for Rural Affairs to Director, dated 1 September 2005 re: inquiry into skills shortages
- **Item 2** – Renee Gibson, Cabonne Council email to Chair, dated 11 August 2005 re: inquiry into skills shortages
- **Item 3** – Jackie Greenow, Mayor of Penrith City Council to Chair, dated 21 July 2005 re: inquiry into skills shortages

Sent

- **Item 4** – Chair to Andrew Fraser, Member for Coffs Harbour, dated 21 September re: inquiry into skills shortages
- **Item 5** – Chair to Keith Rhoades, Mayor of Coffs Harbour, dated 27 September re: inquiry into skills shortages

4. **Deliberative - Inquiry into skills shortages in rural and regional NSW**

Submissions

The Chair noted that submission 73 from Newcastle City Council has been updated. The Chair tabled supplementary submission 13A and submissions 76 to 84.

Resolved, on the motion of **Ms Robertson**: That submissions 13A and 76 to 84 be made public.

Conference

The Secretariat reported back to the Committee on experiences of attending the following conference on 20 September 2005: *Skilling Australia. Addressing the Nation's Skills Shortages*.

5. **Public Hearing – Inquiry into skills shortages in rural and regional NSW**

The public and the media were admitted.

Mr Bill Calcutt, Executive Officer, Mid North Coast Regional Development Board and Ms Carmel Hong, Acting Deputy Chair, Mid North Coast Regional Development Board were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr Neil Black, Institute Director, TAFE NSW, North Coast Institute; Mr Warren Grimshaw AM, Chair, North Coast Institute Advisory Council; and Ms Elizabeth McGregor, Director Education Planning and Innovation, NAFE NSW – North Coast Institute were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr Peter Bailey, Convener, Country Week was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

The Committee adjourned at 11.10am and resumed at 11.31am.

Mr Douglas Head, Chief Executive, Australian Solar Timbers was sworn and examined

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Ms Robyn Holloway, Assistant General Manager, Sunny Brand Chickens was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Mr Gary Burrige, General Manager, Northern Co-operative Meat Company was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

The Committee adjourned at 12.42pm and resumed at 1.30pm.

Mr Don Want, Engineering Manager, W.E.Smith Hudson Pty Ltd, was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Mr Nick Ciani, Workshop Manager, Mills Transport was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Mr Wayne Lowe, Economic Development Officer, Nambucca Shire Council and Mr Paul Hoffman, General Manager, Express Coach Builders were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

The Committee adjourned at 2.40pm and resumed at 3.00pm.

Mr Peter Garven, Human Resources Manager, Kempsey Shire Council; Ms Linda Kirkwood, Human Resources Manager, Coffs Harbour City Council were affirmed and examined.

Mr George Cowan, Executive Manager – Economic Development, Clarence Valley Council; Mr Andrew Johnson, General Manager, Guyra Shire Council; and Mr Kevin Abey, Temporary Economic Development Officer, Armidale/Dumaresq Council were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

6. Deliberative - Inquiry into skills shortages in rural and regional NSW

Tabled Documents

Resolved, on the motion of Ms Forsythe: That the following documents, accepted by the Committee during the hearing, be published:

- *Growing Jobs on the Mid North Coast*, Consultative Draft 19 January 2005, tabled by Mr Bill Calcutt
- NSW Department of Education and Training - Planning and Innovation Directorate, *Submission to the House of Representatives Standing Committee on Science and Innovation Inquiry into pathways to technological innovation*, tabled by Ms Elizabeth McGregor
- *NSW Country and Regional Relocation Guide*, tabled by Mr Peter Bailey
- *Country Week Expo 2005*, tabled by Mr Peter Bailey
- Answers to questions from the Committee, tabled by Mr Wayne Lowe
- *Nambucca Shire Council – Department of Environment and Community Planning*, tabled by Mr Wayne Lowe
- Answers to questions from the Committee, tabled by Mr Peter Carven
- Answers to questions from the Committee, tabled by Mr George Cowan
- *Clarence Valley Council Profile*, tabled by Mr George Cowan

- Clarence Local Industry Education Network Committee Inc., *School-Industry Partnership*, tabled by Mr George Cowan

7. Adjournment

The Committee adjourned at **4.00pm**.

Julie Langsworth
Director

Minutes No 39

Monday 31 October 2005

Surrey Room, Carriage House Conference Centre, Wagga Wagga, 10:12 am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. Public Hearing – Inquiry into skills shortages in rural and regional NSW

The public and the media were admitted.

Mr Colin Sharp, Director, Office of Planning and Audit, Charles Sturt University and Professor Ross Chambers, Deputy Vice Chancellor (Academic), Charles Sturt University were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

The Committee adjourned at 11:02am and resumed at 11:15am.

Mr Thomas Watson, Chair, Riverina Area Consultative Committee; Mr Michael Paul Braysbrook, Chairman, Riverina Eastern Regional Organisation of Councils; and Ms Julie Briggs, Executive Officer, Riverina Eastern Regional Organisation of Councils were sworn and examined.

Mr Peter Dale, Executive Officer, Riverina Regional Development Board; Miss Kelly Painting, Riverina Skilled Migration Project Officer, Riverina Regional Development Board; and Ms Peta Beelen, Executive Officer, Riverina Area Consultative Committee were affirmed and examined.

The witnesses answered questions from the Committee

Questioning concluded, the witnesses withdrew.

Mr Lea Brown, Administration Manager, RIC Electrics Pty Ltd and Mr Paul Gianniotis, General Manager, ICG Construction Group were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Ms Tracey Lonergan, Director Finance, Commercial Response Unit Pty Ltd; Ms Robyn Thurston, Executive Officer, Wagga Wagga Chamber of Commerce & Finance; and Mr Mark Cunningham, Marketing Manager, Riverina Community College were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

The Committee adjourned at 1:15pm and resumed at 2:00pm.

3. **Public Forum – Inquiry into skills shortages in rural and regional NSW**

The Committee heard evidence from:

- Ms Rosemary Campbell, Institute Director, Riverina Institute of TAFE
- Mr Andrew Clinton, Junee Railway Workshop Pty Ltd
- Mr Daryl Day, Managing Director, Precision Parts Pty Ltd
- Mr Terry O'Connor, Organiser, Greater New South Wales Branch, The Australian Workers' Union
- Mr Mark Koskiniemi, Managing Director, Buckman Laboratories Pty Ltd
- Ms Erica Smith, Associate Professor in Vocational Education and Training, Charles Sturt University
- Mr Richard Pickersgill, Lecturer in Vocational Education and Training, Charles Sturt University
- Mr Andrew Smith, Professor in Human Resources, Charles Sturt University
- Ms Barbara Hull, Executive Officer, Murray Regional Development Board
- Mr Dominic Vella, private citizen

4. **Deliberative - Inquiry into skills shortages in rural and regional NSW**

Minutes

Resolved, on the motion of Ms Forsythe: That the Committee adopt Minutes 38.

Correspondence

The Chair noted the following items of correspondence:

Received

- **Item 1** – Dawn Fardell MP for Dubbo, dated 16 September 2005 re: inquiry into skills shortages
- **Item 2** - Dawn Fardell MP for Dubbo, dated 28 September 2005 re: inquiry into skills shortages
- **Item 3** – Hon David Campbell MP, Minister for Regional Development, dated 18 October 2005 re: inquiry into skills shortages
- **Item 4** - Matt Mushalik, dated 23 October 2005 re: inquiry into port infrastructure

Sent

- **Item 5** – Chair to Adrian Piccoli MP for Murrumbidgee, dated 10 October 2005 re: inquiry into skills shortages
- **Item 6** - Chair to Daryl Maguire MP for Wagga Wagga, dated 10 October 2005 re: inquiry into skills shortages
- **Item 7** – Chair to Dawn Fardell MP for Dubbo, dated 12 October 2005 re: inquiry into skills shortages
- **Item 8** - Chair to Dawn Fardell MP for Dubbo, dated 24 October 2005 re: inquiry into skills shortages
- **Item 9** – Chair to Gerard Martin MP for Bathurst, dated 24 October 2005 re: inquiry into skills shortages

Submissions

The Chair tabled submissions 29a, 60a, 78a and 85-88.

Resolved, on the motion of Ms Forsythe: That submissions 29a, 60a, 78a and 85-88 be made public.

Tabled Documents

Resolved, on the motion of Ms Forsythe: That the following documents, accepted by the Committee during the hearing, be published:

- *Sundry Statistics on New South Wales Higher Education Enrolments*, Charles Sturt University, tabled by Mr Colin Sharp
- *Riverina Skilled Vacancies – By Need/Employer, Riverina naturally*, tabled by Mr Peter Dale
- *Riverina Regional Development News, Riverina naturally*, tabled by Mr Peter Dale
- Email from Dallas Kaylock to the Chamber of Commerce, dated 25 October 2005, tabled by Ms Robyn Thurston
- *Wagga Wagga Skills & Trades Development Initiative Connecting Careers & Industries*, tabled by Ms Tracey Lonergan
- *Points from TAFE NSW Riverina Institute*, tabled by Ms Rosemary Campbell
- *Enterprises' Commitment to Nationally- Recognised Training for Existing Workers*, NCVER, tabled by Ms Erica Smith
- *How workplace experiences while at school affect career pathways*, NCVER, tabled by Ms Erica Smith
- *Submission to New South Wales Legislative Council Inquiry into Skills Shortages in Rural and Regional NSW*, tabled by Mr Richard Pickersgill

5. Adjournment

The Committee adjourned at 3:25pm.

Stephen Frappell
Acting Director

Minutes No 40

Tuesday 1 November 2005

Burley Griffin Room, Griffith Regional State Theatre, Griffith, 8:31am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. Public Hearing – Inquiry into skills shortages in rural and regional NSW

The public and the media were admitted.

Mr Mark Taylor, General Manager, Griffith Skills Training Centre was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Mr Harold Goring, Organiser, South West Region, Australian Workers Union was sworn and examined.

The witness answered questions from the Committee

Questioning concluded, the witness withdrew.

Mr John Davis, Regional Human Resources Manager, Bartter Enterprises was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

The Committee adjourned at 10:04am and resumed at 10:17am.

Mr Peter Morrish, Executive Officer, Riverina Citrus ; Mr Victor Nardi, President, Leeton Citrus Growers; and Mr Frank Battistel, President, Griffith Citrus Growers Inc. were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr Stephen Joyce, Economic Development Manager, Griffith City Council; Mr Raymond Pluis, General Manager, Leeton Shire Council; Mr Garry Stoll, Manager Economic Development, Leeton Shire Council; and Mr Peter Kozlewski, General Manager, Carrathool Shire Council were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr Paul Foley, Human Resources Manager, De Bortoli Wines and Ms Helen Williams, Human Resources Manager, Casella Wines were affirmed and examined.

The Committee adjourned at 12:03pm and resumed at 1:00pm.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

3. Public Forum – Inquiry into skills shortages in rural and regional NSW

The Committee heard evidence from:

- Mr Gordon Dunlop, State Treasurer, Isolated Children's and Parent's Association
- Mr Peter Fussell, President, Griffith Chamber of Commerce
- Mr John Collins, Manager Continuing Education, Murrumbidgee College of Agriculture
- Mr Jim Geltch, Chair, Murrumbidgee College Advisory Council
- Mr Brett Tucker, Operations Officer, Murrumbidgee Irrigation
- Ms Gillian Kirkup, Grower representing the Ricegrowers Association
- Ms Karen Hutchinson, Executive Director, Murrumbidgee Horticultural Council
- Mr Mike Hedditch, General Manager Growers Services/Communications, SunRice
- Mr John Dal Broi, Mayor, Griffith City Council

4. Deliberative - Inquiry into skills shortages in rural and regional NSW

Tabled Documents

Resolved, on the motion of Mr Donnelly: That the following documents, accepted by the Committee during the hearing, be published:

- *Presentation to the Legislative Committee on State Development at Griffith on Tuesday 1 November 2005*, tabled by Mr Ray Pluis
- *Leeton Narrandera Lynks*, tabled by Mr Ray Pluis
- *MLA Backpackers and Harvest Labour Study, Final Report (May 2005)*, SGS Economics and Planning, tabled by Mr Garry Stoll
- *Murray & Riverina – Regional and Rural Skills Shortages Survey (August 2005)*, tabled by Mr Stephen Joyce
- *Federal Council “Access to Education”*, Isolated Children’s and Parent’s Association of Australia, tabled by Mr Gordon Dunlop
- *Rural Skills Inquiry*, Isolated Children’s and Parent’s Association of Australia, tabled by Gordon Dunlop
- *Public Forum, Griffith, Tuesday 1 November 2005*, NSW Department of Primary Industries, tabled by Mr John Collins

5. Adjournment

The Committee adjourned at 2:23pm.

Stephen Frappell
Acting Director

Minutes No 41

Wednesday 2 November 2005

Room 1108, NSW Parliament House, Sydney, 9:32am

1. **Members present**

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. **Public Hearing – Inquiry into skills shortages in rural and regional NSW**

The public and the media were admitted.

Ms Kathy Rankin, Policy Advisor, Education and Training, Australian Business Limited and Mr Mark Grimson, Chief Executive Officer, Illawarra Business Chamber were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr Neale Towart, Research Director, Unions NSW was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

The Committee adjourned at 10:55am and resumed at 11:18am.

Mr Des Williams, Representative, Tweed Byron Local Aboriginal Land Council was sworn and examined.

Mr Cliff Foley, Former Commissioner, ATSIC was affirmed and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr David Collins, General Manager, State Training Services, NSW Department of Education and Training and Mr Gary Pollock, Director of TAFE NSW, New England Institute, were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

The Committee adjourned at 1:09pm and resumed at 2:02pm.

Mr Michael Olsen, General Manager, NSW Skilled and Ms Julie McBeth, Corporate Affairs Manager, Skilled Group, were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

3. Deliberative - Inquiry into skills shortages in rural and regional NSW

Minutes

Resolved, on the motion of Ms Robertson: That the Committee adopt Minutes 39 and 40.

Future Meetings

Resolved, on the motion of Ms Pavey: That the Committee hold a further public hearing in Sydney on 5 December 2005.

Reporting Date

Resolved, on the motion of Ms Pavey: That the reporting date for the Inquiry into Skills Shortages in Rural and Regional NSW be extended from 9 December 2005 to 1 May 2006, and that the Chair contact the Minister for Regional Development to indicate the extended reporting date.

Tabled Documents

Resolved, on the motion of Ms Forsythe: That the following documents, accepted by the Committee during the hearing, be published:

- *Dairy: Employment for the future, Towards an employment strategy*, ACIRRT, University of Sydney, tabled by Mr Neale Towart
- *Rural Workers to be Hardest Hit*, tabled by Mr Neale Towart
- *Destination and Satisfaction Survey of 2004 HSC VET Students in New South Wales*, NSW Department of Education and Training, tabled by Mr David Collins
- *Strategic Evaluation of Vocational Education and Training in Schools in New South Wales*, Bert Evans AO, tabled by Mr David Collins

- *Addressing Skills Shortages Through a National Approach for Apprenticeships, Training and Skills Recognition*, tabled by Mr David Collins
- *170 Apprentices Placed as at 30th October 2005*, tabled by Mr Mark Grimson

4. **Adjournment**

The Committee adjourned at 2.44pm.

Stephen Frappell
Acting Director

Minutes No 42

Wednesday 23 November 2005
Council Chambers, Parkes, 11:01am

1. **Members present**

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. **Public Hearing – Inquiry into skills shortages in rural and regional NSW**

The public and the media were admitted.

Clr Robert Wilson gave an opening address.

Clr Robert Wilson, Mayor, Parkes Shire Council; Mr Chris Devitt, General Manager, Forbes Shire Council; and Mr Roger Bailey, General Manager, Lachlan Shire Council were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Mr Neil Harrision, Director, Transtank Pty Ltd; Mr John Simpson, Owner Manager, Parkes Steel Products; and Mr Robert Haddin, Manager Director (Owner), Bosmac Pty Ltd were sworn and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

Professor David Battersby, Deputy Vice-Chancellor, Charles Sturt University was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Ms Juliet Duffy, Executive Officer, Orana Regional Development Board; Mr Thomas Warren, Chief Executive Officer, Orana Area Consultative Committee; and Mr Peter Batten, Relieving Institute Director, TAFE NSW Western Institute were sworn and examined.

The witnesses answered questions from the Committee.

Questioning continued, the witnesses withdrew.

The Committee adjourned at 12:30pm and resumed at 1:10pm.

3. Deliberative - Inquiry into skills shortages in rural and regional NSW

Minutes

Resolved on the motion of Ms Robertson: That the Committee adopt Minutes 41.

Correspondence

The Chair noted the following item of correspondence sent:

Item 1 – Chair to Hon David Campbell MP, Minister for Regional Development, dated 8 November 2005 re: inquiry into skills shortages

Submissions

The Chair tabled submission 89.

Resolved, on the motion of Mr Donnelly: That submission 89 be made public.

Answers to Questions on Notice

The Chair noted the following answers to Questions on Notice:

- Department of Education and Training – information package about DETNAC
- Australian Business Limited, *Illawarra Regional Proposal*, Australian Business Limited & the Illawarra Apprenticeship Campaign
- Australian Business Limited, *Paying Apprentices – The Market Responds*, Australian Chamber of Commerce and Industry

Resolved, on the motion of Ms Robertson: That answers to Questions on Notice be published on the web.

Tabled Documents

Resolved, on the motion of Mr Donnelly: That the following documents, accepted by the Committee during the hearing, be published:

- *Reasoning and Maths*, Transtank, tabled by Mr Neil Harrison (2 documents) with identifying details kept confidential
- *Orana Regional Business Survey – Summary of results: June Quarter 2005*, tabled by Ms Juliet Duffy
- *Orana Regional Business Survey – Summary of results: September Quarter 2005*, tabled by Ms Juliet Duffy

Resolved, on motion of Mr Donnelly: That the Transtank tabled document 'Reasoning and Maths' be sent to a literacy expert from the University of Sydney for assessment of the literacy standard of the applicant.

4. Public Forum – Inquiry into skills shortages in rural and regional NSW

The Committee heard evidence from:

- Mr Bill Archer, private citizen
- Ms Dawn Fardell, Member for Dubbo
- Mr Barry Heraghty, private citizen
- Mr Blake O'Malley-Powter, private citizen

5. Adjournment

The Committee adjourned at 3:15pm.

Stephen Frappell
Acting Director

Minutes No 43

Thursday 24 November 2005
Council Chambers, Bathurst, 9:31am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy)
Hon Christine Robertson MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Mr Ian Cohen MLC

2. Public Hearing – Inquiry into skills shortages in rural and regional NSW

The public and the media were admitted.

Mr Benjamin Bardon, General Manager, Central West Group, was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Mr Jeffery Hort, CEO, Jeff Hort Engineering, was sworn and examined.

The witness answered questions from the Committee.

Questioning concluded, the witness withdrew.

Mr Tony Boland, Industry and Skills Project Manager, Orange Cabonne Blayney Industry and Skills Project, was sworn and examined.

Ms Sharon Rabey, Project Assistant, Central West Regional Development Board, was affirmed and examined.

The witnesses answered questions from the Committee.

Questioning concluded, the witnesses withdrew.

The Committee adjourned at 11:14am and resumed at 11:28am.

Dr Jock Fletcher, Council Member, Regional Communities Consultative, was sworn and examined.

The witness answered questions from the Committee.

Questioning continued, the witness withdrew.

Mr Thomas Murphy, Chief Executive Officer, Western Research Institute, Charles Sturt University, was sworn and examined.

The witness answered questions from the Committee.

Questioning continued, the witness withdrew.

Mr John Lamberton, Training Coordinator, MasterFoods Australia New Zealand, was sworn and examined.

The witness answered questions from the Committee.

Questioning continued, the witness withdrew.

The Committee adjourned at 12:53pm and resumed at 2:01pm.

3. Public Forum – Inquiry into skills shortages in rural and regional NSW

The Committee heard evidence from:

- Mr Parminda Singh, Managing Director, Radhika Enterprises Pty Ltd
- Mr Ray Stapley, OHS&E Training Manager, Simplot
- Ms Marissa Clift, Manager, Community Work Services, Central West Community College
- Ms Jennifer Houghton, Co-ordinator, Recruitment Services, Central West Community College
- Mr Barry Gregan, Project Supervisor, Central West Community College
- Mr Stephen Freeman, private citizen
- Mr Andrew Johnstone, private citizen
- Mr Gerard Martin MP, Member for Bathurst
- Hon Ian Armstrong MP, Member for Lachlan

4. Deliberative - Inquiry into skills shortages in rural and regional NSW

Tabled Documents

Resolved, on the motion of Mr Donnelly: That the following documents, accepted by the Committee during the hearing, be published:

- *Submission to the Inquiry into Skills Shortages in Rural and Regional NSW*, Central West Group Apprentices, tabled by Mr Ben Bardon with confidential material to be deleted
- *Enquiry into Skills Shortage*, tabled by Mr Jeffery Hort
- *Additional information for attachment to the submission from the Orange Cabonne Blayney Industry and Skills Project*, tabled by Tony Boland
- *Western Research Institute Skills Shortage Research*, tabled by Mr Thomas Murphy

5. Adjournment

The Committee adjourned at 3:20 pm.

Stephen Frappell
Acting Director

Minutes No 44

Monday, 5 December 2005

Rm 814/815, Parliament House at 10.05pm

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy Chair)
Mr Ian Cohen MLC

Hon Greg Donnelly MLC
 Hon Melinda Pavey MLC
 Hon Christine Robertson MLC

2. Public Hearing – Inquiry into skills shortages in rural and regional NSW

Witnesses, the public and the media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- Clr Allan Smith, Mayor of Dubbo and Executive Member, Local Government Association of NSW
- Clr Barry Johnston OAM, Mayor of Inverell and Vice President, Shires Association of NSW
- Mr Shaun McBride, Local Government and Shires Association of NSW

The evidence was concluded and the witnesses withdrew.

The following witnesses from the Master Builders Association were sworn and examined:

- Mr Brian Seidler, Executive Director
- Mr Michael Hall, Training Manager

The evidence was concluded and the witnesses withdrew.

The following witnesses from the Department of State and Regional Development were sworn and examined:

- Mr Loftus Harris, Director General
- Mr Paul Collits, Manager, Regional Policy
- Mr Michael Cullen, Executive Director, Regional Development

The evidence was concluded and the witnesses withdrew.

Witnesses, the media and the public withdrew.

3. Deliberative – Inquiry into skills shortages in rural and regional NSW

Confirmation of minutes

Resolved on motion of Ms Forsythe: That the Committee adopt Minutes 42 and 43.

Correspondence

- The Chair noted the following item of correspondence sent:
Item 1 – Chair to Dr Jacqueline Manuel, dated 30 November re: inquiry into skills shortages

The Chair noted the following item of correspondence received:

- Item 2** – Clr Robert Wilson OAM, Mayor of Parkes, dated 23 November 2005 re: inquiry into skills shortages

Future hearings

Resolved on motion of Ms Roberston: That the Committee conduct a further public hearing in Queanbeyan.

Resolved on motion of Ms Forsythe: That the Committee conduct a further public hearing in Moree, and that consideration also be given to a further public hearing in Tweed Heads depending upon the availability of appropriate witnesses.

The Committee adjourned at 1.10pm and resumed at 2.05pm.

4. Public Hearing – Inquiry into skills shortages in rural and regional NSW

The following witness was sworn and examined:

- Dr John Buchanan, Deputy Director (Research), ACIRRT, The University of Sydney

Dr Buchanan tendered the following document to the Committee:

- *Introduction: Vocational education and training – a key dimension of life-long learning.*

The evidence was concluded and the witness withdrew.

The following witnesses were sworn and examined:

- Mr Richard Acheson, Director, Community Relations Service, Community Relations Commission for a Multicultural NSW
- Ms Deborah Hyland, Director, Workforce Development and Leadership, NSW Health
- Mr Russell Schedlick, Medical Advisor, NSW Health

The evidence was concluded and the witnesses withdrew.

The following witnesses from the Migrant Employment and Training Taskforce were sworn and examined:

- Ms Nicole Schlederer, Settlement Officer
- Mrs Cheryl Webster, Settlement Officer
- Mr Alex Burns, Settlement Officer
- Mrs Merryn Howell, Settlement Officer

The evidence was concluded and the witnesses withdrew.

Witnesses, the media and the public withdrew.

5. Deliberative – Inquiry into skills shortages in rural and regional NSW

Tabled document

Resolved on motion of Ms Forsyth: That the document tabled by Dr Buchanan during the hearing be published.

Correspondence to ACCI

Resolved on motion of Ms Forsyth: That the Committee Secretariat forward the comments of Dr Buchanan re ACCI and group training companies to the director of ACCI for his response.

Future hearings

Resolved on motion of Mr Donnelly: That the Committee Secretariat arrange further hearings as part of the inquiry into skills shortages in rural and regional NSW during the week beginning 13 February 2006.

Resolved on motion of Mr Donnelly: That the Committee conduct a further public hearing in Sydney.

6. Adjournment

The Committee adjourned at 4.15 pm until a date to be determined.

Stephen Frappell
Acting Director

Minutes No 45

Monday, 13 February 2006

Council Chambers, Queanbeyan at 10.00am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy Chair)
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Hon Christine Robertson MLC

2. Apologies

Mr Ian Cohen MLC

3. Public Hearing – Inquiry into skills shortages in rural and regional NSW

Witnesses, the public and the media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- Mr Peter Pederson, General Manager, Illawarra Regional Development Board
- Mr Val Zanutto, Chair - Skills Audit Working Group, Illawarra Regional Development Board

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Neil Watt, General Manager, Cooma-Monaro Shire Council
- Mr John Mercer, Manager, Business Enterprise Centre, Cooma

The evidence was concluded and the witnesses withdrew.

The following witnesses from Country Energy were sworn and examined:

- Mr Craig Murray, Managing Director
- Mr Bill Frewen, Group General Manager – External Relations
- Ms Terri Benson, Group General Manager – Corporate Services
- Mr Ben Hamilton, Group General Manager – Strategy

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Judith Clifton, Manager – Economic Development, Bega Valley Shire Council
- Mr John Dedman, Executive Officer, South East Area Consultative Committee

The witnesses tabled the following documents with the Committee:

- Bega Valley Building Industry Taskforce, 'Summary of Local Building Industry Issues from 2004 to 2005'

- South East Area Consultative Committee, 'Student Diary'

The evidence was concluded and the witnesses withdrew.

4. Deliberative

Confirmation of Minutes 44

Resolved on motion of Ms Forsythe: That the Committee adopt Minutes 44.

Correspondence

The Chair noted the following item of correspondence sent:

- **Item 1** – Chair to Mr Peter Hendy, CEO, ACCI dated 13 December 2005 re: evidence to the Committee
- **Item 2** – Chair to Mr Steve Whan MP, dated 11 January 2006 re: inquiry into skills shortages
- **Item 3** – Chair to Mr Ian Slack-Smith MP, dated 11 January 2006 re: inquiry into skills shortages

The Chair noted the following item of correspondence received:

- **Item 1** – Letter from the Hon John Della Bosca MLC re Government response to the Final Ports Report (received 12 December 2005)
- **Item 2** – Letter from the Dr Jackie Manual, University of Sydney re TransTank aptitude test (received 14 December 2006)

The Committee thanked the secretariat for obtaining the assessment of the TransTank aptitude test prepared by Dr Jackie Manual from the University of Sydney.

The Committee adjourned from 1.00 pm to 2.00 pm.

5. Public Hearing – Inquiry into skills shortages in rural and regional NSW

Witnesses, the public and the media were admitted.

The following witnesses were sworn and examined:

- Ms Sue Whelan, Chair, Regional Development Advisory Council
- Mr Clinton White, Executive Officer, Capital Region Development Board

Ms Whelan provided a submission to the inquiry on behalf of the Regional Development Advisory Council (Submission 92).

The evidence was concluded and the witnesses withdrew.

Witnesses, the media and the public withdrew.

6. Deliberative – Inquiry into skills shortages in rural and regional NSW

Tabled documents

Resolved on motion of Ms Forsythe: That the documents tabled during the hearing be made public.

Submission 92

Resolved on motion of Mr Donnelly: That the submission from the Regional Development Advisory Council (submission 92) be made public.

7. Adjournment

The Committee adjourned at 2.40 pm until 10.00 am on Thursday, 16 February in Moree.

Stephen Frappell
Acting Director

Minutes No 46

Thursday, 16 February 2006

Former Rugby League Club, Moree at 10.05am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy Chair)
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Hon Christine Robertson MLC

2. Apologies

Mr Ian Cohen MLC

3. Public Hearing – Inquiry into skills shortages in rural and regional NSW

Witnesses, the public and the media were admitted.

The Chair made an opening statement.

The following witnesses were sworn and examined:

- Ms Meryl Dillon, Chairperson, New England North West RDB
- Mr Don Tydd, Executive Officer, New England North West RDB
- Ms Kate Ware, Executive Officer, New England North West ACC
- Mr Kevin Humphries, Former Chairman, New England North West ACC

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Anthony Kunkel, Economic Development Manager, Moree Plains Shire Council
- Mr John Griffiths, General Manager, Coonamble Shire Council

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Ms Cathy Duncan, Director, Culture and Education, Aboriginal Employment Strategy, Moree
- Mrs Zona Moore, Manager, Aboriginal Employment Strategy, Moree
- Ms Wendy Cragie, Employment Coordinator, Aboriginal Employment Strategy, Moree
- Mr Dallas Brown, School to Work Coordinator, Aboriginal Employment Strategy, Moree

The evidence was concluded and the witnesses withdrew.

The following witnesses were sworn and examined:

- Mr Mathew Hannan, CEO, Nindethana Aboriginal Corporation

- Mr Russel Stuart, Marketer, Best Employment

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Ms Elizabeth Taylor, Chairperson, Pius X Aboriginal Corporation

The evidence was concluded and the witness withdrew.

The Committee adjourned from 1.25 pm to 2.00 pm.

Witnesses, the public and the media were admitted.

The following witnesses were sworn and examined:

- Ms Norma Wilson, President, Moree Chamber of Commerce
- Mr Donald Devney, Donald Devney's Welding Service Pty Ltd

The evidence was concluded and the witnesses withdrew.

The following witness was sworn and examined:

- Mr Harvey Gaynor, General Manager, Auscott Ltd, Gwydir Valley

The evidence was concluded and the witness withdrew.

Witnesses, the media and the public withdrew.

4. Deliberative – Inquiry into skills shortages in rural and regional NSW

Submission 79a

Resolved on motion of Ms Forsyth: That submission 79a be made public.

Confirmation of Minutes 45

Resolved on motion of Mr Donnelly: That the Committee adopt Minutes 45.

5. Adjournment

The Committee adjourned at 3.00 pm until 10.00 am on Friday, 17 February in Sydney.

Stephen Frappell
Acting Director

Minutes No 47

Friday, 17 February 2006

Rm 814/815, Parliament House at 10.00am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy Chair)
Hon Greg Donnelly MLC
Hon Christine Robertson MLC (until 1.00 pm)

2. Apologies

Mr Ian Cohen MLC

Hon Melinda Pavey MLC

3. Public Hearing – Inquiry into skills shortages in rural and regional NSW

Witnesses, the public and the media were admitted.

The Chair made an opening statement.

The following witnesses from Rural Skills Australia were sworn and examined:

- Mr Tony Dwyer, Education and Training Advisor NSW
- Mr Wayne Cornish, Chairman
- Mr Geoff Bloom, Executive Director

Mr Cornish tabled the following documents:

- Comments from Rural Skills Australia and accompanying attachments

The evidence was concluded and the witnesses withdrew.

The following witnesses from the NSW Farmers' Association were sworn and examined:

- Mr Alan Brown, Board Director and Rural Affairs Committee Chair
- Mr Anand Sugrim, Senior Research Analyst

The evidence was concluded and the witnesses withdrew.

The following witnesses from the Hunter Valley Training Company were sworn and examined:

- The Hon Milton Morris AO, Chairman
- Mr Peter Shinnick, General Manager

The evidence was concluded and the witnesses withdrew.

The Committee adjourned from 12.45 pm to 2.00 pm.

Witnesses, the public and the media were admitted.

The following witnesses from the Australian Industry Group were sworn and examined:

- Ms Megan Lilly, General Manager, Education and Training
- Mr John Quick, Education and Training Adviser

The evidence was concluded and the witnesses withdrew.

Witnesses, the media and the public withdrew.

4. Deliberative – Inquiry into skills shortages in rural and regional NSW

Confirmation of Minutes 46

Resolved on motion of Ms Forsyth: That the Committee adopt Minutes 46.

Submission 93

Resolved on motion of Ms Forsyth: That submission 93 be made public.

Tabled documents

Resolved on motion of Ms Forsyth: That the documents tabled by Mr Cornish during the hearing be made public.

Draft report

Resolved on motion of Ms Forsyth: That under the authority of Standing Order 227, the Chair prepare a draft report on the Inquiry into Skills Shortages in Rural and Regional NSW to be submitted to the Committee.

Witnesses from the AMWU

Resolved on motion of Mr Donnelly: That the Committee Chair write to Mr Paul Basion, State Secretary of the AMWU, to express the Committee's regret that he was unable to attend the hearing and failed to inform the secretariat of his non-attendance.

Contribution of the Principal Council Officer, Mr Graeme Elliott

Resolved on motion of Ms Forsyth: That the Committee acknowledge the support and excellent contribution made by the Committee's Principal Council Officer, Mr Graeme Elliott, throughout the conduct of hearings as part of the Inquiry into Skills Shortages in Rural and Regional NSW, and that the Committee wish Mr Elliot well following his departure from the NSW Parliament on 31 March 2006.

5. Public Hearing – Inquiry into skills shortages in rural and regional NSW

Witnesses, the public and the media were admitted.

The following witness was sworn and examined:

- Dr Chandra Shah, Senior Research Fellow, Centre for the Economics of Education and Training, Monash University

Dr Shar tabled the following documents:

- Tables prepared by the Centre for Policy Studies, Monash University on historical and projected employment in NSW (June 2005)
- Tables prepared by the Dusseldorf Skills Forum on employment growth for young people in Australia up to 2005 (2005)

The evidence was concluded and the witness withdrew.

Witnesses, the media and the public withdrew.

6. Deliberative – Inquiry into skills shortages in rural and regional NSW

Tabled documents

Resolved on motion of Mr Donnelly: That the documents tabled by Dr Shah during the hearing be made public.

7. Adjournment

The Committee adjourned at 3.40 pm *sine die*.

Stephen Frappell
Acting Director

Minutes No 48

Wednesday, 12 April 2006

Rm 1108 Parliament House at 1.05 pm

1. Members present

Hon Tony Catanzariti MLC (Chair)
 Hon Patricia Forsythe MLC (Deputy Chair)
 Hon Greg Donnelly MLC
 Hon Melinda Pavey MLC
 Hon Christine Robertson MLC
 Mr Ian Cohen MLC (via teleconference)

2. Inquiry into skills shortages in rural and regional NSW***Member's participation via teleconference***

The Chair informed the Committee that he had received advice from the Clerk, John Evans, regarding the participation of Mr Cohen in the meeting via teleconference. The Clerk advised that the standing orders make no provision for a member who is physically absent from a meeting to use electronic communication to vote, move a motion or be counted for the purpose of any quorum. However, in the special circumstances of this meeting, and with the agreement of all committee members present, the Clerk advised that Mr Cohen could contribute to the deliberations of the Committee via remote electronic means as if he were a participating member.

Resolved on motion of Ms Forsythe: That Mr Cohen be able to participate in the deliberative, via teleconference, but not vote on proceedings or move a motion.

Resolved on motion of Ms Forsythe: That when the Standing Orders are next reviewed by the House, consideration be given to allowing Members to participate in committee meetings via electronic means with full voting rights.

Member's interest

The Chair notified the Committee of his involvement in farming in the Griffith area and therefore his need to employ labour to carry out the functions of the farm.

Confirmation of Minutes 47

Resolved on motion of Ms Forsythe: That the Committee adopt Minutes 47.

Correspondence

The Chair noted the following item of correspondence sent:

- Letter to Mr Paul Bastian, State Secretary, AMWU (dated 27 February 2006)

The Chair noted the following items of correspondence received:

- Letter from The Hon Milton Morris AO, Chairman, Hunter Valley Training Company Pty Ltd (27 February 2006)
- Material from MHS Recruiting and Training forwarded by the Committee Chair to the Committee Director (27 February 2006)
- Letter from Mr Ian Cohen MLC re his absence in person from the deliberative on 12 April 2006.

Answers to questions on notice

Resolved on motion of Ms Robertson: That the answers to questions on notice from CountryEnergy, dated 20 March 2006, be published and placed on the web.

Chair's draft report

The Committee considered the Chair's draft report, which had previously been circulated.

Resolved on motion of Ms Robertson: That the Committee not make any resolutions at this meeting regarding the wording of the Chair's draft report.

The Committee considered the Chair's Report.

Chapter One read.

Chapter Two read.

Chapter Three read.

Chapter Four read.

Chapter Five read.

Chapter Six read.

Resolved on motion of Ms Forsythe: That the Committee meet again on Monday, 1 May 2006 at 9.00am to consider further the Chair's draft report.

Resolved on motion of Ms Pavey: That the Committee Chair write to the Minister for Regional Development regarding an extension to the Committee's reporting date to Thursday, 1 June 2006.

3. Adjournment

The Committee adjourned at 3.06 pm until Monday, 1 May 2006 at 9.00am at Parliament House.

Stephen Frappell
Acting Director

Minutes No 49

Monday, 1 May 2006

Room 1108 Parliament House at 9:05am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy Chair)
Mr Ian Cohen MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Hon Christine Robertson MLC

2. Inquiry into skills shortages in rural and regional NSW

Confirmation of Minutes 48

Resolved on motion of Ms Forsythe: That the Committee adopt Minutes 48.

Correspondence

The Chair noted the following item of correspondence sent:

- Letter to the Hon David Campbell MP re extension to the Committee reporting date (dated 19 April 2006)

Chair's draft report

The Committee considered the revised Chair's draft report, which had previously been circulated.

Chapter One read.

Chapter Two read.

Chapter Three read.

Chapter Four read.

Chapter Five read.

Chapter Six read.

Chapter Seven read.

Chapter Eight read.

Chapter Nine read.

Chapter Ten read.

Ms Robertson moved: That the final sentence of paragraph 10.26, reading 'The Committee believes that the Government should review its decision not to participate in FarmBis III' be deleted.

Question put.

The Committee divided.

Ayes: Mr Catanzariti, Mr Donnelly, Ms Robertson

Noes: Mr Cohen, Ms Forsythe, Ms Pavey

Question resolved in the affirmative on the casting vote of the Chair.

The Committee broke for lunch at 12:30pm and resumed at 12:45pm.

Mr Pavey left the meeting.

Recommendations read.

Mr Donnelly moved: That Recommendation 19 be amended to read:

'That the NSW Government continue its commitment to education and training in the rural sector through programs like PROfarm that have replaced the FarmBiz program.'

Question put.

The Committee divided.

Ayes: Mr Catanzariti, Mr Donnelly, Ms Robertson

Noes: Mr Cohen, Ms Forsythe

Question resolved in the affirmative.

3. Adjournment

The Committee adjourned at 1:40pm *sine die*.

Stephen Frappell
Acting Director

Minutes No 50

Wednesday, 10 May 2006

Room 1153, Parliament House at 10:35 am

1. Members present

Hon Tony Catanzariti MLC (Chair)
Hon Patricia Forsythe MLC (Deputy Chair)
Mr Ian Cohen MLC
Hon Greg Donnelly MLC
Hon Melinda Pavey MLC
Hon Christine Robertson MLC

2. Inquiry into skills shortages in rural and regional NSW

Confirmation of Minutes 49

Resolved on motion of Mr Cohen: That the Committee adopt Minutes 49.

Chair's draft report

The Committee considered the revised Chair's draft report, which had previously been circulated.

Chapter 4 read.

Chapter 6 read.

Chapter 9 read.

Resolved on motion of Ms Robertson: That the following paragraph be inserted after paragraph 9.76:

This issue was resolved by TAFE NSW following representation of the issue by the Committee to the Minister for Education. TAFE NSW negotiated for the required apprenticeship program to be available on the North Coast to meet the specific requirements of the Vehicle Body Manufacturing Cluster.

Resolved on motion of Ms Forsythe:

- That the Chair's report be the report of the Committee and be signed by the Chair and presented to the House in accordance with Standing Orders 230 and 231, together with the minutes, answers to questions on notice, transcripts, correspondence and tabled documents.
- That pursuant to the provisions of section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* the Committee authorises the publication of all minutes, answers to questions on notice, correspondence, and tabled documents.
- That the Committee Secretariat be permitted to correct typographical, stylistic and grammatical errors in the report prior to tabling.

3. Adjournment

The Committee adjourned at 10.55 am *sine die*.

Stephen Frappell
Acting Director